

EXHIBIT F

AGREEMENT made as of the 25th day of October, 1995 by and between COMPUSERVE INCORPORATED with offices at 5000 Arlington Centre Boulevard, Columbus, Ohio 43220 ("CompuServe"), of the one part, and FRANK MUSIC CORP. with offices at 39 West 54th Street, New York, New York 10019 ("FRANK") and THE HARRY FOX AGENCY, INC. with offices at 711 Third Avenue, New York, New York 10017 ("HFA"), of the other part.

W I T N E S S E T H

This AGREEMENT is predicated upon the following AGREED STATE OF FACTS:

I. FRANK has heretofore, on November 29, 1993, filed a class action, on behalf of itself and all others similarly situated, against CompuServe for copyright infringement in the United States District Court for the Southern District of New York (the "Court") bearing Civil Action No. 93 Civ. 8153 (JFK) (the "Action").

II. Annexed to and made part of this Agreement as Schedule "A" is a list of those music publishers who are all publisher-principals of HFA (who acts as their common licensing and collecting agent) and who, together with FRANK, pursuant to that Stipulation amending the pleadings in the Action which will be submitted to the Court for approval on November 7, 1995, are the putative members of the plaintiff

Exhibit "I"

class in the Action (hereinafter the "Class Plaintiffs"); Schedule "A" also sets forth those musical compositions respectively owned or controlled by the Class Plaintiffs, the copyrights of which are alleged in the Action to be infringed by CompuServe (hereinafter collectively the "Class Compositions").

III. Each cause of action set forth on behalf of the Class Plaintiffs in the Action is predicated, amongst other things, upon the following basic allegations:

A. Each Class Plaintiff owns or controls a valid and subsisting copyright in each of their respective Class Compositions;

B. CompuServe has wilfully infringed the Class Plaintiffs' copyrights in their respective Class Compositions by:

1. permitting and enabling its Subscribers to Upload recordings of the Class Compositions made by such Subscribers into a CompuServe Forum/Library in CompuServe's Information Service on-line computer database via computer modems and telephone line and other telecommunications connections, which database is made available by CompuServe to its Subscribers for Uploading and Downloading;

2. maintaining the Storage of such aforesaid recordings in its computer database, and

3. permitting and enabling its Subscribers to Download copies of such recordings so Stored in a CompuServe Forum/Library computer database all without any authority from the Class Plaintiffs or otherwise with respect to the Class Compositions, CompuServe thereby facilitating and participating in the unauthorized making and distribution of Phonorecords of the Class Compositions.

IV. In its pleadings in the Action, CompuServe has asserted numerous defenses to the claims therein alleged on behalf of the Class Plaintiffs and has denied any liability on its part with respect thereto.

V. Without CompuServe admitting any liability on its part with respect to any claims alleged in the Action and with neither CompuServe nor FRANK (on its own behalf or on behalf of the other Class Plaintiffs) withdrawing any position stated in their respective pleadings in the Action, CompuServe, FRANK and HFA respectively desire, conditioned upon and subject to the issuance of an order of the Court approving this Agreement without modification, which may be entered after a hearing on notice to the Class Plaintiffs (the "Order of Approval"):

A. in order to eliminate the continued expenses and burdens of, as well as the uncertainties associated with,

the continued litigating of the Action, to provide for the settlement and dismissal of the Action, and

B. in order to avoid future uncertainties and the prospects of future litigation:

1. to provide for the mutually beneficial "Licensing Arrangement" (as such term is hereinafter defined and provided) for continued use of the Class Compositions and other musical compositions owned or controlled by the Class Plaintiffs in the making and distribution of Phonorecords via Uploading and Downloading to and from CompuServe's Forum/Library computer databases,

2. to provide for the availability of the "Licensing Arrangement" to others of HFA's publisher-principals (in addition to the Class Plaintiffs) for the use of their musical compositions in the making and distribution of Phonorecords via Uploading and Downloading to and from CompuServe's Forum/Library computer databases, and

3. To provide a mechanism for CompuServe's Managers to obtain license authority for the use of the musical compositions owned by those Class Plaintiffs (who do not opt out) as well as other publisher-principals of HFA.

