

MTV NETWORKS

A VIACOM COMPANY

January 24, 2005

Archie Comic Publications, Inc.
325 Fayette Avenue
Mamaroneck, NY 10543

RE: **“Comic Strip Adaptation”**

Dear Ladies and Gentlemen:

This letter shall confirm the agreement (the "Agreement") between MTV Networks, a division of Viacom International Inc. ("MTVN"), and Archie Comic Publications, Inc. ("Archie") with respect to a comic strip featuring the characters from Archie Comics (the "Characters") to be created, developed and produced by MTVN (the "Comic Strip"). The Comic Strip shall appear in the April 2004 issue of NICKELODEON MAGAZINE (the "Magazine"). The parties agree as follows:

1. Archie hereby grants to MTVN a non-exclusive and non-transferable license to use the Characters solely in connection with the creation, development, use, exhibition, and distribution of the Comic Strip and the advertising and promotion thereof and the Magazine.
2. In full consideration of the license granted to MTVN set forth above, MTVN shall print the address of the Archie website under the Comic Strip as it appears in the Magazine.
3. Archie represents and warrants that it owns and/or controls the Characters and all underlying elements thereof and has the right and power to enter into and fully perform this Agreement and to grant the rights granted herein for the purpose set forth above.
4. MTVN hereby irrevocably grants, sells, assigns, transfers and conveys exclusively to Archie, its successors and assigns, in perpetuity, all right, title and interest, of whatsoever kind and nature, which MTVN now has or may hereafter acquire, in and to the Comic Strip (the "Rights").
5. MTVN hereby represents and warrants that:
 - (a) The Comic Strip is wholly original with MTVN, except as to matters within the public domain or materials submitted to MTVN by Archie, including, without limitation, the Characters, and that the material written by MTVN, to the best of MTVN's knowledge, (including that which MTVN should have known in the exercise of reasonable prudence), shall not infringe upon or violate the rights of privacy of, or constitute a libel or slander against any person, firm or corporation.
 - (b) To the best of MTVN's knowledge, no part of the Comic Strip infringes upon the copyright, literary, dramatic or any other rights, common law or otherwise, of any kind or nature whatsoever, of any person, firm or corporation.

(c) MTVN is fully able, empowered and authorized to make the grants herein contained.

(d) To the best of MTVN's knowledge, there is no claim or litigation pending or threatened with respect to the Comic Strip or any of the Rights;

(e) MTVN has not committed or omitted to perform any act which might diminish, encumber or impair any Rights granted to Archie.

(f) MTVN will not at any time hereafter execute any other agreement in conflict herewith or in any way attempt to sell, dispose of, encumber or hypothecate any of the Rights or do or knowingly permit to be done any act or thing by which the Rights may be impaired.

6. Archie hereby grants to MTVN exclusive first periodical and publication rights with respect to the Comic Strip for a period of one (1) year from the date of first publication (the "Exclusive Period") to publish the Comic Strip in any editions or part editions of the Magazine via any means of publication, including, but not limited to, print or on-line formats or means of transmission on a one-time only basis in each such means of publication, throughout the world. Archie expressly agrees that it may in no way cause or authorize the publication of the Comic Strip during the Exclusive Period.

7. Each party hereto agrees to indemnify and hold harmless the other party and its respective agents, representatives, associates, affiliates, predecessors, successors and assigns, parent and subsidiary corporations, and their officers, directors, and employees and each and all of them, of and from any and all claims, losses, costs, damage, liability and expenses, including reasonable attorneys' fees and costs, arising out of the breach of any representations, warranties, or undertakings contained in this Agreement.

8. This Agreement is binding upon and shall inure to the benefit of the respective licensees, successors, and assigns of the parties hereto. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof and shall be governed by and construed in accordance with the laws of the state of New York. The parties agree that all legal claims relating to or arising out of this agreement shall be brought and heard exclusively in the appropriate state or Federal court sitting in New York, New York and each party consents to the jurisdiction of said court.

Kindly acknowledge your acceptance of the foregoing by signing in the space provided below.

Very truly yours,

Dan Sullivan
Senior Vice President / General Manager, Publisher

ACCEPTED AND AGREED TO:

Archie Comic Publications, Inc.

By: _____

Charles W. Grimes
Vice President, Business Affairs
January 28, 2005

