



The Explore Network

*“Explore your mind. Explore your passion.
Explore your world.”*

by

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EXECUTIVE SUMMARY

The Explore Network (**EXP**) is the groundbreaking and novel television network designed to educate, inform, unite and serve entire communities. Recognizing the full impact of television and its message, **EXP** is committed to serving the community by equipping and encouraging viewers to activate their full potential and to seek a healthy, educated and happy lifestyle. **EXP** is the first of its kind to merge existing models of broadcast, cable, retail and internet networks and offer them in a fully digital network with on-demand and hyper-local programming capabilities. The goal of this new network is to take advantage of a new wave of technology now being made available by Spectrum Cable and use it to integrate and educate the local communities in which **EXP** serves as it reverses the dumbing down of US television programming. **EXP** will provide viewers with a broad spectrum of information to improve their lifestyle while incorporating a novel 'soft sell' approach for retail items.

EXP will provide this new content by marrying Discovery Channel and Commerce ideas by offering education in alternative and preventative medical technologies and health products, family and children's programming, travel and leisure activities, all while using cutting edge technology to buy products instantly. In 1983, John Hendricks founded the linear Cable Educational Network Inc. while beaming into only 150,000 households and airing for only 12 hours per day. It took Hendricks three years to develop, produce and launch the network, with unproven content when cable television was in its infancy,. Today, that network has grown into the \$2B/year global network known as The Discovery Channel whose success capitalized on airing a content that was educationally-based to a wide audience, just as **EXP** has envisioned.

Even before the Discovery Channel went to air, major broadcast networks established the pattern of distributing content to the nation and serving the community by employing the use of affiliate stations to develop and distribute content. This met the changing needs of its audience over the course of the day, plus focused specific programming for each market that it served, mostly in the news format. **EXP** will merge the Discovery Channel programming model with on-demand purchasing power and be distributed in a format that exploits a new method of distribution which merges on-demand and scheduled programming. This content is about to be deployed nationwide by Spectrum Cable empowering viewers to purchase products from a channel they trust.

Today, Spectrum Cable has beta tested and confirmed this new, interactive channel format for distributing content that would take existing formats for distributing contents and merge them into one. Currently, if one wants to watch a show that can only be found on a network, one waits until it is aired again, sets their DVR to record it or uses an app or website to stream it on-demand. The problem is that it either takes a lot of time to go from site-to- site or the programming may be stale. This problem is solved when **EXP** combines a cable channel with the ability to access the entire library of content available to that channel as done with a Netflix or a Hulu.

EXP will take advantage of this groundbreaking new technology made available by Spectrum to make all programming instantly available and accessible all in one location. Viewers will have instant access to all national and local programming through a brand new digital network that is interactive with its audience.

GOALS, OBJECTIVES & PHILOSOPHY

The vision of the **EXP** network is to empower the next generation of adventurers and global citizens by providing them with access to a global groundbreaking digital multi-platform network. **EXP** will be the only network delivering a novel, digital format dedicated to educational and entertaining programming with on demand purchasing power. **EXP** will launch as a multi-platform, global cable network with interactive audience participation with access to the internet, retail and a mobile phone app.

At the heart of **EXP** is the desire to educate, entertain, inspire and create dreams, while selling products that offer alternative lifestyles. Our focus is to target viewers of all ages so that families will feel confident that they now have a solid channel to rely upon to deliver quality programming for all ages. **EXP** will inspire entire families to want to grow and learn together, similar to the original Discovery Channel mandate. The problem for the Discovery Channel is that their content is not hyper-local and does not adjust over the course of the day to meet the needs of the audience, thereby losing viewers as they switch channels at certain time slots. The strength of major networks is that they serve the community by altering their content to focus on the demographic time slot of the day and by offering hyper-local content.

Major broadcast networks face a multitude of smaller networks stealing a vertical of their audience by airing educational and specific content. Currently, some networks utilize parts of the original Discovery Channel model and independently focus on travel, food, culture, science and history. However, not a singular network exists that combines the two formulas into one and delivers educational content and focuses that content based on the time slot of the day into one unique brand. The key ingredients with which the original Discovery and current major networks built their successes, yet now struggle, need to be combined to build a new network that can be delivered in a forward-thinking format. **EXP** is that novel network that will bring it all together in a modern, multi-platform distribution format.

EXP will utilize a traditional format of airing content to target the demographic that would be watching television at that particular time slot plus have an identifiable brand throughout the day in a newly developed digital format allowing for instant access to all programming on televisions, internet and all mobile devices. In this way, the sale of product on **EXP** can fit the off-hours time slot when retail programming is most advantageous, and can be geared to time slots that region demographics indicate will create the most revenue.

The success of the **EXP** venture is compounded by the fact that it will initially launch into a fully mature cable TV market of over 400,000 homes by airing 24 hours of content and retail per day. Comparatively, the now \$14B Discovery Channel initially launched into merely 150,000 homes, aired only 12 hours per day with an unproven content in a cable TV market that was in its infancy. **EXP** will go to air with known and proven content in accepted genres. The Discovery Channel had to pioneer content as such programming did not exist at that time.

EXP will take advantage of this new, collective TV experience in using the brands to underwrite content access to local markets. **EXP** will initially start in Hawaii and will air focused and localized content for the state, then replicate and expand that model into each time zone across the country, to further localized, digital content for each market. The major networks have done so for years yet no cable network has ever been able to do so. **EXP** will be the first groundbreaking network to accomplish this!

COMPETITION & BARRIERS

Currently, there is no commercial network that exclusively runs educational and informational content nor has a vertical to satisfy all age ranges. There is also no cable network in existence that offers hyper-local programming, nor gives the viewer the ability to purchase retail items from their remote control in an interactive mode in real time.

Cable networks vary in their vertical either targeting children ages fourteen and under; some target adults, but none target the community as a whole. Parents and entire families usually don't want to watch cartoons or puerile programming. A parent may turn on a show for their child, but as the programming doesn't appeal to them, they may step away to take care of housework or personal chores. This leaves their child to absorb programming that may contain violence or life lessons that they do not agree with.

To overcome this problem, **EXP** is the network that will target all age ranges, bringing them together around the TV by providing engaging, educational and entertaining programming that targets all age ranges. **EXP** will combine and use proven formats of the early Discovery Channel and that of the major network model of years before cable, both of which have proven to be successful, to create a new brand with no true competitor, and by adding a retail element.

To be competitive, **EXP** must establish itself as an interactive, top quality brand and attract viewers/customers away from established networks. **EXP** will do that by being structured as a regular 24-hour cable network and air content based on the highest daily demographic viewership for that particular time of day. This is the basic model that major networks have utilized for years. In the early morning hours (6 am-9 am) there would be content that would target a younger demographic (2-12 year olds). From 9 am until 3 pm, the content will target adults then move back down to kids and teens from 3 pm until primetime (6 pm). From 6 pm until 10 pm, the content will target the widest range of age group from 4 years to 65 year olds to specifically unite families. Finally from 10 pm until 6 am, the content will be QVC-style retail and infomercials based on former content and educational formats that have educated the audience earlier.

EXP will also utilize a model that major networks have used with their affiliate stations across the country. Major networks have always stressed community service and they deliver that promise with local news and programming. **EXP** will first offer the same localized content to the Hawaii market, then replicate this format as it moves into new markets throughout the US by regional time zones. Individual markets like Portland or San Diego can have original content produced for their specific market to target the audience base located in each. As **EXP** expands into each time zone, it will establish a production and sub-management office there to focus digital content for each region, under coordination with the home office in Hawaii, to avoid any conflict. Viewers across the country will have direct access to the regularly scheduled programming of the **EXP** brand, but will also have the capability of accessing and choosing at will, hyper-local content on their TV, internet or mobile device at their own leisure. This capability also sets **EXP** apart and leaves no competition in place.

