



TELEVISION
MUSIC
LICENSE
COMMITTEE, LLC
RESOURCE. REPRESENTATION. ADVOCACY

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 sesactvlicenses@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 industry-wide 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

Maxine Edwards
VP Broadcast Operations

Television Music License Committee

Janet E. McHugh
Executive Director

LOCAL STATION BLANKET TELEVISION LICENSE

Agreement made between SESAC LLC (“SESAC”) and _____ (“LICENSEE”) with respect to the FCC-licensed local television station with the call letters _____ (“Station”) located at _____,¹ as follows:

1. Term and Scope of License

A. SESAC grants to LICENSEE, and LICENSEE accepts, during the period commencing as of January 1, 2016 and continuing through December 31, 2019 (the “Term”), a Through-To-The-Audience License to perform publicly SESAC Music in the Territory:

(1) by Television Broadcasting, as part of LICENSEE’s Non-Network Television Programs and Non-Network Announcements from Station; and including any digital multicast channel(s);

(2) by streaming on STATION or STATION GROUP Websites; and

(3) by transmitting or causing to be transmitted, directly or indirectly, STATION- or STATION GROUP-supplied programming via mobile, wireless or any other digital platform, so long as each entity involved in the transmission, retransmission or delivery of such programming, other than STATION or its STATION GROUP, has an economic relationship with STATION or its STATION GROUP.

B. The license granted herein does not cover transmissions on STATION or STATION GROUP Web Sites of SESAC Music where members of the public are charged a fee by STATION or STATION GROUP for the right to access such transmissions. Such transmissions shall be subject to appropriate separate licensing. Notwithstanding the foregoing, the fact that STATION or STATION GROUP may charge members of the public for access to discrete areas of STATION or STATION GROUP Web Sites other than those areas containing performances licensed hereunder shall not limit the scope of coverage of this license.

C. (1) This license does not extend to or include the public performance by Television Broadcasting or otherwise of any rendition or performance of: (a) any opera, operetta, musical comedy, play or like production, as such, in whole or in part, or (b) any composition from any opera, operetta, musical comedy, play or like production (whether or not such opera, operetta, musical comedy, play or like production was presented on the stage or in motion picture form) in a manner which recreates the performance of such composition with substantially such distinctive scenery or costume as was used in the presentation of such opera, operetta, musical comedy, play or like production (whether or not such opera, operetta, musical comedy, play or like production was presented on the stage or in motion picture form); provided, however, that the rights granted to LICENSEE under this Agreement shall be deemed to include a grant of the right to make

¹ Please indicate Station’s billing address here, if different from Station’s physical address:

non-dramatic performances of SESAC Music in a motion picture containing such compositions if the rights in such motion picture other than those licensed under this Agreement have been obtained from the parties in interest.

(2) Nothing herein contained shall be deemed to license the public performance by Television Broadcasting or otherwise of dramatic performances. Any performance of a separate musical composition which is not a dramatic performance, as defined herein, shall be deemed to be a non-dramatic performance. For purposes of this Agreement, a dramatic performance shall mean a performance of a musical composition as part of a television Program in which there is a definite plot depicted by action and where the performance of the musical composition is woven into and carries forward the plot and its accompanying action. The use of dialogue to establish a mere Program format or the use of any non-dramatic device merely to introduce a performance of a composition shall not be deemed to make such performance dramatic. For purposes of this Agreement, performances of compositions in music videos shall be construed as non-dramatic performances.

D. The performances licensed hereunder may originate at STATION or at any other place whether or not such other place is licensed to perform publicly SESAC Music, regardless of the manner, means, or method of such origination; but nothing herein contained shall be deemed to grant a license to such place itself (or to the parties responsible for the performance therein) for the public performance in such place of any such compositions.

E. Except as expressly herein otherwise provided, nothing herein contained shall be construed as authorizing LICENSEE to grant to others any right to reproduce or perform publicly by any means, method or process whatsoever, any SESAC Music or as authorizing any receiver of any television broadcast to perform publicly or reproduce the same, by any means, method or process whatsoever.

F. This Agreement expressly incorporates, and SESAC and LICENSEE agree to be bound by, the provisions of the agreement dated March 27, 2017, between SESAC and TELEVISION MUSIC LICENSE COMMITTEE, a copy of which is attached hereto as Exhibit A.

