

**SESAC**

**LOCAL TELEVISION PRIMARY CHANNEL PER PROGRAM LICENSE AGREEMENT**

AGREEMENT made between SESAC, LLC ("SESAC") and

\_\_\_\_\_  
("LICENSEE") (corporate name or legal ownership)

with regard to the television station with:

Call Letters: \_\_\_\_\_ FCC-assigned Channel: \_\_\_\_\_ FCC City/State of License:  
\_\_\_\_\_  
("Station")

Designated Market Area ("DMA"): \_\_\_\_\_

Station Address/City/State/Zip:  
\_\_\_\_\_

\_\_\_\_\_  
as follows (the "Agreement"):

I. Grant of Rights.

A. SESAC grants to LICENSEE and LICENSEE accepts, for a period commencing as of January 1, 2008 ("Effective Date") and ending December 31, 2012 (the "Term"), a nonexclusive license to publicly perform such non-dramatic musical compositions as are now, or that hereafter during the term hereof may become, copyrighted, composed, written or published by the affiliates of SESAC and that are now, or that hereafter during the term hereof may become, a part of the repertory of SESAC, and which SESAC shall have the right to license hereunder ("Compositions," "SESAC Music"), as part of LICENSEE's Non-Network Programs and Non-Network Announcements:

- (1) by non-digital Television Broadcasting over Station's free, over-the-air analog signal, and
- (2) before the Digital Conversion Date, by Digital Broadcasting of programming identical to that being broadcast simultaneously over Station's free, over-the-air analog signal, and
- (3) on and after the Digital Conversion Date, by Digital Broadcasting over Station's free, over-the-air, primary digital signal (the "Primary Channel Per Program License").

B. Without expanding the Primary Channel Per Program License, the performances licensed hereunder may originate at the Station or at any other place whether or not such other place is licensed to publicly perform the Compositions, but nothing herein shall be deemed to grant a license to such place itself (or to the parties responsible for any performances therein) for the public performance in such place of any such Compositions.

C. It is understood that so-called "Grand Rights" of dramatic works owned or controlled by SESAC (e.g., dramas, plays, operas, operettas, revues and musical comedies) are not granted by the Primary Channel Per Program License. As used herein, "Grand Rights" means the right to broadcast dramatic performances of musical works. For the purposes hereof, a dramatic performance shall mean a performance in which there is a definite plot depicted by action, which plot has the performance of the musical work woven into it for the purposes of carrying forward the plot and its accompanying action. The use of dialogue to establish program format or the use of any non-dramatic device to introduce a performance of a work shall not be deemed to make such performance dramatic. "Grand Rights" include, but are not limited to, the right to perform in whole or in part, dramatico-musical and dramatic works in a dramatic setting. For purposes of the Primary Channel Per Program License, performances of compositions in music videos, syndicated television programs and motion pictures originally produced for theatrical exhibition, shall be construed as non-dramatic performances.

D. Except as specifically provided for in this Paragraph I, nothing contained herein shall be construed as (1) permitting LICENSEE to publicly perform, transmit, re-transmit or reproduce any Composition by any means, medium, method, device or process now or hereafter known, or (2) authorizing LICENSEE to grant to others any right to reproduce or perform publicly by any means, method or process whatsoever, any of the musical compositions licensed hereunder or as authorizing any receiver of any television broadcast to perform publicly or reproduce the same, by any means, method or process whatsoever.

E. SESAC reserves the right to withdraw from the scope of the Primary Channel Per Program License, upon written notice, the right to perform any Composition as to which any action has been threatened, instituted, or a claim made that SESAC does not have the right to license the performance rights in such Composition.

## II. Monthly Per Program Reports

A. (1) For each month during the Term, LICENSEE or its Per Program Reporting Agent shall electronically transmit to SESAC a Monthly Per Program Report by the last day of the second (2nd) calendar month following the calendar month to which it is attributable, in accordance with SESAC's predefined XML schemae and the requirements set forth in the SESAC Television Per Program Reporting Guide ("Monthly Per Program Report").

B. (1) Upon execution of this Agreement, SESAC shall make available to LICENSEE or its Per Program Reporting Agent with predefined XML schemae and the SESAC Television Per Program Reporting Guide. If LICENSEE elects not to retain a Per Program Reporting Agent to transmit its Monthly Per Program Report, then, notwithstanding the foregoing, SESAC shall provide LICENSEE with software applications and/or other mean(s) or method(s) by which LICENSEE may transmit its Monthly Per Program Reports to SESAC subject to the confidentiality requirements of Paragraph XV.

(2) SESAC shall be entitled to reject any Monthly Per Program Report submitted by LICENSEE or its Per Program Reporting Agent that does not comply fully with SESAC's predefined XML schemae and the terms of the SESAC Television Per Program Reporting Guide, and shall promptly notify LICENSEE or its Per Program Reporting Agent of such rejection. In the event that SESAC rejects a Monthly Per Program Report, LICENSEE or its Per Program Reporting Agent shall re-submit an acceptable version of such Monthly Per Program Report by the later of: (a) thirty (30) days after notice of such rejection from SESAC, and (b) the last day of the third month following the month to which the Monthly Per Program Report applies.

C. (1) SESAC shall provide LICENSEE or its Per Program Reporting Agent with lists of the music content of Syndicated Programs (the "SESAC Syndicated Program Catalog," "SSPC"), not less often than every month. SESAC, however, may adjust LICENSEE's reports and compute LICENSEE's fees based upon the most current music use information available to SESAC, whether or not that information has been included in the latest SSPC provided to LICENSEE.

(2) LICENSEE or its Per Program Reporting Agent, as applicable, shall endeavor to report Program titles, episode names and/or numbers and music use indicators on its reports in exactly the same manner in which such information appears in the SSPC.

