

August 20, 2020

Ed Atsinger III
Radio Music License Committee
1616 Westgate Circle
Brentwood, TN 37027

Dear Mr. Atsinger:

This letter sets forth the agreement (“Letter Agreement”) between SESAC LLC (“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, 2019 through December 31, 2022 (the “Term”) (such license agreement, the “2019-2022 License Agreement”). Except as otherwise defined below, capitalized terms used herein shall have the same meanings ascribed to them in the 2019-2022 License Agreement.

The Parties hereby agree as follows:

1. Binding Effect. This Letter Agreement is expressly incorporated in and made part of the 2019-2022 License Agreement and is binding upon the Parties and all Represented Stations, as that term is defined in the Parties’ 2015 Settlement Agreement and whether or not such Stations were Represented Stations with respect to the 2016-2018 SESAC Radio Broadcasting Performance License (the “2016-2018 License Agreement”). SESAC shall promptly provide or otherwise make available a copy of the 2019-2022 License Agreement to all Represented Stations. The agreed forms of the 2019-2022 License Agreement, the All-Talk Amendment, and the Group Amendment are attached hereto as Exhibits A, B, and C, respectively, and are incorporated herein by this reference.
2. Deadline for Execution of License Agreement; Deadline for Submission of Annual Reports; Represented Stations Bound by Terms of License Agreement; Cure by Station; License Termination by SESAC. SESAC will make the 2019-2022 License Agreement and the related electronic reporting portal available to Represented Stations promptly upon full execution of this Letter Agreement—specifically, August 24, 2020 (the “License Availability Date”). SESAC and the RMLC shall notify Represented Stations of the occurrence of the License Availability Date. Represented Stations shall return an executed 2019-2022 License Agreement, including an executed Station Group Amendment and/or an executed All-Talk Amendment, if applicable, to SESAC no later than September 23, 2020 (i.e., 30 days after the License Availability Date). All 2019 Annual Reports shall also be submitted to SESAC no later than September 23, 2020 (i.e., 30 days after the License Availability Date). For any Represented Station that has not submitted a 2019-2022 License Agreement, including an executed Station Group Amendment and/or an executed All-Talk Amendment, if applicable, to SESAC by September 23, 2020 (i.e., 30 days after the License Availability Date), the RMLC

acknowledges and agrees on behalf of each such Represented Station, pursuant to the authorization provided to the RMLC in Exhibit A to the 2015 SESAC-RMLC Settlement Agreement, that the 2019-2022 License Agreement constitutes the License Fees and Terms for the 2019-2022 period as determined by negotiation within the meaning of Paragraph 2.c. of the 2015 Settlement Agreement, and that each such Represented Station is bound by the terms of the 2019-2022 License Agreement effective as of September 23, 2020. Should a Represented Station fail to submit its 2019 Annual Report by September 23, 2020 (i.e., 30 days after the License Availability Date), SESAC may immediately give such Represented Station thirty (30) days' written notice to cure such breach pursuant to Section 6 of the 2019-2022 License Agreement. Any such Represented Station may cure such breach by submitting the 2019 Annual Report within the thirty (30) day cure period provided in Section 6 of the 2019-2022 License Agreement. If any such Represented Station has not cured such breach within the thirty (30) day cure period, SESAC may, in its sole discretion, terminate any such Station's license as of the expiration of the thirty (30) day cure period, and any such Station shall no longer be entitled to enter into the 2019-2022 License Agreement. Nothing in this Paragraph shall otherwise limit Represented Stations' rights or remedies under the 2015 Settlement Agreement. For the avoidance of doubt, the Parties intend for the terms of the 2019-2022 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, 2019.