NOW, THEREFORE, predicated upon the foregoing AGREED STATE OF FACTS, the parties hereto AGREE AS FOLLOWS:

1. IT IS AGREED that upon the first business day after the date on which the Order of Approval becomes a final order (the "Effective Date"), this Agreement shall become fully operative in accordance with its terms, provided that the applicable provisions of paragraphs 2, 3, 5B, 6, 8, 9, 11(A) and 12-15 shall become fully operative upon the execution of this Agreement.

2. The parties hereto shall, and they shall direct their respective attorneys in the Action to, fully cooperate in the submission of this Agreement to the Court and fully cooperate in the hearing or other proceedings required by the Court, as well as execute, obtain and deliver any documents necessary or required to secure the approval of this Agreement and the entry of the Order Of Approval with respect hereto.

3. Upon entry of the Order of Approval by the Court, CompuServe shall pay the sum of Five Hundred, Sixty Eight Thousand (568,000.00) Dollars to HFA (the "Settlement Sum"), the receipt of which is hereby acknowledged by HFA. The Settlement Sum shall be allocated and upon entry of the Order of Approval, paid by HFA as follows:

A. the sum of Five Hundred Dollars (\$500.00) for each of the nine hundred forty seven (947) Class Compositions to the respective Class Plaintiffs who do

not opt out in proportion to their ownership interests thereof as shown on Schedule "A" as and for their shares of the Settlement Sum hereunder, and

B. the sum of Ninety Four Thousand, Five Hundred Dollars (\$94,500.00) shall be retained by HFA as and for the sum agreed upon for partial reimbursement of the legal fees and expenses heretofore incurred by HFA in the prosecution of this Action and to be incurred in the resolution of the Action.

C. HFA shall hold the Settlement Sum in escrow until the Effective Date and shall thereupon make such payments and reimburse itself as aforesaid. In the event, however, that a successful appeal is taken or rehearing obtained by a third party with respect to the Order of Approval that results in its being dissolved or substantially modified, then and in such event, HFA shall either repay the Settlement Sum to CompuServe or otherwise conform to such modification if such modification is agreed to be mutually acceptable by the parties to this Agreement and the Action.

4. Upon the Effective Date, CompuServe, Managers, Frank, HFA and all of the Class Plaintiffs who do not opt out of this Action shall be bound by those express operative provisions of the Licensing Arrangement applicable to them respectively, as hereinbelow defined and provided.

5. For the purposes of this Agreement, the "Licensing Arrangement" shall be defined, determined and provided as follows:

A. Definitions for all of the purposes of this Agreement:

(1) "Licensor" shall mean each Class Plaintiff who does not opt out of the Action;

(2) "Licensable Songs" shall mean each Licensor's respective Class Composition(s) as well as all other musical compositions which are owned or controlled by such Licensor and as to which HFA has the authority from such Licensor to issue written variations of the compulsory license provisions of the U.S. Copyright Act, 17 U.S.C. § 115, for the use of such compositions in the making and distribution of Phonorecords;

(3) "Phonorecord," "Sound Recordings" and "Audiovisual Works" shall have the same meanings as are provided in section 101 of the U.S. Copyright Act, 17 U.S.C. § 101;

(4) "Manager" shall mean any manager or operator (including system operators or SYSOPS) of a CompuServe Forum/Library, provided that the term shall not be construed to refer to or include CompuServe except in the instance, if ever, that

CompuServe is the sole manager or operator of such Forum/Library and shall include those persons or entities listed on Schedule "B" annexed to and made part of this Agreement.

(5) "Forum/Library" and "CompuServe's Forum/Library" shall mean those portions of CompuServe's Information Service database which are identified to its Subscribers as "Forums," and to which recordings of Licensable Songs are Uploaded by Subscribers.

