



Marketing/Business Plan

Intermission TM

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Executive Summary

The theatre industry today is limited to those with resources available to see productions, whether that be in New York on Broadway, Off-Broadway, in regional theatres, community theatres, or even high school theatres. Theatre is known as a luxury experience that viewers, other than patrons, may not always have access to. Our mission is to bring the art of theatre to people all around the world. By bringing theatre into the home, everyone will be able to experience the life, unity, and passion that is live theatre.

This new service, *Intermission*[™], will disrupt the live theatre industry by introducing theatre in a new format to allow access to new demographics. Through a service similar to that of Netflix and Spotify, audiences will get to experience live theatre in the comfort of their own home. There are different levels of content provided, including but not limited to: user-generated content by means of community theatres and other individuals sharing their content, live-recorded theatrical performances, live-recorded musical productions, “backstage access” including interviews with the cast, rehearsal videos, and a tour of the set, original musicals created by and for this service, and educational content that includes Broadway choreographers allowing aspiring actors to learn their favorite dances by collaborating with “Just Dance”, a dance-based video game service by Ubisoft.

Our service can be entertainment for the family, but also be utilized as an educational resource. Our service will proudly act as an educational tool for schools to use, for a fee. This will allow aspiring student actors a chance to see their favorite professional productions in a classroom setting. Backstage content with rehearsal videos and interviews can act as training tools for these students. Teachers will no longer be limited to movie versions of musicals and plays - they can use the real, raw talent of stage performances to inspire students. Alongside this educational component, we will additionally offer a reduced price for college students to have access to this content. Students will need to provide proof of school enrollment, similar to Spotify.

We believe that with this content, we'll expand the theatrical arts to those who might not have the funds available to access the live experience of it. Our digital content will reach viewers at home that may only have access to Spotify or Apple Music, therefore only being able to listen to the Original Broadway Cast recordings. There are recordings of some productions available on Netflix, Amazon Prime, and even some illegal streaming websites. The difference for *Intermission*[™] is that this service will enable viewers to seamlessly enjoy their favorite productions from the comfort of their own home.

This new service will not only provide recordings of new shows on Broadway, but classic Broadway shows as well. For years now, productions of Broadway and Off-Broadway shows have been archived in the New York Public Library in the Theatre on Film and Tape archive. By partnering with the Lincoln Center branch, we will have access to Original Broadway Cast performances to use in our service. Broadway and Off-Broadway shows that did not receive as much love or recognition in their New York runs have a chance to be rebranded with our service, and potentially be put back on stages for viewers to see live again.

For many years, the live theatre industry has stood against recordings of shows. This is based on the notion that if the public has access to stage shows from home, they will stop

coming to the theater. The reality is, high ticket prices and difficulty with getting to venues is already limiting the attendees of live theatre as it is. With this service, there is potential for an initial downswing in attendance to live shows. However, as seen with sporting events, we believe that this service will encourage users to see more shows. A live event has a different atmosphere and experience that will not be diminished by this streaming service in the long run.

The timeline of our plan consists of targeting a certain demographic in each phase of our company. To start we will target the age 13-35 demographic. This demographic has a love for theatre and desire to see their favorite shows on repeat. Down the line as a part of our five-year plan, we are determined to reach out to other demographics that patrons would not typically see at a theatre. We will integrate interactive technology for students in community, high school, and middle school theatres to put up their own content. Further down the line, *Intermission*™ plans on opening its own production studio with the opportunity for live audiences to come see new works of theatrical art.

With the combination of new technology, productions that relate to a wider audience, user-generated content, and sponsorships with recognizable brands, we plan to massively disrupt the theatre industry. We believe that this will resurface the arts and bring a theatrical renaissance to viewers' homes.

Situational Analysis

All marketing tactics performed by the team at *Intermission*[™] will follow through with the company's vision and mission to our viewers. Our goal with this service is to reach out to the theatre community and ask for their support in spreading the philosophy of the arts. We will take internal and external environmental factors into consideration and provide a detailed SWOT analysis to acknowledge the potential of our company.

External Environment

Five main factors will be taken into consideration regarding the external environment surrounding our service. These factors include, but are not limited to: demographics, competitive environment, technological changes, natural forces, and economic factors.

- **Demographics:** When researching demographics, we need to consider not only the demographics of theatre-goers, but also streaming-users. According to The Broadway League Research Reports, 66% of theatre-goers in the past year were female. In addition, the average age of an attendee was 40.6 years old, and the average annual household income of the Broadway theatre-goer was \$222,120. Using Netflix as a streaming source for demographics, the average user is 13-34 years old. The average household income is less than \$50,000. Our service will blend these two demographics together, so we are expecting an average household income of \$100,000 and less. Those with more funds available will likely continue to see shows live.
- **Competitive Environment:** Being as this is the first seamlessly integrated theatre streaming service, we will not likely have much competition. However, live theatre will continue to produce. In addition, with new legalities becoming available, there is the possibility that larger streaming services will utilize these rights as well to have content on their streaming websites. Illegal theatre streaming websites are out there as well, and getting away with recording shows in live theatre is becoming more accessible. If too many of our viewers have access to these illegal videos, our service could become impractical to them.
- **Technological Changes:** Streaming will not likely disappear anytime soon. However, changes to internet laws and regulations could affect our service.
- **Political Changes:** Liberals are among the most vibrant in the theatre. As seen at a production of *Hamilton*, one negative influence to the arts community can inspire new voices to be heard. If this got out of hand, it is possible that the government could make changes to shut down our service due to the potential negative impact that could disrupt politics.
- **Economic Factors:** It is possible that America could hit another market crash and that streaming services would be seen as a luxury. If this is the case, we would likely be the first to come off of viewers' bills. Theatre has a high profitability right now, and it can be seen as a necessary luxury item. Rights to these productions could also change with economic changes, making our rates higher.

