



Media Producer*

BUSINESS PLAN

DYNAMIC VIDEO

3470 University Blvd., Ste. 117
Bridgeport, MN 27810

***Revised June 1995**

This revised business plan reflects adjustments in the strategy that Dynamic Video employs due to several major changes in the business. Look for sections detailing changes in perspective and personnel and the impact these had on projects underway. The original plan appears previous to this one.

- A GREAT ATMOSPHERE HELPS MAKE IT EASY
- WE'VE HAD SOME SUCCESS
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- WE FOUND NEW TALENT
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- EXPLANATIONS OF REVENUE AND EXPENSE ESTIMATES FOR 1995
- ARTICLES OF INCORPORATION
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Dynamic Video: The changes we have gone through since our first Business Plan.

A GREAT ATMOSPHERE HELPS MAKE IT EASY

We have discovered the enjoyment of working in the Incubation Center on the UMS Campus. It's a pleasure to come to work thanks to a very supportive atmosphere. Another positive feature is that Andrea and Kevin no longer work out of separate offices—ideas are shared and business is conducted together under one roof!

WE'VE HAD SOME SUCCESS

We've covered the cost of operations, through sales, in 1994. Important alliances were created with others in education, in business and in the video industry. These assets add promise for a profitable and rewarding 1995.

WE'RE INCORPORATED

Effective January 1, 1995, we are incorporated in the State of Minnesota. Andrea Sheldon has been elected



President of the company, and Kevin Hill is Secretary/Treasurer. Andrea has also been elected Chair of the Board of Directors. Kevin Hill is another Board member. Copies of the filed Articles of Incorporation and the Bylaws of the Corporation are attached. All appropriate Federal and State tax identification numbers have been applied for.

WE FOUND NEW TALENT

At a time when we needed a writer, we contracted with Dean Carter to finish writing one of our elementary scripts. We are very fortunate to have him work with us. Dean is a videographer, and he is also able to write specifically for video projects. He has good crossover abilities between writing for paper and writing for video. Knowledge and acceptance of this difference is important to our business.

Dean completed our script in a short time, and it is ready to be broken down into a shooting script for video production. Dean has agreed to work with us as an independent contractor on current and future projects. We do not expect him to become involved in the ownership of the company.

JOB DESCRIPTIONS MATTER

Andrea and Kevin learned the importance of job descriptions. Much of what the partners did for the partnership loosely followed our written format. Vague assumptions and confusion arose from the lack of adherence to the written standards. We are currently defining our roles in the corporation, and putting those ideas into a set of useable job descriptions.

HOCUS POCUS, WE GOT NEW FOCUS

A most important change comes in the form of a revised Mission Statement: "Our mission is to produce and sell informational and educational videotapes for schools and businesses in the United States and abroad."

We found that we were on the right track. We discovered that our work with the schools held important financial value for us, as well as social benefits for us and others. However, we also noted that our company needed sound financial footing that could only be achieved through work with educational and business sources. In this early stage of our growth, the schools alone could not support our fiscal needs. Some partners perceived the complete reliance on the education field as being too limiting and a potential hazard for our company.

As a corporation, we recognize the need to work with business and industry as well as with the educational groups and will continue to do so.

A CHANGE IN PERSONNEL

We do not include Dedria Johnson in this updated Business Plan. She announced her intention to leave the partnership Dynamic Video on December 13, 1994. Dedria is not involved in any way in the ownership or operation of Dynamic Video.

The partnership is to be dissolved effective December 31, 1994. Lewis Peterson, of the law firm MacGregor, Campbell, and Watson, has worked with Andrea and Kevin to prepare the partnership dissolution agreement. A draft of this agreement is currently being negotiated with Dedria.

In step with this change, Andrea and Kevin prepared for the Incubation Center a letter of intent to continue in business.

This Business Plan reflects the several assumptions by the management of Dynamic Video. We believe the corporation will end up with full ownership of current video projects, and Dedria will accept royalty payments



on certain projects she worked on for the partnership.

In the event Dedria does not relinquish her share of control of these assets, Dynamic Video is prepared to move forward with alternative plans.

THE LEAVING PARTNER

Dedria produced monthly newsletters for various school districts, which severely limited the amount of time she had available to write the script for our important elementary videotape. Production of the script fell behind schedule, as did work on the Metro Area Community Center (MACC) tape. While video work progressed in jumps and starts, conflicts arose as to how other partnership decisions should be made. Despite a lack of business skills and video production background, Dedria insisted she be considered the final voice in partnership decisions. This unacceptable ultimatum led to the dissolution process.

During this period, the three partners met as a group many times to address this lack of consensus. Our contacts at the Business Incubator were consulted by the group in efforts to clear up this matter. As noted above, the results of these efforts would lead to dissolution.