(6) "CompuServe's Information Service" shall mean the information service(s) and related databases operated by CompuServe (or any of its subsidiaries or affiliates of which CompuServe gives HFA written notice) which may be accessed by a Subscriber by the use of a P.C. and a modem or other telecommunications device and through which a CompuServe Forum/Library may be accessed;

(7) A "P.C." shall mean a "personal computer" as such term is understood in the computer industry;

(8) "CompuServe's Computer System" shall mean those systems owned or controlled by CompuServe of digital electronic computers in all forms and those related to databases and systems of peripheral

equipment linked by telecommunications or otherwise for the exchange of data or other information;

(9) "Download" shall mean the making of a phonorecord of a musical composition by enabling CompuServe's Computer System to transmit a Sound Recording of such musical composition in the form of digital data, which Phonorecord was stored in a CompuServe Forum/Library database;

(10) "Upload" shall mean to enable the Storage of a Phonorecord of a musical composition in a CompuServe Forum/Library database by transmitting a Sound Recording of such musical composition in the form of digital data to CompuServe's Computer System;

(11) "Statutory Rate" shall mean the per Phonorecord statutory royalty rate in the United States for the compulsory license provided in 17 U.S.C. § 115, as such Statutory Rate may be adjusted from time to time as provided by law or regulation. As of the date of execution hereof, the Statutory Rate for each Phonorecord of a musical work is based upon the duration of the Phonorecord of the musical work and equals (a) 6.6 cents if the duration is five minutes or less and (b) 1.25 cents per minute

or fraction thereof if the duration exceeds five minutes;

(12) "Store" and "Storage" shall mean the maintenance of a Phonorecord of a musical composition in digital data form as an electronic file either on a computer system or offline media designated for backup, reference, or archival purposes, and shall include all reproduction of such data incidental to such maintenance;

(13) "Preview Area" shall mean that portion of any Forum/Library to which a Phonorecord of a musical composition may be Uploaded to the Forum/Library and in which such Uploaded Phonorecords are Stored prior to such Phonorecord being made available for Downloading from CompuServe's Forum/Library;

(14) "Mechanical License" shall mean that written variation of the compulsory license provisions of the U.S. Copyright Act, 17 U.S.C. § 115, in the form annexed as Exhibit "1" (and comprised of both Parts I and II thereof) to be issued hereunder by HFA for and on behalf of its Licensors (publisher-principals) to a Manager as non-exclusive authority for the use of a licensable song in the making and distribution of Phonorecords thereof via

Uploading and Downloading of a particular recording of such licensable song to and from a CompuServe Forum/Library.

(15) "Mechanical License Request" shall mean that written request for a Mechanical License in the form annexed to and made part of this Agreement as Part I of Exhibit "1" which may be transmitted electronically to HFA by a Manager seeking a Mechanical License as authority for the use of a licensable song.

(16) "Subscriber" shall mean a subscriber to CompuServe's Information Service.

(17) The definitions hereinabove set forth shall apply to the applicable terms whether or not such terms are capitalized in this Agreement and shall likewise apply to all forms of the terms so defined (e.g. the definition of "Upload" shall likewise apply to "Uploaded", "Uploading", "Uploads", etc.).

B. From and after the Effective Date, CompuServe shall require each of its Managers on Schedule "B" and any other Manager known to CompuServe to operate a Forum/Library to obtain license authority where necessary under the Copyright Act prior to any Downloading by a Subscriber of a Sound Recording of a Licensable Song from

such Forum/Library's database in accordance with the provisions herein set forth. In such connection, from and after the date of execution hereof in the case of Managers on Schedule "B" and from and after the Effective Date in the case of other such Managers, CompuServe agrees that it shall require each such Manager to agree with it in writing to adhere to the provisions of this Agreement relating to Licensable Songs and shall provide HFA with a copy of each such writing promptly after its execution, or CompuServe otherwise shall take steps to prevent infringement of Licensable Songs by such Manager through Downloading from such Forum/Library.

C. No Manager shall permit or enable the Downloading of a recording of a licensable song from the Manager's Forum/Library until a Mechanical License, where necessary under the Copyright Act for such Downloading is obtained hereunder therefor from HFA (or other authorized Licensor, if any) and in such connection it is agreed that Uploads of such recordings may be Stored in a Preview Area, without liability therefor, until such time as a Mechanical License for such recording is obtained from HFA. CompuServe agrees to use its reasonable best efforts to ensure each of its Managers complies with the Manager's obligations under the foregoing provisions of this subparagraph C.