Internal Environment

We must provide a high-quality service led by a team of leadership professionals that are equipped with knowledge of our mission and eager to share our vision. Our team members should have access to a positive, artistic environment that is led by collaborative leaders, not managers, that share our company's core values. We will combine transformational and situational leadership techniques to best serve our employees. If we treat our employees with integrity and respect, they will treat our company with the same integrity and respect.

SWOT Analysis

Strengths

There are plenty of streaming services available in the world right now. However, very few of these services offer live-recorded theatre - which is what our service is striving to produce. There is a market niche for a more accessible and cheaper way to enjoy live-theatre, and we will be filling that niche in an innovative *and* disruptive way. Another strength, is that with all of our services at different tiers, we can create a diverse experience. We can be used as an educational outlet, for personal entertainment, or in a group setting for promotion. Our new technology will integrate with technology that already exists to create a seamless artistic experience in enjoying this content.

Weaknesses

Although we identify as a market niche, future customers may not know that they need our service as another monthly expense. We expect to struggle, initially, with bringing in customers to enjoy our service. However, we plan to overcome this weakness with marketing strategies listed in the next segment of this business plan. With such detailed visions and expectations of this company, we will find it to be a weakness to hire and influence leaders according to our culture. Implementation will also be a weakness, initially, due to the latter two issues. If we cannot find the correct leadership, or guests to experience this service, then implementation can pose a problem. Especially with the cumulation of new legal rights, we can expect delays that might set back production.

Opportunities

Down the line, we plan to produce our own content in a theatre that we will acquire or build. We will do this with the support of our customers, patrons, and collaborations. That takes us to our next opportunity - when we begin implementation, we will already be in works with different organizations to create a flawless service. However, we believe that teamwork is incredibly important, and that collaboration is never over. We will potentially collaborate with competitors, to share our expertise and to gain theirs. We wouldn't be who we are as an arts organization without our beloved patrons. Although most patrons will always opt for live-theatre, we believe that with the correct strategies and values, we can earn the hearts of patrons that will learn how much they'll benefit from our service.

Threats

Competition will always be any organization's biggest threat. We will be proactive with these cases and accept any changes that may be happening in the entertainment industry. By doing so, we can stay one step ahead of the game. Competition may come from other streaming websites, along with live theatre itself. Additionally, there is always a possibility for a market crash. We know that if consumers had to choose between getting rid of us or Netflix, they'd probably choose the latter. We acknowledge that theatre, particularly our service, is a luxury item and that not all customers will need it. A market crash could also affect our investors, our production team, and our employees. Finally, laws change rather frequently, especially when it comes to internet and entertainment. We know that this can pose a threat, and it is something that we will have contingency plans for, on a case by case basis.

Marketing Strategies

Marketing Goals and Objectives

Our goal is to build a brand that incorporates both the entertainment aspect of theatre with technology. A brand that welcomes new demographics of theatre goes with those who grew up in the art, transforming the space of the art into a device that people can have access anytime, anywhere. Our objectives are:

1. Gain a new following in the theatre community
2. Entice investors to want to finance our service
3. Generate a thirst for the Arts in society
4. Create a following that allows us to grow and eventually become our own production company
5. Design a strong Brand that will strengthen as our company grows