D. If LICENSEE fails to submit its Monthly Per Program Report within one month following the date such report is due, or fails to re-submit an acceptable Monthly Per Program Report within thirty (30) days after the later of (a) the date of notice of such rejection from SESAC, and (b) the last day of the third month following the month to which the Monthly Per Program Report applies, SESAC shall have the right to bill LICENSEE for an amount equal to Five and Thirty-Four Hundredths (5.34) multiplied by LICENSEE's Monthly Primary Channel Blanket License Fee for that reporting period. If LICENSEE fails to pay such amount within thirty (30) days of the date of a billing statement from SESAC, upon such failure SESAC shall have the right to charge a late payment charge of one percent (1%) of such amount on the 15<sup>th</sup> day of each month until LICENSEE pays such amount.

E. LICENSEE shall furnish to SESAC a music "cue sheet," as that term is commonly understood in the television industry, or any equivalent thereof ("Cue Sheet"), in electronic form and in accordance with the SESAC Television Per Program Reporting Guide with respect to each Locally-

Produced Program that LICENSEE maintains contains no SESAC Music (or in which the only SESAC Music has been Direct/Source Licensed, is an Incidental Use, Ambient Use, or Otherwise Licensed Split Work which does not result in payment of a fee under this Agreement). Notwithstanding the foregoing, within thirty (30) days of SESAC's reasonable request, LICENSEE shall furnish to SESAC a Cue Sheet in electronic form and in accordance with the SSPC with respect to any Syndicated Program reported on LICENSEE's Monthly Per Program Report(s) for which such Cue Sheet is in LICENSEE's possession.

F. (1) Upon SESAC's reasonable request, LICENSEE shall furnish to SESAC, within thirty (30) days from such request, copies of DVDs or other electronic media permitting audio-visual transcription in a mutually agreeable digital format (collectively referred to herein as "Transcriptions") of all Locally-Produced Programs for a one (1) week period, provided; however, SESAC shall be permitted to request such Transcriptions no more than twice per calendar quarter. Such Transcriptions shall be provided to SESAC with suitable identification of the location on them of the Programs to which SESAC's request may be directed. If LICENSEE fails to respond to a request from SESAC for a Transcription for a Locally-Produced Program, for the purposes of calculating SESAC Revenues for such Program, SESAC Revenues shall comprise one hundred percent (100%) of the Revenues attributable thereto.

(2) Not more frequently than three (3) times during any consecutive twelve (12) month period, and upon not less than thirty (30) days' notice to LICENSEE, SESAC may request that LICENSEE provide SESAC with either: (a) Transcriptions of up to seven (7) consecutive days of Syndicated Programs; or (b) Transcriptions of four (4) consecutive episodes of a Program that airs once a week. SESAC shall use its best efforts not to request from LICENSEE Transcriptions of Programs for which it has received Transcriptions from other sources.

(3) Notwithstanding the foregoing, if LICENSEE maintains Transcriptions of Syndicated Programs, the music content of which does not appear on a Cue Sheet in SESAC's possession, SESAC may request that LICENSEE provide a reasonable number of Transcriptions to SESAC on an as-needed basis within thirty (30) days of such request.

G. (1) With respect to any musical composition that LICENSEE claims is an Otherwise Licensed Split Work, LICENSEE shall, as part of the corresponding Monthly Per Program Report or Post-Adjustment Review Request (as defined in Subparagraph VI.A), identify the performing rights organization or copyright holder that has licensed the performance of said

composition. LICENSEE authorizes SESAC to verify from another performing rights organization that LICENSEE has a blanket or per program license in effect with that organization, and LICENSEE agrees to execute any documentation required for the limited purpose of such verification.

(2) If LICENSEE claims that the performance is licensed under a blanket

license from another performing rights organization, LICENSEE shall furnish to SESAC a copy of that license or other documentation sufficient to confirm LICENSEE's authorization to perform the relevant copyrighted work in advance of and continuing throughout such performance (provided that LICENSEE has not previously provided such license or documentation to SESAC).

(3) If LICENSEE claims that the performance is licensed under a per program license from another performing rights organization, LICENSEE shall furnish to SESAC a copy of that license or other documentation sufficient to show LICENSEE's authorization to perform the relevant copyrighted work in advance of and continuing throughout such performance (provided that LICENSEE has not previously provided such license or documentation to SESAC), and shall furnish to SESAC a copy of the relevant portion of LICENSEE's monthly music use report pursuant to the other performing rights license showing that the performance has been duly reported and the required fee has been paid to the other performing rights organization.

(4) If LICENSEE claims that the performance of the Otherwise Licensed Split Work is licensed directly from a copyright holder or its licensee, LICENSEE shall furnish to SESAC, along with the corresponding Monthly Per Program Report or Post-Adjustment Review Request (as defined below in Subparagraph VI.A), the name(s) of the composition(s) so licensed and the identities of the individual(s) from whom such a license was obtained, and a redacted copy of such license agreement sufficient to show LICENSEE's authorization to perform the relevant copyrighted work in advance of and continuing throughout such performance.

(5) If LICENSEE fails to furnish to SESAC the documentation required by this Subparagraph II.G as aforesaid, the music at issue shall not be deemed an Otherwise Licensed Split Work.

H. (1) For any SESAC Music that is Direct/Source Licensed, LICENSEE shall furnish to SESAC, at the time LICENSEE transmits its Monthly Per Program Report or Post-Adjustment Review Request, a copy of the Direct/Source License agreement, including all relevant attachments, exhibits, and amendments, between the Clearing Entity and LICENSEE pursuant to which LICENSEE has obtained such clearance (from which LICENSEE may, at its option, remove any financial or other proprietary information) ("Direct/Source License Documentation"), unless previously provided to SESAC. In any event, the Direct/Source License Documentation shall be sufficient to show that the SESAC Music was licensed in advance of and continuing through its performance and that the appropriate payment was made to the Clearing Entity. If LICENSEE fails to furnish Direct/Source License Documentation to SESAC as aforesaid, such music shall not be deemed Direct/Source Licensed.

