

@B

—

Merco

**TRANSITIONAL INVESTORS LLC**

150 California Street, Suite 1100  
San Francisco, CA 94111

January 27, 2005

Michael J. Jackson  
C/O Don Stabler  
STABLER & ASSOCIATES  
15250 Ventura Blvd., Suite 720  
Sherman Oaks, Ca. 91403

RE: COMMITMENT LETTER FOR BRIDGE FINANCING

Dear Mr. Jackson:

Pursuant to the LOI executed between the parties with respect to the refinancing of certain of the MJ Publishing Trust existing debt and the exercise of the option to acquire the 50% interest of Sony ATV, Transitional Investors LLC ("TI" a joint venture partner of Fortress Investment Group, LLC, "Fortress") is pleased to provide you this Commitment Letter to confirm our intention to provide you the bridge loan for refinancing the entire Bank of America debt.

The bridge financing outlined in the attached term sheets and transaction sources and uses, represents approximately Three Hundred and Thirty Million Dollars (\$330,000,000), including Twenty Million Dollars (\$20,000,000) to you. TI and Fortress is prepared to provide you clear evidence of the availability of the funds for this transaction.

This commitment and our preparedness to fund is subject to the satisfactory completion of our due diligence and general underwriting requirements to validate your assets, operating cash flows, and indebtedness, the assumptions we've made and any and all other required information to provide you this bridge loan.

Thank you once again for allowing us to serve you in this very important financing.

Very truly yours,

TRANSITIONAL INVESTORS, LLC

FORTRESS INVESTMENT GROUP, LLC

Stuart  
Shelly

By: \_\_\_\_\_

Stuart Shelly  
Managing Director

By: \_\_\_\_\_

PENGAD 800-631-6689

Dakolias  
4  
SBR 3/30/06

Term Sheet  
Senior Bridge Loan

Amount: \$207,500,000

Borrower: MJ Publishing Trust (or successor entity) (the "Borrower")

Funding Fee: 2% (Same as Sources and Uses of Funds)

Interest: Libor plus 250 basis points

Maturity: One year from funding

Collateral: All of the assets of MJ Publishing Trust, including the 50% interest in Sony/ATV owned by the MJ Publishing Trust, the MJAC catalog, and the BMI royalty rights payable to Michael Jackson.

Guarantor: Michael Jackson

Conditions: (i) Documentation satisfactory to TIFIG  
 (ii) Appraisal of Sony/ATV catalog assets satisfactory to TIFIG, but in no event substantiating an appraised value of no less than \$1,000,000,000  
 (iii) Forensic Audit of all Bridge Collateral Assets satisfactory to TIFIG  
 (iv) Appraisal of the MJAC catalog satisfactory to TIFIG  
 (v) Subordinated Debt of \$80,000,000 and Convertible Preferred stock of \$40,000,000 consistent with terms of LOI and satisfactory to TIFIG

Covenants: To Be determined

Exclusivity: As per the LOI

Expected Closing Date: As per the LOI

Break-Up Fee: As per the LOI

These terms and conditions are non-binding and subject to completion of due diligence, final negotiations and approval.

By execution hereof the undersigned represents that he is authorized to act on behalf of MJ Publishing Trust and Michael J. Jackson.

Accepted this 20<sup>th</sup> day of February, 2005, by:

Don Stabler  
Authorized Representative of MJ Publishing Trust and Michael J. Jackson

Term Sheet  
Subordinated Bridge Note

**Amount:** \$80,000,000

**Borrower:** MJ Publishing Trust (or successor entity) (the "Borrower")

**Funding Fee:** 2% (Same as Sources and Uses of Funds)

**Interest:** 15%, 10% of which shall be paid quarterly in arrears, the balance being accrued and added to the principal balance of the Note

**Maturity:** One year from funding

**Bridge Collateral:** Subordinated interest in all of the assets of MJ Publishing Trust, including the 50% interest in Sony/ATV owned by the MJ Publishing Trust, the MJAC catalog, and the BMI royalty rights payable to Michael Jackson.