Differentiation

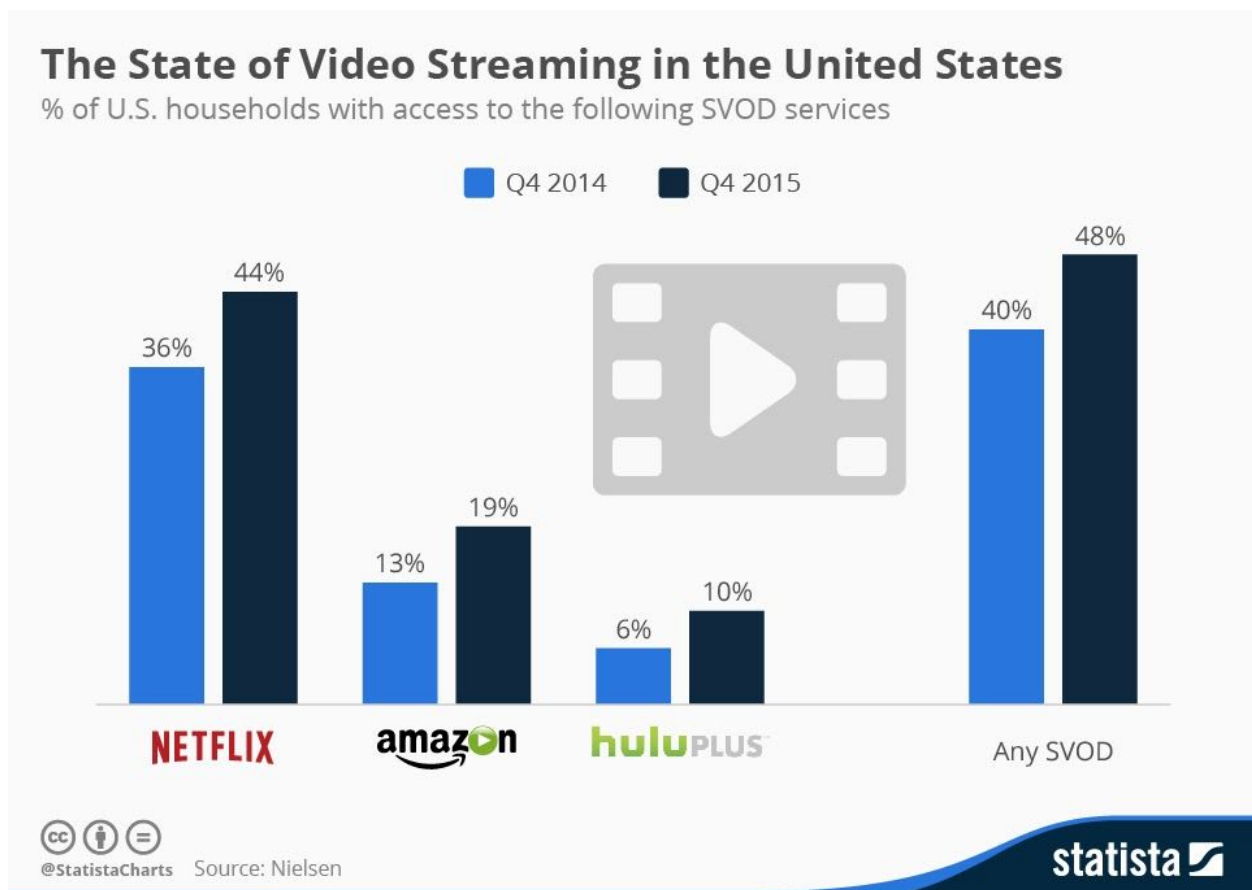
The goal of this streaming service is to bring the joy of the theatre into the lives and homes of all levels of theatre loving consumers. Live theatre shows have always held a place in the hearts and minds of the public. Various factors have contributed to many people not being able to attend live showings however, be it because of ticket prices, proximity to a theatre, or lack of a companion to attend the show with. Increasingly, access to tv shows and movies via streaming services have changed the way consumers watch content. Intermission looks to capitalize on this trend of streaming wants and needs, but provide content that has long been seen as unattainable to many: live show recordings. Through partnerships with local and professional theaters, as well as popular entities such as the Tony Awards, we will provide a unique opportunity to view and enjoy live shows from the comfort of your home. We will also provide a platform for users to upload performances for other to view and critique.

Demographics

Our main generational demographics are older "Gen Z", Millennials, and younger "Gen X" individuals. This is about the age range that is most likely to be interested in acquiring a streaming service like ours. Since our service is much more specific, there are other demographic considerations to take into account. We are looking at theatre lovers, both straight

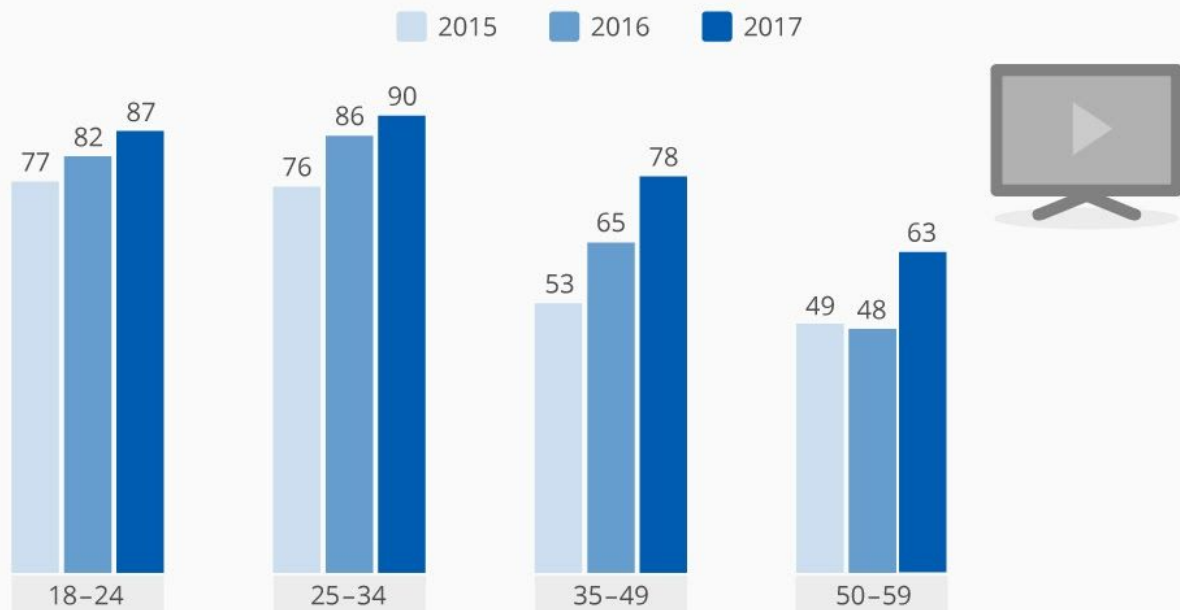
plays and musicals. We are looking at people who love the performing arts and are passionate about broadening knowledge and understanding of those arts. We are looking at people who have some disposable income to spend on a monthly streaming subscription that is specific to theatre shows. Most importantly, we want to market to theatre lovers who might not have the means to see as many live shows as they might want but would love an opportunity to see more shows. Our service provides a unique opportunity to view beloved shows that are more well known as well as introducing users to new shows.

