

## SESAC INTERNET LICENSE

This experimental Internet License for performance rights is entered into without prejudice to the positions either party may take in subsequent discussions.

### 1. PARTIES

This Internet License, including attached Schedules and Addenda ("Agreement") made in New York by and between SESAC, Inc. ("SESAC"), a New York Corporation, with offices at 55 Music Square East, Nashville, TN 37203, and

("LICENSEE")

(Name of corporation, partnership, sole proprietorship, etc.)

(Address)

City

ST

Zip

(Web Site URL Address)

A Corporation Partnership Sole Proprietorship (check one) State of Incorporation (if applicable)

Telephone:

Fax:

E-mail:

Bill Name

Bill Addr

Bill City

Zip

SESAC and LICENSEE hereby mutually agree as follows:

### 2. MISCELLANEOUS DEFINITIONS

A. "Internet" – As used herein, the term Internet is understood as the commonly used reference for a network of computer networks publicly accessible worldwide.

B. "Web Site" - A Web Site, under this Agreement, is understood to mean a specific or unique physical or logical "address" on that portion of the Internet (and any successors thereto), commonly known as the "World Wide Web."

C. "Compositions" - Compositions includes all of the musical works which SESAC controls and for which SESAC is empowered to license the performance right during the Term of the Agreement, as defined below.

### 3. GRANT OF RIGHTS

A. As of \_\_\_\_\_ ("Effective Date"), and subject to the limitations herein, SESAC grants to LICENSEE the non-exclusive right and license to publicly perform non-dramatic renditions of the Compositions by transmission on or through the Web Site specifically described in the Schedule "B" Web Site (URL) Address field.

B. Any authorization made under this Agreement is limited to the United States, its territories and possessions and the Commonwealth of Puerto Rico ("U.S. Territory" or "U.S. Territory Rights"), unless LICENSEE elects to secure Foreign Territory Rights (defined in the Foreign Territory Addendum, available on request).

### 4. LIMITATIONS OF RIGHTS

**The rights granted herein specifically exclude:**

A. The right to transmit the Compositions from web sites other than the Web Site described in Schedule "B," below;

**Note:** If your business is to aggregate audio or audio visual streams from two (2) or more Web Sites or other sources; or, if you provide proprietary content and/or services to third party Web Sites (E.g. subscriptions, branded players, streamed audio/video, background music, music samples, downloads, etc.); if you wish to stream television or film content; or, if you operate a ring tone service for mobile devices, please contact SESAC for the appropriate license.

B. The authority to grant or sublicense to any *third* party or entity which may receive, download or otherwise capture transmissions from LICENSEE's Web Site, the right to publicly perform the Compositions licensed hereunder, either by retransmission or rebroadcast by any means, medium, method, device or process now or hereafter known; and

C. "Grand Rights" in and to the Compositions ("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).

## 5. TERM OF LICENSE AGREEMENT

The term of this Agreement shall be for an initial period that commences upon the Effective Date and continues for a period of six (6) months (the "Initial Period"). Thereafter, the Agreement shall automatically continue in full force and effect for successive additional periods of six (6) months ("Renewal Period(s)"). SESAC and/or LICENSEE shall have the right to terminate this Agreement as of the last day of the Initial Period or as of the last day of any Renewal Period(s), upon giving written notice to the other party by certified mail, return receipt requested, at least thirty (30) days prior to the commencement of any Renewal Period(s). The Initial Period and Renewal Period(s) are sometimes collectively referred to hereafter as the "Term."

## 6. LICENSE FEE

A. As consideration for the rights granted herein, LICENSEE shall pay to SESAC a fee ("License Fee") in accordance with the then current Schedule "A" Internet Fee Schedule ("License Fee Schedule").

B. SESAC shall have the right to change the License Fee Schedule, upon thirty (30) days prior written notice, by Certified Mail. In the event LICENSEE's fees are increased as a result of a change in the License Fee Schedule, LICENSEE shall then have the right to terminate this Agreement, effective as of the date of the increase, *provided* that within thirty (30) days of SESAC's notice of increase, LICENSEE provides written notice of termination to SESAC by Certified Mail.

C. The License Fee may be subject to an increase effective January 1 of each calendar year by an amount equivalent to the percent increase, if any, in the Consumer Price Index - All Urban Consumer (CPI-U) as published by the Bureau of Labor Statistics, U.S. Department of Labor, between the preceding October and the next preceding October.