LAUNCH & OPERATIONAL STRATEGY

Educational, entertaining and hyper-local content that is commercially viable is at the heart of **EXP** with the main goal being to provide programming that is the highest level of quality that is educational, informative, and entertaining. This standard of programming at **EXP** will be insured by the relationships established with local businesses and communities through writers, directors, producers and production companies worldwide.

EXP will first gather up and acquire E/I programming and movies that have a proven track record and immediately launch them into a stable, cable television market with a minimum of 400,000 households. **EXP** has solidified plans to launch statewide in the Hawaii market on Spectrum Cable. Existing TV shows and movies will be among the first content to go live because they were pre-selected and fit the **EXP** mandate plus already have an existing presence and following. Ad sales will immediately generate revenue from this programming to expand into more content. These shows will be picked to bolster the educational sales aspect of the retail hour content.

EXP will also do what no other network in existence has ever done: simultaneously launch with an on-demand companion with localized content. One portion of the **EXP** brand will be to serve its community with its digital arm by offering content that will be branded. Brands in the areas of service will have the opportunity to underwrite content with a return of bartered advertising. This will further integrate the local businesses into the community, similar to the model utilized by major networks with their affiliate stations with local news or sports. **EXP** will develop and air content that targets the local community and the enormous tourism trade that supports it. This is a key factor because Hawaii has an expanding audience due to the amount of tourist traffic that flows to the islands. **EXP** will also run health and lifestyle content in a 'soft sell' format offering quality products in its late night time slot (10pm – 2am). **EXP** will also have this content available on its digital platform as an on-demand feature, plus positive infomercial buy-ins filling the overnight time slot (2am – 6am). As these shows increase demand, retail can become more prevalent and move into the main programming hours with demand stimulated by more educational interest than purely 'hard sell'.

EXP will continue buying existing programming and films, but will also begin to license and produce new content from as well as look ahead to fully develop new and original content exclusively for **EXP**. The new, original content will either be fully or partially paid for by brands whose marketing mandates align with **EXP**. This content will be in cooperation and in partnership with these brands in an effort to curb costs and get quality programming on the air. In return to the brands for their involvement, **EXP** will offer bartered ad agreements and integration into the original programming.

Additionally, new carriage agreements with Spectrum will rapidly expand the **EXP** model across the US by time zones. By expanding by time zone instead of by individual markets, **EXP** enables its model of offering regularly scheduled Tier One programming on its channel as well as develops and airs Tier Two and Tier Three, hyper-localized content within the on-demand features component. It is anticipated that **EXP** will develop its Regional and National channel product within 24 months into the launch of the live channel while being profitable in this same time frame. With this growth and expansion plan activated, and with no true competitor, **EXP** will capitalize on the obvious void in the market by airing quality educational shows, creating a multi-platform network like no other before it, that is self-sustaining and appeals to all ages via its quality content and delivery system, so that there can be ad sales, consumer sales and barter revenues.

TIERED PROGRAMMING

The success of **EXP** will be in its ability to serve and marry itself in the communities in which it is distributed. **EXP** will do this by offering content in three different ways, or ‘tiered programming,’ to its subscribers. This programming will be known as Tier One (*National*), Tier Two (*Regional*) and Tier Three (*Hyper-Local*). It is important to note that ALL tiers will be available in any and all markets as an on-demand feature of **EXP**.

Tier One programming will consist of content, either acquired or commissioned, that has a value to be broadcast nationwide. Tier One programming will serve the nation as a whole and there will not be any content that would be consistent with a reality series nor be one that is considered drama-based. Tier One content is outlined in detail further in *ORIGINAL PROGRAMMING*. This content will be positive, adventurous, uplifting, enlightening and overall considered to be educational for families. This programming will be distributed nationwide and will be the mainstay of the network, except for some Tier Two programming that is found acceptable for the network to be scheduled for national airing.

In recent years, cable channels have resorted to reality-type programming to showcase various persons on cultural, personality or occupational interests. The problem with airing programming that must be distributed nationally is that it must be highly marketed, highly produced and highly dramatic to set it apart to gather high numbers. At first, they may be successful due to the marketing blitzkrieg, but only for a short while and then end up leaving that network to search for the next best thing to keep them on top.

On the bad side, it reveals that these simple people are packaged in an overly dramatic fashion and push the envelope to gather ratings. On the positive side, it reveals that this country wants programming that focuses on the local community. **EXP** will capitalize on this trend of distributing programming that focuses on the local community but will not compete head to head by overly dramatizing the topic. Tier One for **EXP** will cover a range of topics but remain congruent for a national audience that will empower them to feel better in all ways mental, physical and spiritual.

Tier Two programming will essentially be hyper-local content (Tier Three) that is found to serve a large region of the country. This content could potentially have the ability to interrupt Tier One content in that time zone region that it serves, and be aired in that region if it has proven to show value enough for that region as a whole. This content will have been packaged into a full-length programming (30-60 mins), have a minimum of 10 episodes produced and meet the network standards of content. The retail block fits this model already and each region will have its own dedicated program that will air across an entire region. This retail block will utilize an Amazon model of offering goods that will not be housed at a center that will be sold, catalogued and tracked via computer and shipped directly by the manufacturer to the consumer.

Tier Three content will be hyper-local programming produced in a partnership with a local business that will highlight a specific community or market. This content will be shorter programs (*typically 5 mins*) and focus on more specific topics in that immediate area. Topics such as local sports, heroes in the community, agriculture, health, travel and other topics will be the main focus of this tier. Tier Three will mostly be offered in the on-demand section of the network unless it is produced as a long form and is found to be relevant enough to be moved to Tier Two and broadcast regionally.

MANAGEMENT TEAM

James Brasher – Management and Development

Jim studied Communications in college and played four sports at Sam Houston State University in Huntsville, TX. After graduating, he was a sports and investigative reporter at CBS where he developed and produced several sports programs surrounding the local community. He then moved to Los Angeles and helped produce the first, internet soap opera. He then worked in a variety of areas of production such as sound, camera and even acting, voice-overs, at the local LA PBS Channel KCET in sales and production before moving on to developing, producing and hosting multiple projects for CBS, Yahoo, MavTV, Outside TV and Plum TV. In 2006, Jim co- created CraterLion Productions where he was in charge of developing, producing and distributing all content worldwide to networks such as Nat Geo and The Discovery Channel. Mr Brasher will be responsible for developing all new business and content for **EXP**.

Robert F. Ripp – Regional Content Development & Technical Assets

Since 1967 Robbe has worked as an independent contractor for international and national television networks, production and a/v companies; primarily remote live events and literally all engineering and tech positions, including Satellite and Microwave Transmission. His foundational production and engineering training was received at NBC New York and the corporate headquarters of AT&T, IBM, Xerox, Continental Can, and Colgate Palmolive. He started his career in producing and directing in 1974 at Warner Bros. in NYC. At Warner he worked on the development of Nickelodeon, MTV and VH1, and helped launch QUBE and Nickelodeon. Since 1980 he also worked for telecommunication and consulting companies primarily as a design, sales and implementation engineer, with a great deal of time by customers' sides in application development pre and post installation. Mr Ripp would be in charge of building and managing the technical and engineering infrastructure for **EXP** as well as the professional relationship with Spectrum.

Ilonka Harezi – CEO Administration, Vision & Finance

Ilonka is an author, inventor, speaker, researcher, entrepreneur and pioneer in scalar technology as well as Portfolio Management. She is responsible for managing strategies and company alliances with focus on equities and statistical arbitrage, mergers and acquisitions. She has more than 35 years investment experience at leading banks in the UK, Switzerland and Hong Kong, and Middle East. Her specialty also includes research, market analysis, and development of Tesla technology and its application to consumer product, luxury goods, along with the creation of intellectual property for the company. She began a vision for a network that could empower others and educate them in health modalities.

