To: Danny Golden, President

From: Yumiko Sato, Bell Orchid Hotel Group Producer

Date: March 8

Subject: Next Fiscal Headcount and Outsourcing

In accordance with this year’s budget and production schedule, Bell Orchid Hotel Group’ headcount requirements will remain even with last year. We anticipate a turnover of approximately 15%, based on past years. With no planned changes in number of episodes or major increases in production requirements, Bell Orchid Hotel Group should be well prepared to maintain its quality programming with no increases in personnel.

Several job descriptions have been changed and current employees will be invited to apply for those new positions. We believe that current employees will be able to fill all the new positions, and we do not anticipate any layoffs based on these changes. We have the resources available to provide new or additional training where necessary and our staff has always been willing to take on new responsibilities and learn new things when called on.

We have been working with the Southland Media marketing group to determine which pieces of our marketing program can be outsourced. Some of the larger, more complex multi-media development will be outsourced, and preference will be given to California companies employing local personnel. We will also continue to use locally-based film crews for location shooting to avoid travel and equipment transport costs. Post-production will continue to be done in house, which may require hiring temporary or contract personnel. This is covered in our budget.

In accordance with the recently revised Southland Media policies and our own internal guidelines, we will continue to strive for an employee base that is diverse, both behind the camera and on camera. Bell Orchid Hotel Group actively recruits minorities, veterans, and people with physical challenges.