



## **PROGRAM AGREEMENT FOR THE CHURCH COPYRIGHT LICENSE**

### **THIS PROGRAM AGREEMENT IS MADE BETWEEN:**

- 1) CCLI, LLC on the one side, located at 17205 SE Mill Plain Blvd., Suite 150, Vancouver, Washington 98683 (an Oregon corporation formed in the United States) ("CCLI") and
- 2) OWNER, as named on the signature page hereof, on the other side ("Owner").

### **WHEREAS:**

- 1) CCLI and Owner are parties to and subject to a General Owner Agreement, which governs this Program Agreement;
- 2) CCLI is in the business of issuing Licenses to Licensees in accordance with the terms of the General Agreement and this Program Agreement; and
- 3) CCLI desires to obtain and Owner desires to license to CCLI the Rights necessary for CCLI to issue Licenses to Licensees for the Licensed Rights with respect to Owner's Percentage of Musical Compositions in connection with this Program.

### **NOW IT IS HEREBY AGREED as follows:**

#### **1. DEFINITIONS NOT IN GENERAL OWNER AGREEMENT**

- 1.1 "CCL" means a License issued under this Program Agreement, an Event License and a Mobile License, collectively.
- 1.2 "Event License" means the license issued by CCLI to Churches holding Church Services at fixed locations and for a limited period of up to fourteen (14) days.
- 1.3 "Mobile License" means the license issued by CCLI to Churches holding Church Services at various locations. For the purposes of this license, the definition of Church will include individuals duly authorized to act on behalf of the Church.

#### **2. LICENSE OF RIGHTS**

- 2.1 In consideration of the undertakings, representations and warranties of CCLI contained in this Program Agreement, and subject to the terms of this Program Agreement, Owner hereby licenses to CCLI the Rights for CCLI to sub-license to Licensees via a CCL the Licensed Rights to the Musical Compositions in Countries during the Term for the purpose of operating the CCL Program, subject to the restrictions contained herein.
- 2.2 CCLI will issue CCLs to Licensees inclusive of the following reproduction rights for congregational use in Church Services and for School use for similar activities, unless as restricted in this Clause 2.2, and in Clause 2.3 below for each applicable Country, to:
  - 2.2.1 reproduce Musical Compositions in bulletins, liturgies, programs, song sheets, songbooks, transparency film sheets and similar tangible forms where such Copies may be reused;
  - 2.2.2 make customized vocal and/or instrumental arrangements of Musical Compositions where no published version is available provided that the Licensee causing such arrangement to be created ensures that all rights in and to such arrangement will belong perpetually and exclusively to Owner;
  - 2.2.3 record Musical Compositions during a Church Service onto an audio and/or audio-visual medium in a quantity not to exceed fifteen percent (15%) of the Church Size, and to recover the actual cost of reproduction and distribution;
  - 2.2.4 copy Musical Compositions into and from computerized storage and retrieval software;
  - 2.2.5 alter or make language translations of Musical Compositions only where no authorized published version is available and where such copies may be reused provided that the Licensee causing such Translation to be created ensures that all rights in and to such Translation will belong perpetually and exclusively to Owner, subject to applicable governing laws on a country by country basis;
  - 2.2.6 make copies of Musical Compositions in accordance with Clauses 2.2.1, 2.2.2, 2.2.4 and 2.2.5 provided that the quantity of copies reproduced does not exceed the Church Size; and
  - 2.2.7 give or lend copies of Musical Compositions reproduced pursuant to Clauses 2.2.1, 2.2.2, 2.2.4 and 2.2.5 to persons forming part of the Church's congregation or the School for singing such Musical Compositions during Church Services or similar School activities.
- 2.3 The Rights granted to CCLI in this Program Agreement shall exclude the Reserved Rights, including, without limitation, the Reserved Rights set forth as follows:
  - 2.3.1 to duplicate choral sheet music (octavos), cantatas, musicals, handbell music, keyboard music, vocal solos, instrumental works or music education publications in any form;
  - 2.3.2 subject to Clauses 2.2.1, 2.2.2, 2.2.4 and 2.2.5 above, to distribute copies made under CCL's for use outside of Church Services or School activities, and to rent or sell such copies created for direct or indirect remuneration or consideration, whether by way of direct payment, gift, donation, free will offering, etc.;
  - 2.3.3 to perform any of the Musical Compositions; and

2.3.4 in the case of Mobile Licenses, to record Musical Compositions in Church Services by either audio or audio-visual means.

2.4 CCLI may, in its discretion, reproduce and distribute to Licensees the words of Musical Compositions subject to any limitation of rights which Owner delivers to CCLI pursuant to the notice requirements provided in the General Owner Agreement.

**3. ROYALTIES**

3.1 In respect of each Country, CCLI will allocate one (1) Credit for each Copy Activity reported by Licensees in the Copy Reports in each Report Period.

