

RADIO MUSIC

LICENSE COMMITTEE



KEITH F. MEEHAN
executive director

September 15, 2004

Mr. John LoFrumento
Chief Executive Officer
ASCAP
One Lincoln Plaza
New York, NY 10023

Re: ASCAP 2004 Radio Station License Agreement

Dear Mr. LoFrumento:

This letter sets forth the Agreement ("Agreement") reached between the American Society of Composers, Authors and Publishers ("ASCAP") and the Radio Music License Committee (the "RMLC") setting forth the license fees and certain additional terms of the ASCAP 2004 Radio Station License ("2004 License") covering the period January 1, 2001, through December 31, 2009. This Agreement is expressly incorporated in paragraph 4 of the 2004 License and is binding upon all local radio stations that: (i) were parties to the proceeding entitled U.S. v. ASCAP: In the Matter of the Application of Hicks Broadcasting of Indiana, et al., (S.D.N.Y. Civ. No. 41-1395) (the "Hicks Proceeding"); (ii) were signatories to letter agreements or license extension agreements extending the 1996 ASCAP Local Station Blanket Radio License ("Interim Blanket License") and the 1996 ASCAP Local Station Per Program Radio License ("Interim Per Program License") for the interim license term beginning January 1, 2001 (collectively, the "Interim Radio Station Licenses"); and/or (iii) are signatories to the 2004 License (collectively, "Licensees").

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The parties agree as follows:

1. Except as otherwise provided herein, for the period January 1, 2001 through December 31, 2003, the interim license terms and interim license fees billed to and payable by individual local radio stations pursuant to the Interim Radio Station Licenses shall be considered final terms and license fees. ASCAP's right to collect unpaid license fees shall in no way be prejudiced by this paragraph. The Interim Radio Station Licenses are incorporated herein by reference for all Licensees whose licenses commenced prior to their execution of the 2004 License. The Interim Radio Station Licenses are available at www.ASCAP.com/licensing/radio and at www.radiomlc.com.

2. For the period January 1, 2001 through December 31, 2004, license fees payable and license terms for individual local radio stations pursuant to ASCAP Internet licenses shall be considered final license fees and terms.

3. Industry-wide ASCAP broadcast license fees for all Licensees for the period January 1, 2001 through December 31, 2009 shall equal One Billion, Seven Hundred Twenty Four Million, Nine Hundred Sixty-Eight Thousand Dollars (\$1,724,968,000).

4. The Industry-wide Fees collected by ASCAP through the date of this agreement attributable to the years 2001 – 2003 are as follows:

2001	-	\$152.000 million
2002	-	\$161.000 million
2003	-	\$166.218 million

The Industry-wide Fees for the period 2004 – 2009 shall be payable to ASCAP annually pursuant to the following schedule (the "Annual License Payment"):

2004	-	\$176.450 million
2005	-	\$192.550 million
2006	-	\$208.650 million
2007	-	\$213.975 million
2008	-	\$222.700 million
2009	-	\$231.425 million

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5. Each local radio station's share of the Annual License Payment shall be determined in accordance with the provisions of the license fee allocation formula developed by the RMLC attached as Exhibit B to the License. By August 1 of each year starting 2004, ASCAP will provide the RMLC with the data reasonably needed to make the allocation for the following year. By no later than October 1 of each year starting 2004, the RMLC shall notify ASCAP of the allocation of license fees to each station for the following calendar year.

6. (a) ASCAP and the RMLC anticipate that actual annual fees payable by Licensees may be higher (or lower) than the Annual License Payment for a given year as a result of changes in the number of individual local radio stations licensed pursuant to the 2004 License or changes in the license status (e.g., from the Blanket to the Program Period basis, or vice versa) of previously licensed stations. In the event that the fees payable by Licensees for any calendar year are greater (or less) than the Annual License Payment for that calendar year (exclusive of penalties payable by program period stations and finance charges pursuant to paragraphs 4.F. and 10.B.(2) of the License) such overpayment (or underpayment) will be deducted from (or added to) the Annual License Payment in the following calendar year. If there is an overpayment or underpayment for 2009, the parties agree that a billing or credit will be issued to stations by ASCAP within the first quarter of 2010.