D. HFA shall provide for 24-hours a day access by a representative or designee of CompuServe to HFA's song file database of Licensable Songs for the purpose of determining the availability thereof for the issuance of Mechanical Licenses hereunder. Such song file database shall contain the song number and related information necessary for the accurate completion of Mechanical License Requests by Managers hereunder. There will be no charge by HFA for such access on the condition that there will be no charge by CompuServe to Subscribers for the information contained in HFA's song file database.

E. Mechanical Licenses shall be requested and issued hereunder in accordance with the following procedures and shall be governed by the following terms and conditions:

(1) Each Manager who is not a "Defaulting Manager" (as such term is defined in sub-paragraph (9) below) may obtain a Mechanical License for the use of a licensable song by electronically (via modem) transmitting an accurate and completed Mechanical License Request to HFA with a copy thereof to CompuServe utilizing therein the "PIN" number which HFA shall have approved and assigned for each Manager who shall have previously applied to HFA therefor in writing. "PIN" numbers shall be

approved and assigned by HFA for each Forum/Library Manager as to which such a Forum/Library Manager request in writing is received by HFA. An application by a Manager for a PIN number shall be accompanied by a statement from an authorized employee of CompuServe approving such application and attesting to the identity of the applicant and the Forum/Library to which the application pertains. The Manager is not obligated to submit such a request until immediately prior to the transfer to the publicly-accessible areas of the Forum/Library of a Sound Recording of a Licensable Song.

(2) Each Mechanical License Request shall request a Mechanical License for the use in conjunction with CompuServe and the Forum/Library of a licensable song at the Statutory Rate unless prior to its transmission HFA shall have received written consent from a Licensor to issue same at a lesser royalty rate, in which case it shall be deemed issued at such lesser rate. In this connection, it is understood and agreed that Managers are free to directly negotiate for and seek to obtain the consent from Licensors to any such lesser royalty rate.

(3) Upon the electronic receipt by HFA from a Manager (who is not a "Defaulting Manager") of an accurate, clearly transmitted and completed Mechanical License Request for a licensable song transmitted by such Manager with his (its) "PIN" number thereon, such Mechanical License (in the form comprised of Exhibit "1" Parts I and II taken together) shall be and be deemed issued by HFA on behalf of the respective Licensor (HFA publisher-principal) and both the Licensor and such Manager shall be and be deemed bound in all respects by the provisions of such Mechanical License for such licensable song all in accordance with the terms and conditions of the Mechanical License as set forth in Exhibit "1", Parts I and II, and the related provisions of this Agreement.

(4) Within a reasonable period after the end of each month during the operation of these Mechanical License provisions, HFA shall send to each Manager, who shall have obtained a Mechanical License pursuant to the provisions hereof during such month, a written summary of the Mechanical Licenses so obtained during such month setting forth therein the license numbers assigned thereto by HFA.

Copies of such monthly summaries shall likewise be sent to CompuServe by HFA.

(5) Each individual Mechanical License is deemed to be limited to the making and distribution to P.C.'s only of Phonorecord copies from one specific Uploaded Sound Recording that do not accompany an Audiovisual Work and for private use with no further copying being included within the license authority. CompuServe shall not be liable for the acts of Subscribers that exceed the scope of the Mechanical License, provided that CompuServe does not advertise or promote Subscriber usage beyond the scope of the Mechanical License.

(6) To the extent, if any, it is an infringer under applicable copyright laws for any unauthorized use on CompuServe's Information Services of a musical composition covered by this Agreement, CompuServe shall be liable therefor and, in addition, any use of a licensable song for which a Mechanical License is revoked and terminated by reason of failure to pay royalties not timely cured after notice shall be actionable as an act of copyright infringement as provided in such Mechanical Licenses and under Section 115 of the U.S. Copyright Act, but nothing in this Agreement

shall limit any rights or defenses of CompuServe or the Managers under the Copyright Act in any action based on the foregoing.