2. Definitions

For purposes of this Agreement only:

A. **“Affiliated Station”** means any Television Broadcasting station in the Territory that regularly broadcasts Programs transmitted by a television network licensed by SESAC during the term hereof.

B. **“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.

C. **“COMMITTEE”** means the Television Music License Committee, LLC, a limited liability corporation organized under the laws of the State of New York, which is duly authorized to represent local television stations in music licensing matters.

D. **“LMA OPERATOR”** means any person, firm or corporation not under the same or substantially the same ownership, management or control as LICENSEE with whom LICENSEE has entered into a Local Marketing Agreement.

E. **“Local Marketing Agreement”** means any arrangement between LICENSEE and an LMA OPERATOR that:

- (1) authorizes the resale by an LMA OPERATOR of the use of the Television Broadcasting facilities of STATION;
- (2) permits an LMA OPERATOR to provide Programs for all or substantially all of the time STATION is on the air;
- (3) provides for the sale by an LMA OPERATOR of all or substantially all Announcements broadcast on STATION; and
- (4) provides that LMA OPERATOR will assume responsibility for the payment of license fees.

F. **“Locally-Produced Program”** means any Non-Network Program produced by, or expressly for, LICENSEE.

G. **“Network Announcement”** means any Announcement transmitted by a television network licensed by SESAC at the time such Announcement is transmitted by the network, and broadcast simultaneously or by so-called “delayed” or “repeat” broadcasts (sometimes known as “rebroadcasts”) over two or more Affiliated Stations of that network.

H. **“Network Program”** means any Program, transmitted by a television network licensed by SESAC at the time such Program is transmitted by the 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 Affiliated Stations of that network.

I. **“Non-Network Announcement”** means any Announcement broadcast by STATION other than a Network Announcement.

J. **“Non-Network Program”** means any Program broadcast by STATION other than a Network Program.

K. **“Program”** means all material (visual or otherwise) broadcast by STATION other than Announcements.

L. **“SESAC Music”** means all musical works heretofore copyrighted, composed, written or published by the affiliates of SESAC and now or during the Term in the repertory of SESAC, or hereafter during the Term copyrighted, composed, written or published by such affiliates of SESAC, or of which SESAC shall have the right to license such performing rights.

M. **“STATION GROUP”** shall mean the group of stations that share a common owner, whether directly or indirectly, with STATION.

N. **“STATION or STATION GROUP Web Site”** shall mean a Web Site operated by or for STATION as the STATION’s Web Site, or by or for STATION GROUP as a STATION GROUP Web Site, and shall include any Web Site that is shared between two or more stations in the same market.

O. **“Syndicated Program”** means: (i) any Non-Network Television Program supplied to LICENSEE and other television stations by a producer, distributor or television network not licensed by SESAC for broadcast by LICENSEE; or (ii) any other Program that is not a Locally-Produced Program.

P. **“Television Broadcasting”** shall mean free, unscrambled, point-to-multipoint, over-the-air, local broadcasting by means of non-digital or digital television signals.

Q. **“Territory”** means the United States, and its territories, commonwealth and possessions.

R. **“Through-To-The-Audience License”** shall mean a license that authorizes the simultaneous or delayed performances of SESAC Music that are contained in content delivered by a licensee to another music user with whom the licensee has an economic relationship relating to that content.

S. **“Web Site”** shall mean an Internet computer service comprising a series of interrelated web pages registered with a domain name registration service that STATION transmits or causes to be transmitted either directly or indirectly to persons who receive the service over the Internet by means of a personal computer or by means of another device capable of receiving Internet transmissions.

3. Right to Restrict

SESAC reserves the right to withdraw from the scope of this license, upon written notice, the right to perform any musical composition licensed hereunder 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, provided, however, that nothing in this Paragraph 3 shall relieve SESAC of its obligation to indemnify LICENSEE, as reflected in Paragraph 8 below, with respect to the performances of any SESAC Music, the performance of which SESAC has restricted, prior to such time as LICENSEE receives notice from SESAC of any such restriction.

