

SESAC Internet Performance License

This License Agreement, including any attached and referenced Schedules (the "Agreement"), is made in New York by and between SESAC LLC ("SESAC"), a Delaware limited liability company, with offices at 55 Music Square East, Nashville, TN 37203, and

Legal Entity Name: _____ ("LICENSEE")

Street Address: _____

City, State, Zip: _____ Taxpayer ID#: _____

Telephone: _____ Fax: _____ Email: _____

A Corporation / Limited Liability Company / Partnership / Sole Proprietorship (Circle one)

State of Incorporation (If applicable): _____

Billing Address (If different from above):

With respect to the service known as _____ (the "Service Mark"),

With the principal Universal Resource Locator of (if applicable) _____ (the "Licensed Web Site")

This Agreement shall be effective as of _____ 1, 20____ (the "Effective Date").

1. Term

- a) The term of this Agreement shall be for an initial period that commences on the Effective Date and continues for a period of one (1) year (the "Initial Period"). Thereafter, this Agreement shall automatically continue in full force and effect for successive additional periods of one (1) year (the "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, upon giving advance written notice to the other party by certified mail, return receipt requested, at least thirty (30) days prior to the commencement of the upcoming Renewal Period. The Initial Period and Renewal Period(s) are sometimes collectively referred to herein as the "Term."
- 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) In the event LICENSEE fails to pay any license fee when due or is otherwise in default or breach of any other provision of this Agreement, and LICENSEE has not cured such non-payment or other default or breach within thirty (30) days following SESAC's written notice thereof, then SESAC shall have the right to terminate this Agreement in addition to pursuing any and all other rights and/or remedies available to SESAC.

2. Selected Definitions

For the purposes of this Agreement only, the following terms shall have the following meanings:

- a) "Compositions" means all of the musical works for which SESAC is authorized to license the public

performance right.

- b) The “Licensed Service” means the Licensed Web Site (including all subdomains thereof) and/or LICENSEE’s Service Mark-branded software applications stored on consumer electronics devices (“Application(s)”) through which LICENSEE provides, or makes available, Internet transmissions of audio and/or audiovisual content to end users.
- c) “Web Page” means a set of associated computer files transmitted sequentially from a Web Site to a browser program that simultaneously renders them to an end user.
- d) “Web Site” means an Internet domain comprising a series of interrelated Web Pages currently registered with a domain name registration service and located at its assigned URL.

3. Grant of Rights

Subject to the terms and conditions set forth in this Agreement, SESAC grants to LICENSEE the nonexclusive right and license to publicly perform non-dramatic renditions of the Compositions within and as part of the Licensed Service.

4. Limitation of Rights

- a) Except as specifically described in Paragraphs 2 and 3 above, nothing contained herein shall be construed as 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 as permitting LICENSEE to grant any such right to others, including, without limitation, any recipient of the performance of any Composition.
- b) This Agreement shall specifically exclude “Grand Rights” in and to the Compositions. For the purposes of this Agreement, “Grand Rights” include, but are not limited to, the right to perform, in whole or in part, dramatico-musical works and dramatic works in a dramatic setting.
- c) The transmissions licensed hereunder may be accessed at any location, whether or not such location is licensed to publicly perform the Compositions. However, nothing in this Agreement shall be deemed to grant a license with respect to such locations, including without limitation commercial and non-commercial establishments where all or any portion of the Licensed Service is audible.
- d) The “Licensed Service” shall specifically exclude transmissions which are accessible by an end user at any Web Site, other than the Licensed Web Site.

5. License Fee

- a) In consideration of the rights granted herein, LICENSEE shall pay to SESAC license fees in accordance with Schedule “A” attached hereto and incorporated herein by this reference as if fully rewritten herein.
- b) Effective each January 1 during the Term following the Effective Date, the Revenue Multiplier and the Semi-Annual Minimum Fee set forth in Schedule “A” shall be increased by the greater of seven and one-half percent (7.5%) and the amount of the percent increase in the Consumer Price Index - All Urban Consumers (CPI-U) as published by the Bureau of Labor Statistics, U.S. Department of Labor, between the most recent August and the preceding August.
- c) In the event that SESAC is determined by the taxing authority or courts of any state, territory or possession in which LICENSEE conducts its operations to be liable for the payment of a gross receipts, sales, use, 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 of SESAC’s written demand therefor, for LICENSEE’s pro rata share of any such tax derived from receipts received from LICENSEE.