(7) HFA shall, not more than once in any calendar year, by its authorized representatives, on thirty (30) days prior notice, have access to CompuServe's applicable revenue and service activity records and such other books and records as may be required for the purpose of verifying the accuracy of the royalty statements rendered and payments made pursuant to the Mechanical Licenses. Such examinations shall be conducted during CompuServe's business hours at CompuServe's offices in Columbus, Ohio. The costs of such examinations shall be borne by HFA unless the amount of any revealed underpayment is ten (10%) percent or more of the sums actually paid during the period for which the examination is conducted. If the amount of revealed underpayment exceeds ten percent (10%) of such sums, then the cost of such examination shall be borne by CompuServe. Such access, however, shall be subject to the policies of CompuServe as to confidentiality concerning the identity of Subscribers and Subscriber information where they so require.

(8) Royalties under such Mechanical Licenses shall be paid within forty-five (45) days after the end of each calendar quarter and shall be accompanied by statements (which may be provided electronically) showing, for each Licensor (publisher-principal), the license number, the title of each Licensable Song, the number of copies Downloaded for each and the royalty due thereon.

(9) CompuServe agrees to and does hereby guarantee the payment of those royalties to be paid by its respective Managers pursuant to the Mechanical Licenses. Notwithstanding such guaranty by CompuServe, and without limiting the rights of HPA on behalf of the Licensors to seek payment from CompuServe based thereon, in the event that the statements and payments are not made in accordance with the terms of the Mechanical Licenses, then the affected Licensors shall have the right to terminate and revoke the Mechanical Licenses on thirty (30) days' prior written notice to the respective Managers with copies to CompuServe. In the event that such payments are not made by either the Managers or CompuServe within such thirty-day period then the Mechanical Licenses shall be automatically revoked and terminated and those copies for which

payments were not made shall be actionable as acts of infringement and fully subject to the remedies provided for under the Copyright Act.

In addition, upon the date of any such notice, the Manager to whom same is directed shall, for the purposes of this Agreement and the Licensing Arrangement, be and be deemed a "Defaulting Manager" and such Manager shall remain a Defaulting Manager unless and until the default in royalty payments is cured within the thirty day period commencing on the date of the notice.

(10) All rights in the Licensable Songs not specifically granted in the Mechanical Licenses are reserved to the Licensors.

(11) The scope of the Mechanical Licenses is deemed limited to Uploading, Storage and Downloading to and from CompuServe's Forum/Library databases located in the United States only, with access however to such Forum/Library databases for Uploading and Downloading permitted for Subscribers located anywhere in the world.

(12) Notwithstanding anything herein or in a Mechanical License contained to the contrary, no authority to use a licensable song hereunder or pursuant to a Mechanical License issued hereunder

shall be deemed granted unless the prior consent of the lawful owner of the Sound Recording (and the sounds fixed therein) containing such licensable song is first obtained for the making of Phonorecord copies thereof.

(13) In addition to the access to be provided pursuant to subparagraph (7) hereof, CompuServe shall, without charge, provide HFA with sponsored account access to CompuServe's Information Service which shall, to the extent possible, provide for the tracking, identifying and verifying the uses of musical compositions therein and thereby. Such access, however, shall be subject to the policies of CompuServe as to confidentiality concerning the identity of Subscribers and Subscriber information where they so require. In any event, CompuServe shall provide HFA access to the number of Downloads of Licensable Songs.

(14) Any Manager, prior to submitting any Mechanical License Request, must apply to HFA for assignment of a PIN number, which shall be unique to that Manager. If a Manager manages or operates more than one Forum/Library, and intends to use Licensable Songs in two or more of those Forum/Libraries, separate applications shall be made