4. Music Use Information

A. Subject to the provisions of Subparagraphs 4.B. and 4.C. below, LICENSEE agrees to furnish to SESAC upon request during the Term a list of all musical compositions broadcast from or through STATION on LICENSEE’s Non-Network Programs, showing the title of each composition and the composer and author thereof, provided that LICENSEE shall not be obligated under this Paragraph 4 to furnish such a list covering a period of more than seven (7)

consecutive days or periods aggregating more than four (4) weeks during any one calendar year. For purposes of this Paragraph 4, music cue sheets containing the aforesaid information shall be deemed to constitute such a list.

B. With respect to Syndicated Television Programs broadcast from or through STATION, LICENSEE shall be deemed to have complied with its obligations under Subparagraph 4.A. if LICENSEE identifies the Program by its title, including episode title and/or number, the name of the producer where available, and the copyright notice contained therein where available. If SESAC does not have a music cue sheet for such Program, and LICENSEE does have such a cue sheet, LICENSEE shall provide a copy of such music cue sheet to SESAC at SESAC's request.

C. SESAC shall make requests pursuant to Subparagraph 4.A. only where reasonably necessary for its purposes and shall give LICENSEE notice of any request under Subparagraph 4.A. at least one (1) month prior to the commencement of the period covered by said request.

5. Payments

A. In consideration of the license herein granted, LICENSEE agrees to pay to SESAC for each calendar month during the Term a fee that is equal to one-twelfth (1/12) of LICENSEE's blanket license fee covering each consecutive twelve (12) month period during the Term, as calculated pursuant to the methodology determined by COMMITTEE and set forth in Exhibit B hereto.

B. For all periods following execution of this Agreement, payments attributable to a given month shall be due no later than the first day of the following month. If any such blanket license fee payment due under the terms of this Paragraph 5 is not received by SESAC by the later of fifteen (15) days after such payment was due, LICENSEE shall pay to SESAC a late-payment charge of one percent (1%) per month (simple interest) calculated from the date such payment was due.

C. The payment provisions of this Paragraph 5 shall not apply in circumstances in which LICENSEE is unable to submit a payment within the specified time period due to "force majeure" (*e.g.*, earthquake, hurricane, fire, flood, terrorist activities).

6. Local Marketing Agreement

A. If LICENSEE is, or becomes, a party to a Local Marketing Agreement, LICENSEE and the LMA OPERATOR shall execute a letter to SESAC, in the form attached as Exhibit C and made a part of this Agreement, requesting amendment of this Agreement to add the LMA OPERATOR as a party. When such a letter has been fully executed by LICENSEE, the LMA OPERATOR and SESAC, this Agreement shall be deemed amended accordingly.

B. In the event LICENSEE is a party to a Local Marketing Agreement, and a dispute arises between SESAC and either the LMA OPERATOR or LICENSEE as to whether LICENSEE or the LMA OPERATOR is responsible for the performance of any of the obligations arising under this Agreement, SESAC shall be entitled to receive, upon request, a copy of the portion of such agreement as sets forth the respective obligations of LICENSEE and the LMA

OPERATOR regarding the payment of fees, accountings, recordkeeping and administrative responsibilities, or, if LICENSEE so elects, a copy of the entire Local Marketing Agreement.

7. Breach or Default

Upon LICENSEE's breach or default of any payment, accounting or substantive reporting obligations required under the terms of this Agreement, SESAC may give LICENSEE forty-five (45) days' notice in writing to cure such breach or default, and in the event that such breach or default has not been cured within forty-five (45) days of said notice, SESAC may then terminate this Agreement.

8. Indemnity Clause and Covenant Not to Sue

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 that may be made or brought against them or any of them (including without limitation claims for copyright infringement) arising out of: (i) the performances under this Agreement of any SESAC Music or (ii) the performance during the Term of any SESAC Music contained in any feed received by STATION from ABC, CBS, NBC, Univision or Unimas. LICENSEE agrees to give SESAC immediate notice of any such claim, demand, or suit and agrees immediately to deliver to SESAC all papers pertaining thereto. SESAC shall have full charge of the defense of any such 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. SESAC agrees at the request of LICENSEE to cooperate with and assist LICENSEE, its advertisers and their advertising agencies and its and their officers, employees, and artists in the defense of any action or proceeding brought against them or any of them with respect to the performance of any musical compositions contained in SESAC's repertory, but not copyrighted or written by affiliates of SESAC. This Paragraph 8 shall not apply to performances of any works that have been designated as restricted under Paragraph 3 of this Agreement.