(2) With respect to each Direct/Source License obtained from a person or entity who is not a composer or author affiliate of SESAC, LICENSEE shall additionally furnish to SESAC legal information evidencing that the Clearing Entity has the right to convey the relevant music performing rights to LICENSEE and such information as may be in the possession of LICENSEE as will enable SESAC

to determine the names of the compositions licensed and the authors, composers, arrangers or publishers of the compositions licensed. In this regard, if the Clearing Entity is a “music library,” this obligation shall be satisfied by LICENSEE’s identification of the title of the music library, the name of the entity that controls the library, and the title of the specific track of a compact disc, or other recording containing music from the library, performed by LICENSEE. If the Clearing Entity is a Program producer or other authorized licensor of such rights, LICENSEE shall also provide SESAC with a Cue Sheet, by electronic means if possible, for the Program in which the licensed compositions appear. If LICENSEE is unable to supply, or SESAC is otherwise unable to obtain, the music use or other information required by this Subparagraph II.H.(2), the Programs at issue shall not be considered Direct/Source Licensed.

I. If SESAC has reason to believe that a Direct/Source License furnished by LICENSEE is or may be legally insufficient to convey performance rights to LICENSEE, SESAC may provide notice of such to LICENSEE or its Per Program Reporting Agent and LICENSEE shall have sixty (60) days from such notice to cure any legal insufficiency in the Direct/Source License. If LICENSEE fails to cure any legal insufficiency within sixty (60) days of SESAC’s notice, the Direct/Source License shall be deemed ineffective in conveying performance rights to LICENSEE as of the earliest date of broadcast of the Program(s) containing a musical work or works purportedly covered by the Direct/Source License.

### III. Primary Channel Per Program License Fee

A. As consideration for the Primary Channel Per Program License, LICENSEE agrees to pay to SESAC for each calendar month during the Term the total of the following fees, which shall be paid pursuant to this Agreement and Schedule “A” (individually and collectively, “Primary Channel Monthly Per Program License Fee(s)”):

(1) an Incidental/Ambient Use Fee equal to fifteen percent (15%) of LICENSEE’s Monthly Primary Channel Blanket License Fee;

(2) an Administrative Fee equal to fifteen percent (15%) of LICENSEE’s Monthly Primary Channel Blanket License Fee; and

(3) a “Program Fee” equal to Five and Thirty-Four Hundredths (5.34) multiplied by LICENSEE’s Monthly Primary Channel Blanket License Fee, multiplied by a fraction, the numerator of which shall be “SESAC Revenues” computed as prescribed in Subparagraph III.A(3)(a) below, and the denominator of which shall be LICENSEE’s total Revenues Attributable to Non-Network Programs for the month. The mathematical calculation of the Program Fee may be represented as follows:

(a) For purposes of calculating the Program Fee due SESAC hereunder, “SESAC Revenues” shall comprise:

(i) one hundred percent (100%) of the month’s Revenues Attributable to Non-Network Programs that contain SESAC Music (other than Programs whose only uses of SESAC Music are Direct/Source Licensed, or consist solely of Incidental Uses, Ambient Uses or Otherwise Licensed Split Works); provided that

(ii) with respect to each episode of a First-Run Syndicated Program or Syndicated Program for which SESAC does not possess a Cue Sheet, or for which SESAC cannot determine whether the music in such episode is SESAC Music, at the time LICENSEE transmits its Monthly Per Program Report, an amount calculated by multiplying the Revenues attributable to such episode by: (a) a percentage multiplier (reasonably determined by SESAC in its sole discretion as to the episodes of the relevant Program involved and the methodology employed) representing the proportion of the episodes of the specific Program containing SESAC Music (other than episodes of the Program whose only uses of SESAC Music are Direct/Source Licensed, or consist solely of Incidental Uses, Ambient Uses or Otherwise Licensed Split Works), or (b) in the absence of a sufficient number of Cue Sheets in SESAC’s possession which would enable calculation of such a percentage multiplier, fifty percent (50%) of the Revenues attributable to such episode, and

(iii) one hundred percent (100%) of the Revenues attributable to each Locally-Produced Television Program as to which SESAC cannot determine whether the music in such Program (other than any Ambient Uses, Incidental Uses, or Otherwise Licensed Split Works) is SESAC Music at the time LICENSEE transmits its Monthly Per Program Report.

B. Each Monthly Primary Channel Per Program License Fee payment shall be remitted on or before the last day of the second (2nd) calendar month following the calendar month to which such payment is attributable (“Due Date”). By way of illustration, the Monthly Primary Channel Per Program License Fee for performances during January 2008 is due March 31, 2008.

C. (1) If LICENSEE fails to pay a Monthly Primary Channel Per Program License Fee within fifteen (15) days of the date such Monthly Primary Channel Per Program License Fee is due, SESAC shall have the right to charge a late payment charge of one percent (1%) of the unpaid amount of such Monthly Primary Channel Per Program License Fee on the fifteenth (15th) day of each month until LICENSEE pays such Monthly Primary Channel Per Program License Fee.

(2) SESAC shall have the right to impose an additional charge of \$40.00 for each dishonored check or other form of payment.

(3) In the event that SESAC incurs any reasonable costs or fees in connection with the collection of any amounts past due to SESAC hereunder, including without limitation reasonable attorney's fees, then LICENSEE shall be responsible for paying such amounts to SESAC.

IV. Monthly Per Program Report Adjustments

A. Subject to SESAC's right to audit under Subparagraph XI.A of the Agreement, SESAC shall complete any review of LICENSEE's Monthly Per Program Report within eight (8) months from the date such report is accepted by SESAC ("Report Review Period"). At the reasonable request of SESAC, LICENSEE shall furnish to SESAC, within thirty (30) days of such request, a copy of those portions of such logs or other records as are required for SESAC to review the accuracy of information contained in LICENSEE'S Monthly Per Program Report. If SESAC has not completed its review and adjustment of LICENSEE'S Monthly Per Program Report within this eight (8) month time period, all Program and music content identifications contained therein shall be treated as accurate, except as provided in Subparagraphs IV.B.(3)-(4) below.