OUR CURRENT PROJECTS

JACC

We are in the final stages of the JACC tape. Andrea estimates it will take about a week's editing to finish. We intend to deliver the tape before the end of January 1995, and be paid the \$1500 balance by February 17. The partnership dissolution will not affect this outcome. Andrea and Kevin want to continue to be in good standing with the education community, and Dedria feels compelled to complete this job as she works with JACC personnel on a regular basis.

"A Matter of Respect" (Minnesota)

This is the tape that started the whole thing rolling. In 1993, eleven tapes were sold. In the calendar year ended December 31, 1994, ninety tapes were sold. Fifty-three tapes are currently being previewed by school districts in Minnesota. The disposition of these tapes will become known in January and February 1995. Each school district varies as to how quickly it views a tape, and subsequently sends payment (or returns the tape.)

During the year Andrea and Kevin marketed the tape via telephone contact with Human Resource Officers in Minnesota school districts. Office telephone logs indicate approximately forty yet to be contacted. As demand for this tape in Minnesota high schools winds down, several issues become apparent:

There is obviously a need for this type of product in schools; thus, we have plans to develop a tape for nationwide coverage

Many of the sexual harassment officers we contacted requested quick delivery of elementary-age versions of the tape

Some college contacts have indicated interest in this tape for women's issues curriculum. We have yet to try this idea.

A sale to the Local Area Juvenile Center perhaps could lead to additional juvenile center sales.

English as a Second Language Videotapes

Dynamic Video has entered into an agreement with Alyshia Cavanaugh of Forward Inc. as equal partners to produce a series of videotapes and written curriculum to teach English as spoken in the United States. Demand



is high for tapes that do not involve British English. The initial market areas for these tapes are the southern U.S. and Argentina.

These tapes will feature how holidays such as Christmas and the Fourth of July are celebrated in the U.S. The first of these tapes, based on an American Christmas, is currently being scripted by Alyshia and her staff, and DV has shot most of the scenes needed. Our target completion date is June 1995. We are in the process of researching distribution companies for those products.

Gambling Videotape

Wisconsin Council on compulsive Gambling, Inc., in Duluth has recently contacted us about producing a videotape for their use in Minnesota schools. We will be meeting with this group at the end of January to discuss their needs.

Highway Safety Videotapes

Andrea was contacted by Benny Jansen of the Institute of Driver Behavior to help market a videotape curriculum to truck driving schools and over-the-road freight lines. Benny has many years experience as a truck driver and as a truck safety expert. He is frequently called as an expert witness in suits involving truck and traffic accidents. He invented a method of teaching safe driving habits to stressed drivers.

Benny has produced a series of sixteen high quality videotapes and accompanying written tests which Dynamic Video has begun selling nationwide. Four tapes are directed at experienced truck drivers, as a refresher. The topics are presented in an interesting and memorable format.

A set of twelve tapes are geared for inexperienced drivers. The topics range from proper backing techniques to safeguarding the right side of your rig in traffic.

Andrea and Kevin contact safety directors at trucking companies listed in the AT&T 800 directory. The set of four "experience tapes" and test materials are sent out for a preview. DV boxes and ships tapes and tracks them via a computer program. Any subsequent follow up calls are made by DV.

The sale price of the tapes is \$50.00 each. If the trucking company purchases the tapes, DV receives a 40 percent commission. Benny provides the ready-to-mail videotape sets and the written materials. DV pays for the shipping and invoicing costs.

Elementary School Sexual Harassment Videotape

This two-tape set will be marketed nationwide in elementary schools. This tape has the potential to produce a large amount of revenue, as school demand is high and there are few elementary sexual harassment tapes available. The tapes are intended for student audiences which range from kindergarten through sixth grade. For this reason, the first tape in the set covers K through 2, the second tape 3 through 6. One of the scripts has been completed by Dean Carter and is ready to take into the field to shoot. The other script is not finished.

In the event that the two-tape elementary scripts become a point of contention in the partnership dissolution, DV will continue with production of an elementary tape with a new script. Dean has known about the concept of the elementary tape from its earliest stages, and he is prepared to write a script for an elementary sexual harassment tape that would not be a duplicate of the first two-tape set mentioned above. Using Dean's new script, we believe that our spring completion date for the tape would still be feasible.



National Sexual Harassment Videotape

Very little of the original "A Matter of Respect" can be used in the creation of a tape with national sales potential. Again, Dean Carter has expressed interest in creating a script for this topic. DV has not set a schedule for this tape.

RESOURCES OLD AND NEW

We continue to rely on the Incubator staff for help in the myriad workings of our company. They are invaluable.