B. SESAC hereby waives any claim for copyright infringement which SESAC might otherwise have against LICENSEE attributable to performances by STATION during the Term of SESAC Music contained in any feed received by STATION from ABC, CBS, NBC, Univision or Unimas.

C. SESAC represents and warrants that it has the full power and authority to waive on its behalf the claims described in the preceding Subparagraph 8.B and that the aforementioned waiver is a valid and binding obligation of SESAC enforceable against it in accordance with its terms.

9. Rights of Termination

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 thirty (30) days' notice.

10. Tax Clause

In the event the taxing authority or any court of any state in which LICENSEE has tax nexus, finds SESAC to be liable for the payment of any tax, the following conditions shall apply:

A. LICENSEE shall pay, within thirty (30) days 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;

B. If SESAC determines not to contest the assessment, then LICENSEE shall have the right to contest the assessment at its own expense, with reasonable cooperation from SESAC;

C. 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

D. LICENSEE shall not be responsible for its share of any such tax if SESAC fails to demand payment therefor within two (2) years after assessment of such tax by the competent authority, or, if SESAC contests the assessment, within one (1) year after the termination of such contest.

11. Successors and Assigns

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

12. Notices

Any notice filed under this Agreement shall be in written form, or in a form mutually agreed upon by SESAC and COMMITTEE, and shall be sent to LICENSEE. All notices required or permitted to be given by either of the parties to the other hereunder shall be duly and properly given if: (a) mailed to the other party by registered or certified United States mail; (b) sent by generally recognized same-day or overnight delivery service; (c) mailed by first class United States mail; or (d) sent by electronic transmission (*i.e.*, electronic mail, facsimile or similar transmission), provided that the electronic transmission is followed by a hard copy and receipt of the notice is acknowledged; provided, however, that notices pursuant to Paragraph 9 may be sent only by method (a). All notices to SESAC hereunder shall be addressed and sent to Maxine Edwards at: SESAC, 35 Music Square East, Nashville, Tennessee 37203, or medwards@sesac.com.

13. Per Program License

The “Local Station Per Program Television License,” coterminous with this License, is being offered to LICENSEE simultaneously with this Agreement. During the Term, LICENSEE may switch from a per program to a blanket license, or from a blanket to a per program license, as of the first day of a month, prospectively on thirty (30) days’ written notice to SESAC. LICENSEE may so elect to change its license status no more than twice in any given, consecutive twelve (12) month period during the Term.

14. Without Prejudice

The parties are entering into this Agreement without prejudice to any arguments or positions they may assert in any rate proceeding, arbitration or negotiations concerning what constitutes reasonable blanket and per program license fees and terms for the local television industry or, in SESAC’s case, as to any other licensee.

15. Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

16. Survival

The provisions of Paragraph 8, 10, and 14 shall survive the termination or expiration of this Agreement. For the avoidance of doubt, following termination or expiration of this Agreement, LICENSEE shall remain responsible for payment to SESAC of any fees that accrued under this Agreement before its termination or expiration.

17. Entire Agreement

This Agreement (including the Exhibits hereto) 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.

IN WITNESS WHEREOF, this Local Station Blanket Television License Agreement, the form of which, including Exhibits A (SESAC-TMLC Agreement), B (Blanket License Fee Methodology) and C (form of Local Marketing Agreement Amendment Letter), is available on SESAC's website at www.sesac.com/tvlicense and on the Committee's website at www.tvmlc.com/SESAC, has been duly executed by SESAC and LICENSEE this ____ day of _____, 20__, as of the __ day of _____, 20__.

