

M A Y 2 0 1 9



SKIPSTONE
STUDIOS

C O N F I D E N T I A L



MAY 2019

FAMILY IS NOT AN IMPORTANT THING.
IT'S EVERYTHING.

-MICHAEL J. FOX

CONFIDENTIAL



STATE OF THE UNION

The world is in a dark place. America specifically is facing some of it's hardest cultural battles to date. Racist and division is at an all time high, families are broken, divorce is rampant both in the Church and out of it. And though we're the most connected people in history, we are more lonely, more disconnected and more anxious than ever before.

During this time, we've learned mass entertainment is the most powerful and effective cultural changer today. With the average child consumes between 2-6 hours of media content a day. This time is spent shaping them, their world view and what they believe about God and themselves. It's never been more clear that if we are to have a voice in helping to effect the world, that we need to have a voice in media.

This, is why Skipstone Studios exists.

*"Train up a child in the way he should go;
even when he is old he will not depart from it."*



“My goal is to bring back a part of that era when we sat on the couch and watched movies as a family.”
- Johnny Remo

OUR VISION

SKIPSTONE STUDIOS is a Film & TV Studio that specializes in the production of high quality, story-driven, thought provoking, message films and television programming for a broad range of audiences. All of our content is safe for the whole family. The purpose of this business is for the Development, Producing, Marketing, and Distribution of Feature Films with mass market appeal and to impact culture and family with a message of hope.