Recently, Andrea and Kevin took time out to introduce themselves to a representative at National Bank. We discussed our incorporation and the zero-interest loan that is available to us. It is likely that we will access that financial tool to upgrade DV's video camera equipment.

Along with the valuable contacts we've made through the Incubator Center, we've kept ties with previous business associates. From this pool of professionals, we have access to a tremendous support network.

EXPLANATIONS OF REVENUE AND EXPENSE ESTIMATES FOR 1995

Please refer to the following Projected Cash Flow Budget, Projected Income Statement and Projected Balance Sheet for 1995.

"A Matter of Respect" Videotape

We currently have 53 tapes out on preview and approximately 40 districts yet to contact. We estimate 40 of the outstanding 93 will become revenue in the first quarter of 1995. Based on past experience, we believe that revenue will be received at the rate of approximately 13 tapes per month for the first quarter of 1995.

Sales for May through December represent occasional school interest in this tape. Potential sales to juvenile centers in Minnesota and to women's issues curriculums in colleges are not included in these projects.

Trucking and Highway Safety Videotape

The January revenue entry of \$480 represents the cash received on three sales of the "4 experienced driver tapes," and an additional sale to one of those companies that ordered the set of "12 training tapes for inexperienced drivers." These tapes were sent out for preview during November and December 1994. The February entry of \$1600 indicates receipts for twenty sets of tapes previewed in December and January. During January, we will send out 80 sets of previews to truck companies. We estimate that a minimum of twenty companies will purchase the tapes in February. We currently have no data on the preview-to-sales ratio.

During January and February we intend to find the preview-to-sales ratio that will result in the sales of fifteen "experienced" tape sets per week. This will not include sales of the 12 "inexperienced" tapes. Sales at this level will require a great deal of telephone activity and likely will entail the addition of a person familiar with this type of marketing. The inventory, storage, shipment and tracking details for this project are in place.

The largest expense in this project involves the cost of shipping these tapes by UPS. Other expenses include an hourly worker (with taxes) and marketing costs for materials such as tape and boxes. Use of 800 numbers to access customers will keep telephone costs at a minimum. No other methods will be used to market these products.



The Elementary School Sexual Harassment Videotape (National K-6)

This tape is scheduled for production during the first quarter of 1995 and will sell for \$75 each. Initially, brochures mailed in March will create interest, and we conservatively estimate sales at ten tapes per month in May and June. Sales for the last quarter are estimated at 20 units per month. We believe these revenue estimates are low.

Initially, we may do our own marketing of this tape in Minnesota and Wisconsin, using the many contacts made through "A Matter of Respect." Summer and early fall are typically difficult times to reach our school prospects. During this period, we will contact distribution companies which have the ability to market this tape nationally. The expenses Writing-Carter, Production Costs K-6, and Marketing pertain to this vide.

In the event Dedria receives the rights to this project, we will have Dean create a new script and we will produce our version of this tape. Our income and expense estimates would not change appreciably.

The English as a Second Language Videotape

Our responsibility in this venture is to produce the scenes called for in Forward* s curriculum. Our exposure is limited to \$500 against high potential gains. We estimate sales at \$500 per month.

The National 7-12 Videotape

We have begun research in an effort to group the 50 states according to enforcement of harassment laws in schools. For example, Minnesota and California would be together at one end of the spectrum, and Mississippi and Alabama would be at the other. Our videotape script would be generic to a point, with a section tailored to suit a group of states. There would be 4 or 5 of these special sections available to tag onto the main part of the tape. Revenue is estimated at \$75 per tape and sales of 20 per month. Production costs would be \$3000.

Other Notes

Payments made to Dedria Johnson are estimated at \$1380 for the year; we do not know how the partnership dissolution will finally turn out.

We likely will access the no-interest loan and purchase \$5000 in video production equipment.