<p>SESAC LLC</p> <p>By: _____ (Signature)</p> <p>_____</p> <p>(Print Name of Signatory)</p> <p>_____</p> <p>(Title of Signatory)</p>	<p>LICENSEE</p> <p>Legal Name:</p> <p>_____</p> <p>Call Letters: _____</p> <p>By: _____ (Signature)</p> <p>_____</p> <p>(Print Name of Signatory)</p> <p>_____</p> <p>(Title of Signatory)</p>
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EXHIBIT A
SESAC-TMLC AGREEMENT

April 4, 2017

Mr. John Josephson
SESAC LLC
152 West 57th Street
57th Floor
New York, NY 10019

Re: SESAC - Local Television Station Blanket and Per Program Licenses

Dear John:

This letter sets forth the agreement reached between SESAC LLC (“SESAC”) and the Television Music License Committee, LLC (the “Committee”) (collectively, the “Parties”), including the terms agreed to in the Parties’ September 14, 2016 Memorandum of Agreement (as modified herein), with regard to the fees and terms under the SESAC - Local Television Station Blanket and Per Program License Agreements covering the period January 1, 2016 through December 31, 2019 (the “Term”) (collectively, the “Licenses”). This letter agreement is expressly incorporated in Subparagraph 1.F. of the Licenses, and is binding upon the parties hereto and upon the signatories to the Licenses.

The Parties agree as follows:

1. The industry-wide blanket license fees for the Term shall total \$125,000,000.
 - a. The total fees have been allocated to individual years of the Term as follows:
 - 2016: \$25,000,000
 - 2017: \$30,000,000
 - 2018: \$34,000,000
 - 2019: \$36,000,000
 - b. The allocation of total industry-wide blanket license fees to individual years has been done strictly for the convenience of the Parties and the blanket license fee for any particular year is not intended to reflect a specific economic valuation of the license for that year, nor is the blanket license fee for any specific year

intended to have any precedential effect in future fee negotiations, arbitrations, or litigations between the Parties.

- c. The difference of \$2,294,690 between the interim 2016 industry-wide blanket license fee (inclusive of multicast and digital license fees) of \$27,294,690 and final 2016 industry-wide blanket fees of \$25,000,000 shall be refunded by SESAC to the Committee (the “2016 Refund”). The Committee shall be responsible for allocating the 2016 Refund to individual stations. The 2016 Refund shall be allocated to all stations in the same manner in which their interim 2016 blanket fees (exclusive of multicast and digital license fees) were allocated, except that the refunds to per program stations shall be reduced proportionally based on their share of the 2016 Per Program Administrative Fee, as described in Paragraph 4 below. The Committee shall provide SESAC with an opportunity to review the 2016 Refund allocation and the supporting data and calculations.
2. The Committee shall be responsible for allocating the annual industry-wide blanket license fees to individual stations in accordance with the methodology set forth in Exhibit B. This allocation methodology is not intended to have any precedential effect in future negotiations, arbitrations or litigations between the parties. The Committee shall provide SESAC with an opportunity to review the allocation and the supporting data and calculations. The Committee shall provide SESAC with the allocation for 2018 and 2019 by December 10, 2017 and 2018, respectively, provided that SESAC has timely provided the list specified in Paragraph 6 of this Letter Agreement to the Committee.
 3. For stations that utilize the SESAC Local Television Station Per Program License, the “per program multiplier” used as part of the calculation of the “program fee” shall be:

2016: 4.8 (480%)

2017: 3.2 (320%)

2018: 2.9 (290%)

2019: 2.9 (290%)
 4. SESAC shall receive \$400,000 in 2016 and \$500,000 in each of 2017, 2018, and 2019 in connection with costs borne to administer the per program license (the “Per Program Administrative Fee”) as follows
 - a. SESAC shall offset the \$400,000 Per Program Administrative Fee from the 2016 Refund provided to the Committee as described in Paragraph 1.c above.
 - b. The Committee will guarantee the payment to SESAC of the annual amounts for each of 2017, 2018, and 2019. The Committee shall be responsible for allocating the Per Program Administrative Fee for those years to individual stations electing the per program license, and shall do so using the same methodology used to allocate the annual industry-wide blanket license fees to individual stations, subject to proportional adjustments for those stations who utilize the per program

license for only part of a given measurement period. The Committee shall provide SESAC with an opportunity to review the allocation and the supporting data and calculations.