START-UP OPERATIONAL PLAN

Outline of steps to successfully launch **EXP**:

- Create Development Management Group
- Create Local Broadcast/Cable Channel/Internet Infrastructure
- Build Programming and Content Library
 - Create Vision Statement and Content Requirements
 - Create Multi Usage Licenses
 - Letter of Intent Programming
 - Encourage the Creation of Programming and Content
- Build Telecommunication Network Partners
 - Local (*SPECTRUM*), Regional, National, International, Global
- Design and Build **EXP** brand
 - Design Broadcast/Cable /Internet Look
 - Logos, Graphics, Motion Graphics, USW
 - Design Video On Demand Look
 - Design Mobile Portal Look
 - Design Games and Applications Look
 - Create Demo Reels for Sales
- Develop Sales Group
- Launch Local Broadcast/Cable/Internet Channel
 - Tune Operations, Look and Feel
- Build Production Group
- Design Post Production Facility
- Design Digital Assets Hub and Management System
 - Satellite, Fiber, Microwave Connectivity
- Develop Original Content
 - TV Programming
 - Video On Demand
 - Games
 - Applications
 - Interstitial Internet and TV Content
- Build Post Production Facility
- Create Original Programming
- Build Digital Assets Hub and Management System
- Develop and Launch Regional Broadcast/Cable/Mobile Sites
 - Tune Operations, Look and Feel
- Develop National, International, Global Carriage and Distribution Networks

SPECTRUM CABLE

For any network to be a success they must have a unique identity, have a formula for success, then exploit their brand as much as possible with a partner that also shares the same vision going forward. **EXP** has that unique identity and has found that partner in Spectrum.



Formerly known as Time Warner Cable, Spectrum is the first, cable distributor to have tested and developed the first digital delivery system for all of its partners. Spectrum will offer, at no additional charge to its subscribers, the ability to watch their favorite shows as a regular or traditional channel, but now they can have the ability to select content from that channel for viewing on their television, internet and mobile devices.

This feature is the future of television and **EXP** will be the first fully digital channel from launch. Here is an example of how that model will look:

<https://twcablemedia.box.com/s/s2j82ohfl4l3l66dak4lh94cg24rjt7>

The cost of creating such a digital channel will incur a one-time, start-up cost of only \$10,000 USD to build out the channel and then a minimum of \$10,000 USD per month for maintenance and listing of the channel. Spectrum is the only network in the Charter Communications family with a reach across an entire state and a studio for use to film an all late night, retail content. Another selling point is that Spectrum offers cataloguing services for all televised sales during the retail block. Spectrum also maintains a full-time sales staff to sell advertising and will coordinate their efforts to fill in the available time slots. Here is example of how the retail block will look:

<https://twcablemedia.box.com/s/63xi4uuzpouagtowx8ylycou8magefo1>

EXP will establish itself with a strong presence early on by partnering with retail and launching in the Hawaii market with dedicated content focused on travel, culture, history, growth, adventure and educational programming as the identity of **EXP**, plus with a dedicated block of retail content, and availability of all programming across a multi- platform distribution system. This relationship and model will guarantee steady growth and a unique brand through the life of the network as it spreads across the country and eventually the world.

Spectrum Cable is the second-largest cable operator in the U.S. and an industry leader in developing and launching innovative video, data and voice services. Spectrum has developed the latest distribution platform for content, thereby delivering regular and on- demand capabilities for networks. At this time, there is not a single network that has developed a business model to match this technology. Mr. Ripp and Mr. Brasher have established a relationship with the Spectrum team and have developed a plan to work together to be the first network of this type. By doing so, **EXP** will ride the wave of expansion in a quiet revolution as Spectrum deploys this technology across the nation. Also, Spectrum offers something that other carriers do not, the ability to store content on their server plus numerous regional offices nationwide. These factors alone will be helpful when expansion to nationwide coverage occurs.

HYPER-LOCAL PROGRAMMING

The goal of **EXP** will always be to expand its reach until it has penetrated every possible market around the world. First, in order to do so, **EXP** must gather good numbers in the local markets that it serves. In order to penetrate the market and gather high viewership numbers the network will first acquire, develop and produce quality content. To further serve each market and take advantage of the latest technology at Spectrum, **EXP** will develop and produce localized, grass roots-like content that will focus and highlight genres and stories that many in each specific market will identify with.

As described before, **EXP** will air Tier One content that focuses on things such as travel, food, culture & adventure yet educates at the same time with other programs focused on positive social change and self-esteem. Through the help of local brands, like car dealerships or hotel chains, **EXP** will produce focused, local content called ‘hyper-local’ that specifically focuses on the culture and other relevant points of the communities in which it serves the way that an affiliate station would for a large network. This model will remain deployed nationwide as well. Each individual market will be able to develop and air on the on-demand section, unique content that highlights things like; heroes in the community, non-profits making a difference, interesting destinations, medical breakthroughs, science, culture, wildlife and other relevant points of interest. Each market will have the ability for these programs to be offered in other markets as well due to the new digital format being deployed by Spectrum Cable.

It is the core purpose for **EXP** to marry itself to the local community by developing and producing this digital programming that is designed to highlight the numerous areas of the local market(s) and responsibly deliver to its audience quality and informative content. These programs will be readily available in the market that it services. With the new digital format that has been tested and perfected, viewers in other markets will have the ability to scan the lineup and view content being produced and aired in other markets.

The model for this hyper-local programming will be perfected in the first phase of **EXP** when it launches in Hawaii. These short programs that will be financed by local businesses to purposely serve the community will be proven in the immediate Hawaii area. Businesses such as car rental, hotel chains, restaurants and even banking institutions will be sought to partner with to bring this important content forward. This methodology will advantageously affect the ability for **EXP** to produce high quality and informative, hyper-local content. Essentially, the digital/on-demand feature of **EXP** is a means of developing its own affiliate station.

This same model will be employed across the USA as **EXP** expands and it is important to deploy this same model so as to continue to play a key role in the growth of the network. A way that viewers will be driven to the digital content will be through the use of ticker tape-like graphics at the lower third of the screen directing viewers to this content. In return for underwriting the digital content, brands will be able to have integration into the content plus their own ads placed at the ‘bumpers’. By doing so, select brands that meet the **EXP** standards will be able to showcase themselves and those in their community. By constantly focusing a light on the positive things going on in the community by educating that same audience is the sole purpose and unique quality that will make **EXP** a success. This template of concentrating new, expansive and grass roots-style contents, that use local partners to bring content to each specific market that it supports, is at the heart of the **EXP** model.

REVENUE STREAMS

For traditional broadcast & cable networks, advertising is, and always will be, the main means by which networks have been able to support their efforts and deliver content to the viewer. The traditional model, for regular network television as well as for cable, has commercial breaks of 8 minutes for a half hour show and 16 minutes for a one hour program. The set rate for these ads is dependent on the time of day and the number of viewers who watch the channel.

From the start, in the motion picture and television business, brands would give product to a production in return for having them being seen or highlighted in the production. Over the years, brands started to compete for space on more popular content and then began to pay to have their products integrated into the series. Eventually, this grew to the point where many brands today have begun underwriting entire productions in order to have exclusivity and visibility on a movie or program.

Today, branding has become more the norm and modern networks began to allow brands to underwrite content in return for bartered ad space. What began changing the model is the internet, which gave brands a new space to advertise on. Internet sales have grown so steadily that, in 2014 for the first time ever, internet ad sales have now surpassed TV in advertising sales by volume. Brands are now seeking a way to get their products or services seen by the public in as many platforms as possible.

By utilizing the **EXP** distribution platform of a regular channel and a digital component, brands now have the means to advertise on television in many ways; one, on the regular channel side and, two on the digital side. This is a huge benefit to **EXP** because it forms a natural way for the network to have two main lines of revenue through advertising sales. This is an unprecedented means of generating revenue for any cable or television network and **EXP** will capitalize on its possibilities. Also, the retail-formatted programming will add another revenue stream (*See RETAIL*). **EXP** will have two revenue streams to enable it to expand and improve its programming and reach plus revenue from a percentage of all sales from the retail block. These sales will be catalogued and tracked by the embedded Spectrum digital system.