PROJECTED CASH FLOW BUDGET FOR DYNAMIC VIDEO 1995

	4	4	5	4	4	5	4	4	5	4	4	5			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	1995	1996	1997
Cash Balance Beginning	2500	1168	1199	4152	2317	502	3207	4742	6627	11132	15867	20764	2500	27401	34305
Revenue—Matter of Respect	1308	1308	1308	100	100	100	100	100	100	100	100	100	4824		
Revenue—Truck tapes	480	1600	6000	4800	4800	6000	4800	4800	6000	4800	4800	6000	54880	57600	57600
Revenue—JACC													1500	0	0
Revenue—ESL							500	500	500	500	500	500	2500	6000	6000
Revenue—National K-6				750	750	300	150	150	1500	1500	1500	1500	6600	18000	18000
Revenue—National 7-12									1500	1500	1500	1500	6000	18000	18000
Total Cash Available	4288	5576	8507	9052	7967	7352	8407	10292	14877	19532	24267	30364	78804	127001	133905
Less Disbursements:															
Officers Salaries	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	54000	54000
Employee wages	0	0	0	300	300	300	300	300	300	300	300	300	2700	3600	3600
Health Insurance	0	0	0	300	300	300	300	300	300	300	300	300	2700	3600	3600
Payroll taxes @ 80%	150	150	150	180	180	180	180	180	180	180	180	180	2070	5760	5760
Computer payments	162	162	162	162	162	162	162	162	162	0	0	0	1620	0	0
Telephone expense	150	145	150	150	150	150	150	150	150	150	150	150	1795	1800	1800
Office rent	203	203	203	203	203	203	203	203	203	203	203	203	2436	2436	2436
Office expense	25	50	50	50	50	50	50	50	50	50	50	50	575	600	600
Travel & Entertainment	0	0	0	50	50	50	50	50	50	50	50	50	600	600	600
Loan paid vid eq	150	150	150	150	150	150	150	150	150	1500	3500	0			
Video equip rental	50	50	50	50	50	50	50	50	50	50	50	50	600	600	600
Loan pay	0	0	0	780	0	0	0	0	0	0	0	0	780	0	0
Writing—Carter	200	300	0	0	0	0	0	0	0	0	0	0	500	2400	2400

	4	4	5	4	4	5	4	4	5	4	4	5			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	1995	1996	1997
Cash Balance Beginning	2500	1168	1199	4152	2317	502	3207	4742	6627	11132	15867	20764	2500	27401	34305
Revenue—Matter of Respect	1308	1308	1308	100	100	100	100	100	100	100	100	100	4824		
Revenue—Truck tapes	480	1600	6000	4800	4800	6000	4800	4800	6000	4800	4800	6000	54880	57600	57600
Revenue—JACC			1500										1500	0	0
Revenue—ESL							500	500	500	500	500	500	2500	6000	6000
Revenue—National K-6					750	750	300	150	150	1500	1500	1500	6600	18000	18000
Revenue—National 7-12									1500	1500	1500	1500	6000	18000	18000
Total Cash Available	4288	5576	8507	9052	7967	7352	8407	10292	14877	19532	24267	30364	78804	127001	133905
Less Disbursements:															
Officers Salaries	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	54000	54000
Employee wages	0	0	0	300	300	300	300	300	300	300	300	300	2700	3600	3600
Health Insurance	0	0	0	300	300	300	300	300	300	300	300	300	2700	3600	3600
Payroll taxes @ 10%	150	150	150	180	180	180	180	180	180	180	180	180	2070	5760	5760
Computer payments	162	162	162	162	162	162	162	162	162	162	0	0	1620	0	0
Telephone	150	145	150	150	150	150	150	150	150	150	150	150	1795	1800	1800



	4	4	5	4	4	5	4	4	5	4	4	5			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	1995	1996	1997
expense															
Office rent	203	203	203	203	203	203	203	203	203	203	203	203	2436	2436	2436
Office expense	25	50	50	50	50	50	50	50	50	50	50	50	575	600	600
Travel & Entertainment	0	0	0	50	50	50	50	50	50	5050	50	450	600	600	
Loan pmt vid eq	150	150	150	150	150	150	150	150	150	150	1500	3500	0		
Video equip rental	50	50	50	50	50	50	50	50	50	50	50	50	600	600	600
Loan pay	0	0	0	780	0	0	0	0	0	0	0	780	0	0	
Writing—Carter	200	300	0	0	0	0	0	0	0	0	0	0	500	2400	2400

4 4 5 4 4 5 4 4 5 4 4 5
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 1995 1996 1997

UPS-truck tapes	680	800	400	320	320	400	320	320	400	320	320	400	5000	7200	7200
Attorney fees	0	100	100	100	0	0	0	0	0	0	0	0	300	1000	1000
Production costs K-6	0	150	300	1500	3500	150	0	0	0	0	0	0	5600	0	0
Production costs 7-12	0	0	0	0	0	0	0	0	0	0	0	0	3000	0	0
Marketing-trucks	0	167	500	100	100	100	100	100	100	100	100	1567	1200	1200	
Marketing-National K-6	0	0	0	200	200	150	150	150	150	150	150	1450	1200	1200	
Dedria Johnson payments	0	600	390	390	0	0	0	0	0	0	0	1380	0	0	
Insurance-Office	25	25	25	25	25	25	25	25	25	25	25	300	500	500	
Total Expenses	2983	4240	3838	5418	6928	3608	3378	3458	3378	3458	47443	90760	88760		
Net Income (Loss)	-1195	168	3470	-518	-1278	3242	1822	2172	4792	5022	5022	6142	28861	8840	11840