3. Revenue Definitions. The following principles apply to the 2019-2022 License Agreement: These principles codify the Arbitrator's Award in *SESAC LLC v. iHeartCommunications, Inc.*, JAMS Ref. No. 1425028464 and Memorandum of Award (the "2020 Arbitrator's Award"). Accordingly:
 - A. The Parties intend for the definition of Advertising Revenue, Distribution Revenues, Gross Revenue, and Net Revenue in Section 2.B, 2.D, 2.F, and 2.J of the 2019-2022 License Agreement to be consistent with the 2020 Arbitrator's Award;
 - B. Network revenues are not reportable (e.g. advertising revenues earned by Networks, such as Premiere Networks and Westwood One, are not reportable). However, amounts received by or otherwise credited to Stations or their Affiliates as revenue (other than trade or barter exchanges), if any, for the sale of airtime to Networks is reportable;
 - C. For Licensees that report on behalf of Stations to SESAC on an accrual basis, Advertising Revenues shall include known or accrued buy-side commission amounts or discounts. Additionally, Licensees that report on behalf of Stations 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 generally the case, the monies actually received by Stations incurring such expenses do not include, and are net of, those commissions).

- D. In the event that revenue is generated by advertising placed by a third-party agency with no known or accrued commission or discount, such revenues shall be considered Net Revenues without the 12% deduction set forth in paragraph 2.J being applied. For the avoidance of doubt, nothing contained herein is intended to modify the *status quo* regarding revenues generated by in-house sales or sales involving a seller-side advertising agency but not involving a buy-side advertising agency.
 - E. Only digital revenues earned in connection with licensed streaming activity through display and pre-roll and post-roll ads on pages shown to visitors who have expressed a desire to listen to a Station's New Media Transmissions (as defined in the 2019-2022 License Agreement) by clicking on a link to play those Transmissions are reportable. This includes advertising revenue generated from display and/or pre- and post-roll ads on any intermediate pages directly following the page where the initial link appears that lead up to and include the Station's New Media Transmission. Display ads and other revenues earned from website activity that do not involve a visitor who has expressed a desire to listen to a Station's New Media Transmissions by clicking on a link to access those Transmissions (e.g., display ads that appear next to articles, photos, contests, etc.) or appears in a separate tab while a visitor is listening to a Station's New Media Transmission in another tab is not reportable; and
 - F. The fair market value of sponsorship/promotional revenues earned in connection with streaming or broadcast activity, including advertising and mentions, as part of sponsorship/promotional packages is reportable (e.g., media packages, on-air mentions) under Paragraph 2.A of the 2019-2022 License Agreement. All other sponsorship/promotion revenue is excluded from the royalty base.
4. Refunds and Operational Credits. All refunds and operational credits under the 2019-2022 License Agreement will be distributed to the current station owner.
5. RMLC Administrative Fee. In order to offset costs incurred, or to be incurred, by RMLC in connection with the administration of the 2019-2022 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 administrative fees assessed for each of the Licensee's Represented Stations for each year of the Term ("the Administrative Fees"). In the event of a dispute regarding Administrative Fees under Section 13.C of the 2019-2022 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 2019-2022 License Agreement. Furthermore, for purposes of RMLC's 2020 Administrative Fee, no later than December 22, 2020 (i.e., 120 days after the License Availability Date), SESAC shall exercise best efforts to transmit to RMLC the following information for each Represented Station: estimated billing data based on 2019 Annual Reports, and as supplemented by 2018 Annual Reports in cases where a 2019 Report has not been provided; FCC ID number; call letter/band; owner/group name; billing address; and phone number. By July 1st of calendar years 2021, 2022, and 2023, SESAC shall exercise best efforts, subject to receipt of Annual Reports for the preceding calendar year from Licensees, to transmit to RMLC the information referenced above.

6. 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.
7. 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.
8. Press Release. SESAC and RMLC shall negotiate the text of a mutually agreeable press release announcing the Parties' agreement.
9. Non-Precedential Terms. The Parties agree that this Agreement is intended to roll-forward the rates and economic-related terms, conditions, provisions, covenants or considerations established by the Arbitrators' Award and Memorandum of Award issued on July 27, 2017. All other economic terms ("Economic Terms") shall be deemed non-precedential in any future proceeding to establish reasonable rates and terms for the public performance of musical works. 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 further avoidance of doubt, nothing in this paragraph is intended to limit the precedential value, if any, of the 2017 Arbitrators' Award.


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 2019-2022 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 G. Atsinger III
Radio Music License Committee

Dated: 8-20-2020