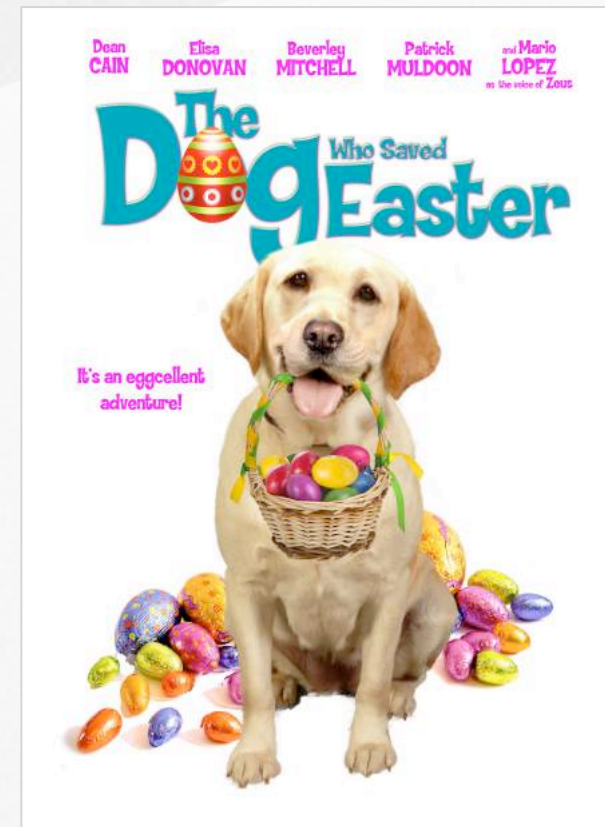
PAST FILMS



SAVED BY GRACE



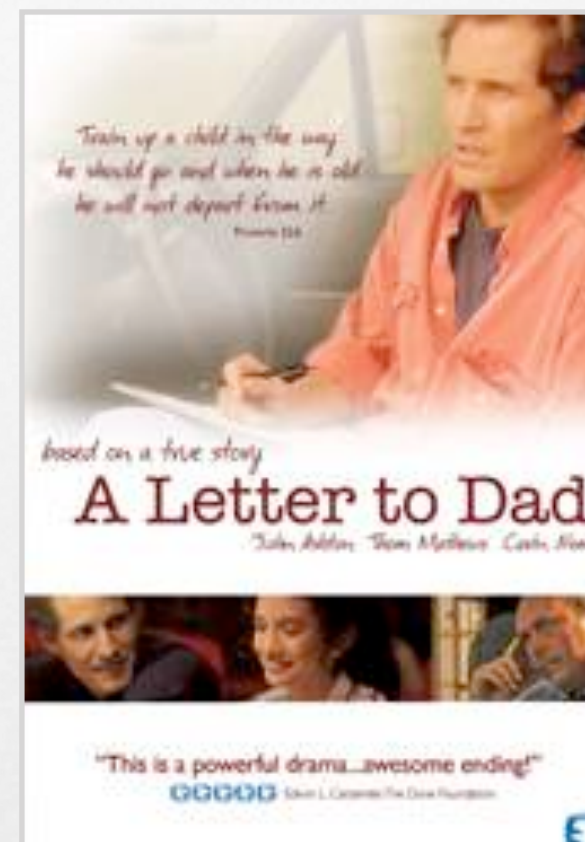
LIKE A COUNTRY SONG



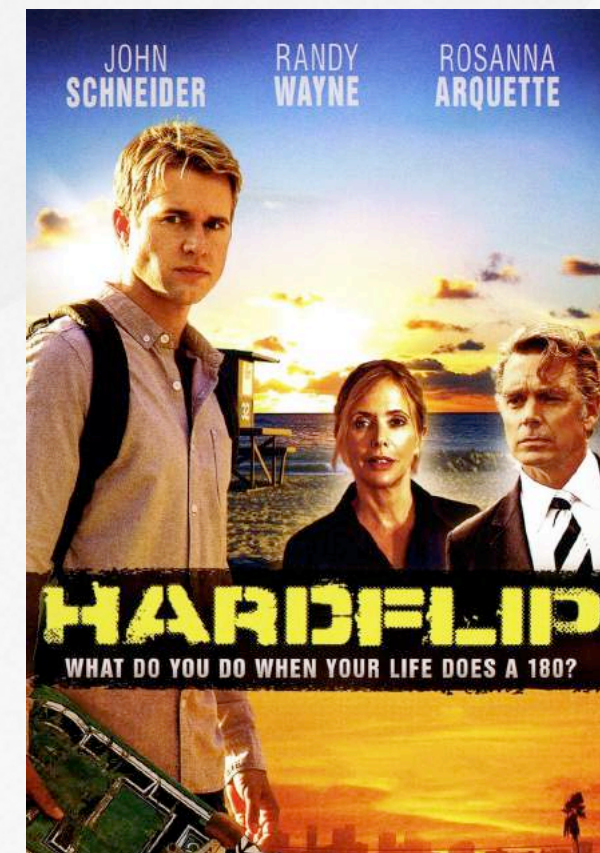
THE DOG WHO SAVED EASTER



CUTBACK



A LETTER TO DAD



HARDFLIP

CURRENT FILMS



F.R.E.D.I.
BEST OF FEST
BENTONVILLE FILM FESTIVAL



MAX WINSLOW
AND THE HOUSE OF SECRETS
RELEASING WINTER 2019



ALLIE MITCHELL MUST WIN

A TALE OF TWO HOMECOMING SKITS

ALLIE MITCHELL MUST WIN

A TALE OF TWO HOMECOMING SKITS

At Dupree High, the Homecoming “Skit” competition is way more important than the football game. It’s their biggest event and there has never been an undefeated class. Class Captain, Allie Mitchell, makes it her mission to hold the undefeated title. Everything is going according to plan, until Broadway veteran, “Freshman” Riley Rhodes comes to school, and messes with Allie’s mind, relationships, sanity, and most importantly-- Her Win.

A BOY NAMED BOY

A 14-year old boy named Boy and his artistic troupe of mischiefs will have to put their talents to the test when their creativity-banned hometown is taken over by bad guys.

FLY BY NIGHT

After a kids' experiment goes awry, 13-year old Guy Carver finds himself transforming into an adult at night and back to a 13 year old come morning. Knowing his neighborhood needs a hero to fight a heartless real estate developer and his cronies he adopts the 1970's crime-fighting persona Guy Fly. He is FLY BY NIGHT.