The following charts from Statista demonstrate the impact that streaming services have had on how consumers access entertainment content and why we are going after the particular demographics stated above:



The Rise of Video Streaming Across All Age Groups

% of Americans who access TV content via the internet, by age group



Based on a survey of ~2,000 Americans in October 2017 and in previous years

@StatistaCharts

Source: PwC

statista

Positioning: Marketing Mix Strategies

One of our strategies will be to partner with Amazon to help bring on users to our service. Amazon has a similar partnership with HBO, where if Prime users are searching for content that is available exclusively on HBO they are able to easily subscribe to HBO for the additional payment necessary to have access to that content. We will strive to have this partnership and include a link to our subscription for users that are looking for recordings of live shows via Amazon.

Since part of our target demographic occasionally is able to attend live shows, partnerships with theaters will be key in marketing our streaming service. We will do this by creating a QR code and providing it to theaters to include in their playbills and venue marketing materials. Our partnership will extend into featuring shows recorded in those venues, and then providing the platform for attendees to view that show again from the comfort of their home. We can program the QR code to provide data on the back end back to us about where the code was scanned and whether that consumer elected to try our streaming service.

In order to reach a different demographic, we plan to implement a marketing strategy involving current Film and TV celebrities who have experience in Broadway Theatre. Through utilizing

actors and actresses who have a following in theater as well as film and tv can bridge those demographics and unite them through Intermission*.

The actors and actresses we will utilize will be Sarah Jessica Parker, Neil Patrick Harris, Meryl Streep, Hugh Jackman, Ariana Grande, Denzel Washington, and Samuel L. Jackson. These diverse well-known film and television stars all have backgrounds on Broadway and are great spokespeople for our service. Our marketing plan initiates in two phases.

Phase One: Get the Brand out. Phase one involves sending out our specifically designed VR goggles to the celebrities listed above, as well as other celebrities who agree to endorse us. Through getting our name and brand out there, and getting media coverage of celebrities endorsing our product people will become familiar with our name.

Phase Two: Testimonies. Phase Two begins our commercial advertising and social media pushes. After people become familiar with our name and the buzz begin, we will begin to claim our product and campaign. We will release testimonies of the celebrities who endorse us, and have them share their stories of their time on Broadway and release any photos or videos that exist of them in their roles.

Pricing

There are different tiers of programs to generate revenue. The different prices indicate the different packages and applications available to the consumer.

Tier One consists of free access to the program. The user has access to the user-generated content on the website, as well as theatrical performances that are of Public Domain, such as Shakespeare.

Tier Two is known as the "Audience Package." The Audience Package is \$9.99 a month. With the Audience Package, users have streaming access to the various musicals and live theatre performances. There is a "Free Trial" of a week for the Tier Two, "Audience Package" so the public is able to get a taste of our product. Similar to the Free Trial of Amazon Prime, our Free Trial will end automatically subscribing the user to the Audience Package.

Tier Three Package is the "VIP Package." the VIP Package is \$42.99 a month. Through the VIP Package, the audience will be given an Avedant Video Headset and ability to incorporate new technologies, Virtual Reality and 360 Experiences, eventually hologram capabilities as well to the streaming access of musicals and live theatrical performances. The VIP package will also allow access to backstage tours, interviews and other exclusive content. The VIP Package individuals will also be able to interact more with the service through being able to learn choreography and songs from different productions by the choreographers and songwriters themselves. Eventually, the VIP Package will have access to our original content as well when our Production Company is in the works according to our five year plan.. All Packages have the ability to view and produce user-generated content.

We will offer a student and teacher discount of our service for them to use if they want to utilize our service in an education setting. With proof of enrollment or employment, Students and Faculty can utilize the Audience Package for \$4.99 a month and the VIP Package for \$29.99 a

month. Offering a discounted price will increase our subscribers to our service and encourage more people, who normally may not have subscribed, to utilize our product. Offering this deal for education, it opens sponsoring and partnering opportunities for private foundations and grants.