Another revenue stream that **EXP** could see as a means to support its efforts and to continue to bring high quality programming to its audience is through carriage agreements. When networks gather enough viewership, they have the ability to renegotiate their carriage agreement with the carriers. With the model of **EXP** to integrate into the local community, it is highly anticipated that the network will see above average numbers. Spectrum /Oceanic has already tested interactive channels in the Hawaii market and they have concluded that these types of channels have already gathered better numbers than existing channel platforms. Right at the time when **EXP** is set to expand with SPECTRUM into 35-70 markets, the network will re-negotiate its deal and seek to be paid for carriage. A typical amount would be \$.05-\$10 per household which could add between \$2M and \$4M per month.

With the programming model previously described, added with these four, main revenue streams (the broadcast, digital, retail and carriage agreements), will not only help to bring the community closer together by utilizing local assets to generate content that will, in turn, pay for itself through a simple branding model. This is the heart and strength that other networks cannot compete with and leaves **EXP** with a unique and self-sustaining business model besides the direct retail aspect.

REVENUE STREAM BREAKDOWN & COMPARISON

As described in the previous section, modern cable and linear television networks are limited because their model leaves only *two ways in which to make money*; advertising and carriage agreements. Retail networks, such as QVC or The Retail Channel, have *only one means* in which to generate income, directly through the products that they sell. And, retail networks must pay high rates to content providers in order to carry their channel. Now, even these channels have to compete with Amazon which has quietly launched their own commerce network on its Fire TV delivery system.

Basically, television is taking a huge hit because the internet is stealing off the means to generate revenue, like icebergs calving into the Arctic Ocean. What **EXP** will do with its business plan in place and the technology of Spectrum, will reverse this 'calving off' of revenue streams and bring them all back into one place. As said previously, there will be four main ways to generate income (*Ad sales, Carriage Agreements, Retail sales, Branded Content*), AND with an additional two more down the road.

The two new revenue streams that will be possible for Explore are: one, the addition of mobile-like applications that will be provided through the channel and, two, banner advertising at the lower third of the screen. An example for an application would be one for reservations or for the ordering and delivery of food. This type of app will be developed, owned and apart of the **EXP** system. Viewers at home will not need to get into their car, go to the phone or go to the internet in to order to seek directions, food or for other services. Also, ad banners will be made available for sale that will run at the lower portion of the screen to either advertise their product/service or direct the viewer to the application or on-demand feature of the Explore Network.

Below is a breakdown and comparison of the basic revenue streams for each type of network and why Explore is at the forefront of the new wave of television:

Retail Network

- Product Sales Only

Linear Channel (ABC, CBS, NBC, Fox, etc)

- Commercial Ad Sales

Cable Channels (Nat Geo, Discovery, TNT, etc)

- Commercial Ad Sales
- Carriage Agreements

The Explore Network

- Commercial Ad Sales (*Tier One Programming*)
- Branded Content (*Tier 2 & Tier 3 Programming*)
- Carriage Agreements
- Retail Content (*Direct Product Sales*)
- Mobile-like Applications (*Yelp, Restolabs, Google Maps, etc*)
- Lower-Third / Banner Advertising

RETAIL CONTENT

At the heart of **EXP** is the commitment to bring quality content to its audience. It has been stated that by having a grass-roots integration with the local markets, plus delivering quality content is the key to assuring success in a saturated television market. It is also the mandate of the network to highlight local businesses and products that meet the standards set in place. Therefore, a dedicated block of content will be developed that highlights and offers to viewers, high quality, health, beauty, lifestyle or other acceptable products.



There will be series develop in a Discovery Channel format that will utilize a 'soft sell' format. This content will go to air in a dedicated block from 10pm until 2 am each night. Sales from this content will be catalogued via computer then shipped directly to the consumer. For some products, there will be companion packages that will air to further explain the product and its benefits.

It is the intent to also have this content available to tourists in hotel chains across the islands which are highlight quality products made in the state or those which have a positive influence on the local community and society. Tourists will be able to watch a live broadcast to learn about and purchase these items, then have them sent directly to their hotel, or shipped directly to their home. Since **EXP** will have an on-demand component, each and every episode will also be available as a digital component for viewers to access anytime. Viewers will be able to access all past contents in categories to discern the location of their targeted product much easier.

Viewers will also have the ability to purchase quality products and link directly to those sellers via a web link and contact info. This is another grass roots-style format that is crucial to the success of **EXP**. By highlighting quality products, **EXP** will stand out from other retail networks and highlight those in the local community. Each region of **EXP** will have also its own program to further tie into the local market by highlighting more brands and their products.

In order to have this sub-unit of **EXP**, there will need to be a second build-out for the production team as well as links with enough quality products to fulfill the programming block set aside. A brand partner will be brought in to underwrite the production of this content and then the team and assets will be put into place.

What is vital for **EXP** is that revenue generated by this block will roll back into the development of more original content, either on the main channel side or the digital component side. This will add a third revenue stream to the network, which will only help expand the reach, the integration with the local community and the quality brand of **EXP**.

Spectrum has already developed a sample retail system. Here is a link to how the retail block will look and flow in the Spectrum Cable system:

<https://twcablemedia.box.com/s/63xi4uuzpouagtowx8ylycou8magefo1>

SOCIALLY RESPONSIBLE CONTENT

A large part of any media organization, especially major, national networks like ABC, NBC & Discovery and so forth, is a their responsibility to serve the community that they provide content. It has already been stated that a core strength of **EXP** is its mandate to provide hyper local content. These hyper local stories will be similar to the ones seen at the tail end of the news each night which highlights something or someone in the community that has or is doing something positive. By providing these positive and uplifting hyper local stories for all who receive the network, **EXP** will provide what no other cable network in history has been able to do, service the local community.

The way that **EXP** will do this is by aligning with its audience and allowing locally produced or branded content to make its way onto the hyper local, on demand section of the channel. Another way these packages will be seen is as shortened, 30 second promos that will run at top of the hour commercial and content breaks.

EXP will market this opportunity to its audience is by aligning with socially responsible production companies, social media campaigns and foundations with similar media and campaign goals. **EXP** has already aligned itself with a social media production company based in CA, to distribute 'The Shift'. 'The Shift' is a social media campaign that promotes positive and peaceful change in the community by raising awareness to a variety of issues and then promoting involvement by its followers. The media campaign starts with a new social media website that brings together individuals and NGO's around the world and highlights the extraordinary work that they are accomplishing. 'The Shift' then branches out to market this movement into the pre-existing social media environments like Facebook, Twitter and YouTube, to gather followers and spread its message, grass roots style. The campaign will task followers to take similar action in their community and share their own stories via 'The Shift' conduit. The best media packages of followers will be loaded onto the hyper local section of the **EXP** network as well as run as 30 second promos during 'top of the hour' ad breaks.

One organization in particular that **EXP** has already aligned itself with is JYBA World (*Joining Youth By Action*). JYBA was founded by Ilonka Harezi and built specifically to bring awareness to a variety of social issues around the world and to empower children.



BENEFITS OF LAUNCHING IN HAWAII

EXP has targeted Spectrum and the state of Hawai'i for its launch for several reasons:

One, Spectrum has been at the forefront of the development and implementation of the delivery of content for years. Now, cable television and the way that we use and access content is about to change and Spectrum is again at the tip of the spear with its development of a digital network. By being the first network to develop and implement this type of distribution system, SPECTRUM will have an edge over other carriers. By proving the viability of being the first digital network and tying itself to the local community, Spectrum will expand to between 35 – 75 markets and walk **EXP** into these markets. This one factor alone will put **EXP** at the top of the list and aid in a rapid expansion to the national level.

Two, **EXP** has targeted adventurous yet educational content. By airing this type of programming it will make it easier to tie to the Hawaii market since it is a place that has a high volume of adventure tourism, environmentalism and science. Plus, **EXP** will do what no other network has done before by airing the numerous topics for discussion in the hyper-local delivery space. The range of topics will include; Culture, Sports, Outdoor activities, Food, Science & Nature, Travel and Retail. The retail content alone, when combined with the digital delivery system, will set **EXP** apart.