FUTURE FILMS

CUSTODY

Matt and Abbie Stewart, parents to Adam, 16; Vanessa, 13; and Teddy age 10, are ending their 17-year marriage. They’ve agreed to sell the house, split the proceeds and move on with their separate lives. The only fight left is custody of their children. Neither of them is willing to give that up, so the children come up with their own plan, and so the adventure begins.

by Lindsay Harrison (based on an actual court ruling)



THE LOST BOYS

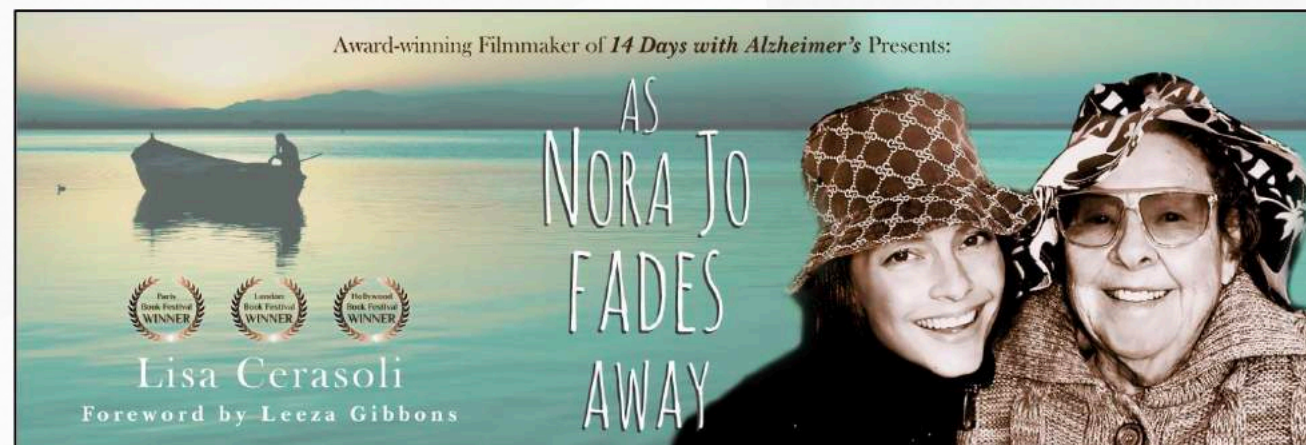
An ensemble mystery-fantasy TV series.

When an American boy on a family vacation vanishes in Kensington Gardens, a haunted FBI agent, British detective, and the boy's family investigate his disappearance, only to make an impossible discovery: Peter Pan is more than just a fairy tale.

BIRCH FALLS EAST

Based on the award-winning memoir and documentary by Lisa Cerasoli

Take four generations of women and shove them under one roof in the middle of nowhere. **RECIPE FOR DISASTER:** Add Alzheimer's and the hot guy next door.



"I dare say Alzheimer's found its Tuesdays with Morrie in Cerasoli's memoir."

- Leeza Gibbons

"This touching, wryly written memoir is our future's next Modern Family."

- Sean Madden, Walt Disney Studios Home Entertainment.

ELVA KAKES

Fourteen-year-old Elva Kay tries to balance school, family and a close-knit circle of friends while dealing with the pressures of running a successful organic cupcake shop featuring the top-secret recipes entrusted to her by her beloved grandmother.

TEAM

"Teamwork is the ability to work together toward a common vision, the ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results." -- Andrew Carnegie

WE'VE SURROUNDED OURSELVES WITH A SEASONED TEAM & ADVISORY BOARD THAT CARRIES VAST KNOWLEDGE AND EXPERIENCES ACROSS MULTIPLE INDUSTRIES AND BUSINESS DISCIPLINES TO ENSURE THAT THE HEALTH AND SUSTAINABILITY OF THE COMPANY IS SETUP FOR SUCCESS.



LEADERSHIP



JOHNNY REMO - CEO & EXECUTIVE PRODUCER

Founded in 2007 by Johnny Remo, *SkipStone Pictures*, the production entity of his distribution company, *Inspired Family Entertainment* is a motion picture production company that specializes in the Producing of high quality, story driven, thought provoking, faith and family friendly, message films and entertainment for a broad range of audiences.

