

License Agreement – Music-On-Hold

Agreement

between American Society of Composers, Authors and Publishers ("SOCIETY"), located at

2 Music Square West; Nashville, TN 37203

and

("LICENSEE"), located at

as follows:

1. Grant and Term of License

(a) SOCIETY grants and LICENSEE accepts for a term of one year, commencing _____, and continuing thereafter for additional terms of one year unless terminated by either party as hereinafter provided, a license to perform publicly at

("the premises"), and not elsewhere, by means of a music-on-hold telephone system, and not otherwise, non-dramatic renditions of the separate musical compositions now or hereafter during the term hereof in the repertory of SOCIETY, and of which SOCIETY shall have the right to license such performing rights.

(b) This agreement shall enure 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 rendered, acts done and obligations incurred prior to the effective date of the assignment.

(c) Either party may, on or before thirty days prior to the end of the initial term or any renewal term, give notice of termination to the other. If such notice is given the agreement shall terminate on the last day of such initial or renewal term.

2. Limitations on License

(a) This license is not assignable or transferable by operation of law or otherwise, except as provided in paragraph "1(b)" hereof, and is limited to the LICENSEE and to the premises.

(b) This license does not authorize the broadcasting, telecasting or transmission by wire or otherwise, of renditions of musical compositions in SOCIETY's repertory to persons outside of the premises, other than by means of LICENSEE's music-on-hold telephone system.

(c) This license is limited to non-dramatic performances, and does not authorize any dramatic performances. For purposes of this agreement, a dramatic performance shall include, but not be limited to, the following:

- (i) performance of a "dramatico-musical work" (as hereinafter defined) in its entirety;
- (ii) performance of one or more musical compositions from a "dramatico-musical work" (as hereinafter defined) accompanied by dialogue, pantomime, dance, stage action, or visual representation of the work from which the music is taken;
- (iii) performance of one or more musical compositions as part of a story or plot, whether accompanied or unaccompanied by dialogue, pantomime, dance, stage action, or visual representation;
- (iv) performance of a concert version of a "dramatico-musical work" (as hereinafter defined).

The term "dramatico-musical work" as used in this agreement, shall include, but not be limited to, a musical comedy, opera, play with music, revue or ballet.

3. License Fee

(a) In consideration of the license granted herein, LICENSEE agrees to pay SOCIETY the applicable license fee set forth in the rate schedule printed below and made part hereof, based on "LICENSEE's Operating Policy" (as hereinafter defined) payable annually in advance on January 15 of each year. The term "LICENSEE's Operating Policy", as used in this agreement, shall be deemed to mean all of the factors which determine the license fee applicable to the premises under said rate schedule.

(b) LICENSEE warrants that the Statement of LICENSEE's Operating Policy on the reverse side of this agreement is true and correct. LICENSEE shall provide, at the time of execution of this agreement and upon any change in LICENSEE's Operating Policy pursuant to Paragraph "4" hereof, documentation from the telephone operating company providing telephone service to LICENSEE showing the number of trunk lines used in providing LICENSEE's music-on-hold telephone service.

(c) Said license fee is \$ _____ annually, based on the facts set forth in said Statement of LICENSEE's Operating Policy.

(d) In the event LICENSEE shall be delinquent in the payment of license fees due under Paragraph "3(a)" hereof by forty-five (45) days or more, LICENSEE shall pay a finance charge on the license fees due of 1 1/2% per month, or the maximum rate permitted by law, whichever is lesser, from the date such license fees should have been paid pursuant to Paragraph "3(a)" hereof.

- (e) In the event that LICENSEE's payment of fees under this Agreement causes SOCIETY to incur a liability to pay a gross receipts, sales, use, business use, or other tax which is based on the amount of SOCIETY's receipts from LICENSEE, the number of licensees of SOCIETY, or any similar measure of SOCIETY's activities, and
 - (i) SOCIETY has taken reasonable steps to be exempted or excused from paying such tax; and
 - (ii) SOCIETY is permitted by law to pass through such tax to its licensees, LICENSEE shall pay to SOCIETY the full amount of such tax.

4. Changes in LICENSEE'S Operating Policy

- (a) LICENSEE agrees to give SOCIETY thirty days prior notice of any change in LICENSEE's Operating Policy. For purposes of this agreement, a change in LICENSEE's Operating Policy shall be one in effect for no less than thirty days.
- (b) Upon any such change in LICENSEE's Operating Policy resulting in an increase in the license fee, based on the annexed rate schedule, LICENSEE shall pay said increased license fee, effective as of the initial date of such change, whether or not notice of such change has been given pursuant to Paragraph "4 (a)" hereof.
- (c) Upon any such change in LICENSEE's Operating Policy resulting in a reduction of the license fee, based on the annexed rate schedule, LICENSEE shall be entitled to such reduction, effective as of the initial date of such change, and to a pro rata credit for any unearned license fees paid in advance, provided LICENSEE has given SOCIETY thirty days prior notice of such change. If LICENSEE fails to give such prior notice, any such reduction and credit shall be effective thirty days after LICENSEE gives notice of such change.
- (d) In the event of any such change in LICENSEE's Operating Policy, LICENSEE shall furnish a current Statement of LICENSEE's Operating Policy and shall certify that it is true and correct.
- (e) If LICENSEE discontinues the performance of music at the premises, LICENSEE or SOCIETY may terminate this agreement upon thirty days prior notice, the termination to be effective at the end of such thirty day period. In the event of such termination, SOCIETY shall refund to LICENSEE a pro rata share of any unearned license fees paid in advance. For purposes of this agreement, a discontinuance of music shall be one in effect for no less than thirty days.

5. Breach or Default

Upon any breach or default by LICENSEE of any term or condition herein contained, SOCIETY may terminate this license by giving LICENSEE thirty days notice to cure such breach or default, and in the event that such breach or default has not been cured within said thirty days, this license shall terminate on the expiration of such thirty-day period without further notice from SOCIETY. In the event of such termination, SOCIETY shall refund to LICENSEE any unearned license fees paid in advance.

6. Interference in Society's Operations

In the event of:

- (a) any major interference with the operations of SOCIETY in the state, territory, dependency, possession or political subdivision in which LICENSEE is located, by reason of any law of such state, territory, dependency, possession or political subdivision; or
 - (b) any substantial increase in the cost to the SOCIETY of operating in such state, territory, dependency, possession or political subdivision, by reason of any law of such state, territory, dependency, possession or political subdivision, which is applicable to the licensing of performing rights,
- SOCIETY shall have the right to terminate this agreement forthwith by written notice and shall refund to LICENSEE any unearned license fees paid in advance.

7. Notices

All notices required or permitted hereunder shall be given in writing by certified United States mail sent to either party at the address stated above. Each party agrees to inform the other of any change of address.

IN WITNESS WHEREOF, this Agreement has been duly executed by SOCIETY and LICENSEE,
 this _____ day of _____, 20__.

AMERICAN SOCIETY OF COMPOSERS,
 AUTHORS AND PUBLISHERS

By _____

LICENSEE

By _____

TITLE _____

(Fill in capacity in which signed: (a) If corporation, state corporate office held; (b) If partnership, write word "partner" under signature of signing partner; (c) If individual owner, write "individual owner" under signature.)