

Board of Directors Meeting Minutes

Date of meeting: May 19, 2024

Notice of this meeting was emailed by President Sten Linnander on May 18th, 2024.

The meeting was called to order at 2:00 PM EDT online.

The following Directors were present:

President Sten Linnander

Secretary Stephen Davis

Treasurer Mike Foody

With 3 directors present, a quorum was declared.

The Secretary asked for additions or corrections to the Board Meeting Minutes of April 28, 2024, and distributed by email on May 4, 2024. Hearing none, the motion was made and seconded to approve the minutes as written. The motion carried.

Mike began the meeting explaining his current involvement with the Environmental Defense Fund. First, he said, we always talk about the educational value—proven to increase comprehension by 15%, proven to increase the desire to participate, etc.—and then we look at it from the standpoint of airport advertising—how many people will go by, how many will stop and watch, how do we create an experience for them, etc. For example, if placed at the beginning of a terminal, 875,000 will go by, 5% stop for 36 seconds (which is amazing since the average for airport ads is 6 seconds). So, a median top-10 museum will get about 1 million visitors per year, and so will a median top-10 library building. The median science center gets 200,000 visitors. So just the advertising value is worth about \$10,000. But if you put an interactive experience on it, you're going to have maybe 30% of the people interacting with it. So, it has a tremendous value, both from an educational perspective and from a brand advertising perspective. So, every \$6,000 they give for the placement of the globe, they're getting about \$20-30,000 back in value.

Mike went on to explain that one of the reasons he is doing this pitch to EDF is to see if people would spend \$5,000 on a globe, which rolls into the whole non-profit question. And what he learned is that if you buy something from a non-profit, there's no tax benefit on the fair market value of what you buy. There's only a tax deduction on anything above the fair market value. What that means is that we probably should sell our Living Globes at cost and ask people to make donations on top of that. Let's say LGS can make a globe for \$2500. If we were a commercial for-profit company, we would list it for \$7500 and discount it to \$5000. What a non-profit would do is sell it for \$2500 and suggest a donation of \$2500. And if they sold it to a commercial company, they would have a minimum donation of an additional \$5000.

The reason he looked into this, he said, was to imagine that LGS owned the GI technology or the GI brand. Gi can currently make a 16" table-top globe without projector for about \$2,000-2,200. And the projector is about \$2,200. So, for about \$4500, we could sell a 16" globe. And aa 24" globe with projector is also about \$4,500.

The reason the GI globes are so expensive is that they have to mark them up by a factor of 3 or 4 to take care of the costs of sales, marketing, etc.

Mike checked with his former COO and she has everything she needs to run a non-profit that makes globes. She has a lot of experience working with other non-profits, and she has all the contacts with suppliers and manufacturers to make the globes. So, if we had the money to hire her, LGS could start making globes tomorrow. We'd probably have to pay about \$5000 to redesign the base so there's no Gi technology in there. But she's available now and excited about our mission to strengthen the connection between Humanity and the Earth. But she'd have to get paid, about \$100/hour.

There was some discussion that followed about various globe sizes. Mike said that 16"-24" was the best-selling for schools and museums, and although GI made a 12" model, they didn't sell many. Stephen asked about the size of the 16" base (which is too big for a coffee table), and Mike responded that he was talking about the possibility of LGS starting to sell globes next month, and that they would be 16"-24" with a 4K lumen projector and the large table-top base. "This is not at all a consumer product. This is the [two-step] approach that says, 'Have credibility, partner with content builders, talk about lowering the price and putting it on the coffee table, so there's a continuity instead of saying we're going to start off with a 12" consumer micro-LED model.'"

So, Mike said, there are 2 possibilities: One, that LGS sell Living Globes with the same technology that GI was using, or two, that LGS owns the GI/Magic Planet brands, which Stephen said reverts to the idea of a philanthropist buying the GI/Magic Planet assets and donating them to LGS. Mike said there was also the possibility that he could donate the GI assets to LGS for a royalty.