B. (1) If during the Report Review Period for a Monthly Per Program Report, SESAC obtains, from LICENSEE or otherwise, a Cue Sheet for a specific episode of a Syndicated Program for which such Cue Sheet had not been previously made available to SESAC, SESAC shall have the right to adjust such Monthly Per Program Report.

(2) If during the Report Review Period for a Monthly Per Program Report, SESAC obtains independently verifiable information that a Syndicated Program series contains SESAC Music in every episode, SESAC shall have the right to adjust the relevant Monthly Per Program Report(s) in accordance with such information.

(3) If SESAC has not obtained, from LICENSEE or its Per Program Reporting Agent or otherwise, a Cue Sheet for a Program produced by LICENSEE, LICENSEE's parent or by an affiliated company in which LICENSEE or its parent is a majority owner, at the conclusion of the Report Review Period for the corresponding Monthly Per Program Report SESAC shall have the right to adjust such Monthly Per Program Report, and any fees owing to SESAC by LICENSEE, by substituting in the numerator of the Program Fee fraction, set forth in Subparagraph III.A.(3) above, one hundred percent (100%) of the Revenue attributable to the relevant Program for the amount which previously had been calculated for the Program under Subparagraph III.A.(3)(a)(ii).

(4) If SESAC has not obtained, from LICENSEE or its Per Program Reporting Agent or otherwise, a Cue Sheet for an episode of a First-Run Syndicated Program or Syndicated Program (other than those Programs covered under Subparagraph IV.B(3) above), or for which SESAC cannot determine whether the music in such episode is SESAC Music, at the conclusion of the Report Review Period for the corresponding Monthly Per Program Report SESAC shall have the

right to adjust such Monthly Per Program Report, and any fees owing to SESAC by LICENSEE, by substituting in the numerator of the Program Fee fraction, set forth in Subparagraph III.A.(3) above: (a) a percentage multiplier (reasonably determined by SESAC in its sole discretion as to the episodes of the relevant Program involved and the methodology employed, and based on all Cue Sheets possessed by SESAC at the time of such adjustment) representing the proportion of episodes of the specific Program containing SESAC Music (other than episodes whose only uses of SESAC Music are Direct/Source Licensed, Incidental Uses, Ambient Uses or Otherwise Licensed Split Works) multiplied by the Revenues attributable to such episode, or (b) in the absence of a sufficient number of Cue Sheets in SESAC's possession which would enable calculation of such a percentage multiplier, fifty percent (50%) of the Revenues attributable to such episode.

V. Adjusted Monthly Primary Channel Per Program License Fees and Credits

A. (1) If, during the Report Review Period, SESAC believes that adjustments pursuant to Subparagraphs IV.B(1)-(4) should be made thereto, SESAC shall electronically transmit to LICENSEE and/or (if applicable) its Per Program Reporting Agent an adjusted billing statement, setting forth (a) the amount due ("Adjusted Monthly Primary Channel Per Program License Fee"), (b) explanation for any adjustment, and (c) Cue Sheet(s) or other applicable information supporting such adjustment ("Adjusted Billing Statement").

(2) The Adjusted Billing Statement shall identify where possible the specific Program(s) and episode(s) adjusted, and the specific nature of the adjustment. The Adjusted Billing Statement shall be created in accordance with the SESAC Television Per Program Reporting Guide so as to allow LICENSEE or its Per Program Reporting Agent to amend its Monthly Per Program Report on the basis of a newly obtained Cue Sheet or other applicable information as provided in Paragraph IV above.

B. (1) Where any Adjusted Monthly Primary Channel Per Program License Fee exceeds the fee reported and paid by LICENSEE, LICENSEE shall remit the payment of any such excess fee within thirty (30) days of SESAC's transmission of LICENSEE's Adjusted Billing Statement.

(2) If any such excess fee is not received by SESAC within thirty (30) days of SESAC's transmission of such Adjusted Billing Statement to LICENSEE, SESAC may charge a late payment charge of one percent (1%) of the amount of such excess fee on the 15<sup>th</sup> day of each month until LICENSEE pays such amount.

C. If the Monthly Primary Channel Per Program License Fee reported and paid by LICENSEE exceeds the corresponding Adjusted Monthly Primary Channel Per Program License Fee, SESAC shall, within thirty (30) days of transmission of the corresponding Adjusted Billing Statement, credit LICENSEE's account with the amount of any such excess fee.

VI. Post-Adjustment Review Requests

A. If LICENSEE disputes in good faith any Adjusted Monthly Primary Channel Per Program License Fee, LICENSEE shall electronically submit to SESAC a post-adjustment review request within thirty (30) days of SESAC's transmission of the pertinent Adjusted Billing Statement in accordance with the terms of Subparagraph V.A ("Post-Adjustment Review Request"). Post-Adjustment Review Requests shall identify the specific Program(s) and episode(s) in dispute, the specific nature of the dispute, and shall be accompanied by any supporting documents. Post-Adjustment Review Requests shall be created in accordance with the SESAC Television Per Program Reporting Guide. If LICENSEE's response is based on Cue Sheets, these Cue Sheets shall be provided to SESAC with the Post-Adjustment Review Request in the form set forth in the SESAC Television Per Program Reporting Guide. LICENSEE or its Per Program Reporting Agent shall furnish to SESAC, within thirty (30) days of SESAC's reasonable request, a copy of those portions of such logs or other records as are required for SESAC to review the accuracy of information contained in the Post-Adjustment Review Request.

B. For a period of thirty (30) days from SESAC's receipt from LICENSEE of a Post-Adjustment Review Request (the "Adjusted Fee Dispute Resolution Period"), the parties shall use good faith, best efforts to resolve the dispute and, accordingly, during such period they shall be available for and participate in good faith discussions designed to attempt resolution thereof.