5. SESAC and the Committee, with the assistance of MRI on behalf of the Committee, shall work in good faith to develop “series-specific multipliers” for programs for which the Parties, collectively, have access to sufficient information reasonable to use for that purpose. SESAC shall propose “series-specific multipliers” in the first instance, and MRI shall provide supporting data and information for any proposed changes. The Committee shall make representatives available to confer with SESAC and MRI as desired to facilitate agreements.
6. Each year during the term of the Licenses, SESAC shall provide to the Committee a list of current SESAC-licensed local television stations. The list of licensees shall be delivered to the Committee, in electronic form, on or before September 15 of each year during the term. For each licensee, SESAC shall provide the following information: (i) current station call letters; (ii) designated market area (“DMA”); (iii) state; (iv) FCC identification number; (v) SESAC account number; (vi) channel position; (vii) station owner; (viii) network affiliation (if any); and (ix) previous call letters (if any) if contained in any database within SESAC’s control. For each newly-licensed station appearing on the list, SESAC shall also provide: (i) signed status; (ii) date license was signed; (iii) date of first payment; and (iv) effective date of license. Any licensee added to the list between September 16 of any given year and September 15 of the following year will be included in the allocation formula the following year. In the interim, such stations will be billed at the minimum fee for their respective DMAs. SESAC shall clearly identify in each list any licensees added to or deleted from the previous list.
7. In addition to the list of SESAC-licensed stations described in Paragraph 6 above, SESAC shall provide to the Committee in electronic form, a list of current per program licensees identified by call letters, DMA, and per program license effective date, (a) on September 15 of each year during the term and (b) upon request of the Committee, on one additional occasion during each year of the term.
8. If, during the term of the Licenses, SESAC elects to license an entity agreed or determined to be a broadcast television “network” previously unlicensed by SESAC, whose network programs are carried by local television stations licensed by SESAC, such as Fox, appropriate adjustments shall be made to the license fees payable by local television station licensees. SESAC and the Committee shall confer and attempt to reach agreement concerning the amount of any such fee adjustments and such agreement shall be binding on all licensees. If SESAC and the Committee shall fail to agree on such fee adjustments, either party may refer the matter to binding arbitration for determination.
9. The Committee shall treat as confidential any financial or other proprietary information or documents provided to it by SESAC pursuant to the Licenses (“Confidential Information”) where such Confidential Information was provided to SESAC by a station or station group. The Committee shall limit access to Confidential Information to the Committee’s staff, representatives, and counsel, and shall not disclose Confidential

Information to any third party or to any Committee member, other than a Committee member who is employed by the station or station group which provided the Confidential Information to SESAC.

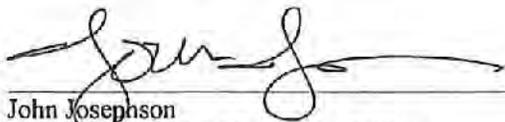
10. SESAC and the Committee and entering into this agreement without prejudice to any arguments or positions they may assert in any future litigation or arbitration concerning what constitutes reasonable blanket and per program license fees and terms for the local television industry or, in SESAC's case, as to any other licensee.

Please indicate your agreement to the above by signing on the line provided below.

Very truly yours,



Charles Sennel
Chairman
Television Music License Committee



John Josephson
Chairman and Chief Executive Officer
SESAC

EXHIBIT B

BLANKET LICENSE FEE METHODOLOGY

Television Music License Committee Methodology for SESAC License Fee Allocation for the Period From January 1, 2016 through December 31, 2019

The Industry-wide Blanket License fees for all commercial local television stations licensed under the SESAC-Local Television Station Blanket License Agreements covering the period January 1, 2016 through December 31, 2019 (the “licensed television stations”), shall be allocated among the licensed television stations as follows (subject to revision pursuant to the provisions of Paragraph 8 below):

STEP 1: Allocation of Industry-Wide Fee Among DMA Markets

For each of the years 2016, 2017, 2018, and 2019 (“Contract Periods”), each Nielsen DMA television market is to be assigned its gross allocable share of the Industry-wide Blanket License fee (as set forth in Paragraph 1 of the March 27, 2017 letter agreement between the Television Music License Committee (the “Committee”) and SESAC (the “Side Letter”)) in proportion to its percentage of the total number of weighted Qualified Viewing Households throughout the U.S. in an average quarter-hour during nine sweeps months over the course of the previous three years.