Three, Hawaii has the highest turnover rate of tourists anywhere in the country. NO OTHER STATE in the country has this much travel coming in and out, not only from citizens of the US but international as well. This can aid in gaining exposure when **EXP** goes nationwide by first establishing itself to this demographic through the numerous hotel chains. Getting onto the hotel channels helps outsiders to see the network and get a sense of what it can do. When **EXP** reaches their market they will carry the same feeling and experience that they had with them in Hawai'i with our channel onward with them to their hometown, like any grass-roots marketing plan.

MARKETING

EXP will launch into the Hawaii market with a solid plan for getting itself entrenched into the local market in order to gather good numbers. By serving the community in which it serves, **EXP** will be at the forefront of modern cable networks. **EXP** will market itself into the local community in several ways:

1. Banners at the airport for tourists to see as they enter the islands.
2. Ad buys on local broadcast and radio stations
3. Carriage in hotels and within their internal networks
4. Hyper-local programming
5. Banners and ad buys at local sporting events
6. Banner purchases on hotel websites
7. Partnerships with local businesses. Banners in store and on the door front as a sticker (As seen on **EXP**)

STARTUP EXPENSES & CAPITALIZATION

The first step towards the launch of **EXP** will be to create the business action plan.

Within the 6 months, the EXP team will create business alliances, fill key management positions, line-up the logos, promos, TV spots and implement resources to begin the build out of the technical elements of **EXP**.

The build out will take approximately 6 months from the initial capital investment. At/around the 9-12 month mark, **EXP** will go live and begin airing content. The following numbers reflect creation and overhead for a two-year period, including the development and build out stages.

Breakdown for start-up expenses and overhead for 24 months:

• Development of Business Action Plan	\$200,000
• EXP Business Entity & Office	\$250,000
• Acquisition of Existing Programming	\$1,500,000
• Digital Channel Operations & Carriage Fees	\$1,200,000
• Legal	\$240,000
• Design & Build EXP Brand	\$500,000
• Original Programming Development	\$500,000
• Production & Post Production Facility	\$300,000
• Digital Asset/Content Management Facility	\$1,200,000
• Marketing & Advertising	\$500,000
• Production Group Development	\$200,000
• Original Programming Production	\$5,000,000
• Salary	\$3,000,000

Total Start-up Expense

\$14,590,000

Development of Business Action Plan

James and Robert will fully develop the business plan, complete with solid numbers for startup costs, ad sales projections, gain commitments from management and solidify a carriage agreement in Hawaii.

Creation of **EXP** business entity and office

A corporate space to house all necessary staff and equipment will be leased and built out to properly house all of the **EXP** office needs.

Acquisition of programming

The **EXP** staff will screen thousands of hours of existing programming via distributors and secure licensing agreements to air those which align with the **EXP** mandate. **EXP** will acquire roughly 500 hours of content for its initial launch.

Digital Channel Operations & Carriage Fees

EXP will finalize its carriage agreement with Spectrum with one-time start-up fees set at ten-thousand dollars to build out the digital channel with full on-demand features for the retail and vignettes features, then a minimum cost of ten-thousand dollars per month to TWC Oceanic for maintenance & listing fees. A dedicated website will also be built and launched by Tesla Designs in Tampa, plus the full-time engineering and management staff will be hired to begin building, marketing and expanding the **EXP** brand.

Legal

A dedicated, in-house head of business and legal will be contracted to oversee all carriage agreements, production and licensing contracts.

Design and Build **EXP** Brand

The overall marketing and brand identity will be developed by contracting marketing and sales professionals in the Hawaii and Los Angeles markets.

Original Programming Development

EXP will develop local programming that fits its mandate. The network will work closely with brands that buy advertising and YouTube influencers that align with the **EXP** mandate.

Production and Post-Production Facility

A dedicated, post-production facility to check and edit all content for air on the network will be permanently established or contracted.

Digital Asset/Content Management Facility

In order to schedule, traffic, deliver and house all of the programming, a network of state of the art computers and satellite with fiber-optic uplink equipment, will be purchased and linked in-office.

Marketing and Advertising

In order to generate interest and recognition for **EXP**, ad buys on various television, print and radio networks, plus banners at sporting and other events will be developed and distributed.

Production Group Development

EXP will meet and align itself with production companies that have a track record of producing content that fits the mandate of the network.

Original Programming Production

All programming that fits the **EXP** brand will be fully developed then commissioned by the network to be produced and delivered in a timely fashion.

FINANCIAL PROJECTION

The projections are for the Hawai'i Market covering the time frame from launch until calendar year one. Retail, Hyper-local productions and future carriage agreement revenues ***are not*** included in these projections. Also, these numbers only reflect a carriage agreement with Spectrum and not with multiple carriers such as DirecTV or Dish Network. In the case of multiple carriers, advertising prices will increase relative to the added number of household reach.

Within 2 years from launch, **EXP** will begin negotiating carriage agreements into the Regional and move toward the National reach of its plan, with ad rates expected to grow exponentially.

Hawaii Broadcast Sales Forecast

Weekday Commercial Time: 16 minutes per hour / 24 hours a day / 5 days a week
1,920 minutes of weekly commercial time

Average cost of 60 sec spot: \$5 per 1000 viewers (*20,000 viewers estimated*)
\$100/per 60 second spot

Total Weekday Revenue: \$192,000 USD

Weekend Commercial Time: 16 minutes per hour / 24 hours / 2 days a week
768 minutes of weekend commercial time

Average cost of a 60 sec spot: \$5 per 1000 viewers (*10,000 viewers estimated*)

Total Weekend Ad Revenue: \$38,400 USD

Combined Ad Revenue per week \$230,400 USD

Year One Ad Revenue Projection \$11,980,800 USD

First Year Projection

Below is a conservative projection of profits after beginning airing of live content on the digital channel.

Ad Revenue (0-12 months)	\$ 11,980,000
<u>Minus Sales Commission (15%)</u>	<u>\$ 1,797,000</u>
Total Ad Revenue Generated (Year One)	\$10,183,000 USD

*The projections are for the **Hawai'i Market only and with Spectrum as the carrier**. New carriage agreements covering all future territories, plus all hyper-local, retail and all future carriage agreement revenues ***are not*** included in these projections.*

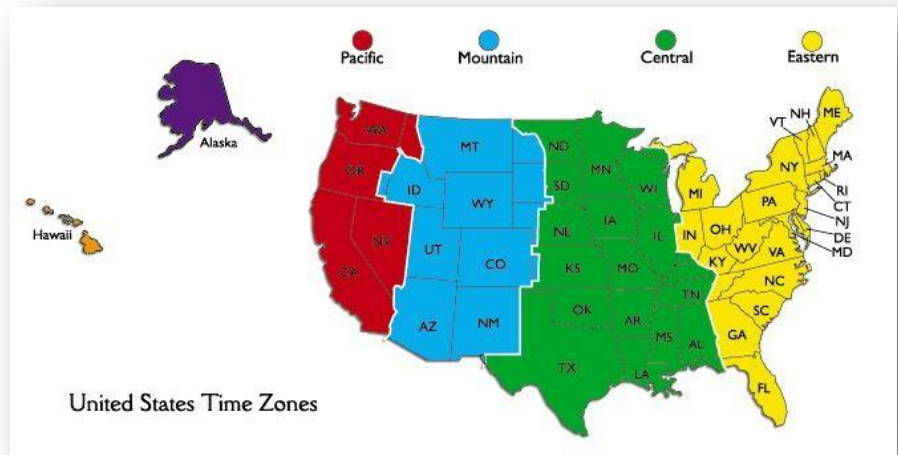
EXPANSION TO NATIONWIDE

EXP will originate in the Hawaii market to coincide with the implementation of the Spectrum capabilities. **EXP** will acquire and produce original content that meets the mandate of the network for high quality, educational programming for its regularly scheduled content and digital components. **EXP** will also develop a specific block of retail content to highlight local goods that also fit the brand identity. This model gives **EXP** a unique brand identity and ties it to the market in which it serves.