- 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 \$35.00 for each dishonored check or other form of payment. 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.

6. Verification

- a) SESAC shall have the right, on at least thirty (30) days prior written 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 industry standard 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) In the event an examination reveals that LICENSEE has underpaid any license fee due SESAC, LICENSEE shall submit the additional amount due within forty-five (45) days from SESAC's written request for such payment. Should such an examination reveal that LICENSEE has underpaid SESAC any license fee by five percent (5%) or more, LICENSEE shall pay the reasonable costs and expenses of the examination, plus a finance charge on the license fee shown due, which will be one and one-half percent (1.5%) per month from the date(s) the license fee(s) should have been paid pursuant to this Agreement. SESAC's rights and LICENSEE's obligations arising from this Paragraph 6 shall survive any termination of this Agreement.
- c) SESAC agrees that any non-public information discovered by SESAC as part of any examination instituted under this Paragraph 6 shall be treated as confidential and shall not be disclosed to any third party (other than SESAC's attorneys, accountants and other professional advisors) without LICENSEE's prior written consent, except as may be required by law.

7. Territory

The authorization provided in this Agreement shall be limited to public performances made in the United States of America, its territories, possessions and the Commonwealth of Puerto Rico.

8. General

- a) The parties acknowledge that this Agreement is experimental in nature. Accordingly, this Agreement is entered into without prejudice to the positions that either party may take in any subsequent discussions or licensing arrangements and shall not be considered to establish or serve as a precedent of any kind for the parties' future business arrangements.
- b) SESAC shall have the right, upon written notice, to withdraw from the scope of this Agreement the right to publicly perform any Composition (or collection of Compositions) as to which an action has been threatened, instituted, or a claim made that SESAC does not have the right to license the public performance rights in such Composition (or collection of Compositions).
- c) 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 its obligations under this Agreement. LICENSEE shall notify SESAC in writing within thirty (30) days of any change of ownership or control of LICENSEE's operations.
- d) Any assignment of LICENSEE's rights hereunder to a third party shall be limited to the Licensed Service and shall not apply to said third party's pre-existing products, services or other activities. Notwithstanding any

other provision of this Agreement, in the event that LICENSEE merges with, acquires, or is acquired by (in whole or in part) any other entity, LICENSEE's obligations to SESAC shall not be discharged or reduced (but shall survive such merger or acquisition). In the event that such other entity is also a SESAC licensee, such merger or acquisition shall have no effect on such entity's own obligations under the agreement between SESAC and the other entity.

- e) In the event that LICENSEE assigns its rights hereunder to a third party that, at the time of the assignment or thereafter, is engaged in providing products or services other than the Licensed Service ("Other Services") which involve the public performance of the Compositions, and such third party is not licensed to publicly perform the Compositions in connection with such Other Services, such assignment shall not relieve the third party of its obligation to obtain authorization to publicly perform the Compositions in connection with such Other Services.
- 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. This Agreement represents the parties' entire understanding with regard to the subject matter hereof and supersedes and cancels all prior negotiations and understandings between SESAC and LICENSEE in connection with the subject matter hereof. No modification of this Agreement shall be valid or binding unless in writing and executed by SESAC and LICENSEE. 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. 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.

9. Music Usage Reports

- a) With respect to LICENSEE's performances made via the Licensed Service, on or before January 15, April 15, July 15 and October 15 of each calendar year during the Term, LICENSEE shall provide to SESAC the following information for the preceding calendar quarter:

For audio performances:

Program records, server logs or similar records listing the particular musical compositions performed and the number of times each such composition was performed.