3.2 In respect of each Country, the total Credits in each Report Period will be weighted according to the Church Size, or enrollment of the School, of the reporting Licensee in a Region in accordance with one (1) of the Credit Weighting Tables below:

**CHURCH SIZE & SCHOOL ENROLLMENT CREDIT WEIGHTING TABLES**

Category	Table 1	Table 2	Table 3	Weighting
AH	1 - 24	1 - 14	-	x 1
A	25 - 99	15 - 49	1 - 49	x 1
B	100 - 199	50 - 99	50 - 99	x 2
C	200 - 499	100 - 249	100 - 149	x 3
D	500 - 999	250 - 499	150 - 199	x 4
E	1,000 - 1,499	500 - 999	200 - 499	x 5
F	1,500 - 2,999	1,000 - 1,499	500 - 999	x 6
G	3,000 - 4,999	1,500 - 2,999	1,000 - 1,499	x 7
H	5,000 - 9,999	3,000 - 4,999	1,500 - 2,999	x 8
I	10,000 - 19,999	5,000 - 9,999	3,000 - 4,999	x 9
J	20,000 - 49,999	10,000 - 19,999	5,000 - 9,999	x 12
K	50,000 - 99,999	20,000 - 49,999	10,000 - 19,999	x 15
L	100,000 - 199,999	50,000 - 99,999	20,000 - 49,999	x 18
M	200,000 & above	100,000 - 199,999	50,000 - 99,999	x 21
N	-	200,000 & above	100,000 - 199,999	x 24
O	-	-	200,000 & above	x 27

The Countries associated with the following Regions will be identified with the Tables as follows:

Region	Table
North America	1
Europe & Africa	2
Asia-Pacific & Latin America	3

3.3 Notwithstanding anything to the contrary contained in this Clause 3, Program Revenue received from Churches will be kept, used for computation purposes, and paid separately from Program Revenue received from Schools.

3.4 Subject to clause 3.3, Program Revenue received by CCLI during the Report Period from Licenses issued by CCLI pursuant to the Rights granted to CCLI under this Program Agreement will then be divided by the total weighted number of Credits for all reported Copy Activity to arrive at the Credit Value.

3.5 CCLI will then calculate the Program Revenue earned by Owner in each Report Period for each Work licensed by Owner to CCLI by multiplying the applicable Credit Value by the total number of Credits accrued for each separate Work licensed by Owner to CCLI. The total Program Revenue earned by Owner in a Report Period will equal the sum of earnings for each Work licensed by Owner to CCLI, subject to Clause 3.6.

3.6 Owner will receive a percentage of the Program Revenue earned by Owner in each Report Period as a royalty, scaled in accordance with the total number of License holders within each Region, excluding those Regions or Countries specifically provided for in Clause 3.6.1, in the Report Period, as follows:

## OWNER PROGRAM REVENUE TABLE

<u>Number of Licenses</u>	<u>Owner's percentage</u>
1 - 20,000	65%
20,001 - 35,000	70%
35,001 - 100,000	75%
100,001 - 125,000	76%
125,001 - 150,000	77%
150,001 - 175,000	78%
175,001 - 200,000	79%

3.6.1 Owner's percentage in the Regions and Countries provided below shall be as follows:

3.6.1.1 For Canada, 79%

3.6.1.2 For the United States, those rates provided in Exhibit A where after April 1, 2020 the rate shall be 76%.

3.6.1.3 For the Asia-Pacific and Africa Regions, the Owner's percentage shall be determined by aggregating the number of Licenses in those two Regions.

3.7 The balance of the foregoing Program Revenue that equals one-hundred percent (100%) will constitute the CCLI administration fee which is retained by CCLI as its fee to administer this Program in accordance with Clause 3 of this Program Agreement and with respect to the applicable Report Period.

#### **4. ACCOUNTS**

To the extent that royalties are earned and payable for a Musical Composition that is jointly owned by Owner and a third party that is not a participant in the Program, but whose ownership percentage has been licensed by Owner for use in the Program, such royalties shall be subject to Clause 5.5 of the General Owner Agreement.

#### **5. COPY REPORT**

5.1 At the start of each Report Period, CCLI will compile a Copy Report containing information about Musical Compositions supplied by the owners, sufficient for the Licensees to fulfill their reporting requirements to CCLI.

5.2 CCLI will require of and supply to each Licensee in each Country a Copy Report. It is to be completed by the Licensee and delivered to CCLI as and when determined by CCLI.

5.3 Whenever the CCL becomes available in a new Country, the Copy Report for the initial Report Period will contain Musical Compositions that CCLI reasonably considers appropriate.

5.4 The Copy Report for subsequent Report Periods will be updated by CCLI, taking into account information received from Owner or Owner's Representative, and from information contained in Copy Reports returned by the Licensees.

## **Exhibit A Royalties**

As referenced in Clause 3.6.1.2 the timeline associated with the Owner's percentage for the United States shall be:

<u>Report Period</u>	<u>Owner's percentage</u>
April 1, 2018 – September 30, 2018	72%
October 1, 2018 – March 31, 2019	72%
April 1, 2019 – September 30, 2019	74%
October 1, 2019 – March 31, 2020	74%
After April 1, 2020	76%

**[SIGNATURES ON NEXT PAGE]**

**PROGRAM AGREEMENT**  
**FOR CHURCH COPYRIGHT LICENSE**

**SIGNATURE PAGE**

Persons signing hereby attest and affirm that they are authorized to enter into this Program Agreement

**OWNER**

By

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Title (please print)

\_\_\_\_\_  
Signature

for and on behalf of

\_\_\_\_\_  
Owner (Legal Name of Company)

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tax ID (as registered with CCLI)

**CCLI (OFFICE USE ONLY)**

By

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Title (please print)

\_\_\_\_\_  
Signature

for and on behalf of

\_\_\_\_\_  
CCLI, LLC

\_\_\_\_\_  
Commencement Date

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