As a filmmaker he has co-written, produced, and directed such faith based, feature films as *A Letter to Dad*, *Cutback*, *Hardflip*, *Like A Country Song*, and *Saved by Grace*. All were awarded 5 Doves from The Dove Foundation, along with multiple awards in several categories. All of these movies were on all platforms and DVD's and were all available at Walmart.

Johnny has also produced several other family friendly movies such as *The Dog Who Saved Easter* and the recently produced movie *FREDI*, a Family Action Adventure Movie that won "Best of Fest" at The Bentonville Film Festival, "Best Family Film" at the Burbank International Film Festival, and "Best Family Movie" at the Canadian International Faith & Family Film Festival and just recently finished his new project, *Max Winslow and the House of Secrets*, starring Chad Michael Murray. Proving that there is still an enormously large demographic that wants clean, wholesome, family entertainment

Johnny and his Production Company, ***SkipStone Pictures*** has produced over 15 features, while writing and directing 7 of them. He produced "*The Dog Who Saved Easter*" for *Lionsgate* and has produced for such people as the late, great, Debra Hill, producer of *Escape from New York*, *Fisher King*, and *Escape from LA*, and Robert Simonds, producer of *The Spy Next Door*, *Pink Panther*, and *Happy Gilmore*.

Johnny is also the CEO of the distribution company, ***Inspired Family Entertainment*** and currently distributes over 30 faith and family films a year. Most of which get on the shelves at Walmart.





TYLER CHRISTOPHER - EVP OF DEVELOPMENT

Tyler Christopher, a Daytime Emmy Award winning actor, has been in the television/film industry for nearly 25 years. Best known for his work as Nikolas Cassadine on the long running ABC Daytime Soap General Hospital, Tyler has garnered the respect of his fans as well as his peers. Tyler is a NAACP Image Award nominee and currently he has played lead roles in movies *FREDI* and *Max Winslow and the House of Secrets*, two recent SkipStone Pictures and is a main contributor to the development of future SkipStone Pictures films.



ROBERT BABCOCK - PRODUCTION EXECUTIVE

Robert Babcock is a USMC Military Police veteran and a graduated of DePaul University with a degree in Marketing and Business Management. Robert had spent nine years as the Chairman of Supply Distribution for the Walmart NW Arkansas LPGA Championship and currently is on the board of the Fayetteville Film Festival. As an actor, Robert has been on television, commercial, and feature films, and in *Max Winslow and the House of Secrets*, Robert successfully transitioned into the role of film producer.



CASSIE SELF - DIRECTOR OF PUBLIC RELATIONS

Cassie Self, has been involved in film and commercial work as an actor and a producer in numerous projects for over 20 years. As founder, of the Fayetteville Film Fest, she has been intermetal in bringing both local and out-of-state filmmakers to film their projects in Arkansas. Cassie is also a successful entrepreneur, with her two stores *The Haley Boutique*. She brings SkipStone a wealth of networking power from her decades of working within the greater Northwest Arkansas region.



CHETLEY BREEDLOVE - PRODUCTION ASSOCIATE

Chetley Breedlove, a Full Sail University graduate. Upon graduation, he worked on a number of TV shows and feature films from 20th Century Fox, Paramount Pictures, Warner Brothers, MGM, and Sony Pictures learning the skills, professionalism, and etiquette of true Hollywood-style productions.



KENDRA BREEDLOVE - PRODUCTION ASSOCIATE

Kendra Breedlove is a producer helping build the film industry in her hometown of Northwest Arkansas. Her first produced music video, went on to be recognized by several film festivals and awarded Best Music Video by MiC Film Festival of Atlanta, GA. She has since continued to produce music videos and films through the production company she owns with her husband, WeBreedlove Productions. From there, Kendra has turned her focus to higher level productions including, most recently, SkipStone Pictures' *Max Winslow and the House of Secrets*.