For audiovisual performances:

- (1) The unique number assigned to each program by LICENSEE which identifies the source of each program
 - (2) The name of the source of each program
 - (3) The unique number assigned to each program by LICENSEE which identifies the particular program
 - (4) The title of the particular program (i.e. the title of the series, movie, sporting event, etc.)
 - (5) The number assigned to each episode of the program by the program producer
 - (6) The name assigned to each episode of the program by the program producer
 - (7) The date each such performance occurs
 - (8) The number of performances that occurred during the reporting period summarized by source/program/episode/date
- b) LICENSEE shall submit any reports required under this Paragraph 9 electronically in a file format compatible with SESAC's computer system (e.g., an Excel spreadsheet) or, in the alternative, via such other commercially accepted reporting method upon which the parties agree prior to LICENSEE's submission of a report. SESAC may require LICENSEE to submit reports under this Paragraph 9 to a third party designee in a standard format compatible with such third party designee's computer system. Upon any termination of this Agreement, LICENSEE shall remain obligated to submit such materials to SESAC for the period from the Effective Date through the last day of the calendar month when such termination becomes effective and this obligation shall survive any termination of this Agreement.

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

LICENSEE

SESAC

By: _____
(Signature)

By: _____
(Signature)

(Type or Print Name)

(Type or Print Name)

Title: _____

Title: _____

Schedule "A" to SESAC Internet Performance License

1. Fee Schedule

2012 Revenue Multiplier	2012 Semi-Annual Minimum Fee
.0057	\$225

2. Definitions

Except where otherwise specified herein, each term used in this Schedule that has been defined in the SESAC Internet Performance License shall have the same meaning herein. For the purposes of the Agreement and this Schedule "A," the following additional terms shall have the following meanings.

- A. "Revenue" means any and all revenue generated in connection with the Licensed Service including revenue related thereto which is generated by any other entity that is under the same or substantially the same ownership, management and/or control as LICENSEE (and/or any entity which is otherwise acting in concert with or on behalf of LICENSEE) as well as the fair market value of any and all goods and services provided to LICENSEE or any such other entity as barter instead of monetary payment.
- B. "Distribution Revenue" means any and all Revenue generated from providing access to, or the disposition of, content available via the Licensed Service including, without limitation, per unit charges, subscription fees and any other access or usage charges and including the total retail price paid by the end user for the sale or license of any Applications, regardless of whether LICENSEE shares such Revenue with any third party service provider.
- C. "Advertising Revenue" means any and all Revenue generated from advertising, sponsorship and/or promotional materials provided by means of the Licensed Service (including without limitation any and all banner advertisements and other promotional materials placed on any of the user interface(s) of the Licensed Service as well as any and all "in-stream" advertisements); and any monetary promotional considerations received from content providers or others relevant to the carriage of programming content on the Licensed Service.
- D. "Other Revenue" means any and all Revenue generated in connection with the Licensed Service other than Distribution Revenue and Advertising Revenue, including any and all donations made in connection with the Licensed Service.

3. Calculation and Payment of License Fees

- A. Upon execution of this Agreement, LICENSEE shall submit to SESAC an initial license fee report (the "Initial License Fee Report") containing either the information listed in Paragraph A (i) or A (ii) below, as applicable. Based on the information provided in the Initial License Fee Report, LICENSEE shall pay SESAC an initial license fee for the period from the Effective Date through the end of the first calendar semi-annual period during the Term (the "Initial License Fee Period"). Said initial license fee shall be submitted to SESAC upon the execution of this Agreement and shall be equal to the *greater of*: (a) the Revenue Multiplier times the total amount of Distribution Revenue, Advertising Revenue and Other Revenue reported in the Initial License Fee Report (prorated to represent the number of months in the Initial License Fee Period); and (b) the Semi-Annual Minimum Fee.
 - (i) For agreements with Effective Dates between January 1 and June 30, the Initial License Fee Report shall contain the Distribution Revenue, Advertising Revenue and Other Revenue for the May 1 through October 31 immediately preceding the Effective Date (if no revenue is generated during such period, then LICENSEE shall pay the Semi-Annual Minimum Fee); or