So, there is one path to take where we raise money to create a 16"-24" Living Globe and pay for the first round of operations. And if LGS doesn't own the GI/Magic Planet assets, we could go to NOAA and get them to write new software for our non-profit.

Stephen noted that if LGS did this, they would also have to start offering a live feed of the Earth. Mike said that what's available today is "pretty live," and we could go to Stanford and ask them to use AI to predict live images while we figure out how to get the satellite images from the European Union, etc. But we will always have to blend, because no one satellite can cover the whole planet. We would start today with what's available, which is one-hour-old images for some portions of the globe, longer for other portions. And then portions of the globe which are never going to be hourly, we would use AI to predict it.

Sten asked about whether this COO would do marketing. Mike said that "it depends." He then talked about NOAA adapting their software to run on an LGS globe and then "letting everyone know about it." So, we would use NOAA to start doing our marketing. But yes, we're going to have to do some marketing.

Stephen asked what would happen if Mike dropped out of LGS. He said that her (Janine's) requirement would, at a minimum, be that Mike would be on the LGS Board and help get it started. Mike said she doesn't know the technical end of the business as well as he does, so she would need his help. Therefore, Mike can make a commitment to be on the LGS Board, but just not as Treasurer. Mike said that as soon as LGS has a public presence, he will no longer be able to be an operating officer.

Sten asked about schools and whether we would sell to them, because he has a contact that does the purchasing for 1/3rd of the schools in Germany. Mike said yes, but then you need to provide other support, like lessons

written for the globes, which is a lot easier since we're a non-profit and can get people volunteering and contributing, which you can't do with a for-profit. Mike repeated that schools would be one of the sales avenues and that we would be partnering with people like NOAA or Stanford students who would provide the content for free.

Sten asked about the next steps on this path, and Mike said the first step is that he has to sell the GI business or donate it. Nothing can happen until that's done.

Stephen asked whether the idea of subcontracting to Pufferfish or Atmosphere was off the table, and Mike said yes, off the table now that Janine has confirmed that she's available to run LGS's globe business.

Sten said that we'd still have to raise the money to pay for Janine, and Mike countered that it would be a lot easier to raise \$30,000 to start selling \$5,000 globes because the idea is so concrete. Stephen said it would also be easier to get a line of credit this way. Mike countered and said we don't really need a line of credit since GI typically gets 75% up front to finance the production of a globe. Even with a lack of inventory it's easier as a non-profit to say, 'We don't have inventory so you'll just have to wait a little longer to get delivery on your system.' People expect for-profit businesses to run an inventory, but not non-profits.

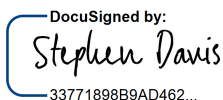
Stephen asked hiring sales people, and what would happen if Sten's purchasing contact said, 'Okay, I'm buying 100 of them tomorrow'? Then, Mike said, we would say, 'Okay, give us 75% up front,' and we're off and running. GI doesn't have a credit line, and we're still able to do \$250,000 a year with no marketing, which clears about \$50,000. And it's easy to reach out to NOAA and generate lots of leads. And it's easy to say, 'Hey, remember those Global Imagination globes, well now they're 1/3rd the price,' and get lots more leads. For what we're talking about, sales people are simply not necessary, because we're going to get third-party companies who will make a business out of selling our globes, selling support services, selling software add-ons, etc., so we can be a low-overhead organization.

Sten asked about whether our globes would become like TVs, showing lots of different things on our LED screens. Mike answered that that would be up to us and how far we wanted to go in that direction. But our "screensaver" would always be live pictures of the Earth with all the weather patterns.

Stephen made a motion to amend the purpose of LGS to read: "The purpose of the Living Globes Society is to strengthen the connection between Humanity and the Earth by replacing antiquated paper globes with state-of-the-art digital globes displaying live pictures of the Earth in a myriad of homes and public places worldwide." The motion carried.

The meeting was adjourned at 2:55 PM EDT.

Respectfully submitted,

DocuSigned by:

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Stephen Davis, Secretary

Date __June 9, 2024__