TEAM



ADVISORY BOARD

M A Y 2 0 1 9



ASH GREYSON - MARKETING STRATEGIST

Ash is an innovative digital media and data marketer that combines science, art and empathy to deliver results for the entertainment industry. Known as Hollywood's secret weapon Ash has redefined digital success for many premier studios. With dozens of films managed over the last 6 years, he has helped deliver more than \$750 million in box office revenue and acquired millions of customers for streaming services. Understanding how algorithms interact with real human behavior gives him a true edge that redefines success at the box office and for streamers. His company has worked with such companies as SONY Pictures, Lionsgate, Paramount Pictures, Relativity, Focus features, Roadside Attractions, and SYFY. And worked on such films as *Hacksaw Ridge*, *Wonder*, *The Giver*, *Earth to Echo*, *God's Not Dead*, *Woodlawn*, *War Room*, *The Shack*, and the highly acclaimed movie, *I Can Only Imagine*.

www.ribbonmediagroup.com



JOE DONALDSON - BUSINESS STRATEGIST

Joe is married to Larra and has 2 daughters Destinee and Nevaeh. He graduated from Springdale High school in 1996 and enlisted in the US Army. He served in the Army for 10 years traveling the world to include deployments to Iraq. In 2006 he returned to Arkansas to begin a career at his parents business Sam's Furniture. In 2009 he took over operations as President of the company and has continued to expand and grow it to where it is known today as Arkansas' Largest Furniture Destination. Joe loves the community and uses Sam's Furniture not only as his family's livelihood, but as a means to improve and support needs within Northwest Arkansas & around the globe thru many different outreach and mission programs. Joe serves on many state and local boards to include the Arkansas Furniture Association, and the Arkansas State Police. He is passionate about growing & becoming better at whatever it is he does! "No matter where you are, or what your facing today, challenge yourself to grow & to be better tomorrow" is a life motto he was raised hearing from his father Sam! Joe always says... "If my business or I were taken away today, would we be missed within the community? If the answer is No, then we still have a lot of work to do!"



C O N F I D E N T I A L

ADVISORY BOARD



TARENEH MANNING - COMMUNITY & CULTURAL ENGAGEMENT

Tareneh Manning is a practicing artist and arts advocate that lives the mission to build community socially, culturally, and economically through arts and collaboration. During 2018/2019 she served as the Interim Executive Director at the Arts Center of the Ozarks, where she had served as Board President for the previous 5 years. Thrilled with the new staff leadership and direction, she has resumed her role on the board as Past President. Tareneh also currently serves on the Northwest Arkansas Health Care Foundation Board of Directors, Downtown Springdale Alliance Events Committee, Artist INC as an NWA Co-administrator, and as an appointee of Governor Asa Hutchinson on the Arkansas Natural and Cultural Resource Council. She graduated Summa Cum Laude, as a Donaghey Scholar from the University of Arkansas in Little Rock, with a Bachelor of Arts in English Literature.



DEREK GIBSON - EVP OF FINANCE

Derek Gibson is an Executive Vice-President with Legacy National Bank and a life-long resident of Northwest Arkansas. He earned a Bachelor of Science in Industrial Engineering from the University of Arkansas and a Master of Science in Industrial and Systems Engineering from the Georgia Institute of Technology. Derek spent the next 5 years working for Wal-Mart Stores, Inc. as a Logistics Engineering Manager supporting its national distribution network with innovative technologies and best-practices solutions. In 2005, Derek's career took a different path when he chose to join his father Don Gibson and various others in starting Legacy National Bank. As a graduate of the Southwest Graduate School of Banking at SMU in Dallas, Derek has served many roles within the bank since 2005. He is currently the EVP, Market Executive for Washington County serving customers and his team every day. Derek is also very committed to his community. His current leadership commitments include: Board President of the Art Center of the Ozarks, Board Vice-Chairman of Northwest Technical Institute, Vice-Chairman of the Board of Commissioners for the Springdale Public Housing Authority, Chair of the Finance Committee for First United Methodist Church, and Board Member of the Downtown Springdale Alliance. He is also a member of the Rotary Club of Springdale. Derek was also recently awarded the 2019 "Civic Service: Man of the Year Award" by the Springdale Chamber of Commerce. Derek and his wife, Jennifer, have two children, Dylan (age 13) and Brookelyn (age 10), and they are all active members of the First United Methodist Church of Springdale. Derek enjoys spending time with family and friends, golf, fitness, and tailgating activities to support the Arkansas Razorbacks.