	4	4	5	4	4	5	4	4	5	4	4	5			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	995	1996	1997
UPS-truck tapes	680	800	400	320	320	400	320	320	400	320	320	400	000	7200	7200
Attorney fees	0	100	100	100	0	0	0	0	0	0	0	0	300	1200	1200
Production costs 7-12	0	0	0	0	0	0	0	0	0	0	0	0	0	3000	0
Production costs K-6	0	150	300	1500	3500	150	0	0	0	0	0	0	600	0	0
Marketing-trucks	0	167	500	100	100	100	100	100	100	100	100	100	567	1200	1200
Marketing National K-6	0	0	0	200	200	150	150	150	150	150	150	150	450	1200	1200
Dedria Johnson payments	0	600	390	390	0	0	0	0	0	0	0	0	380	0	0
Additional tape	0	0	250	250	250	250	0	0	0	0	0	0	000	0	0
Total Disbursements	3120	4377	4355	6735	7465	4145	3665	3665	3745	3665	3503	3583	023	92696	86196
Cash Surplus (DEF)	1168	1199	4152	2317	502	3207	4742	6627	11132	15867	20764	26781	781	34305	47709
Bank Loan Required															
Cash Balance	1168	1199	4152	2317	502	3207	4742	6627	11132	15867	20764	26781	781	34305	47709



4 4 5 4 4 5 4 4 5 4 4 5
 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 1995 1996 1997

Ending

PROJECTED INCOME STATEMENT FOR DYNAMIC VIDEO 1995

	4	4	5	4	4	5	4	4	5	4	4	5			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	1995	1996	1997
Cash Balance Beginning	2500	1168	1199	4152	2317	502	3207	4742	6627	11132	15867	20764	2500	27401	34305
Revenue—Matter of Respect	1308	1308	1308	100	100	100	100	100	100	100	100	100	4824		
Revenue—Truck tapes	480	1600	6000	4800	4800	6000	4800	4800	6000	4800	4800	6000	54880	57600	57600
Revenue—JACC	1500												1500	0	0
Revenue—ESL							500	500	500	500	500	500	2500	6000	6000
Revenue—National K-6				750	750	300	150	150	1500	1500	1500	1500	6600	18000	18000
Revenue—National 7-12								1500	1500	1500	1500	1500	6000	18000	18000
Total Cash Available	4288	5576	8507	9052	7967	7352	8407	10292	14877	19532	24267	30364	78804	127001	133905
Less Disbursements:															
Officers Salaries	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	54000	54000
Employee wages	0	0	0	300	300	300	300	300	300	300	300	300	2700	3600	3600
Health Insurance	0	0	0	300	300	300	300	300	300	300	300	300	2700	3600	3600
Payroll taxes @ 10%	150	150	150	180	180	180	180	180	180	180	180	180	2070	5760	5760
Computer payments	162	162	162	162	162	162	162	162	162	0	0	0	1620	0	0
Telephone expense	150	145	150	150	150	150	150	150	150	150	150	150	1795	1800	1800
Office rent	203	203	203	203	203	203	203	203	203	203	203	203	2436	2436	2436
Office expense	25	50	50	50	50	50	50	50	50	50	50	50	575	600	600
Travel & Entertainment	0	0	0	50	50	50	50	50	50	50	50	50	600	600	600
Loan paid vid eq	150	150	150	150	150	150	150	150	150	1500	3500	0			
Video equip rental	50	50	50	50	50	50	50	50	50	50	50	50	600	600	600
Loan pay	0	0	0	780	0	0	0	0	0	0	0	0	780	0	0
Writing—Carrier	200	300	0	0	0	0	0	0	0	0	0	0	500	2400	2400

4 4 5 4 4 5 4 4 5 4 4 5
 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec 1995 1996 1997

Revenue

Revenue—Matter of Respect	1308	1308	1308	100	100	100	100	100	100	100	100	100	4824	0	0
Revenue—Truck tapes	480	1600	6000	4800	4800	6000	4800	4800	6000	4800	4800	6000	54880	57600	57600
Revenue—JACC			1500										1500	0	0
Revenue—ESL							500	500	500	500	500	500	2500	6000	6000
Revenue—National K-6				750	750	300	150	150	1500	1500	1500	1500	6600	18000	18000
Revenue—National 7-12								1500	1500	1500	1500	1500	6000	18000	18000
Total Revenue	1788	4408	7308	4900	5650	6850	5200	5550	8250	8400	8400	9600	76304	99600	99600
Less Expenses															
Officers Salaries	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500	18000	54000	54000
Employee wages	0	0	0	300	300	300	300	300	300	300	300	300	2700	3600	3600
Health Insurance	0	0	0	300	300	300	300	300	300	300	300	300	2700	3600	3600
Payroll taxes @ 10%	150	150	150	180	180	180	180	180	180	180	180	180	2070	5760	5760
Telephone	150	145	150	150	150	150	150	150	150	150	150	150	1795	1800	1800

