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COMMITTEE, LLC
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April 3, 2017

To: Local Television Stations

From: Joint Letter from SESAC and the Television Music License Committee

Re: Music Performance License Agreements between TVMLC and SESAC - Finalized

We are pleased to announce that SESAC and the Television Music License Committee (TVMLC) have finalized music performance license agreements for the local TV industry. The agreements are the local television station blanket and per program license agreements (Licenses) for performance rights to music in the SESAC repertory for the period from January 1, 2016 through December 31, 2019.

Here are the final details that you will need to know –

- The final blanket and per program license agreements can be found on TVMLC's website at www.tvmlc.com and on SESAC's website at www.sesac.com/tvlicense. They can be downloaded from either website for signature.
- Stations should execute the signature page of the license elected (blanket or per program) and return a signed, scanned copy to sesactvllicenses@sesac.com or mail a paper copy to **SESAC, 35 Music Square East, Nashville, TN 37203**. There is no need to return the entire document – only the signature page and the cover page for both your blanket and – if applicable – per program licenses - which lists your stations and call letters. If your station is a part of an LMA, JSA or SSA, the form should be completed by the entity that has authority on behalf of the licensee.
- Upon SESAC's receipt of the cover page and signature page from the station, the agreement will be processed and a fully-executed copy of the cover page and signature page returned to the station. (A fully-executed copy of the entire license agreement will be provided to the station upon request.)
- The difference between the 2016 interim and negotiated blanket fees will result in a one-time refund to TV stations in the amount of \$2,294,690. Rather than take a credit against the 2017 industrywide blanket fee, SESAC will issue a refund to TVMLC that TVMLC will allocate among the stations in proportion to their blanket fee allocation as explained further below. The new SESAC industrywide blanket fees reflect an increase in SESAC music performances in the industry. TVMLC expects to send the refund to the stations by June 30, 2017.
- The agreement with SESAC provides that there will be an industrywide per program reporting administration fee in the following amounts - \$400,000 in 2016 and \$500,000 in each of the following three years.
- SESAC will issue a check to TVMLC in the amount of \$1,894,690 (\$2,294,690 - \$400,000) reflecting the agreed-upon 2016 per program administrative fee.

- TVMLC will allocate and distribute the refund to all blanket stations based on the full \$2,294,690 refund in proportion to their blanket allocation for 2016.
- TVMLC will allocate and distribute the refund to all per program stations in proportion to their blanket allocation for 2016 but will reduce the refund to the per program stations proportionally based on their share of the 2016 \$400,000 administrative fee.
- TVMLC will provide SESAC the allocation of the 2017 \$500,000 administrative fee allocated proportionally among the per program stations. As needed, the allocation will be adjusted monthly to reflect additions or deletions of stations electing the Per Program License.
- SESAC will invoice the 2017 per program administrative fee, as allocated by the TVMLC, on a station level in the remaining months of 2017. The annualized per program administrative fee will be divided into 8 monthly installments to be billed May – December of 2017, with the same payment terms as in the Blanket License Agreement. The final monthly payment will be due January 31, 2018. Per program stations will begin seeing the administrative fee on their bill beginning May 1, 2017.

We are pleased that we have been able to negotiate terms for industrywide blanket and per program licenses for the first time in a decade. By negotiating license terms, both parties have avoided the costs and uncertainties of an arbitration. These agreements afford local stations protection and certainty with respect to SESAC music performance license fees for 2016 and the next 3 years.

Please call TVMLC: Janet McHugh at (917)750-3166 or Alixandra Steier at (301)961-1970 or SESAC: Maxine Edwards at (615)963-3483 with any questions you may have about these SESAC Licenses.

Any questions regarding your station's allocated fees should be directed to TVMLC. Questions about your SESAC invoice should be directed to SESAC Customer Service at 1-800-826-9996 or customerservice@sesac.com.

SESAC

Television Music License Committee

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