ADVISORY BOARD



KALENE GRIFFITH - EVENT AND BUSINESS STRATEGIST

Kalene Griffith is the president of Visit Bentonville in Bentonville, Arkansas. She promotes Bentonville as a world-class travel destination and advocates for growth within the arts, cycling/trails, culinary, music, aviation, and film production. Kalene was a part of the exploratory committee for the creation of the Bentonville Film Festival, and was part of a team of tourism leaders that created the NWA Film and Entertainment Commission.

Griffith was appointed by the Governor of Arkansas to the Arkansas State Parks, Heritage and Tourism Commission. She is a board member of the Arkansas Hospitality Association Travel Council, Arkansas Association of Convention Visitors Bureau, Bentonville Chamber of Commerce, Downtown Bentonville, Inc., Bentonville Public Arts Advisory Board, Bentonville History Museum, Amazeum Children's Museum, Southeast Tourism Society and Dress for Success.



DR. SCOTTY BOLDING - BUSINESS STRATEGIST

A native of Arkansas, Dr. Bolding began his educational training at the University of Arkansas in Fayetteville where he earned his B.S. in 1985. He then attended Baylor College of Dentistry in Dallas, Texas, where he earned his D.D.S. in 1989. He earned his Postdoctoral Masters in Craniofacial Biology at Baylor University in Waco, Texas, in 1992; followed by his Oral-Maxillofacial Certification in 1993. A former Board Examiner and current diplomate of the Board of Oral and Maxillofacial Surgeons, Dr. Bolding and his wife, Dr. Taruna Bolding, lives in Fayetteville and are the proud parents of Krystalyn, Deven, Ryan and Neal; and proud grandparents to Clara and Arden. Dr. Bolding is a nationally recognized leader and sought after speaker in the area of orthognathic surgery (jaw reconstruction), temporomandibular joint surgery (TMJ or Jaw Joint), and dental implants. He has numerous publications and has dedicated his career to advancing the art and science of dentistry. Additionally, Dr. Bolding has been recognized as a national healthcare business leader. He has consulted with hospitals, industry leaders, physicians, dentists, and patients for over 15 years on various ways to deliver better business processes and efficiencies to improve the delivery of quality healthcare to the patient. His passion for quality healthcare has been recognized by many leaders, and allowed him to be a frequent quest speaker on the value of improved business systems and technology in the healthcare industry. He enjoys spending time with his family, flying, traveling, boating and golfing.