C. If at the conclusion of the Adjusted Fee Dispute Resolution Period, in SESAC's sole judgment (which shall be exercised reasonably), LICENSEE owes the particular Adjusted Monthly Primary Channel Per Program License Fee (or any portion thereof) based on all of the information in SESAC's possession, then within thirty (30) days of the conclusion of the Adjusted Fee Dispute Resolution Period, SESAC shall provide a written statement to LICENSEE listing such amount ("Adjusted Fee Resolution Statement"), and, in such event, LICENSEE shall submit to SESAC the amount referenced in the particular statement ("Adjusted Fee Resolution Statement Amount") within thirty (30) days of LICENSEE's receipt thereof. For the sake of clarity, LICENSEE shall not be required to pay any late fees on any amounts which were disputed pursuant to a timely-submitted Post-Adjustment Review Request and ultimately not included in the Adjusted Fee Resolution Statement Amount (in the event that LICENSEE has already paid any such late fees, SESAC shall, within thirty (30) days of LICENSEE's payment of the Adjusted Fee Resolution Statement Account, credit LICENSEE's account with (1) the amount of such late fees plus (2) monthly simple interest in the amount of one (1%) of the amount of such late fees).

VII. Breach or Default

Upon LICENSEE'S default in making any payment required under the terms of this Agreement, or its breach of any other term of this Agreement, SESAC may give LICENSEE forty-five (45) days' Notice to cure such breach or default. SESAC may terminate this Agreement pursuant to this Paragraph VII if, having provided such Notice, such breach or default has not been cured within said forty-five (45) day period.

#### VIII. Indemnity Clause

A. SESAC agrees to indemnify, save and hold harmless, and to defend LICENSEE, its sponsors and their advertising agencies, and its and their officers, employees, and artists, and each of them, from and against any claims, demands, or suits for copyright infringement that may be made or brought against them or any of them arising out of their performance under this Agreement of any

Compositions that were in SESAC's repertory at the time of the performance, and as to which LICENSEE had received no written notice from SESAC pursuant to Subparagraph I.E. hereof prior to the performance; provided, however, that the foregoing indemnity shall not extend to any claims, demands, or suits arising out of any acts of LICENSEE, its sponsors and their advertising agencies, and its and their officers, employees, and artists, or any of them, separate and apart from those acts authorized pursuant to the rights granted hereunder.

B. LICENSEE agrees to give SESAC prompt Notice of any claim, demand, or suit covered under Subparagraph VIII.A and agrees to promptly deliver to SESAC all papers pertaining thereto. SESAC shall have full charge of the defense of any covered claim, demand, or suit and LICENSEE shall cooperate fully with SESAC in such defense. LICENSEE, however, shall have the right to engage counsel of its own at its own expense who may participate in the defense of any such action.

#### IX. Rights of Termination

A. In the event of the termination or suspension of the governmental licenses covering Station or any substantial alteration or variation of the terms and conditions thereof, or any major interference with the operations of Station due to governmental measures or restrictions, LICENSEE shall have the right to terminate this Agreement upon no less than thirty (30) days' Notice (for the sake of clarity, the FCC-mandated digital conversion shall not constitute an event triggering LICENSEE's termination right under this Subparagraph IX.A);

B. SESAC shall have the right to terminate this Agreement as follows:

(1) In the event of any major interference with the operations of SESAC in the state, territory, dependency, possession or political subdivision in which Station is located, by

reason of any law of such state, territory, dependency, possession or political subdivision, SESAC shall have the right to terminate this Agreement upon no less than thirty (30) days' Notice; and

(2) In the event of any substantial increase in the cost to SESAC of operating in such state, territory, dependency, possession or political subdivision, by reason of any law of such state, territory, dependency, possession or political subdivision, which is applicable to the licensing of performing rights, SESAC shall have the right to terminate this Agreement upon no less than thirty (30) days' Notice; and

(3) At any time upon Notice in the event LICENSEE is adjudicated bankrupt, or a petition in bankruptcy is filed with respect to LICENSEE, or LICENSEE is declared or becomes insolvent.

C. Upon termination, this Agreement (subject to any remaining rights and obligations of LICENSEE and SESAC pursuant to the provisions of Paragraphs II, III, IV, V, VI, X, XI, and XV of this Agreement, and exclusive of any continuing rights and obligations of LICENSEE and SESAC pursuant to the provisions of Paragraph VIII of the Agreement) shall no longer remain in effect and the parties shall be relieved of all obligations arising hereunder. Notwithstanding the foregoing, upon termination, (1) LICENSEE shall be relieved of any obligation under Paragraphs III.A, V.B(1), VI.C and X of the Agreement to pay any fees, except as to fees accrued and owing prior to the effective date of termination, and (2) SESAC shall be relieved of any obligation under Paragraphs V.C and VI.C(1) of the Agreement to pay any fees, except as to fees accrued and owing prior to the effective date of termination.

#### X. Tax Clause

In the event the taxing authority of any state, territory, commonwealth, or possession in which LICENSEE has a tax nexus, finds SESAC to be liable for the payment of any tax on amounts received from LICENSEE pursuant to this Agreement, which tax is initiated during the Term, the following conditions shall apply:

A. LICENSEE shall pay, within thirty (30) days of Notice of demand by SESAC, the pro rata share of any such tax assessed against SESAC, provided however, that if SESAC, in its sole discretion, shall contest the assessment of such tax, then SESAC shall make no demand until after the termination of such contest unless, during the pendency of such contest, SESAC is required to pay such tax. To the extent that such contest is allowed and a refund is thereafter received, SESAC shall refund to LICENSEE any payments made by LICENSEE to SESAC under this Paragraph X; and

B. SESAC shall furnish to LICENSEE all documents regarding the assessment of any such tax that LICENSEE reasonably requests in writing, but only if such documents specifically and directly relate to LICENSEE's proportion of such assessment, and no such document is or could

be considered confidential or contains proprietary information of any other licensee of SESAC or specifically relates to any other licensee's proportion of any assessment. SESAC shall also give LICENSEE the opportunity to consult with it with respect to such tax assessment; and

C. LICENSEE shall not be responsible for its share of any such tax if SESAC fails to demand payment therefor within two (2) years after the later of (i) the assessment of such tax by the competent authority, and (ii) the finality of any contest of such tax.