D. SESAC shall have the right to impose a late payment charge of one and one-half percent (1.5%) per month for any License Fee payment that is more than thirty (30) days past due. SESAC shall have the right to impose an additional charge of \$25.00 for each dishonored check. In the event SESAC incurs costs and fees, including attorneys fees, in connection with the collection of any amount(s) past due hereunder, LICENSEE shall be responsible for paying all such costs and fees to SESAC.

E. In the event that SESAC is determined by the taxing authority or courts of any of the United States in which LICENSEE conducts its operation to be liable for the payment of a gross receipts, sales, business use or other tax which is based on the amount of SESAC's receipts from LICENSEE, then LICENSEE shall reimburse SESAC, within thirty (30) days notification thereof, for LICENSEE's pro rata share of any such tax.

## 7. MISCELLANEOUS

A. Both parties acknowledge that this Agreement, with schedules and addenda, is experimental in nature and shall not be prejudicial to either party's position concerning the reasonableness or breakdown of Fees, terms or conditions in any subsequent negotiation and/or licensing agreement between SESAC and LICENSEE.

B. In the event LICENSEE fails to pay the License Fee when due, or is otherwise in default of any other provision of this Agreement, SESAC shall have the right to terminate this Agreement in addition to pursuing any and all other rights and/or remedies available if LICENSEE has not cured such breach within thirty (30) days following SESAC's written notice of default.

C. In the event LICENSEE fails to submit a timely Report as required by the incorporated Schedule "A," SESAC will provide a written request for the Report. If LICENSEE fails to respond to the written request within fifteen (15) days, LICENSEE's License Fee may be adjusted to reflect the current Maximum License Fee.

D. SESAC shall have the right, upon written notice, to withdraw from the scope of this License the right to perform any musical composition authorized hereunder as to which an action has been threatened, instituted, or a claim made that SESAC does not have the right to license the performance rights in such composition.

E. This Agreement shall be binding upon and inure to the benefit of SESAC's and LICENSEE's legal representatives, successors, and assigns, but no assignment shall relieve SESAC or LICENSEE of their respective obligations under this Agreement. LICENSEE shall notify SESAC in writing within thirty (30) days of any change of ownership or control of the online entity licensed hereunder.

F. This Agreement shall be governed by and subject to the laws of the State of New York, applicable to agreements made and to be wholly performed in New York.

G. This Agreement supersedes and cancels all prior negotiations and understandings between SESAC and LICENSEE in connection with the online entity licensed hereunder. No modification of this Agreement shall be valid or binding unless in writing and executed by SESAC and LICENSEE.

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

I. No waiver of any breach of this Agreement shall be deemed a waiver of any preceding continuing or succeeding breach of the same, or any other provision of this Agreement.

**8. RESERVATION OF RIGHTS**

A. SESAC shall have the right to verify, by independent means, all Internet Report or Addendum Report (see Foreign Territory Addendum) information that LICENSEE provides for its License Fee or Expanded Territory License Fee determination or eligibility for this Agreement, and make any necessary retroactive adjustments.

B. Notwithstanding anything to the contrary contained herein, SESAC shall have the right to terminate this Agreement: (i) at any time upon written notice to LICENSEE 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; or (ii) upon thirty (30) days written notice by reason of any law, rule, decree, or other enactment having the force of law, by any authority, whether federal, state, local, territorial or otherwise, which shall result in substantial interference in SESAC's operation or any substantial increase in the cost of conducting its business.

C. All rights not expressly granted are hereby reserved by SESAC.

**IN WITNESS THEREOF**, the parties have caused this Agreement to be duly signed as of

**LICENSEE- Please sign here**

**SESAC, Inc.**

BY: X \_\_\_\_\_

BY: \_\_\_\_\_

(Type or print name)

TITLE:

TITLE: \_\_\_\_\_

**SCHEDULE "A"**  
**INTERNET FEE SCHEDULE**  
**BASIC SERVICE WEB SITES - 2005**

**1. The License Fee for Year 2005 shall be determined as follows:**

**A. With no advertising**

.00828 multiplied by the average number of monthly Page Requests\*

**Minimum License Fee per Web Site for each six (6) month Report Period: \$84.00**

**Maximum License Fee per Web Site with no advertising for each six (6) month Report Period: \$1,646.00**

**B. With advertising**

.00828 multiplied by the average number of monthly Page Requests multiplied by 1.3

**Minimum License Fee per Web Site for each six (6) month Report Period: \$84.00**

**Maximum License Fee per Web Site with advertising for each six (6) month Report Period: \$2,139.00**

\* "Page Requests" is the number of requests for HyperText Markup Language documents commonly referred to as "HTML pages" (often using file extensions such as .htm, .html, .shtml, .phtml, .php or .asp) which result in being viewed by a browser.