**Guarantor:** Subordinated Guarantee from Michael Jackson

**Conditions:** (i) Documentation satisfactory to TIFIG  
(ii) Appraisal of Sony/ATV catalog assets satisfactory to TIFIG, but in no event substantiating an appraised value of no less than \$1,000,000,000  
(iii) Forensic Audit of all Bridge Collateral Assets satisfactory to TIFIG  
(iv) Appraisal of the MJAC catalog satisfactory to TIFIG  
(v) Senior Debt of \$207,500,000 and Convertible Preferred Stock of \$40,000,000 consistent with the terms of the LOI.

**Covenants:** To Be determined

**Refinancing:** In the event that the Borrower exercises its option referred to above and the Senior Bridge Loan is refinanced with permanent senior debt, the Subordinated Bridge Note shall be exchanged for a like kind but longer term instrument, consistent with the Subordinated notes referred to in the Letter of Intent agreed to by Michael Jackson on or about January 21, 2005

These terms and conditions are non-binding and subject to completion of due diligence, final negotiations and approval.

By execution hereof the undersigned represents that he is authorized to act on behalf of MJ Publishing Trust and Michael J. Jackson.

Mar 01 05 10:19a

Ernest A Harris

310-205-2610

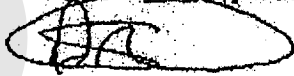
P. 3

03/01/2005 09:24 FAX 0150164304

STABLER ASSOC'S

6107

Accepted this 20<sup>th</sup> day of February, 2005, by:



Don Stabler

Authorized Representative of MJ Publishing Trust and Michael J. Jackson

Term Sheet  
Preferred Bridge Stock

**Amount:** \$40,000,000

**Issuer:** MJ Publishing Trust (or successor entity) (the "Borrower")

**Funding Fee:** 2% (Same as Sources and Uses of Funds)

**Maturity:** One year from funding

**Bridge Collateral:** Junior Subordinated interest in all of the assets of MJ Publishing Trust, including the 50% interest in Sony/ATV owned by the MJ Publishing Trust, the MJAC catalog, and the BMI royalty rights payable to Michael Jackson.

**Guarantor:** Subordinated Guarantee from Michael Jackson

**Conditions:**

- (i) Documentation satisfactory to TIFIG
- (ii) Appraisal of Sony/ATV catalog assets satisfactory to TIFIG, but in no event substantiating an appraised value of no less than \$1,000,000,000
- (iii) Forensic Audit of all Bridge Collateral Assets satisfactory to TIFIG
- (iv) Appraisal of the MJAC catalog satisfactory to TIFIG
- (v) Senior Debt of \$207,500,000 and Subordinated Debt of \$80,000,000 consistent with the terms of the LOI.

**Conversion:** The Preferred Bridge Stock shall be convertible into such equitable interest in the collateral as to provide TIFIG with an annualized maximum return of 27.5% on the combined Subordinated Bridge Note and the Preferred Bridge Stock (after taking into consideration any interest paid and accrued on the Subordinated Bridge Note). The Preferred Stock is subject to re-purchase at Borrower's option at a price which provides lender the returns consistent with this clause. This yield may be subject to adjustment depending on results of due diligence review and further negotiations.

**Refinancing:** In the event that the Borrower exercises its option referred to above and the Senior Bridge Loan is refinanced with permanent senior debt, the Preferred Bridge Stock shall be exchanged for a like kind but longer term instrument, consistent with the Preferred Stock referred to in the Letter of Intent agreed to by Michael Jackson on or about January 21, 2005

These terms and conditions are non-binding and subject to completion of due diligence, final negotiations and approval.

By execution hereof the undersigned represents that he is authorized to act on behalf of MJ Publishing Trust and Michael J. Jackson.

Accepted this 21<sup>st</sup> day of February, 2005, by:



Don Stabler

Authorized Representative of MJ Publishing Trust and Michael J. Jackson