XI. Right of Verification

A. SESAC shall have the right, on not less than thirty (30) days' prior Notice, to examine LICENSEE's books and records to such extent as may be necessary to verify LICENSEE's reports, payments, statements and computations required by this Agreement. In connection with such an examination, LICENSEE agrees to furnish all pertinent books and records related to LICENSEE's reports required under this Agreement, including electronic records in common format, to SESAC's authorized representatives. Such books and records shall be kept by LICENSEE in accordance with Generally Accepted Accounting Principles and shall be retained for at least three (3) years following any expiration or other termination of this Agreement. SESAC's exercise of any rights under this provision shall not prejudice any of SESAC's other rights or remedies, including the right to dispute any amounts owed to SESAC under this Agreement.

B. LICENSEE represents and warrants that any information provided to SESAC on this Agreement, **Schedule "A,"** any reports or by any other means is true, correct, and complete to the best of LICENSEE's knowledge; and that any additional information or changes to the current information shall be true, correct, and complete to the best of LICENSEE's knowledge. SESAC retains the right to obtain such information through independent sources and make appropriate adjustments to the Monthly Primary Channel Per Program License Fee(s).

C. In the event an examination made pursuant to Subparagraph XI.A and/or information obtained through independent sources pursuant to Subparagraph XI.B demonstrate that any additional Monthly Primary Channel Per Program License Fee amount is due SESAC, SESAC shall give LICENSEE notice of such amount and an explanation therefor. In the event that such amount is equal to five percent (5%) or more of the corresponding Monthly Primary Channel Per Program License Fee, LICENSEE shall be required to pay the reasonable costs and expenses of the examination and a monthly late payment fee of one percent (1%) for the period beginning with the original due date of such Monthly Primary Channel Per Program License Fee and ending on the date of SESAC's notice of such amount. LICENSEE shall submit any amounts due under this Subparagraph XI.C within forty-five (45) days from SESAC's notice. If LICENSEE does not pay such amounts as aforesaid,

SESAC shall charge a late payment fee of one percent (1%) of the amount of such underpayment on the fifteenth (15<sup>th</sup>) day of each month until LICENSEE pays such amount.

XII. Primary Channel Blanket License

A. The SESAC Local Television Primary Channel Blanket License Agreement (“Primary Channel Blanket License Agreement”) is being offered to LICENSEE simultaneously with this Agreement during the Term.

B. During the Term, LICENSEE may elect to change from this Agreement to the Primary Channel Blanket License Agreement, or from the Primary Channel Blanket License Agreement to this Agreement, as of the first day of a month, prospectively on at least thirty (30) but not more than ninety (90) days’ notice to SESAC in the form of a signed and completed copy of the election letter attached as **Exhibit I** (“Election”).

C. LICENSEE may make an Election up to twice in any given twelve (12) month period during the Term.

D. By making an Election, LICENSEE agrees to all of the terms of the elected agreement, and accordingly LICENSEE’s first Election, if any, to change to the Primary Channel Blanket License Agreement shall be accompanied by a signed and completed copy of the Primary Channel Blanket License Agreement.

XIII. Notices

A. All Notices required or permitted to be given by either of the parties to the other hereunder shall be delivered to the following addresses (either party may change its address by Notice to the other party):

(1) if to LICENSEE, to its address first set forth above, and

(2) if to SESAC, to:

Vice President, Licensing Administration  
SESAC, LLC  
55 Music Square East  
Nashville, TN 37203.

B. For the sake of clarity, any “notice” required or permitted to be given shall be given as set forth in the paragraph in which such particular requirement of “notice” is found.

#### XIV. General

A. This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns, but no assignment shall relieve the parties of their respective obligations under this Agreement as to performances broadcast, acts done and obligations incurred prior to the effective date of the assignment.

B. This Agreement shall be construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State (excluding its conflicts of law rules and principles).

C. This Agreement contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, proposals, representations, arrangements or understandings, written or oral, with respect thereto. This Agreement may only be amended in a writing signed by both parties.

D. If any part of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction or by any other body or entity having the jurisdiction to make such determination, the remainder of this Agreement shall remain in full force and effect.

#### XV. Confidentiality

A. SESAC shall treat as confidential, and shall not disclose to any third party (other than its employees, directors, officers, and auditors, in their capacities as such, on a need-to-know basis, and only then if bound by a company confidentiality policy), any financial or other proprietary documents or information provided to SESAC by LICENSEE or its Per Program Reporting Agent in connection with this Agreement (together with the material in Subparagraph XV.B, “Confidential Information”).

B. LICENSEE and its Per Program Reporting Agent shall treat the following as confidential, and shall not disclose it to any third party (other than its employees, directors, officers, and auditors, in their capacities as such, on a need-to-know basis, and only then if bound by a company confidentiality policy): (i) all oral, written, graphic, electromagnetic, or machine-readable information acquired from SESAC by any means at any time before or after the execution of this Agreement, and (ii) all documents generated by LICENSEE and/or its Per Program Reporting Agent that contain, comment or relate in any way to any such information received from SESAC. For the sake of clarity, upon Notice to SESAC confirming that LICENSEE has agreed to be represented by a third party in negotiations with SESAC (relating to the terms and conditions of LICENSEE’s SESAC

performance license) and SESAC's receipt of written confirmation from such third party that it will conform with the terms of this Paragraph XV as if it were a party hereto, LICENSEE may disclose Confidential Information to such third party pursuant to the terms of this Paragraph XV.

C. LICENSEE, its Per Program Reporting Agent, and any other third party shall use the Confidential Information for per program reporting purposes only. Without limitation of the foregoing, it is expressly understood that the LICENSEE, its Per Program Reporting Agent, and any other third party shall not use, rely on or cite any Confidential Information for purposes of any music use study or any determination of the market share of SESAC or any other performing rights organization or in the course of representing any third party client, including without limitation any music user engaging such Per Program Reporting Agent, LICENSEE, or any other third party for the purposes of negotiating with SESAC or any other performing rights organization.