for each such Forum/Library and HFA shall assign unique PIN numbers for each such Forum/Library. The confidentiality of PIN numbers shall be strictly maintained by all parties. Following the initial assignment, HFA shall reassign a PIN number promptly at the request of a Manager or CompuServe, and HFA may reassign any PIN number at its discretion, upon prior notice to the affected Manager and to CompuServe, in each case, regardless of whether the PIN number has suffered a breach of confidentiality. An application by a Manager for a PIN number shall be accompanied by a statement from an authorized employee of CompuServe approving such application and attesting to the identity of the applicant and the Forum/Library to which the application pertains. Applications for PIN numbers shall be made in writing on forms prescribed for that purpose by HFA and approved by CompuServe. Upon receipt of a PIN number from HFA, a Manager may begin submitting Mechanical License Requests. If a Manager ceases to manage any Forum/Library for which HFA has assigned a PIN number, CompuServe shall promptly advise HFA to discontinue such PIN number. Any new Manager of such Forum/Library shall promptly apply for a PIN number in accordance with the foregoing procedure,

and any substitute Mechanical License for one issued previously to the prior Manager shall, upon application by the new Manager, be newly issued to the new Manager, provided that there shall then exist no uncured default in the payment of royalties under the previously issued Mechanical License hereunder.

6. CompuServe hereby warrants and represents that Schedule "B" annexed to and made part of this Agreement is a complete and accurate list of the Managers of the Forum/Libraries in which are located the files known to CompuServe as of the date hereof as embodying Sound Recordings of Class Compositions. The Class Plaintiffs hereby respectively represent and warrant that each of those respective Class Compositions set forth next to their respective names in Exhibit A hereto was protected by a valid and subsisting copyright during all times pertinent to the Action and so remains as of the date hereof, that Exhibit A is a complete and accurate list of the ownership or control of the copyrights or those rights that are the subject of this Action with respect to the Class Compositions, that all of the persons or entities listed in Schedule A are HFA publisher-principals, and that each of the Class Compositions is a work as to which HFA is authorized to issue written variations of

the compulsory license provisions contained in 17 U.S.C. § 115.

7. Upon the Effective Date, and in reliance on the warranty and representation of CompuServe set forth above in Paragraph 6, the claims set forth in the Complaint, as amended, in the Action for those Class Plaintiffs (who do not opt out of this Action) shall be deemed settled and compromised, and dismissed with prejudice, and such Class Plaintiffs shall be deemed to and shall thereupon release, remise and forever discharge CompuServe, its Subscribers, and, with respect to a Forum/Library for which they have signed a written agreement (as referred to in paragraph 5B above), those Managers identified on Schedule "B" annexed hereto, and their respective directors, officers, shareholders, representatives, agents, servants and employees of and from any claim, demand or cause of action now or heretofore existing from the beginning of time up to and inclusive of the date of the execution hereof with respect to any act or omission in connection with, or the use of, the respective Class Compositions owned or controlled by such Class Plaintiffs as set forth on Schedule "A" annexed hereto, including, but not limited to, those claims and causes of action which are or could have been alleged or based upon any facts alleged in the Complaint, as amended, in the Action.

8. Promptly after entry of the Order of Approval, the parties to the Action shall cause their respective counsel to the Action to execute and deliver to the Court, for the entry of an order thereon, a Stipulation of Dismissal with respect to the Action in the form annexed hereto as Exhibit "2".

9. CompuServe, HFA and the Class Plaintiffs waive any rights they might otherwise have to appeal or seek rehearing of the Order of Approval.

10. Promptly after the Effective Date, HFA shall give all of its other publisher-principals (i.e., those who are not Class Plaintiffs) written notice setting forth in substance the terms and conditions of the Licensing Arrangement and offer them the opportunity to become a party to and be bound by the Licensing Arrangement with respect to the musical compositions they respectively own. Each of such publisher-principals who agrees to be bound by the Licensing Arrangement shall thereupon and thereafter be a potential Licensor and its respective musical compositions shall thereupon and thereafter be deemed and become Licensable Songs for all purposes.

11. Notwithstanding anything herein contained to the contrary:

A. CompuServe shall have the right to avoid the operation of this Agreement prior to the entry of the

Order of Approval and render it without effect by giving HFA and the Court written notice of its intention so to do in the event and upon the condition that a number of the Class Plaintiffs, if any, whose respective Class Compositions shall exceed, in the aggregate, more than twenty (20%) percent of the total number of Class Compositions set forth on Schedule "A", shall elect to opt out of this Action. In this connection, it is understood and agreed that, in any event, the Settlement Sum shall be reduced by the sum of \$500.00 for each Class Composition which shall fall outside the operation of this Agreement by reason of the opting out of this Agreement by a Class Plaintiff owning or controlling same.