**2. Internet Report (Schedule "B") Calculation**

**A. Initial Internet Report**

For Web Sites in operation less than six (6) months prior to the Effective Date, the average number of monthly Page Requests shall be determined by the total number of Page Requests during the period of operation divided by the actual number of months in operation.

For Web Sites not in operation prior to the Effective Date, LICENSEE shall pay an estimated License Fee based on a good faith estimate of anticipated average Page Requests.

LICENSEE shall complete the following Internet Report Form (Schedule "B") for the Initial Period of this Agreement and submit the appropriate payment. LICENSEE shall pay the License Fee upon execution of this Agreement, with fees due and payable in advance.

**B. All Subsequent Internet Reports**

LICENSEE shall submit an updated Internet Report Form (Schedule "B") thirty (30) days prior to the start of each "Billing Period" (defined below). The Report of average monthly page views during January 1 through June 30 shall be submitted on or before June 1<sup>st</sup> (estimate June page views) and will be reflected in the Billing Period of July 1 through December 31. The Report of average monthly page views during July 1 through December 31 shall be submitted on or before December 1<sup>st</sup> (estimate December page views) and will be reflected in the Billing Period of January 1 through June 30 of each calendar year.

The average number of monthly Page Requests shall be calculated by determining the total number of monthly Page Requests for the six (6) month Report Period divided by six (6).

For your convenience, annual electronic submission is encouraged and can be accomplished at [http://www.sesac.com/licensing/internet\\_media\\_report.htm](http://www.sesac.com/licensing/internet_media_report.htm). SESAC will also accept timely submission of the Schedule "B" Report Form by mail, fax or E-mail.

**3. License Fee Calculation for Year 2005**

**A. Initial Billing Period**

"Initial Billing Period" - The Initial Billing Period represents the period from the Effective Date of this agreement through June 30 for agreements with Effective Dates from January 1 through June 1; or, the period from the Effective Date of this Agreement through December 31 for agreements with Effective Dates from July 1 through December 1.

The initial License Fee payment shall be a pro-rated amount calculated by applying the then current License Fee Schedule to the Period from the Effective Date through the end of the Initial Billing Period.

**B. Subsequent Billing Periods**

“Billing Period” - The Billing Period represents the period of either January 1 through June 30, or July 1 through December 31 of each calendar year.

All subsequent License Fee payments shall be submitted on or before the first day of January, for the Billing Period of January 1 through June 30; and on or before the first day of July, for the Billing Period of July 1 through December 31 of each calendar year.

**4. Foreign Territory Rights**

If LICENSEE would like to secure Foreign Territory Rights, please contact SESAC directly to learn more.

**All License Fees may be paid online or by mail (*If by mail, please write your Web Site Address on your check*). The account number is required for making all subsequent Reports online.**



55 Music Square East  
Nashville, TN 37203

Fax No: 615-321-6292  
Questions: 615-320-0055  
Email: [billing@sesac.com](mailto:billing@sesac.com)

>>>> PLEASE DO NOT DETACH – MUST ACCOMPANY LICENSE <<<<<

**SCHEDULE "B"**  
**INTERNET REPORT FORM FOR WEB SITES – 2005**

LICENSEE's Web Site (URL) Address:

Internet Report Period ( 6 Month )                      From:    To:

**LICENSE FEE CALCULATION for Year 2005:**

1. Average Number of Monthly Page Requests:
2. Per Page Request multiplier: x **.00828**
3. License Fee\*\* without advertising: \$  
(multiply Line 1 and Line 2)
4. Do you have advertising? If "Yes", complete Line 6
5. Advertising multiplier: x **1.3**
6. License Fee\*\* if advertising is present: \$  
(If Line 4 is "Yes", multiply Line 3 and Line 5)

**\*\* Minimum License Fee for each six (6) month Period - 2005: \$84.00**  
**Maximum License Fee for each six (6) month Period without advertising - \$1,646.00**  
**Maximum License Fee for each six (6) month Period with advertising - \$2,139.00**

**CERTIFICATION:**

**I hereby certify that the information contained in this Agreement, including all Schedules, is true and complete. I warrant and represent that I am legally eligible to enter into this Agreement as an authorized agent of the entity to which this License will be issued.**

Name

Title

Today's Date