



HD Radio™ Broadcaster Licensing Fact Sheet

AM and FM stations in the United States and its territories planning to convert to HD Radio technology must license the technology directly from iBiquity Digital. The license grants the station the right to use iBiquity Digital's HD Radio patents, software and trademarks. Licenses must be in place before a station receives broadcast equipment that contains iBiquity Digital's intellectual property from manufacturers or resellers.

A form station license agreement is available on iBiquity Digital's website (<http://www.ibiquity.com/broadcasters/licensing>) or by contacting iBiquity Digital. Any questions about licensing should be directed to:

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–OR–

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Terms of licensing include:

- Duration. The term of the agreement is perpetual.
- Main Channel Audio Fees. iBiquity Digital defines the digital broadcast of the existing analog program as "Main Channel Audio." A one time fee is paid for the rights to broadcast the Main Channel Audio. As indicated by the chart below, the fee is discounted through June, 2008 based on the effective date of the license and provided the station meets the corresponding conversion deadline. The rights to broadcast certain data associated with main channel audio (Main Channel Primary Data), such as call letters, artist/song title and program, is included in the Main Channel Audio license fee.

Licensing Deadline	Main Channel Licensing Fee	Digital Conversion Deadline
June 30, 2008	\$15,000	December 31, 2008 None
After June 30, 2008	\$25,000	None

Note: iBiquity is offering broadcasters a licensing incentive through June 30, 2008. License any number of stations by the June 30th deadline, and the 12/31/2008 conversion deadline is waived.

- Supplemental Channel Audio Fees for HD-2 and Other Multicast Channels. The fee for transmitting digital audio channels (HD-2 and other multicast channels) in addition to the main channel is based on a revenue sharing model. Stations pay 3% of incremental net revenue derived from any supplemental audio services made possible with HD Radio technology with a minimum annual fee of \$1,000 per audio channel.
- Data Fees. Any data made possible with HD Radio technology other than Main Channel Primary Data are classified as Auxiliary Data. The fee for transmitting Auxiliary Data is also based on a revenue sharing model. Station pay 3% of incremental net revenue derived from Auxiliary Data. Payments are made on a quarterly basis.
- Conversion Timelines. To receive the benefits of current discount licensing terms, stations are required to use commercially reasonable efforts to convert to HD Radio technology as indicated in #2 above.
- Operational Requirements. To promote consumer acceptance of the technology, stations are required to synchronize the analog and digital Main Channel Audio by delaying the analog audio several seconds.
- Assignment. The license can be assigned to another station only in the case where the station and other related assets are assigned or transferred to another party.
- Revisions and Upgrades. iBiquity Digital will not charge additional license fees for software Revisions (new releases intended to correct errors in functionality). Stations may license any Upgrades that may be released periodically by electing to pay an annual fee or the prevailing rate at the time of release.

This fact sheet does not constitute an offer to enter into an agreement. Stations must enter into a formal license agreement with iBiquity Digital to obtain any rights to use iBiquity Digital's patents, software and trademarks.