B. CompuServe acknowledges that upon ninety (90) days prior notice HFA's publisher-principals (including the Class Plaintiffs) have the right to terminate their agency relationship with HFA thereby effectively terminating the operation of the Licensing Arrangement as applicable to the issuance of new Mechanical Licenses by such publisher-principals. In addition, HFA's publisher-principals, upon notice, shall have the right to exclude any or all of the musical compositions, for which they own or control the right to issue Mechanical Licenses, from the issuance of Mechanical Licenses pursuant to the

Licensing Arrangement hereunder, but the provisions of this paragraph shall not affect the inclusion of the Class Compositions owned or controlled by those Class Plaintiffs who do not opt out of the Action from the operation of the provisions of Paragraph 7 hereinabove set forth. In the instances of termination and exclusion, the Mechanical Licenses issued hereunder prior thereto would nevertheless remain in full force and effect, provided, however, that in instances of termination by a publisher-principal of the agency relationship with HFA, the royalty payments and statements under such Mechanical Licenses shall be made thereafter directly to the terminating publisher-principal.

12. Annexed hereto as Exhibit 3 is the form of a joint press release which is agreed upon by the parties hereto as the form of press release that will be issued on the date the Court schedules a hearing for the approval of this Agreement by the parties with respect to the settlement of the Action.

13. All Notices required or desired to be given hereunder shall be in writing and transmitted via pre-paid certified mail, return receipt requested:

A. To HFA: At its address first indicated above, directed to the attention of Edward P. Murphy, Chief Executive Officer;

B. To CompuServe: At its address first indicated above, directed to the attention of Stephen M. Heaton, Secretary and General Counsel;

C. To a Manager: As indicated in Schedule B;

D. To Class Plaintiffs: c/o Alan L. Shulman, Silverman & Shulman, P.C., 136 East 57th Street, New York, New York 10022;

E. Or, in each case (A), (B), (C) and (D), at such other address which may be designated by notice to HFA and CompuServe in the manner above-provided.

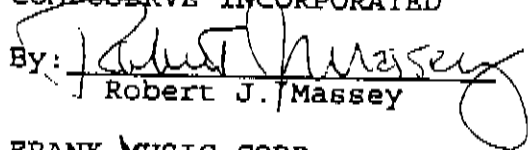
14. The parties agree that the entering into of this Agreement and the provisions and obligations herein shall not be deemed to be, or used in any way as, an admission of any liability or a waiver of any rights or defenses under the Copyright Act on the part of CompuServe, its Managers or Subscribers but shall be admissible to establish an unlicensed use of a musical composition or a breach of any obligations or provisions of this Agreement.

15. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, may not be altered or amended except in a signed writing and shall be governed and construed by and

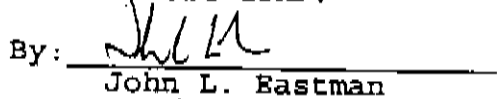
under the laws of the State of New York applicable to contracts wholly to be performed therein, without reference to choice-of-law rules and without reference to prior drafts of this Agreement. No waiver of the performance of any provisions hereof shall be deemed a continuing waiver of the performance of such provision or of any other provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

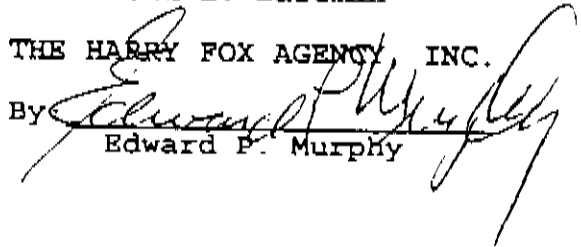
COMBUSERVE INCORPORATED

By: 
Robert J. Massey

FRANK MUSIC CORP.

By: 
John L. Eastman

THE HARRY FOX AGENCY, INC.

By: 
Edward P. Murphy