Источник бизнес-плана: <http://www.referenceforbusiness.com>



	4	4	5	4	4	5	4	4	5	4	4	5			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	1995	1996	1997
expense															
Office rent	203	203	203	203	203	203	203	203	203	203	203	203	2436	3600	3600
Office supplies	25	50	50	50	50	50	50	50	50	50	50	50	575	600	600
Travel & Entertainment	0	0	0	50	50	50	50	50	50	50	50	50	450	600	600
Video equipment rental	50	50	50	50	50	50	50	50	50	50	50	50	600	600	600
Interest expense	0	0	20	0	0	0	0	0	0	0	0	0	20	100	100
Writing-Carter	200	300	0	0	0	0	0	0	0	0	0	0	500	2400	2400

4	4	5	4	4	5	4	4	5	4	4	5			
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	1995	1996	1997
UPS-truck tapes														
680	800	400	320	320	400	320	320	400	320	320	400	5000	7200	7200
Attorney fees														
0	100	100	100	0	0	0	0	0	0	0	0	300	1000	1000
Production costs K-6														
0	150	300	1500	3500	150	0	0	0	0	0	0	5600	0	0
Production costs 7-12														
0	0	0	0	0	0	0	0	0	0	0	0	3000	0	0
Marketing-trucks														
0	167	500	100	100	100	100	100	100	100	100	100	1567	1200	1200
Marketing-National K-6														
0	0	0	200	200	150	150	150	150	150	150	150	1450	1200	1200
Dedria Johnson payments														
0	600	390	390	0	0	0	0	0	0	0	0	1380	0	0
Insurance-Office														
25	25	25	25	25	25	25	25	25	25	25	25	300	500	500
Total Expenses														
2983	4240	3838	5418	6928	3608	3378	3458	3378	3458	47443	90760	88760		
Net Income (Loss)														
-1195	168	3470	-518	-1278	3242	1822	2172	4792	5022	5022	6142	28861	8840	11840

	4	4	5	4	4	5	4	4	5	4	4	5			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	1995	1996	1997
UPS-truck tapes	680	800	400	320	320	400	320	320	400	320	320	400	5000	7200	7200
Attorney fees	0	100	100	100	0	0	0	0	0	0	0	0	300	1000	1000
Production costs K-6	0	150	300	1500	3500	150	0	0	0	0	0	0	5600	0	0
Production costs 7-12	0	0	0	0	0	0	0	0	0	0	0	0	0	3000	0
Marketing-trucks	0	167	500	100	100	100	100	100	100	100	100	100	1567	1200	1200
Marketing-National K-6	0	0	0	200	200	150	150	150	150	150	150	150	1450	1200	1200
Dedria Johnson payments	0	600	390	390	0	0	0	0	0	0	0	0	1380	0	0
Insurance-Office	25	25	25	25	25	25	25	25	25	25	25	25	300	500	500
Total Expenses	2983	4240	3838	5418	6928	3608	3378	3458	3378	3458	47443	90760	88760		
Net Income (Loss)	-1195	168	3470	-518	-1278	3242	1822	2172	4792	5022	5022	6142	28861	8840	11840



Projected Balance Sheet for Dynamic Video January 1, 1995 and December 31, 1995

Assets		
Cash	2500	28901
Equipment	2249	7249
Other assets	317	500
Total	5066	36650
Liabilities		
Payables	2185	4283
Computer	1615	0
Video Camera		3500
Total Liabilities	3800	7783
Stockholders' Equity	1266	28867
Total Liabilities and Stockholders Equity	5066	36650

1/1/95 12/31/95

Assets

Cash	2500	28901
Equipment	2249	7249
Other assets	317	500
Total	5066	36650

Liabilities

Payables	2185	4283
Computer	1615	0
Video Camera		3500

Total Liabilities	3800	7783
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Stockholders' Equity	1266	28867
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Total Liabilities and Stockholders Equity	5066	36650
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Balance Sheet As of 12/31/94

Account	Account Name	Detail Acct
11011	Petty Cash	15.00
11012	Training Account	30.00
11021	Checking Account	2582.50
11051	Accounts Receiv. Module	5125.50
11052	Allow. For Doubtful Acct.	-5326.50
11061	Dedria's Newsletter Exp.	0.00
12021	Office Eq-Original Value	311.00
12041	Computer-Original Value	1938.00
13011	Leasehold Improvement	30.00
13021	Original Value Inc Fee	0.00
13031	Insurance	175.00
14012	Lease Deposit	185.58
Total Assets		5066.08