Sponsorships

Our company and product will be successful through the use of generating and collecting Sponsors, building upon those relationships in the Entertainment and Theatrical Community.

We have a plan to partner with three different Venues: Carnegie Mellon, Lincoln Center Theater and Footlight Club Community Theater. Through partnering with these three venues, we will film the live performances performed in these venues specifically to stream. Through Carnegie Mellon, we will highlight those collegiate performances through one of the most highly renowned theater departments in the nation. The Lincoln Center Theater is partnered with PBS and has taken part in many live theatrical filmings in that past. The Lincoln Center would highlight professional tours of renowned shows at a location that is familiar and loved by audiences around the world. Another theatrical partner would be Footlight Club Community Theater. Through highlighting Footlight Club, we are celebrating community theatre and the potential that lies there. Eventually, we would like to collect sponsorships from different venues from around the world to highlight the artwork performed in these venues.

The International Thespian Society is an honor society for theatre students. This society highlights the talents of young actors through annual competitions and supporting the arts. Through partnering with the International Thespian Society, we are showing our support of the Arts in students and marketing our service as an educational as well as entertainment tool.

Public Broadcast Station, PBS, is a national broadcast network that has an existing partnership with Lincoln Center and the Tony Awards. PBS has a section of their online streaming service dedicated to recorded theatrical performances, called "Great Performances." This section is similar to how we want our service to work and function, so partnering with PBS to gain access to these previous performances and future ones as well.

One of our biggest partners and contributors will be the Tony Awards. We will partner with them in promoting their show on our site, acquiring the rights to stream their show continuously post the live airing, and acquiring the rights to stream shows that are nominated for a Tony. We would stream the shows nominated for a year, until the next Tony Awards show. This is exclusive content and so would only be available for our paid subscriptions. We anticipate monetary contributions towards our overhead costs from the Tony Awards for us helping to market their event as well as mention on-air that viewers can stream the entirety of shows on our platform should they choose to subscribe to Intermission. This partnership will be one of the cornerstones to starting off our streaming service. With the initial marketing being done via QR codes in theatre houses, potential subscribers will not only be directed to our site but also see

the Tony's ad on our homepage. Subscriptions are anticipated to increase after the airing of the Tony Awards.

We will partner with Amazon in a similar way that HBO Go partners with Amazon. When Amazon Prime users search for video titles that are musical or play related, they will be directed to options that are featured under Intermission. Prime users can opt into the 7 day trial subscription for our service, with automatic subscription starting after that period if no action is taken. This will drive Amazon Prime users towards our service at a quick rate, as our service will populate based upon their specific content requests. This partnership will help our service bring in subscribers while also helping Amazon to expand their content portfolio.

We will also be applying for the National Services Grant Program through the National Endowment for the Arts. We believe that the intent of our streaming service and the broad scope of people that we are trying to reach with our service would make us eligible for this kind of program and grant. Through the streaming of live show recordings, we have the opportunity to more consistently and effectively show viewers what the arts can accomplish. Specialized content into backstage areas and interviews would further help educate the public on what it takes to put on even what seems to be a "simple" stage production. We hope to promote a love and respect for the arts, and can achieve this on a national level with help from contributions and grants like this one.

Since we do offer education based discounts, we would apply for grants from the Ford Foundation, the Rockefeller Foundation, and the Vanderbilt Family Foundation. These foundations are known for providing support towards educational initiatives, and so for the purpose of applying for grants from these foundations we would emphasize how our streaming service could be used as an invaluable tool in music and theater classrooms. Movie musical adaptations do not give a realistic view of what a musical or play would look like on stage, so our live recorded shows would give students a better grasp of what a stage production really is and entails. Furthermore, teachers or students that choose to purchase the VIP package with the educational discount would have access to interviews, choreography suggestions, insider looks at rehearsals and techniques, and more. This could innovate the way theater is taught in schools, by offering the kind of professional insight from anywhere in the nation that would normally only be offered to schools that live close enough to a professional theater to do a field trip.

In order to offset costs from our free tier, we would also offer paid advertisement spots to be shown in set intervals within the free content. These spots would ideally be offered first to brands that can more easily tie into music, theater, and the arts in general. We would be open to other paid advertisers, however there will be a screening process in place as we would not want to advertise any products that do not easily align with our mission or appeal to our targeted viewers.

Legalities

The current issues involve finding the rights to record and stream these different live performances. For the rights to record and stream Newsies, the producer made a deal with Netflix. So, finding and working with Producers who are willing to work with us is going to be our first strategy.

Broadway shows have been filmed for decades but those films are just getting stored at the Theatre On Film And Tape archive in the New York Public Library's Lincoln Center branch and aren't really available to the public. So our project is, in large part, about making something that already exists available to a wider audience.

As of right now, films stored at the Theatre On Film and Tape archive can only be accessed by qualified individuals (such that of a professor or student doing research) one time in a specific viewing area. Renting, recording, distributing, and streaming these titles are not allowed. This is a large legal issue our service is facing, in regards to trying to access and share these works of arts to the public. Patrons are currently the only people able to view. We want to bring this art to the public eye.