1. The number of Qualified Viewing Households will be computed for each licensed television station for the Contract Period based upon average quarter hour household viewing data, Sunday through Saturday, 9 a.m. through midnight, compiled by Nielsen during nine sweeps months over the previous three years.² The Qualified Viewing Households attributable to each DMA market shall be calculated by multiplying the average quarter hour viewing households for all licensed stations in the market by 420 (the number of quarter hours between 9 a.m. and midnight in one week).

² Qualified Viewing Households for the Contract Periods 2016 through 2019 will be based upon data compiled by Nielsen for the nine November, February and May sweeps months prior to July 1 of the year preceding the Contract Period. A Qualified Viewing Household is defined as a viewing household for a station licensed by SESAC for the Contract Period for which the allocation is being calculated.

2. For each of the Contract Periods, the number of Market Qualified Viewing Households in each of the roughly 210 DMA markets as measured by Nielsen³ is to be “weighted” as follows:

DMA Markets 1 - 10	Multiply by 1.21
DMA Markets 11 – 25	Multiply by 1.05
DMA Markets 26 – 50	Multiply by 0.92
DMA Markets 51 – 75	Multiply by 0.85
DMA Markets 76 - 100	Multiply by 0.85
DMA Markets 101 - 125	Multiply by 0.80
DMA Markets 126 plus	Multiply by 0.75

The purpose of the weighting is to reflect, within broad parameters, that a household in a smaller market does not represent the same value as a household in a larger market.

3. For each Contract Period, each market is to be assigned its share of the industry’s overall blanket license fee by the following procedure: The Market Qualified Viewing Households in the DMA market will be multiplied by the weight set forth in Paragraph 2 above for that DMA market to determine the weighted number of Market Qualified Viewing Households for the DMA market. Thus, for example, the top ten markets in terms of three-year households average will receive a 1.21 multiple. Each market’s weighted Market Qualified Viewing Households number is to be divided by the total U.S. weighted market Qualified Viewing Households to derive a percentage of U.S. weighted Market Qualified Viewing Households for each market. This weighted percentage is then applied to the industry-wide blanket license fee. Thus, if the weighted percentage of total U.S. Market Qualified Viewing Households for DMA market “x” is one percent, DMA market x’s share of the industry-wide \$25,000,000 fee for the January 1, 2016 through the December 31, 2016 Contract Period would be \$25,000,000 x 1%, or \$250,000.00.

³ The number of Market Qualified Viewing Households in Puerto Rico shall be determined based upon data provided by Nielsen, or some other comparable provider of household audience information. The number of Market Qualified Viewing Households in the Virgin Islands and Guam (or in any other market or territory in which household audience information is unavailable) shall be determined by calculating the number of television households in the U.S. as a percentage of the total U.S. population; multiplying that percentage by the population of the market for which audience information is unavailable to derive the number of television households in the market; and multiplying the resulting number by a fraction the numerator of which is the number of licensed stations in the market and the denominator of which is the total number of stations in the market. For purposes of assigning an allocable share of the industry-wide blanket license fee to television markets in the Virgin Islands, Guam and Puerto Rico, the number of Market Qualified Viewing Households in each of these markets is to be given the same weight as the Nielsen DMA that most closely approximates the number of Market Qualified Viewing Households in these markets.

STEP 2: Allocation of Blanket License Fees to Stations Within Each Market

4. Each station's percentage share of the DMA market blanket license fee shall be calculated as follows: Station Qualified Viewing Households for stations affiliated with networks licensed by SESAC (currently the ABC, CBS, NBC, Univision, and Unimás television networks) shall be calculated by multiplying the station's average quarter hour viewing households by 420 (the number of quarter hours between 9 a.m. and midnight in one week); and subtracting one hundred percent (100%) of the station's average prime-time DMA viewing households (which equals the station's average prime-time DMA quarter hour households times 88 (the number of quarter hour units in prime time in one week)).⁴ Station Qualified Viewing Households for stations not affiliated with networks licensed by SESAC shall be calculated by multiplying the station's average quarter hour viewing households by 420. A station's percentage share of the DMA market blanket fee shall be calculated by dividing its Station Qualified Viewing Households number by the total Station Qualified Viewing Households for all stations in that DMA market and multiplying the resulting percentage by the DMA market blanket license fee (reduced by the amount of any minimum fees assigned to stations in the market pursuant to paragraph 5 below).⁵