- (ii) For agreements with Effective Dates between July 1 and December 31, the Initial License Fee Report shall contain the Distribution Revenue, Advertising Revenue and Other Revenue for the November 1 through April 30 immediately preceding the Effective Date (if no revenue is generated during such period, then LICENSEE shall pay the Semi-Annual Minimum Fee).
- B. For each calendar semi-annual period during the Term following the Initial License Fee Period (the "License Fee Periods"), LICENSEE shall pay SESAC, in advance, a license fee which shall be equal to the greater of:
 - (i) The then current Revenue Multiplier times the total amount of Distribution Revenue, Advertising Revenue and Other Revenue generated during the applicable Designated Period (as set forth in Paragraph 3.C, below); and
 - (ii) The then current Semi-Annual Minimum Fee.
- C. Designated Periods: As license fee payments are due in advance, license fees shall be calculated based on Revenue information from a previous period. Specifically, license fees for License Fee Periods beginning January 1 shall be based on Revenue information from the May 1 through October 31 immediately preceding such License Fee Period; and license fees for License Fee Periods beginning July 1 shall be based on Revenue information from the November 1 through April 30 immediately preceding such License Fee Period.
- D. For each License Fee Period, LICENSEE shall submit a license fee report to SESAC containing the information listed below for the appropriate Designated Period (as set forth in Paragraph 3.C, above). License fee reports for License Fee Periods beginning January 1 shall be due on or before the November 15 immediately preceding such License Fee Period; and license fee reports for License Fee Periods beginning July 1 shall be due on or before the May 15 immediately preceding such License Fee Period (with the exception that, for Agreements with an Effective Date of December 1 or June 1, the license fee report for the first License Fee Period (*i.e.*, the first calendar semi-annual period following the Initial License Fee Period) shall be due upon execution).
 - (i) The amount of Distribution Revenue, Advertising Revenue and Other Revenue generated during the applicable Designated Period; and
 - (ii) The amount of the semi-annual license fee due for the upcoming License Fee Period based on the license fee calculation formula set forth in Paragraph 3.B of this Schedule "A" and the information identified in this Paragraph 3.D.
- E. The license fee due for each License Fee Period shall be submitted to SESAC on or before the first day of such License Fee Period (*e.g.*, the license fee due for the period from July 1 through December 31 of a particular year shall be due on or before July 1 of that year).
- F. LICENSEE shall pay all license fees and submit all reports required under this Schedule for the period from the Effective Date through the last day of the calendar month when any termination of this Agreement becomes effective. LICENSEE's obligation to pay such license fees and submit such statements shall survive any termination of this Agreement. In the event LICENSEE fails to submit a completed license fee report for any period under this Agreement within thirty (30) days following the date such license fee report is due, then, subject to SESAC's right to further adjust such amount pursuant to an audit under Paragraph 6 above, the license fee due for the period applicable to such report shall be deemed to be equal to two and one half (2 ½) multiplied by the greater of: (i) the license fee which was due hereunder for the immediately previous semi-annual period and (ii) the applicable Semi-Annual Minimum Fee for such period.

Note: All five sections must be completed and this form must be returned along with the license agreement.

**SESAC Internet Performance License
INITIAL LICENSE FEE REPORT -2012**

Company Name: _____

I. Identify reporting period by checking the appropriate box

- Initial License Fee Period (License Effective Date) _____ through June 30
Reporting Period: immediately previous May 1 through October 31
- Initial License Fee Period (License Effective Date) _____ through December 31
Reporting Period: immediately previous November 1 through April 30

II. Revenue received for reporting period

A.	Distribution Revenue	\$ _____
B.	Advertising Revenue	\$ _____
C.	Other Revenue	\$ _____
D.	Total Revenue (A+B+C)	\$ _____
E.	Revenue Multiplier	_____ .0057 _____
F.	Line D X E	\$ _____

III. License Fee
(Greater of Line F and Semi-annual Minimum of \$225) \$ _____

IV. Pro-rated License Fee (if applicable)
If Initial License Fee Period is less than six (6) months, divide value in line III. (from above) by 6 and multiply by the number of months from the License Effective Date through the end of the Initial License Fee Period _____

V. CERTIFICATION

On behalf of LICENSEE and as a duly authorized employee or agent thereof, I hereby certify that the information contained in this Initial License Fee Report is true and accurate.

BY: _____
(signature)

(print name)

Email: _____