D. Notwithstanding anything to the contrary herein, in the event that a party is required to disclose Confidential Information by reason of law or regulation, such party may disclose such information provided that (1) such party provide the other party with prompt, advance Notice of such disclosure so that such other party has the opportunity, if it so desires, to seek a protective order or other appropriate remedy, and (2) the disclosing party only discloses such information as is legally required, and (3) uses best efforts to obtain the most restrictive confidential treatment for any Confidential Information that is so disclosed.

E. The parties acknowledge that the Confidential Information is a valuable trade secret and that any unauthorized disclosure or use thereof or other act or omission in violation of this Paragraph XV will cause irreparable harm, for which monetary damages are insufficient. The parties accordingly agree that, in the event of a party's breach or threatened breach of this Paragraph XV, the other party shall be entitled without the requirement of posting bond or other security to obtain injunctive relief and specific performance of this Paragraph XV in any court having subject matter jurisdiction, in addition to any damages and other remedies to which it is entitled at law or in equity.

#### XVI. Definitions

A. "Affiliated Station" or "Network-Affiliated" means any Television Broadcasting station in the United States and its territories that regularly broadcasts Programs transmitted by a Television Network.

B. "Ambient Uses" shall comprise the following uses of SESAC Music:

- (1) each use of music in a news or public affairs Program that:
  - (a) does not exceed fifteen (15) seconds' duration; and either

(b) has not been inserted by Station or the producer of the Program or Program segment and is audible only during: (i) coverage of a news story or event; (ii) news coverage of a sports or athletic event or competition; (iii) reviews and/or coverage of a live entertainment event; (iv) previews or reviews of a play, concert or movie; (v) interviews (except where the music is performed “live” during the interview by the celebrity/interviewee); or (vi) teasers or promotions for upcoming news segments used within the news show; or

(c) is contained in a file clip or footage utilized by Station, or by the producer of the Program or Program segment, which file clip or footage met the criteria of Subparagraphs XVI.B.(1)(b)(i) - (iv) above at the time the file clip or footage was created;

(2) each use of music (without regard to duration) in a sports event Program that has not been inserted by Station or the producer of the Program or Program segment, other than:

(a) uses of music that are part of an athletic performance choreographed to music (e.g., figure skating, gymnastics, synchronized swimming); or

(b) musical performances that are the subject of sustained, focused coverage during a pre-game or halftime show or event, or during a time out or other break in the action.

C. “Annual Primary Channel Blanket License Fee” means LICENSEE’s Annual Primary Channel Blanket License Fee for Station’s Primary Channel for the relevant calendar year as set forth on **Schedule “A.”**

D. “Announcement” means any commercial, promotional, or public service announcement (exclusive of program-length “infomercials” of greater duration than 120 seconds), or any producer’s or distributor’s logo.

E. “Clearing Entity” means any person or entity authorized to grant a Direct/Source License.

F. “Digital Broadcasting” shall mean non-interactive standard definition or high definition Television Broadcasting over FCC-assigned frequencies, within LICENSEE’s existing geographic market(s).

G. “Digital Conversion Date” shall mean the first date that LICENSEE permanently discontinues broadcasting on Station’s analog signal.

H. “Digital Multiplex Channels” shall be defined as:

(1) any Digital Broadcasting channel broadcast before the Digital Conversion Date that is not a simulcast of Station’s free, over-the-air analog signal, and

(2) any Digital Broadcasting channel broadcast on or after the Digital Conversion Date other than Station's free, over-the-air primary digital signal.

I. "Direct/Source License" means a license agreement under which the rights to perform music are Direct/Source Licensed.

J. Music that is "Direct/Source Licensed" means SESAC Music for which LICENSEE has been granted, prior to the relevant broadcast, a valid license to perform such music by means of Television Broadcasting: (a) directly by the composer(s), author(s), arranger(s), publisher(s) or owner(s) of such music, or licensees thereof; or (b) through the program producer or other authorized licensor of such rights.

K. "First-Run Syndicated Program" means any Syndicated Program, episodes of which: (i) are currently being distributed in the syndication market for their first season of broadcasts; or (ii) were created originally for, and are being transmitted for their first season of broadcasts by, a television network other than NBC, ABC, and CBS (and their successors and assigns), and broadcast simultaneously or by so-called "delayed" or "repeat" broadcasts (sometimes known as "rebroadcasts") over two or more stations affiliated with such television network.

L. "Incidental Use" means the use of music in the Television Broadcasting of Non-Network Announcements.

M. "Locally-Produced Program" means any Non-Network Program produced by, or expressly for, LICENSEE.

N. "Monthly Primary Channel Blanket License Fee" shall be defined as an amount equal to one-twelfth (1/12) of LICENSEE's Annual Primary Channel Blanket License Fee (set forth in **Schedule "A"**) for Station's Primary Channel for the relevant calendar year.

O. "Network Announcement" means any Announcement transmitted by a Television Network, and broadcast simultaneously or by so-called "delayed" or "repeat" broadcasts (sometimes known as "rebroadcasts") over two or more of such Television Network's Affiliated Stations.

P. "Network Program" means any Program, transmitted by a Television Network, identified as a Program of the network, and broadcast simultaneously or by so-called "delayed" or "repeat" broadcasts (sometimes known as "rebroadcasts") over two or more of such Television

Network's Affiliated Stations.

Q. "Non-Network Announcement" means any Announcement broadcast by Station other than a Network Announcement.

R. "Non-Network Program" means any Program broadcast by Station other than a Network Program.

S. "Notice" shall mean written notice to the other party by means of registered or certified United States mail or generally recognized same-day or overnight delivery service. For the sake of clarity, any "notice" required shall be given as set forth in the paragraph in where such particular requirement of "notice" is found.