(b) Each station that becomes licensed in any year from 2004 through 2009 that did not have an ASCAP Interim Radio Station License for any period from 2001 through 2003 on the date this Agreement is executed, will pay the minimum fee for the first year it is licensed under the 2004 License. Minimum fees paid by new stations shall be in addition to the Annual License Payments set forth in paragraph 4 above for each year, subject to being offset by portions of fees allocated to stations that go off the air during that year. For the second and subsequent years a station is licensed under the 2004 License, each new station shall pay its allocated share of the Annual License Payment for that year.

(c) To the extent that ASCAP collects any incremental increased fees resulting from an involuntary license change, as described in paragraph III.D of the Radio Music License Committee Methodology For Industry-Wide License Fee Allocation For The Period January 1, 2001 through December 31, 2009, such incremental increased fees (exclusive of late payment charges) collected by ASCAP shall be deducted from the Annual License Payment owing to ASCAP in the following calendar year.

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7. The above schedule of Annual License Payments is for allocation of annual payment purposes only. The parties have not reached agreement on what portions of the industry-wide fees are attributable to individual years during the Current License Period. By agreeing to an Industry-wide Fee for the period 2001-2009, the parties have expressly not agreed that the Annual License Payment set forth herein comprises reasonable license fees for a particular year but instead reflect arbitrary yearly allocations for the convenience of both the Licensees and ASCAP. Each party hereto is free to make whatever internal allocations it deems reasonable and appropriate for its own internal business purposes. The allocation of fees to any particular calendar year shall not be considered in connection with the determination of final fees for any subsequent period for local commercial radio stations, or any other user of ASCAP music, and shall not be offered as evidence by any party for any purpose in any proceeding concerning the determination of reasonable ASCAP final license fees.

8. In the event that ASCAP shall obtain the right to license performances of works in the ASCAP Repertory by means of Internet Streaming (as that term is used in the 2004 License) beyond the U.S. Territory during the term of the 2004 License, Paragraph 3.B. of the 2004 License shall be deemed amended so as to include such performances within the scope of rights granted by the License for the duration of the term of the License.

9. ASCAP and the RMLC are entering into this Agreement without prejudice to any arguments or positions they may assert in any future rate proceeding concerning what constitutes reasonable blanket license, per program license or streaming license fees and terms for local commercial radio stations. Without limiting the foregoing, ASCAP and the RMLC agree that the definitions of "Incidental Use" in Paragraph 2.D. and "Program Period" in Paragraph 2.I. of the 2004 License shall not be considered in connection with the determination of what constitutes an "incidental use" or a "program period" for any subsequent period for local commercial radio stations, or any other user of ASCAP music, and shall not be offered as evidence by any party for any purpose in any proceeding concerning the determination of reasonable ASCAP final license fees.

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10. ASCAP and the RMLC agree to confer no later than February 1, 2009 to seek to agree upon final (and, if necessary, interim) license fees for periods subsequent to December 31, 2009. In the event that ASCAP and the RMLC are unable to agree on such fees prior to September 1, 2009, the parties shall engage in non-binding mediation for a period of 60 days or such longer time as ASCAP and the RMLC may jointly agree (the "Mediation Period"). Nothing herein shall affect the rights of ASCAP, the RMLC or any Licensees, subsequent to the expiration of the Mediation Period, to seek a determination of reasonable fees or the fixing of interim fees for the period commencing January 1, 2010, pursuant to Section IX of the ASCAP Consent Decree.

11. No party shall be prejudiced by entering into this Agreement with respect to any argument it may raise in regard to licenses for any period subsequent to that covered by this Agreement, including but not limited to the level of license fees that are reasonable for radio station performance licenses, the methodology for calculating license fees or the structure of such license fees that are reasonable for commercial radio stations.

Please indicate your agreement to the above by signing and dating on the lines provided below.

Very truly yours,

s/Randall Mays

s/Jacques Tortoroli

Co -Chairmen

Radio Music License Committee

AGREED TO:

AMERICAN SOCIETY OF COMPOSERS,
 AUTHORS AND PUBLISHERS

s/John LoFrumento, Chief Executive Officer

Dated: September 23, 2004