Since 1970, the Theatre on Film and Tape Archive (TOFT) has preserved live theatrical productions and documented the creative contributions of distinguished artists and legendary figures of the theatre. With the consent and cooperation of the theatrical unions and each production's artistic collaborators, TOFT produces video recordings of Broadway, Off-Broadway, and regional theatre productions as well as dialogues between notable theatre personalities.

These recordings have revolutionized theatre research, ensuring that today's performances will be tomorrow's legacy, available to future generations for study and inspiration. Endowed, in part, by producer Lucille Lortel, TOFT is housed in a state-of-the-art screening room named in her honor. Titles in the collection may be found in the Library's online catalog or by emailing or telephoning TOFT. The Archive is available to theatre professionals, students, or researchers with work or study-related reasons for viewing. Advance appointments are strongly recommended for viewing. The link to the online catalog can be found at <https://catalog.nypl.org/search> .

TOFT patrons must meet eligibility requirements, which include theatre professionals, students, or researchers with work or study-related reasons for viewing. Also, all patrons must have and present a library card. Children under 12 must be accompanied by an adult. We can partner with TOFT to share content.

Certain Theatre Unions and Guilds permit recordings of live theatre productions. We would need to partner with producers from those shows in those certain unions in order to gain the rights.

We need to acquire the recording rights for these productions. Copyright law gives authors the exclusive right to control the reproduction of their work. When MTI grants a license for a live

stage production of a show, that license does not include the right to tape it because the authors retain the sole right to decide when or if their work is recorded in any way. Even a videotape made for classroom use, as a personal memento or as an archival school record violates the authors' separate right to reproduce their work. In many cases, the authors have already granted such rights exclusively to film or television companies, in which case, you would also be infringing upon the rights granted by the authors to a third party.

There are two ways that copyright protects music.

1. Musical works: A musical work is the composition itself, possibly including lyrics. Musical works receive the full set of rights under copyright law, just like literary, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works.
2. Sound recordings: A sound recording is a fixation of a series of sounds that does not accompany an audiovisual work. For example, Fleetwood Mac's 1975 rendition of *Landslide* is a sound recording. Their 1980 live concert recording of it is also a sound recording and is a separate copyrighted work. The Dixie Chicks' 2002 cover of the song is yet another copyrighted work. Copyright in sound recordings is slightly narrower than copyright in other works—it includes a right to perform the work to the public, but only "by means of a digital audio transmission." Performing a sound recording to the public in an analog manner does not implicate the copyright in the sound recording. Before 1972, sound recordings were not eligible for federal copyright protection in the United States. For more information about pre-1972 sound recordings, we recommend [Protection for Pre-1972 Sound Recordings under State Law and Its Impact on Use by Nonprofit Institutions: A 10-State Analysis \(PDF\)](#), a report prepared for the National Recording Preservation Board by the Program on Information Justice and Intellectual Property in 2009.

When a sound recording is based on a musical work, many uses of the sound recording are also uses of the musical work. In those cases, if permission is needed, it must be obtained from the rightsholder of each work.

We will be contacting copyright owners. We need to find the name of the publisher or record company we need to contact. We should be able to find their address, email, and/or phone number online through a quick Google search. Publisher contact information can also be found in ASCAP's ACE Database. We need to be aware that copyright ownership and administration can change hands, so we may need to contact several companies before finding the one that can consider our licensing request.

If we still can't find the copyright owners, we need to consider paying for research. There are companies that employ experts at tracking down copyright owners. Being rejected or unsuccessful at tracking down a copyright owner does not give us the legal right to use their music without a license, so we need to make sure to do our homework and have a backup plan in case licensing does not work out. We should consult an attorney specializing in the

music/entertainment business before signing any licenses or other contracts. A wonderful site to utilize for this is <http://blog.sonicbids.com/do-you-need-an-entertainment-lawyer> .

We also are planning on partnering with NEA and PBS to create a contract in order to utilize content filmed on their platforms for our streaming service.

Finding those who own the copyrights to different shows through NEA and PBS. We need the Chain of Title in order to find the historical transfer of copyright to a show.

We are also looking into potential filmed content from Carnegie Mellon and Lincoln Center. By partnering with the NEA, PBS, Carnegie Mellon University, and Lincoln Center for the Performing Arts, we can increase the library they have already started.

Terms of Service

You create an Intermission user account by registering with the Intermission service through the Intermission website or app, or through a third-party service such as Facebook or Twitter. You will need to choose an approved username and password in order to create an account. You will also need to provide Intermission with your email address and a valid method of payment, as well as certain other identifying information (such as your billing address).

Subscriptions works on a month-to-month basis. In order to subscribe to the service, you must create an Intermission account and give Intermission a current, valid, accepted method of payment, such as a credit card. We will bill the monthly subscription fee to your chosen method of payment. Your subscription will renew automatically each month unless and until either you cancel your membership or we terminate it. You must cancel your subscription before it renews each month in order to avoid the billing of the next month's subscription fee to your method of payment.

