



TURN IT ON™

Prepared for:
Cable Operator

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Introduction

TelVue Corp, a leading supplier of digital video servers and bulletin board players for hyper-local broadcasters, proposes to provide hardware, software, services and support for the Cable Operator Cable's Commercial Division- (universities, taverns, retirement community's ,etc..,).

The following key topics are addressed:

Centralization- Cable Operator wants to centralize the hardware within their hubs and permit the commercial properties access via a broadband connection and browser to update their bulletin board messages. The hardware consists of client bulletin board players (one per property) at each hub, occupying only 1 RU. This topology permits back-up of files at our central NOC, in addition to providing a distributed platform for growing the centralization model. TelVue provides 24x7x365 monitoring and support. The cost to place hardware onsite, train, manage, maintain hardware, upgrade software, and have a return path to the hub is cost prohibitive and can be quantified. Packaging a channel to the property as part of Cable Operator services will provide higher level satisfaction to the customer which should lead to more properties selecting or remaining with Cable Operator Cable.

Web based- Key to centralization is the property's ability to update their player via a web based system. TelVue's patent pending WEBUS® or web updating system permits users (with different permission levels) to login, transfer, schedule, and update their bulletins board with text, pictures, video, and voice overs via a standard web browser using a high speed connection, either from a PC, Mac, or PDA.

Start-Up Production Services- TelVue will provide the initial set up and custom branding services for each property including a station ID, matching color schemes, landmarks photos, and logo. Additionally, a custom bulletin board screen will be created for Cable Operator for branding, marketing, customer support services, and notifications.

WEBLINX- TelVue offers the ability to post bulletins to a web site at the same time it plays on the channel. This can be used for alerts and notifications as well.

1st Level Support- TelVue provides 1st Level Support. Property's contact TelVue for issues relating to their bulletin board player. This reduces nuisance calls and unnecessary truck rolls by Cable Operator personnel. We provide 24x7x365 diagnostic monitoring of all the channels, Property and Cable Operator training, and on-going support.

Trusted/ Moderated / Moderator Users- WEBUS allows users to update the bulletin board player based on their user rights. Moderated users may change bulletinboard screens, but they will not air until approved by the Moderator. This provides an extra level of control by Cable Operator or allows updates to be done by a designated person at the MDU. This significantly reduces property reliance on Cable Operator's operations, reducing nuisance calls, and Ad Sales Access- Cable Operator may choose to broadcast ads on ALL the players or by selective groups.

WEBUS could be used to signal emergency alerts to any property to all properties, or to a group of properties with a crawl or interruption of broadcasting on the channel based on the severity of the alert.

Costs Per Property:

\$8,400 per WEBUS Inside with Video Server Unit. (Server or WEBUS Inside Can be Deactivated) to reduce to \$6,000 per unit

Each unit includes:

- Deployment of a 1RU chassis at the hub.
- Discount Volumes Available Starting at 5 Units and Above

Also included:

- Phone support for installation
- Phone/web support for training
- Initial custom branding services including creating station ID, matching color schemes and color bars to each property, initial category set-up (8), posting landmark photos (25).
- Initial custom branding for Cable Operator screens as well so it may be broadcast to all channels or selected channels.
- WEBLINX Banner ad and Activation from web site
- Emergency Alert Screen (1)
- Access to video PSA's
- Use of High Production Screens-Happy Labor Day, for example...
- Remote Monitoring-24x7x365
- Full One Year Warranty
- Extended Product Maintenance Program Available

Items Required by Cable Operator Cable for each Unit:

- A static IP address for each player/server
- Property must have high speed connection (and access to a PC or Apple computer with a browser)
- Audio Source

Cost Justification:

500 locations x 600 chhs = 300,000 chhs
\$8,400 per location x 500 locations=\$4,200,000
\$4,200,000 over 5 years= \$70,000 / month

\$70,000/month divided by 300,000 chhs = 23 cents per chhs per month
300,000x \$100 Avg/ RGU = 30MM per Month

\$70,000 per month =less than 23% to help protect 30MM per month revenue stream

(Note: If WEBUS Inside only is required, cost is reduced to 17 cents per chhs per month)

Cost Benefits:

- **Ease of use**
- **Cable Operator Broadcast-Marketing, Ad Sales, Update Sponsored Events**
- **Cable Operator Branding –Channels and Property Website**
- **1st Level Support**
- **WEBLINX**
- **Production Services**

Discount Schedule (Ordered and Activated with 24 months)

1-25 Units -5%

25-100 Units-10%

100+ Units-15%

Options Available:

Internally, Cable Operator could use WEBUS® for creating categories such as call stats, call center, hold times, sales stats, employee info., current events, training, and emergency messages.

B100- WEBUS player comes in a 1RU chassis. The chassis can be easily updated with our B100 Software update to provide a fully functional video broadcast server with hundreds of hours of storage. The B100 is file based playout server with an integrated scheduler. It is capable of playing MPEG over composite video

Local Gate Cameras- Using IP based cameras, WEBUS can “grab” a still frame and post the image on the pre-designed bulletin.

IP Simulcast- Using an external encoder, an MPEG transport stream can be played out. **Development initiative for creating an internal encoder capable of playing out IP from the bulletin player is subject to discussion with Cable Operator and their demand for this feature.**

PEG-TV Applications- WEBUS and Princeton Server products can be used for PEG-TV system, with or without direct connections. For those PEG stations making requests for a station, but with no direct connection to the hub, the centralization model can be used. Equipment can be located at the hub, but accessible from anywhere with a web connection. Scheduling, updates, and transfers can be done from anywhere with a web connection. Those cities with direct connections to the hub can use WEBUS and Princeton Server at the city, (usually in back of the city chambers).

In summary, the cost versus cost saving benefits can be quantified by Ad Sales, Marketing, and Engineering to justify implementing and scaling this centralization model. See Cost Justification above.

Cable Operator may gain competitive advantages by packaging a channel for the properties, especially with their own individual branded channel, with options to add other services such as long form video. This should lead to more property's selecting Cable Operator Cable for their services.