Spectrum will work hand-in-hand with **EXP** to fully realize the capability of offering a digital channel that merges components of a regular cable channel with on-demand capabilities. Once the system has been fully realized and perfected, the Spectrum team plans to begin offering this system to its customers in roughly 75 markets across the country. **EXP** will be the first network to ride the wave of this technology as a quiet revolution.

As **EXP** expands across the nation on the new Spectrum system, the network will establish itself in the local market by tying itself to local programming and offering the retail content by establishing regional offices for its hyper-local programming. These offices will be based in the most tax friendly states within the set time zones of the country and, unlike other carriers, will have access to the TWC offices and studios. By establishing offices in the time zones of the country, **EXP** will first air its nationwide, regularly scheduled programming, but will also offer its hyper-local digital programming as well as set a live block for its retail network content.

Each market will have its own hyper-local programming that will be made available to the subscribers on the on-demand, digital format. Each time zone, or regional branch, will have a dedicated block of live content of the retail network-style programming. This aspect will further marry **EXP** to the local community. All products offered to the regional areas will meet the **EXP** high standards of quality.



There will also be the opportunity for the brand being offered to have a short package produced and aired which gives further information on the history, production or other relevant information of that product of focus. **EXP** will be the first cable network to utilize the model of a major network and its distribution and relationship with the local markets with hyper-local programming in the way that an affiliate station would. Also, by airing nationwide content that fits the **EXP** brand, developing a relationship with local brands to underwrite hyper-local programming for on-demand access by subscribers AND offering retail, **EXP** will be THE brand to watch.

POSSIBLE INITIAL PRE-PRODUCED ACQUISITIONS

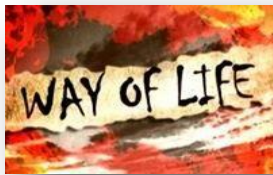
Below is just a partial list of programs targeted for purchase in the first round of acquisitions. Each has already been prescreened and fit the **EXP** mandate for launch. **EXP** will reach further, beyond these programs by connecting with distributors at NATPE conventions and through existing relationships to further expand its library.



Wild Kratts (92 Episodes) is an American/Canadian educational children's animated series created by Chris and Martin Kratt. The Kratt Brothers Company and 9 Story Media Group produce the show, which is presented by PBS in the United States. The show's aim is to educate children about biology, zoology, and ecology, and teach kids small ways to make big impacts.



Modern Marvels (650 episodes) focuses on how technologies affect and are used in today's society and as over 650 one-hour episodes covering various topics involving science, technology, electronics, mechanics, engineering, architecture, industry, mass production, manufacturing, and agriculture.



Way of Life (11 episodes) is an international travel series which focuses on cultures around the world that have a particular occupation as a basis for the society. The series is currently airing on Discovery and Nat Geo worldwide.



Ocean Mysteries with Jeff Corwin (100 episodes) is an Emmy Award winning 30-minute show which follows host Jeff Corwin's travels and works in conjunction with the Georgia Aquarium. The show's message of conservation, ocean research, and preserving ocean and/or ocean adjacent habitats are central to each episode, with each episode generally featuring one or two ocean dwelling or near ocean dwelling species.



Angry Planet is a 39-part television series broadcast around the world featuring the adventures of storm chaser George Kourounis. *Angry Planet* is produced by Peter Rowe of Pinewood Films. Each episode focuses on a different force of nature as Kourounis gets up close to investigate and document the most fierce, natural phenomena the Earth has to dish out.



How It's Made (312 episodes) is a documentary television series showing how common, everyday items (including foodstuffs like bubblegum, industrial products such as engines, musical instruments such as guitars, and sporting goods such as snowboards) are manufactured.

Human Nature (TBD number of episodes) is the new series, which follows a host through their journey around the world as they volunteer to work at animal rescue centers around the world.



Curious George (108 episodes) is an American animated television series based on the children's book series of the same name which features Jeff Bennett as the voice of The Man with the Yellow Hat. The series illustrates and explains various contents in math and science and each live-action segment shows schoolchildren engaging in experiments that teach the math or science content featured in the previous cartoon.



Lucky Dog follows animal trainer Brandon McMillan's determination to rescue hard-to-love, out-of control, untrained and unadoptable dogs. Then, back at Brandon's training facility known as the Lucky Dog Ranch he embarks on the seemingly impossible task of turning the frightened pooches into perfect pets.



Everyday Health and Food for Thought with Claire Thomas (43 episodes) is a cooking show aimed at young people, featuring L.A. food blogger-photographer Claire Thomas ("The Kitchy Kitchen"), who finds culinary inspiration in everyday life and uses food as an educational and cultural tool.



The Incredible Dr. Pol (6 seasons) is a reality television show on Nat Geo Wild. The show follows veterinarian Jan Pol, originally from the Netherlands, and his family and employees at his veterinarian office in rural Weidman, Michigan.



Born to Explore with Richard Wiese (3 seasons) is an Emmy Award-winning first-run educational/informational television series airing weekly on ABC. Host and explorer Richard Wiese travels the world on this adventure travel program in search of unique stories, people and wildlife. *Born to Explore* introduces and highlights cultures around the world to an audience of children and families.

ORIGINAL PROGRAMMING

The programming mandate for Explore is about personal growth and positive social change. The Head of Branding and the Head of Development for Explore will work hand-in-hand with producers to develop content *in these genres*.



Non-Profits – In a global economy, many cultures, environments and wildlife around the world are being eroded or lost forever. A set of series highlighting non-profit efforts around the world that are making a difference will be fully developed and produced.



Medicine & Health – Series which takes us on journey inside the latest in medical breakthroughs, future technologies, new and healthy products, an explanation of diseases & possible treatments, sports figures and training, as well as looks into simple cures to all sorts of common ailments.



Retail – A ‘soft sell’ shopping series to highlight quality retail items will air in the 10pm - 2am time slot. Consumers will be educated and be given detailed information on the benefits of healthy or positive products.



Technology & Science – Series that explains and takes an inside look at; how things work, the latest in gadgetry, cars, technology and computers, the universe & metaphysics, as well as explaining basic or primitive devices like boomerangs & mirrors function.



Food – Multiple cooking series targeting all ages and revealing; healthy products, recipes and lifestyle, teaching and making simple and healthy meals, plus basic kitchen etiquette.



Children – Series to expand and promote creativity, growth, peace, respect, equality and leadership for younger minds. A specific cartoon will be developed around the JYBA character with retail sales and promotion of the JYBA doll.



Career/Occupation – Series similar in format to 'Modern Marvels' that highlights various occupations and reveals how one becomes one of these people.



Nature & Environment – Series and films investigating growing wildlife and nature issues with a comparison to historical events, as well as highlighting those who are leading the charge to make a difference to protect the environment.



Heroes – Series specifically designed to highlight and target individual men and women in making a difference to either protect or serve those in the community, promoting gender equality or taking it upon themselves to help others in need.



Travel & Culture – Series designed to highlight interesting destinations for young and old, unique cultures around the world and travel advice. Main point is to maximize expansion yet minimize carbon footprint.



Biography & History – Educational series designed to highlight impactful events and people with an in-depth look at their positive influence on society, business, culture or history in general.



Economy, Politics & Business – Series designed to investigate and highlight current events trends that have an affect regionally and even further for the modern global economy.



Influencers – Numerous social media influencers that have a significant following in the digital realm, plus a positive message, will have their series expanded into the multi-tier distribution system of Explore.

DIGITAL ASSET/CONTENT MANAGEMENT FACILITY

A combination Asset Storage, Distribution Hub and Network Operational Center (DubNOC) will be at the heart of processing **EXP** content: content will be delivered to **EXP** via fiber and satellite; programming will be distributed from **EXP** via fiber and satellite.

Programming, commercials, promotions, audio, articles, photos and other content from **EXP** edit bays will be placed into a Content partition of the Digital Asset Management System (CDAM) to be stored, archived and formatted for distribution to specific destinations.