When you subscribe to the Intermission service and give Intermission a valid method of payment, such as a credit card, you give Intermission permission to charge your monthly subscription fee to that method of payment, as well as any additional charges you incur in any given month through your use of the service (such as taxes and possible transaction fees). The Intermission subscription fee will be billed on the calendar day corresponding to the commencement of your paying subscription (or such other day as Intermission determines in its sole discretion). Recurring billing will continue unless and until you cancel your subscription or your account is suspended or terminated under these Terms of Use. Subscription fees are fully earned upon payment. Intermission reserves the right to change its billing practices, including the timing of periodic payments. In addition, Intermission reserves the right to bill your payment method in anticipation of subscription-related charges.

You may cancel your Intermission subscription at any time. To cancel, click on the Account icon in the Intermission menu and follow the instructions. You will continue to have access to the

Intermission service through the end of your then-current monthly billing period, at which time your account will automatically close. Please note that If you pay for your Intermission subscription through an account with a third party (e.g., Apple iTunes), in order to cancel your Intermission subscription you may have to refer to your account with that third party. We may contact you to ask for additional information in order to be able to process your subscription cancelation.

Intermission uses commercially reasonable efforts to maintain the Intermission service. Intermission reserves the right in our sole and absolute discretion, without notice: to make changes from time to time in how we offer and operate the Intermission service; to alter any aspect of the Intermission service; to restrict the times the Intermission service is available; and to restrict the amount of use users are permitted to make of the Intermission service.

The Intermission service may contain third party plug-ins, apps, ads, tools and/or other content, as well as links to third-party websites or services, including social media services such as Facebook and Twitter. Intermission may also host our content on third party services.

As part of the Intermission service, you may have an opportunity to post user-generated materials in the form of text (such as reviews, messages, comments, questions, responses or suggestions), images (such as illustrations, graphics, photos or videos) sounds (such as music or your voice), files, personally identifiable information, feedback, ideas or other information. These posts may or may not be in response to Intermission content, either available through the site or hosted on third party platforms, or in connection with a Intermission promotion, sweepstakes or contest. These posts may or may not be on the Intermission site, on an Intermission page social media platform (such as a Facebook page) or made in response to an Intermission tweet. Material you post to the Intermission service will be treated as non-confidential and non-proprietary, even if you mark the material as confidential or proprietary, and will not be returned. You acknowledge that the internet and mobile communications are insecure and subject to breaches of security, and that you post material to the Intermission service at your own risk.

You may only use the Intermission service for lawful, non-commercial and appropriate purposes. In addition, so as to protect the rights of Intermission, its users and its licensors by agreeing to these Terms of Use you agree to refrain from engaging in any conduct that violates the rights of others, including without limitation patent, trademark, trade secret, copyright, privacy, publicity, or other proprietary rights.

In order to access the Intermission service, you will need: a computer, mobile device, streaming media player, or other device that meets the system and compatibility requirements established by Intermission from time to time; and a high-speed broadband, wireless or similar internet connection from an internet service provider that meets certain technical specifications. You are solely responsible for providing, maintaining and ensuring the compatibility of all hardware,

software, electrical and other physical requirements necessary for your access and use the Intermission service or any part thereof.

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If you believe that any material available on the Intermission service has been copied in a way that violates your intellectual property rights, including without limitation your rights under copyright, please send an email to the Intermission Copyright Agent at copyright@intermission.com.

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For our service we need a Non-Exclusive Licence. This licence grants to the licensee the right to use the intellectual property, but means that the licensor remains free to exploit the same intellectual property and to allow any number of other licensees to also exploit the same intellectual property.

Partnering with producers and content providers (like PBS) to license streaming rights for a variety of filmed Musicals. A licensing agreement is established under the terms of a legally binding contract between the content owners and Intermission, and each agreement varies based on the needs of the content owner and Intermission.

Intermission wants to allow the producers to make the show they want without interference (if it hasn't already been filmed in the way that they like). Intermission would license the filmed musical from the production company/producer. Intermission wishes to allow the production company/producer to retain a majority of the rights.

Intermission will be distributing third party content to develop a large user base. Intermission will operate its own content delivery network (CDN), a global network of storage servers that cache content close to where it will be viewed. With local caching, it will help reduce bandwidth costs and make it easier to scale the service over a wide area.

The Federal Communications Commission (FCC) allocates specific frequencies to individual services, and then licenses persons or entities to provide those services in the designated frequencies. If Intermission wishes to operate equipment or provide wireless services of a type for which the FCC has set aside spectrum, we will most likely need a license from the FCC. Intermission will contract with every person and company involved in a production (including the producer). The contract covers everything. As part of the contract, salary and any profit

sharing is defined. What matters is how much money is generated by that sale. Our filmed musicals are created then licensed to different regions.

Both the producer and Intermission are funding the filmed musicals and collaborating on distribution: The producer will release it in the U.S., and Intermission will get global streaming distribution rights. The producer/production company retains the ownership rights to the show, which means it can find other licensing partners for the program in the U.S. and abroad. But under the terms of the deal, the producer/production company also has to wait a certain period of time before it can license the show elsewhere.

Technology

The atmosphere of a live theatre performance is extremely impactful for a viewer's experience. Hearing laughs, screams, and all sorts of emotions from a crowd is what makes the viewer feel immersed in the production. Our idea with this service is to create a comfortable, but yet exhilarating experience for every viewer. According to The Future of Entertainment, "Multi-sensory experiences will be a common part of at-home entertainment systems in the future, and even more advanced platforms will be available outside of the home as a new type of arcade for the modern age."

