

# **EXHIBIT A**

January 7, 2000

Mark Steverson  
Rudolph & Beer  
432 Park Avenue South  
7<sup>th</sup> Floor  
New York, NY 10016

Re: Untitled Boy Band Series

Dear Mark:

I am writing to confirm the terms of the deal between MTV Networks, a division of Viacom International Inc. ("MTV") and Trans Continental Television Productions, Inc. ("TC") in connection with the development and production of an untitled Boy Band series for ABC (the "Series"), and the creation of a joint venture to develop an all male pop band (the "Band").

1. TC will provide to MTV written sign off from BMG that TC or an affiliated entity is free to enter into a soundtrack and exclusive recording rights deal with Hollywood Records with respect to the Band. TC will solely bear any override royalty necessary to be paid to BMG and will defend, indemnify and hold harmless MTV against any claim or action brought by BMG on account of any rights of BMG against TC in connection with producing boy band records. If TC cannot obtain sign off from BMG, TC will solely bear ABC's merchandise participation of 10% pursuant to paragraph 7 of the Agreement dated as of September 21, 1999 between MTV, TC and ABC.
2. The parties agree that the \$350,000 license fee per 13 episodes provided by ABC shall be divided as follows:
  - a. \$310,000 per episode shall be provided to Bunim Murray Productions for production costs (included therein is a one-time \$30,000 cost for the talent search). The production budget shall be approved by TC and MTV.
  - b. \$20,000 per episode shall be provided to TC for band development.
  - c. \$10,000 per episode shall be considered production pad, which shall be split between MTV and TC if unused.
  - d. \$8,750 per episode is paid to MTV as a production fee.

- e. Of the remaining \$1,250 per episode (\$16,250 all together), \$10,000 goes to TC for band development. The other \$6,250 shall be used to cover part of the cost of producing flyers for the talent search.
3. TC has agreed to contribute its own funds to match the \$20,000 per episode for band development that comes out of the license fee, subject to its ability to recoup this contribution off the top (subject to audit).
4. MTV has reserved its right to contribute to the funding, if any, needed for touring of the Band. The parties will negotiate in good faith concerning such contribution and the splitting of tour revenues.
5. Business Matters / Creative Decisions: All business / creative matters in connection with the joint venture are to be mutually determined, except that on the Series, MTV breaks any tie over creative matters, and on the creative musical aspect of the venture, TC breaks the tie.
6. Credit: TC has agreed that Lou Pearlman has opted not to take an Executive Producer credit or fee or a TC company credit on the first 13 episodes. After the first 13 episodes, Executive Producer credit and TC company credit is within TC's discretion. On the first 13 episodes, subject to mutual approvals, TC employees may be acknowledged in the credits. Ken Mok shall receive an Executive Producer credit on the Series.

On packaging for home video, records and on merchandising and publishing both MTV and TC shall receive credits to be mutually determined.


7. Merchandise: Unless otherwise mutually agreed to, MTV shall control merchandise in-house. In connection therewith, MTV shall take a 10% distribution fee off the top and recoup direct, out-of-pocket expenses. After that, proceeds shall be split 50-50 by the parties. MTV shall also have the option to control tour merchandise for the same split referenced above. If MTV decides not to handle merchandise in-house, the parties may jointly approach a party such as Sony Signatures to handle the merchandise and neither party shall take a fee.
8. Print Publishing: MTV shall control distribution of all publishing related to the Series and Band. MTV shall take a 10% distribution fee, plus direct, out-of-pocket expenses. Proceeds shall then be split 50-50 by the parties.
9. Music Publishing: MTV (Famous Music or other MTV-designated entity) and TC shall have joint ownership of all music publishing. MTV shall administer music publishing for a 15% fee, plus expenses.

10. **Internet Rights:** Subject to paragraph 5 above, MTV shall create and control the official web site related to the Series and Band. In connection with advertising/sponsorship revenues brought in by MTV on the official website, MTV shall recoup its expenses and take a commission of 15% and then share revenues with TC on a 50-50 basis. In addition, TC shall receive a 15% commission if it brings a sponsor/advertiser to the site. Non-advertising revenues shall be split 50-50 with TC after a 10% fee off the top and recoupment of expenses on both the official website and MTV's site. TC can promote the Band on its corporate site, but only with MTV's approval, which will not be unreasonably withheld. MTV can promote the Band on the MTV website.
11. **Domestic and Foreign Distribution of Series:** MTV controls the rights, takes a 10% fee off the top and splits proceeds 50-50 with TC.
12. **Home Video:** MTV shall control distribution, taking a 10% fee off the top and recoup direct, out-of-pocket expenses. Proceeds shall be split 50-50.
13. The parties shall negotiate in good faith a reasonable license fee for runs of the series on MTV, if any. If MTV is required to pay a license fee to ABC, there shall be no additional attributable license.
14. The parties will jointly exploit any features, spin-offs, sequels, made-for-TV movies, direct to video, non-theatrical, radio or other projects based on the Series or the band, subject to good faith negotiation.
15. MTV and TC will enter into record company negotiations jointly. All business deals relating to the Series and Band and ancillary rights therein must be approved by both parties.
16. Other than as explicitly set out herein, the parties have agreed to split any pre-approved Band and Series expenses and revenues 50-50, including but not limited to revenues received from any record company.
17. MTV distribution fees are not inclusive of any subdistributor fees. MTV deals with sister/affiliated companies shall be on customary market terms.
18. TC will enter into a management deal directly with the Band outside of the joint venture and take a 20% fee.
19. TC or another TC affiliated entity (i.e. Trans Continental Records Inc.) will enter into an agreement with the Band (with terms approved by MTV) and assign over the agreement to the joint venture.

Please indicate your acceptance of these terms by signing on the line below. The parties intend to enter into a more formal joint-venture agreement, the terms of which shall be subject to good faith negotiations (except for as expressly set forth herein. Until such time as such formal agreement is executed, this letter shall remain binding upon the parties.

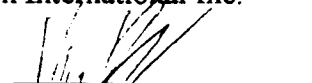
Trans Continental Television  
Productions, Inc

By:  
Its:

  
\_\_\_\_\_  
President

MTV Networks, a division of  
Viacom International Inc.

By:  
Its:

  
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