Account	Account Name	Detail Acct
11011	Petty Cash	15.00
11012	Training Account	30.00
11021	Checking Account	2582.50
11051	Accounts Receive. Module	5125.50
11052	Allow. For Doubtful Acct.	-5326.50
11061	Dedria's Newsletter Exp.	0.00
12021	Office Eq-Original Value	311.00
12041	Computer-Original Value	1938.00
13011	Leasehold Improvement	30.00



Account	Account Name	Detail Acct
13021	Original Value Inc Fee	0.00
13031	Insurance	175.00
14012	Lease Deposit	185.58
	Total Assets	5066.08

Balance Sheet II As of 12/31/94

Account	Account Name	Detail Acct
2101	Accounts Payable Module	1447.10
2102	Notes Payable	737.48
21031	Note Payable—Computer	1615.00
	Total Liabilities	3799.58
31011	D. Johnson-Investment	-675.46
31012	D. Johnson-Withdrawals	-650.62
31021	A. Sheldon-Investment	-675.47
31022	A. Sheldon-Withdrawal	-765.66
31031	K. Hill-Investment	575.00
31033	K. Hill-Withdrawal	-465.67
	Current Year Earnings	3924.38
	Total Equity	1266.50
	Total Liabilities plus Equity	5066.08

Account	Account Name	Detail Acct
2101	Accounts Payable Module	1447.10
2102	Notes Payable	737.48
21031	Note Pay able—Computer	1615.00
	Total Liabilities	3799.58
31011	D. Johnson-Investment	-675.46
31012	D. Johnson-Withdrawals	-650.62
31021	A. Sheldon-Investment	-675.47
31022	A. Sheldon-Withdrawal	-765.66
31031	K. Hill-Investment	575.00
31033	K. Hill-Withdrawal	-465.67
	Current Year Earnings	3924.38
	Total Equity	1266.50
	Total Liabilities plus Equity	5066.08



Income Statement From 1/1/94 to 12/31/94

Account	Account Name	This Period General Acct Detail Acct	Year to Date General Acct Detail Acct
4101	Sales Matt. Resp	2376.00	21505.70
41012	Respect Previews Out	-402.00	-5326.50
4103	Sales-JACC	0.00	2000.00
4201	Returns Respect	-693.00	-7426.50
4301	Shipping Revenue Respect	25.50	142.50
4403	Dividends	6.13	25.00
4503	Miscellaneous Revenues	0.00	1000.00
	Total Revenue	1312.63	11920.20
5101	COGS Matt. Resp	1000.00	2249.36
5102	COGS-Elementary	207.10	693.37
5103	COGS-JACC	235.00	570.00
52024	Equipment Maintenance	0.00	48.00
52053	Office Lease	185.58	628.70
52054	Video Eq. Lease	60.00	160.00
52062	General Business Ins.	50.00	125.00
52072	Transportation	0.00	8.85
52073	Conference-General	0.00	44.22
52091	Sales Tax/Purchases	17.76	17.76
52102	Accountants	368.75	568.75

Account	Account Name	This Period General Acct Detail Acct	Year to Date General Acct Detail Acct
4101	Sales Matt. Resp	2376.00	21505.70
41012	Respect Previews Out	-402.00	-5326.50
4103	Sales-JACC	0.00	2000.00
4201	Returns Respect	-693.00	-7426.50
4301	Shipping Revenue Respect	25.50	142.50
4403	Dividends	6.13	25.00
4503	Miscellaneous Revenues	0.00	1000.00
	Total Revenue	1312.63	11920.20
5101	COGS Matt. Resp	1000.00	2249.36
5102	COGS-Elementary	207.10	693.37
5103	COGS-JACC	235.00	570.00
52024	Equipment Maintenance	0.00	48.00
52053	Office Lease	185.58	628.70
52054	Video Eq. Lease	60.00	160.00
52062	General Business Ins.	50.00	125.00
52072	Transportation	0.00	8.85
52073	Conference-General	0.00	44.22
52091	Sales Tax/Purchases	17.76	17.76
52102	Accountants	368.75	568.75



52103	Legal	240.00	280.00
52111	Office Supplies	56.89	567.05
52112	Telephone & Telegraph	0.00	226.21
52119	Office Equipment	0.00	163.99
5212	Miscellaneous Expenses	59.99	109.99
5302	Interest	-104.17	20.49
5303	Bank Charges	0.00	27.00
55011	Conference-Respect	0.00	238.67
55012	Shipping Out-Respect	12.97	409.69
55013	Telephone-Respect	0.00	474.51
55016	Interest Expense-Respect	128.18	128.18
55021	Conference-Elem	200.00	206.49
55024	Supplies-Elem	0.00	29.54
Total Expenses		2718.05	7995.82
Net Income		-1405.42	3924.38