DubNOC will access CDAM Content to conform programs and content for specific destinations. DubNOC will compile complete programming slots with the program content, commercials, promos, required timing markers and metadata. Upon destination and network demand, DubNOC will send the complete programming file. Both fiber and satellite networks will have communication links available to deliver the required content, given network congestion or failure. DubNOC will have the capacity to compile a complete programming slot in real time if necessary.

DubNOC will receive content from creator and supplier's distribution and storage holding centers upon request and demand. The un-conformed content and assets will be placed in an Acquisition partition of the DAM (ADAM). **EXP** edit bays will access this content, conform them to CDAM specifications, and place them into CDAM.

DAM and DubNOC software, hardware, design/build/implementation will be approximately **\$600,000**.

Fiber Connectivity software, hardware, design/build/implementation will be approximately **\$200,000** for two separate path links.

Satellite connectivity (excluding satellite time) software, hardware, design/build/implementation will be approximately **\$400,000** for two Sat-links.

The total budget estimate for Digital Asset/Content Management is **\$1,200,000**.

PRODUCTION AND POST-PRODUCTION FACILITY

The equipment required to professionally produce original programming include:

- Computers (which includes monitors and other hardware)
- Computer Software
- Server and data storage devices

Build Out estimate: **\$300,000**.

LOCAL, REGIONAL, NATIONAL SALES FORECAST

Ad rates in a small market like Hawai'i prices for a 60 second TV spot can average as little as \$5 per 1000 viewers, and then upwards of between \$20/1k viewers in a Regional market, and to \$50/1k or more at the National level. As **EXP** grows and expands so will its cost for ad buys. During the day there will be varying prices but they will average out to those numbers based on the following:

- Different regions covered by **EXP** will have varying market prices on commercials based on audience
- As potential viewers increase the more **EXP** can charge for a typical spot
- Time slot the commercial airs in
- Popularity of the show

Also, a very conservative approach will be taken in the initial breakdown of revenue from commercial spots' income only. The following is a projection and breakdown of only the ad sales revenue stream for **EXP** when it is Local, then moves Regional (*West Coast, South or East Coast*) and National (*Entire US*). For Local, **EXP** will only run 20 hours of content from 6am until 2am with infomercials filling the void from 2am until 6am. When **EXP** goes Regional it will continue this format until moving to the National level and will remove the infomercial slot(s). Again, the following numbers reflect an estimate on the low end, plus do not include other revenue streams from Digital Content, Carriage Agreements, Retail Sales or Branding revenues.

LOCAL MARKET SALES FORECAST (HAWAI'I)

Weekday Commercial Time: 16 minutes per hour / 24 hours a day / 5 days a week
1,920 minutes of weekly commercial time

Average cost of 60 sec spot: \$5 per 1000 viewers (*20,000 viewers estimated*)
\$100/per 60 second spot

Total Weekday Revenue: \$192,000 USD

Weekend Commercial Time: 16 minutes per hour / 24 hours / 2 days a week
768 minutes of weekend commercial time

Average cost of a 60 sec spot: \$5 per 1000 viewers (*10,000 viewers estimated*)

Total Weekend Ad Revenue: \$38,400 USD

Combined Ad Revenue per week \$230,400 USD

Yearly Ad Revenue Projection \$11,980,800 USD

REGIONAL MARKET SALES FORECAST

Weekday Commercial Time: 16 minutes per hour / 24 hours a day / 5 days a week
1,920 minutes of weekly commercial time

Average cost of 60 sec spot: \$20 per 1000 viewers (*50,000 viewers estimated*)
\$1000/per 60 second spot

Total Weekday Revenue: \$1,920,000 USD

Weekend Commercial Time: 16 minutes per hour / 24 hours / 2 days a week
768 minutes of weekend commercial time

Average cost of a 60 sec spot: \$20 per 1000 viewers (*25,000 viewers estimated*)

Total Weekend Ad Revenue: \$384,000 USD

Combined Ad Revenue per week \$2,304,000 USD

Yearly Ad Revenue Projection \$119,808,000 USD

NATIONAL MARKET SALES FORECAST

Weekday Commercial Time: 16 minutes per hour / 24 hours a day / 5 days a week
1,920 minutes of weekly commercial time

Average cost of 60 sec spot: \$50 per 1000 viewers (*100,000 viewers estimated*)
\$5000/per 60 second spot

Total Weekday Revenue: \$9,600,000 USD

Weekend Commercial Time: 16 minutes per hour / 24 hours / 2 days a week
768 minutes of weekend commercial time

Average cost of a 60 sec spot: \$50 per 1000 viewers (*50,000 viewers estimated*)
\$2500 / per 60 second spot

Total Weekend Ad Revenue: \$1,920,000 USD

Combined Ad Revenue per week \$11,520,000 USD

Yearly Ad Revenue Projection \$599,040,000 USD

PROGRAMMING

Topics that **EXP**'s mandate include:

- *Healthy lifestyle (Exercise, Cooking, Diet & Self improvement/empowerment)*
- *Travel and destination shows (culture and diversity)*
- *Self-esteem enhancement*
- *Conservation and the environment*
- *Retail (Quality, Holistic, Green and Healthy products)*
- *Art and Music*
- *Social issues*
- *Business*
- *Technology*
- *Sports*
- *History*

Research has revealed that 71% of the daytime audience is between the ages of 2 and 17. That number drops off to 5% in the primetime slot. The reason for this decline is because adults come home from work, change the channel to news or their favorite scripted content, and bypass any positive viewing time for the **EXP** target demographic. **EXP** will reverse this trend by acquiring recognized programs such as '*Modern Marvels*' and '*Planet Earth*' as well as developing original content along this genre and air in the primetime slot.

ORIGINAL PROGRAMMING GENRES

Below is a brief summary of the type of programming and time slots for each category of audience. Many of the categories overlap to include a broader, audience base. (*The 2am until 6am window will be infomercial buy-ins*)

Children ages 2-7 *(Target Time Slot of 6am until 9am)*
Cartoons and Educational

Young Adults/Adults ages 18-35 *(Target Time Slots of 9am to 2pm & 6pm until 10pm)*
Cooking
Travel
Culture
Wildlife
Retail

Tweens ages 8-17 *(Target Time Slot of 2pm until 6pm & some Primetime)*
Science
History
Sports
Technology
Culture & Occupation
Wildlife

Adults ages 36-65

(Target Time Slots of 9am to 2pm & 6pm until 2am)

Travel

History

Culture

Technology

Wildlife & Conservation

Retail (airing at 10pm – 2am then replaying at 10am - Noon)

Business & Politics

HYPER-LOCAL PROGRAMMING

Having a close relationship with the local businesses and residents is a key factor that any network must employ to properly serve that community. Major networks have employed this tactic for decades by the development and use of affiliate stations and that model has proven to be successful. **EXP** will be the first ever cable network to be able to service the community through the implementation and distribution of hyper-local programming and to be able to sell through its educational base combination. Without making claims, health products are sold purely on their documentary background and information. Charitable sales can be accomplished by venue to villages that will become part of the audience experience. The audience will be interested to see what is going on in real life with villages they have helped establish. This will empower them to participate in a social responsibility network that they could never imagine before, and also move their children to take part in a broader experience in cultures and lives of international people.

One of the many pillars by which **EXP** will serve the community will be by focusing digital content on key areas of the community. As **EXP** moves across the country, the network will establish regional offices to interconnect within those regions to solidify working relationships with businesses and residents to develop and air hyper-local programming. Content, similar to those previously listed, will highlight local people, culture, food, travel or worthwhile stories, and will have a voice by airing in targeted markets through the deployment of the branded content model. It is important if one market hears about content in another, then that content can be shared between the two markets. If content has shown enough value, and meets the **EXP** mandate, then that program may be subject to national scheduling and air time.

YOU TUBE CONTENT

YouTube influencers will be an integral part of the educational and entertainment experience for kids and young adults.