The Headset

Our team plans to partner with Avegant, who specialize in creating technology that enhances multisensory experiences through entertainment. According to Avegant's website, "Avegant Light Field Technology puts stunningly vivid virtual objects right in front of you, and solves one of mixed reality's greatest technical challenges: Enabling virtual objects to appear real at distances both near and far." By using their immersive headsets to watch our theatre content, a clear and natural visualization will make any user's experience open up to a new universe of technology. Providing the highest quality of HD audio and video, the Avegant headset can be directly connected to any mobile device, computer, or gaming system all through a single HDMI cable. Similar to a Virtual Reality Headset, but not the same, Avegant's Video Headset is screenless, by instead using retinal imaging technology that mimics natural eyesight through LED projection onto millions of microscopic mirrors.

Noted earlier in the pricing section, the Tier Three VIP Package is approximately \$42.99. With the purchase of this package, the buyer will receive an Avegant Video Headset that will allow them to watch all of the content on our website through an immersive experience. At regular cost, an Avegant headset is about \$400. Through a partnership that we've created with Avegant, we will be getting a discounted price on the headsets of only \$100 to help advertise and market their product through watching our content. In addition, one of our

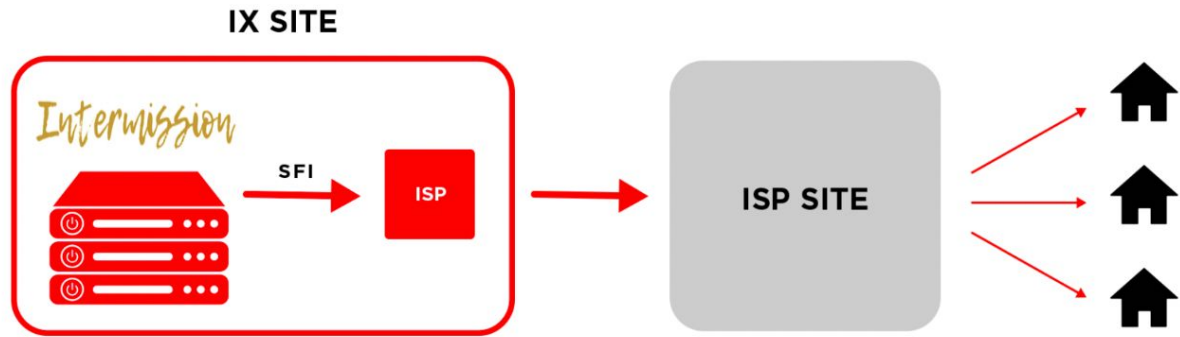
sponsors, The American Society for Theatre research, has agreed to pay the remaining \$100 of the first 5,000 headsets sold through the VIP package. Their vision is to promote theatre content worldwide through our service and introduce new demographics to theatre through technology. This marketing strategy will benefit both us and Avegant, in that users will be given a discounted opportunity to use their product through our service, all the while their product will be filling up in homes across the world.

Network

With our service, *Intermission*[™], we plan to create a broadcast server that can reach millions of people across the world. Although we don't expect to have a huge audience when we kick start, we do plan to rise into an internationally known company providing the best theatre content in the world through an online platform. We plan to use a Content Delivery Network or CDN to deliver internet-based content efficiently by bringing the content that people watch close to where they're watching it.

The overall mission of the program is to enable Internet Service Providers (ISP) to provide a great *Intermission*[™] experience for our customers. We further this goal by localizing *Intermission*[™] traffic as close as possible to our members, limiting the network and geographical distances that our video bits must travel during playback. This of course benefits *Intermission*[™] members, but it also benefits ISPs and internet users in general. In short, we plan to invest in efficiency innovations and increasing the capacity of the internet to support playback requests for *Intermission*[™] content - so that others don't have to.

The building blocks of our network are our suite of purpose built server appliances. These appliances store and serve our video content, with the sole responsibility of delivering playable bits to client devices as fast as possible. We plan to install our appliance throughout the world in high-volume markets, then expand as demand for our product rises.



Action Plans and Programs

Five-Year Plan

Launching this service will come from the combined efforts of grants, sponsors, and investments from each of the starting partners. We aim to continue our marketing plan once launched in order to continue bringing on subscribers and entice people into higher packages and rates.

As a company, we have a goal to produce our own recorded theater content and give a different platform for new writers to try out their plays and musicals. This is a lofty goal and it is estimated that we will need to set aside about \$1 million in order to bring together all the elements necessary for a fully functioning A/V studio. We would invite writers and directors to have their shows recorded and streamed on our website. The content would be available in all pricing packages, including the free package. As mentioned previously, we plan on selling advertisement spots in order to offset streaming costs for our free pricing package. With this self-produced content, we hope to foster an environment where creativity can thrive and our subscribers have the ability to give feedback on new material. We could work in conjunction with theater houses to pitch having them produce new works that receive an abundance of qualitative, positive feedback.

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