52103	Legal	240.00	280.00
52111	Office Supplies	56.89	567.05
52112	Telephone & Telegraph	0.00	226.21
52119	Office Equipment	0.00	163.99
5212	Miscellaneous Expenses	59.99	109.99
5302	Interest	-104.17	20.49
5303	Bank Charges	0.00	27.00
55011	Conference-Respect	0.00	238.67
55012	Shipping Out-Respect	12.97	409.69
55013	Telephone-Respect	0.00	474.51
55016	Interest Expense-Respect	128.18	128.18
55021	Conference-Elem	200.00	206.49
55024	Supplies-Elem	0.00	29.54
Total Expenses		2718.05	7995.82
Net Income		-1405.42	3924.38

ARTICLES OF INCORPORATION

Written Action in Lieu of
Organizational Meeting of the Board of
Directors of Dynamic Video

The undersigned being all of the Directors named in the Articles of Incorporation of Dynamic Video, a Corporation organized under the laws of Minnesota, Chapter 180, hereby adopts and consents to the following resolutions necessary or appropriate to complete the organization of the Corporation.

Resolved, that the Articles of Incorporation as filed with the Secretary of State be and are hereby accepted and approved and that said Articles of Incorporation, together with the original receipt showing payment of the statutory organization taxes and filing fee be placed in the Minute Book of the Corporation.

Resolved, that the Bylaws in the form of Exhibit A attached (not available for publication) hereto are approved and adopted as the Bylaws of the Corporation.

Resolved, that the Board of Directors on behalf of the Corporation hereby ratifies, approves, confirms, and adopts all action taken by the Incorporator prior to the formation of this Corporation. The Corporation shall hereafter be bound by the activities of the Incorporator and shall accept the benefit of all agreements, arrangements, negotiations, and contracts, which have been negotiated on behalf of the Corporation, by the Incorporator.

Resolved, that the following persons are elected to the offices set forth opposite their names to serve until their



successors are elected and qualified:

Andrea Sheldon, President

Kevin Hill, Secretary/Treasurer

Resolved, that the Corporation shall not have a corporate seal.

Resolved, that the stock certificate in the form of Exhibit B attached (not available for publication) hereto is approved and adopted as the common stock certificate for the Corporation.

Resolved, that the fiscal year of the Corporation shall be the calendar year.

Resolved, that the Corporation through its President and Secretary is authorized and directed to issue One Hundred (100) shares of common stock of the Corporation (which stock shall be issued as IRC Section 1244 stock) to Andrea Sheldon in consideration of the payment by Andrea Sheldon of Two Hundred Fifty dollars and 00/100 (\$250.00).

Resolved, that the Corporation through its President and Secretary is authorized and directed to issue One Hundred (100) shares of common stock of the Corporation (which stock shall be issued as IRC Section 1244 stock) to Kevin Hill in consideration of payment by Kevin Hill of Two Hundred Fifty dollars and 00/100 (\$250.00).

Resolved, that the officers of the corporation are authorized and directed to procure all corporation books required necessary in connection with the business of the corporation and are further authorized and directed to pay all fees and expenses incident to and necessary for the organization of the corporation and to reimburse those persons who have advanced said fees and expenses on behalf of the corporation.

Resolved, that the funds of the Corporation be deposited in National Bank.

Resolved, that the officers of the Corporation be authorized and directed to qualify the Corporation as a foreign corporation and in connection therewith to appoint all necessary agents in other states and such other attorneys for service of process and to take all other action which may be deemed necessary or advisable to qualify the Corporation as a foreign corporation.

When signed by the Directors named in the Articles of Incorporation the Resolutions contained in here shall be effective as of the 2nd day of January, 1995.

Andrea Sheldon (Signature)_____

Kevin Hill (Signature)_____

Being all of the Directors named in the Articles of Incorporation

JOB DESCRIPTIONS

Andrea Sheldon

- Videotape Production
- Maintain and increase network of video industry contacts
- Note changes in video production technology and how those changes affect DV
- On a specific project: make sure script is ready to be shot; secure talent, equipment and crew

Kevin Hill

- Accounting and financial controls
- Maintain and increase network of business contacts
- Set up system to ship and track tapes



Shared Duties

- Marketing of products
- Research and Development of video project ideas
- Prioritization of current and future projects
- Agreement on purchase of major assets
- Periodically discuss and review sales of products
- Employees and subcontractors-interviews, hiring, supervision and releasing