



January 4, 2018

Edward Christian
Chairman, Radio Music License Committee
1616 Westgate Circle
Brentwood, TN 37027

Dear Mr. Christian:

This letter sets forth the agreement ("Letter Agreement") between SESAC and the Radio Music License Committee ("RMLC" and, collectively with SESAC, the "Parties") in connection with the SESAC Radio Broadcasting Performance License for the period January 1, 2016 through December 31, 2018 (the "Term") (such license agreement, the "2016-2018 License Agreement"). Except as otherwise defined below, capitalized terms used herein shall have the same meanings ascribed to them in the 2016-2018 License Agreement.

The Parties hereby agree as follows:

1. Binding Effect. This Letter Agreement is expressly incorporated in and made part of the 2016-2018 License Agreement and is binding upon the Parties and all Represented Stations, as that term is defined in the Parties' 2015 Settlement Agreement, that execute the 2016-2018 License Agreement. SESAC shall promptly provide or otherwise make available a copy of the 2016-2018 License Agreement to all Represented Stations.
2. Deadline for Execution. SESAC will make the 2016-2018 License Agreement available to Represented Stations for execution on or before January 24, 2018. Represented Stations that do not return an executed 2016-2018 License Agreement or are not covered by an executed Station Group Amendment by March 26, 2018 shall no longer be entitled to enter into the 2016-2018 License Agreement, at SESAC's discretion; provided that nothing in this provision shall otherwise limit Represented Stations' rights or remedies under the 2015 Settlement Agreement, the July 27, 2017 Arbitrators' Award, and the August 28, 2017 New York Supreme Court Judgment confirming such award. For the avoidance of doubt, the Parties intend for the terms of the 2016-2018 License Agreement to supersede all pre-existing, interim license agreements between SESAC and the Represented Stations and SESAC shall not be obligated to continue to license any Represented Stations under any preexisting, interim license in effect on or after January 1, 2016.
3. Gross Revenue Definition. Consistent with the Arbitrators' Award and Memorandum of Award, the Parties intend for the definition of Gross Revenue in Section 2.F to be coextensive with the gross revenue definition under the 2017 ASCAP Radio Station License Agreement. Stations that report GAAP revenues on an accrual basis to SESAC will do so without offset for seller-side commissions otherwise known as "representation fees" as commonly paid to radio station representation firms such as Katz Media Group and Statenets Media Solutions (even where, as is

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generally the case, the monies actually received by Stations incurring such expenses do not include, and are net of, those commissions).

4. **Audits of Public Company Licensees for Calendar Year 2018.** In light of changes to GAAP revenue reporting requirements for public companies scheduled to take effect for calendar year 2018, it is understood and agreed that in connection with audits of licensees that are or are affiliated with public companies for calendar year 2018, the books and records that SESAC's representatives shall have the right to examine pursuant to Section 5.A of the License Agreement will include documents sufficient to verify revenues reported pursuant to the License Agreement and the extent to which those revenues differ from revenues reported and/or reflected in licensee's general ledger and financial statements due to changes to GAAP revenue reporting requirements effective in 2018.
5. **Refunds and Operational Credits.** All refunds and operational credits under the 2016-2018 License Agreement will be distributed to the current station owner, irrespective of whether the station previously had a different owner during the Term of the license.
6. **RMLC Administrative Fee.** In order to offset costs incurred, or to be incurred, by RMLC in connection with the administration of the 2016-2018 License Agreement and RMLC's ongoing representation of commercial radio stations in regard to music performance licenses, RMLC shall be entitled to invoice and collect from the Licensees in 2018 an annual amount equal to the RMLC SESAC administrative fee assessed for each of Licensee's Represented Stations in 2017 (such amounts the "Administrative Fees"). In the event of a dispute regarding Administrative Fees under Section 14.C of the 2016-2018 License Agreement, SESAC shall provide, upon request by the RMLC, any non-financial documentation that it has confirming that the stations at issue have agreed to be bound by the 2016-2018 License Agreement. The RMLC will undertake its best efforts to limit the number of requests for such non-financial documentation from SESAC, and will attempt to resolve any disputes with any stations before making such a request of SESAC. For the avoidance of doubt, SESAC has no obligation to provide any notices to stations, assist in any collection efforts, or take any other actions with respect to RMLC Administrative Fees except as expressly set forth in this Paragraph.
7. **Mutual Representations and Warranties.** Each Party represents and warrants to the other Party that: (a) it has the full corporate right, power and authority to enter into this Letter Agreement and to perform the acts required of it pursuant to this Letter Agreement, (b) the execution of this Letter Agreement and performance of its obligations pursuant to this Letter Agreement do not and shall not violate any other agreement to which it is a party, (c) this Letter Agreement constitutes the legal, valid and binding obligation of such Party when executed and delivered and (d) any and all activities it undertakes in connection with this Letter Agreement shall be performed in compliance with all applicable laws, rules and regulations.
8. **Further Assurances.** Each of the Parties hereto shall take such further actions and execute and deliver such additional documents and instruments consistent herewith as may be reasonably required in order to effectuate and/or implement the purposes and intentions of this Letter Agreement.

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9. Non-Precedential Terms. The Parties have negotiated the terms of the 2016-2018 License Agreement in the interest of providing for the efficient and uniform implementation of the Arbitrators' Award and Memorandum of Award issued on July 27, 2017. The fact that the Parties have agreed to the following terms of the 2016-2018 License Agreement may not be cited by the Parties as a reason for setting the same or a similar term in any subsequent arbitration under the Parties' 2015 Settlement Agreement: (a) Sections 2.A, 2.B and 2.F insofar as they concern treatment of revenue from Advertising Inventory/Sponsorships/Promotions (as defined therein); (b) the definition of "GAAP" as U.S. generally accepted accounting principles as of December 31, 2016 in Section 2.B; (c) the obligation to submit amended reports to SESAC in the event of a restatement following an audit by ASCAP in Section 4.B; (d) Section 4.C; (e) the 60-day period for truing up Provisional License Fee payments in Section 4.D; (f) the late fee payable in connection with SESAC refunds in Section 4.H; and (g) the 24-month lookback in Section 5.A. For the avoidance of doubt, in all other respects the Parties will be free to advocate for the same or similar terms in any subsequent arbitration. For the avoidance of doubt, nothing in this paragraph is intended to limit the precedential value, if any, of the Arbitrators' Award and Memorandum of Award issued on July 27, 2017.

By countersigning this Letter Agreement in the space indicated below, you shall be deemed to have accepted the terms set forth herein. Further, your signature shall serve as your acknowledgement that the terms and conditions of the 2016-2018 License Agreement shall be interpreted in a manner consistent with the terms and conditions set forth herein.

Very truly yours,

SESAC

By: 
 John H. Josephson
 Chairman & CEO, SESAC

ACCEPTED AND AGREED:

By: 
 Edward Christian
 Chairman, Radio Music License Committee

Dated: Jan 5, 2018