T. "Otherwise Licensed Split Work" means a musical composition: (1) the copyright of which is owned by two or more individuals or entities, or as to which two or more individuals or entities have the right to collect performing rights royalties, at least one of whom is an affiliate of SESAC and at least one of whom is not an affiliate of SESAC; and (2) for which LICENSEE has a valid license to perform the composition by Television Broadcasting by Station either from another U.S. performing rights organization or from a copyright owner or its licensee who is not an affiliate of SESAC.

U. "Per Program Reporting Agent" means an entity that (1) LICENSEE has engaged to process Monthly Per Program Reports and other documentation required under this Agreement, (2) LICENSEE has designated by giving notice of such entity to SESAC, and (3) has signed a non-disclosure agreement with SESAC related to the services it provides to LICENSEE in relation to the Agreement.

V. "Primary Channel" shall mean (1) before the Digital Conversion Date, Station's free, over-the-air primary analog signal, and (2) on and after the Digital Conversion Date, Station's free, over-the-air primary digital signal. For the sake of clarity, Primary Channel shall expressly exclude any of Station's Digital Multiplex Channels.

W. "Program" means any material broadcast or transmitted by Station other than Announcements.

X. "Revenues Attributable to Non-Network Programs" means, with respect to each Non-Network Program broadcast by Station: (1) amounts billed by Station for the sale of Program or Announcement time, including for political advertisements; (2) the value of trades and barter (i.e.,

goods and services, including, without limitation, the Program itself) that Station receives in exchange for Program or Announcement time, which value shall be the value Station attributes to such trades and barter in accordance with its established accounting and tax practices; (3) with respect to a telethon, payments to Station by the producer of said telethon; and (4) donations to Station relating to broadcasting activities that are attributable to a particular Program. For purposes of calculations under Subparagraphs XVI.X.(1) and XVI.X.(2) hereof, for any given Program, "Revenues Attributable to Non-Network Programs" includes Revenue from (i) commercial Announcements broadcast within such Program and (ii) commercial Announcements preceding such Program which are broadcast after the completion of the prior Program. "Revenues Attributable to Non-Network Programs" is sometimes referred to herein as "Revenues."

Y. "Syndicated Program" means: (i) any Non-Network Television Program supplied to LICENSEE and other television stations by a producer, distributor or television network other than NBC, ABC, and CBS (and their successors and assigns); or (ii) any other Program that is not a Locally-Produced Program.

Z. "Television Broadcasting" shall mean free, unscrambled, point-to-multipoint over-the-air non-digital or digital broadcasting in the United States, and its territories, commonwealth and possessions from Station by means of television. For the avoidance of doubt, "Television Broadcasting" shall include any period of intermittent or occasional broadcasting, including without limitation any so-called "test period."

aa. "Television Network" means NBC, ABC, and CBS and their successors and assigns.

bb. For the purposes of this Agreement, the terms "transmit(s)," "transmission(s)," "transmitted," "publicly perform(s)," and "public performance(s)" shall be defined in accordance with the U.S. Copyright Act, currently set forth at 17 U.S.C. § 101 et seq. (2007).

IN WITNESS WHEREOF, this Agreement has been duly executed by SESAC and LICENSEE this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

LICENSEE

SESAC, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

# SCHEDULE "A" – 2008 - 2012

## SESAC

### LOCAL TELEVISION PRIMARY CHANNEL PER PROGRAM LICENSE AGREEMENT

#### **PRIMARY CHANNEL BLANKET LICENSE FEE SCHEDULE**

**I. Reference** is made to the SESAC LOCAL TELEVISION PRIMARY CHANNEL PER PROGRAM LICENSE AGREEMENT with

\_\_\_\_\_,  
("LICENSEE") (corporate name or ownership)

with regard to the television station with:

Call Letters: \_\_\_\_\_ FCC-assigned Channel: \_\_\_\_\_ FCC City/State of License:

\_\_\_\_\_  
Designated Market Area ("DMA"): \_\_\_\_\_

Station Address/City/State/Zip:  
\_\_\_\_\_

(the "Agreement") to which this **Schedule "A"** is attached.

**II.** LICENSEE's Annual Primary Channel Blanket License Fee is as follows:

**2008:** [merged license fee data]

**2009:** [merged license fee data]

**2010:** [merged license fee data]

**2011:** [merged license fee data]

**2012:** [merged license fee data]

**III.** LICENSEE represents and warrants that any information provided to SESAC on this **Schedule "A"** or otherwise is true, correct, and complete to the best of LICENSEE's knowledge.

**IV.** This **Schedule "A"** is incorporated and made part of the Agreement, and its terms shall apply as if restated fully therein. Unless otherwise indicated, all capitalized terms in this **Schedule "A"** shall have the same meaning as set forth in the Agreement.

**EXHIBIT I**

**SESAC**

**LOCAL TELEVISION PRIMARY CHANNEL PER PROGRAM LICENSE AGREEMENT**

**BLANKET ELECTION LETTER**

This letter shall be used to elect the Primary Channel **Blanket** License Agreement throughout the Term in accordance with Paragraph XII of the Agreement. This letter shall be accompanied by a signed and completed copy of the Primary Channel **Blanket** License Agreement, if a signed and completed copy of such agreement has not already been provided to SESAC.

Dear SESAC:

**1.** Reference is made to the SESAC LOCAL TELEVISION PRIMARY CHANNEL PER PROGRAM LICENSE AGREEMENT with:

\_\_\_\_\_  
("LICENSEE") (corporate name or legal ownership)

with regard to the television station with:

Call Letters: \_\_\_\_\_ FCC-assigned Channel: \_\_\_\_\_ FCC City/State of License:

\_\_\_\_\_  
Designated Market Area ("DMA"): \_\_\_\_\_

Station Address/City/State/Zip:  
\_\_\_\_\_

**(please complete the above)**

(the "Agreement"). Unless otherwise indicated, all capitalized terms in this **Exhibit I** shall have the same meaning as set forth in the Agreement.

**2.** LICENSEE elects to switch to the Primary Channel **Blanket** License Agreement effective \_\_\_\_\_ 1, \_\_\_\_\_ pursuant to the terms of the Agreement.

**(month) (year)**

LICENSEE

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_