EXP will seek to purchase the rights to original YouTube series which already have a following and fit the **EXP** brand. These shows will have a fan-base of over one million followers and be education based. In order to not lose the fan base in the switch to TV, the full episodes will air on the TV channel while condensed vignettes of the series will still air on the existing YouTube Channel. Keeping these channels on YouTube will continue the fan following and will also allow for a cross marketing and cross advertising plan, the likes of which has never been done before in a digital format.

MOBILE

Through the Spectrum mobile application, users can select and watch or listen to video or audio content when they choose to, where they choose to, rather than having to watch at a specific broadcast time. Through a smart TV, smartphone or tablet, subscribers can stream content at their leisure on the Spectrum system. **EXP** will make available to any subscriber through all titles currently in its library direct and immediate access to any mobile device through the Spectrum website or application.

GAMES/APPS

Video games are widely used in a variety of disciplines such as behavior modification, autism therapy, leadership skill building, and strategic analysis by organizations like IBM, the US Army, Humana Insurance and Hilton Hotels. Education is the next challenge video game producers are tackling. Kids today want technology in the learning environment just as they do in their personal lives; In the realm of K-to-12 science and math education, the virtual world Whyville, with its game-based activities, now sports 4 million subscribers (90 percent North American), with the dominant demographic being 8 to 14 year old girls.

EXP will be providing another tool that can be utilized to teach by creating original games/apps that are educational in scope. Children today have grown up immersed in technology. The latest generation has grown up with internet, smart phones and Ipads as a staple. We will provide educational games, that children yearn for and can benefit from, that can be purchased and downloaded from our website or at app stores. Furthermore, **EXP** will be the interactive component in a game of international scope furthering the global children's program of JYBA where children become super heroes, connected to other children across the globe, to actually make a change in the world. This will interplay with hundreds of toys, games, and specialty items for children that can be purchased via the retail channel or accessed as the show is being broadcast.

DVDs

Our television programs will be available for parents to purchase to provide another option of viewing our products. Programs can then be viewed when and where viewers choose.

DEMOGRAPHICS

Over the next 35 years the demographics of 17 and under is anticipated to remain at roughly 24% of the population with a 2% fluctuation anticipated (Pew Research). Since the size of the market is going to vary little over the next several decades **EXP** will focus on informing the public of this innovative alternative to entertainment television and become the home for educational programming for all ages.

It's not too surprising that broadcast TV ratings are down. The major networks have faced increasing competition for years from niche interest cable channels and the better quality programming on places like AMC and HBO. **EXP** will be another niche network, the only one of its kind with the original Discovery Channel model and the cross promotional YouTube marketing plan.

TELEVISION STATISTICS

According to the A.C. Nielsen Co., Americans watch more than 4 hours of TV each day. The average child will watch 8,000 murders on TV before finishing elementary school. By age eighteen, the average American has seen 200,000 acts of violence on TV, including 40,000 murders.

TV is a staple in Americans lives. By providing a channel that has quality informative programming, children and adults will have the option to watch content that will have a positive impact on their lives and education.

INFLUENCE OF TELEVISION

The amount of time we spend daily in front of a television and the media we choose to watch can have a tremendous impact on our lives. By providing an E/I network, such as **EXP**, children and parents could potentially:

- gain an additional 4 hours of education per day on average
- learn exercises to help fight obesity and improve health
- learn tips and cooking techniques on how to eat healthy
- learn about different cultures to become more appreciative and accepting of others
- gain self esteem and self worth

All the while selling them products to create the new life they want to lead.

Studies by the Center for Research on the Influences of Television on Children at the University of Kansas and the University of Texas in Austin have shown that educational programming helps children learn and thus helps prepare them for school. One study found that preschoolers in low income areas around Kansas City who had watched educational television programming, including "Sesame Street," not only were better prepared for school but actually performed better on verbal and math tests as late as age 7 than would have been expected otherwise.

Conversely, it found that preschoolers who had watched primarily adult programming and entertainment cartoons performed worse on those later tests than would have been expected.

ECONOMICS

The total U.S. population is 318,309,000 (United Nations Department of Economic and Social Affairs) with our target market currently being 25% of the population; therefore, our potential market is 80,000,000. The average number of TVs per U.S. household is 2.5 (The Nielsen Company). This means that parents and their children have the ability to watch separate programs at the same time, so our potential market of 80,000,000 is not affected by our means of delivery • televisions in each household.

Digital media, or internet media, was the fastest growing media category in 2013, increasing 16% to \$118 billion and reaching a 24% market share globally. By 2015, eMarketer forecasts the U.S. market to grow to \$49.5 billion. This segment is an \$80 billion business worldwide, according to Plunkett Research estimates.

APPENDICES

E/I Programming

E/I, which stands for "educational and informational" or "educational and informative", refers to a type of children's television programming shown in the United States. The Federal Communications Commission (FCC) requires that every full service broadcast television station in the U.S. air at minimum at least three hours of these television programs every week to retain their station license. The E/I program requirements were enacted as part of the Children's Television Act of 1990.

In addition, stations must identify such shows on screen with an "E/I" bug in a corner of the screen, usually either in the form of plain text or an icon as seen to the right; some display it in appealing or "child like" fonts. Originally, this was displayed only during the first minute of the program, or, as a separate announcement prior to the program, but since 2004, all E/I shows must display the icon during the entire duration of the show, except during commercial breaks.

This requirement only applies to commercial broadcast television stations. Cable television channels are exempt from FCC television programming regulations, although some do place an "E/I" bug or descriptor on their educational programs, mainly to stick out within children's sections of electronic program guides. Colleges offer distance education, a curated form of educational television, which is unique to public, educational, and government access (PEG) cable television channels, and is carried by some public television stations.

What Makes Shows "E/I"

What makes shows "E/I" is determined by the Federal Communications Commission, which enforces the regulations. The agency took a more hands on role in enforcing the rules in 1996, after the first few years of the act were ineffective as stations claimed programs like *The Jetsons*, *The Flintstones*, *G.I. Joe*, daytime talk shows and *Leave it to Beaver* had educational elements.

At regular intervals, each full service station submits a list of programs that it either airs now or plans to air and which it feels will inform, as well as entertain, viewers below age 18. Stations must occasionally announce on air that this public file is available to the public at the station's studios or on the station's website.

Advertising Policies for Regular E/I Programming

All children's television programming is subject to limits on the amount of advertising. Stations can air no more than 12 minutes of advertisements each hour on weekdays and 10½ minutes an hour on weekends. Since **EXP** is technically a cable channel it does not have to comply with this standard and can air a full 16-minutes, per hour of ad time.

In addition, the FCC also has a very strict policy that an advertisement for a product tie in for the program being aired is not allowed in any form, or else the entire program will be classified automatically as a violating half hour program length commercial according to the FCC's definition, even if one second of a show's character or reference is seen in an advertisement. The individual station has the responsibility to comply with the standards and regulations, and report instances of it happening within their quarterly children's programming report, even if the programming is transmitted by a television network.

This has been demonstrated through several incidents where episodes of *Pokémon* airing on the former Kids' WB block (which originated on The WB, before moving to The CW) featured references to products such as Eggo waffles, Fruit by the Foot, and the Nintendo Game Boy Nintendo eReader accessory mentioning their products having a tie in to the Pokémon franchise on air. The FCC has fined individual affiliates of The WB for the violation of the guidelines and upheld the fines on appeal, even though it was the television network which transmitted the content.

Meanwhile, promotion for related websites are allowed only under certain circumstances and must specify that the linked site is meant as an advertisement, and must be in compliance with the COPPA Act regarding personal information acquisition for advertisers online for children under thirteen years of age.

Acquisition of Pre-Produced Programming

The expense and time required to produce all original content is too great for the initial launch of **EXP**; the majority of programming will be acquired from outside production companies and producers. There are many potential vendors with a wide variety of topics to select from, ensuring high quality programming.

Acquisition of programming, in non exclusive licensing, will be approximately \$2,000 per hour of programming for 2 years. **EXP** will expand to have 50 hours of new programming in a given week, thus our total weekly licensing expense is **\$100,000**.