5. Stations whose ratings are not reported by Nielsen during the relevant period shall be assigned a minimum blanket license fee equal to the greater of 0.25 percent of the allocable blanket license fee for its market or an annual blanket license fee of \$360 (or \$30 per month for partial years) for 2016 and 2017 and \$420 (or \$35 per month for partial years) for 2018 and 2019 ("Minimum Blanket License Fee"). The fees assigned to a DMA market pursuant to Step 1 above shall be reduced by the amount of any Minimum Blanket License Fees assigned to stations in that DMA market, and the balance of that DMA market's share of the industry-wide fee shall be allocated among the remaining licensed stations in that DMA market based on the methodology set forth in Step 2 hereof. If, by way of example, the blanket license fee allocated to market "k" is \$300,000, and there are operating in market "k" two stations whose ratings are not reported by Nielsen, each of those stations would be assigned a blanket fee of \$750 ($\$300,000 \times .0025$). The remaining stations in market "k" would pay their appropriate percentages, not of \$300,000, but of \$298,500.

6. If, during a given Contract Period, SESAC enters into a license agreement with a television station that was not previously licensed (a "New Television Station"), such station shall pay the minimum monthly fee of thirty dollars (\$30.00) or thirty-five dollars (\$35.00), whichever applies, for the remainder of the Contract Period following the effective date of its license agreement. The fees payable by all stations in the New Television Station's market in the following Contract Period shall be reallocated in the manner set forth above without any increase in the total fee amount otherwise allocable to the relevant market.

⁴ For example, on the East Coast, prime-time occupies Monday – Saturday, 8:00 – 11 p.m. and Sunday, 7:00 – 11:00 p.m.

⁵ The fees for each of the licensed stations in the Virgin Islands and Guam shall equal the amount of the industry-wide fee assigned to the market divided by the total number of licensed television stations in that market.

7. Once a station's allocated fee has been calculated for a given Contract Period, there shall be no further adjustment to that station's fee for the duration of that Contract Period; provided however that if the station was assigned in error a blanket license fee that was higher or lower than it should have been assigned pursuant to the methodology set forth above, such over-allocation or under-allocation amount shall be factored into the fees allocated to the station for the subsequent Contract Period.

8. If during the term of the SESAC-Local Television Station Blanket and Per Program Licenses, the Committee determines that there is good cause to revise the allocation methodology set forth above in any manner, the Committee shall provide to SESAC any proposed revisions for review. SESAC and the Committee shall confer regarding the reasonableness of the proposed revisions. The Committee shall not make any change to the allocation methodology set forth above with effect during the term of the license without SESAC's consent.

EXHIBIT C

LOCAL MARKETING AGREEMENT AMENDMENT LETTER

Dear SESAC:

1. _____ (“LICENSEE”) has entered into a Local Marketing Agreement with _____ (“LMA OPERATOR”) for television station _____ for the period _____ through _____.

2. LICENSEE and LMA OPERATOR wish to add LMA OPERATOR as a party to the Local Television Station License Agreement in effect between LICENSEE and SESAC (“the License”), and LMA OPERATOR shall assume all of the rights and obligations of LICENSEE as set forth in the License for the full period of the Local Marketing Agreement referred to in Paragraph 1 above.

3. LICENSEE/LMA OPERATOR (circle one) shall be responsible for the payment of any fees owing to SESAC pursuant to the License.

4. LICENSEE/LMA OPERATOR (circle one) shall be responsible for the submission to SESAC of any reports, tapes or other information pursuant to the License.

5. LICENSEE and LMA OPERATOR jointly designate the following single address for billing and other regular correspondence, and the following single address for any notices in accordance with the License:

Billing Address: _____ Notice Address: _____

Please indicate your consent to the amendment of the License Agreement in accordance with this letter by countersigning the letter in the space provided below and returning a copy to us.

Very truly yours,

LICENSEE

Dated: _____

By: _____

Title: _____

LMA OPERATOR

Dated: _____

By: _____

Title: _____

The undersigned, SESAC LLC, hereby consents and agrees to the amendment of the above mentioned License Agreement.

SESAC LLC

Dated: _____

By: _____

Title: _____