<https://ofscenter.com/our-specialists/dr-scotty-l-bolding/>





JILL DABBS - EXECUTIVE RELATIONS DEVELOPMENT

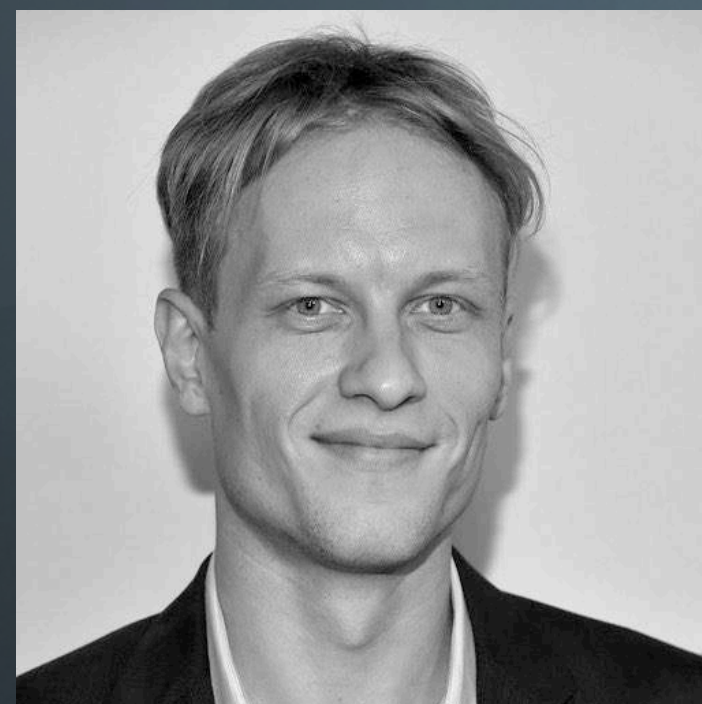
Jill Dabbs, is the current Executive Director for Downtown Springdale Alliance and the former Mayor of Bryant, Arkansas, where she served as Bryant's Mayor from 2011 to 2018. Jill helped lead Bryant to be a place that continues to grow in the direction of one of the healthiest, smartest, and economically vibrant cities of the 21st century. Also, while serving as Mayor she signed into law numerous urban development policies including a form-based code and master plan, a master Walk Bike Drive plan that also included a master lighting plan. She has an incredible ability to connect people with other people, designing solutions for opportunities. She was instrumental in creating a 10-year plan for Arkansas to fight obesity. The "Healthy Active Arkansas Plan", enacted by Governor Asa Hutchinson in 2014, lays the framework of encouraging and enabling healthier lifestyles in Arkansas. Jill has served on the executive board of the Arkansas Municipal League as 2nd Vice President, President of Metroplan in 2018. She is an alumni of the State Chamber Leadership Arkansas program and continues to be active with this group of state leaders. She has completed the Community Development Institute program at University Central Arkansas and serves on the board of the Southwest Trail. Jill was appointed Executive Director of the Downtown Springdale Alliance in January.



WOODY BASSETT - LEGAL

Woody is a partner in Bassett Law Firm LLP. Mr. Bassett maintains a diverse practice in both civil and criminal litigation. His trial experience includes general tort litigation, environmental law, agricultural law, employment law, civil rights law, sports law and other civil litigation consisting of a broad range of issues and disputes. Mr. Bassett graduated from the University of Arkansas in 1974. In 1977 he received his Juris Doctorate from the University of Arkansas School of Law. He is a member of the State Bar of Arkansas and is also admitted to practice before the United States District Court for the Western and Eastern districts of Arkansas, the Eighth Circuit Court of Appeals and the United States Supreme Court. He is a Fellow in the American College of Trial Lawyers, the American Board of Trial Advocates and the International Academy of Trial Lawyers. Mr. Bassett is a former recipient of the Outstanding Lawyer Award from the Arkansas Bar Association. He is rated in Martindale-Hubbell as an AV rated attorney.

<https://www.bassettlawfirm.com/>



MICHAEL CURYLO - ENTERTAINMENT ATTORNEY

Michael is an entertainment lawyer, with an extensive practice representing producers, feature films, television projects, documentaries, reality shows, distributors, talent, and nonprofit film foundations. He also has a background as a filmmaker and producer and lends his experience to help navigate the entire production to distribution. Additionally, Michael's practice extends to technology and film, where he has managed business affairs for streaming video on demand platforms that have \$20+ million per year in live streaming technology spend to get their content from a server to your screens.

Michael has a J.D. from Regent Law with a visiting year at Pepperdine University, a M.S. from SMU in Management and a B.S. from Letourneau in Computer Science.

<https://www.linkedin.com/in/curylo/>



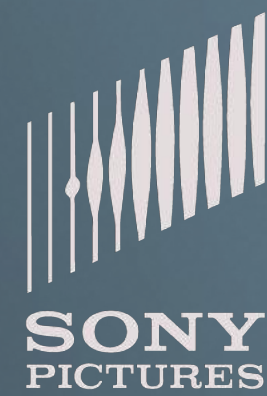
SKIPSTONE PICTURES IS UNIQUELY QUALIFIED TO SUCCEED

- **Products and/or Services:** Our Products and/or Services are superior to our competitors because we use state of the art filmmaking equipment and the caliber of cast and crew to match much higher budgets.
- **Human Resources:** Our management team has unique experience in the industry including over 25 years in all facets of the film industry.
- **Operational Systems:** We have developed systems that enable us to provide high quality products/services at a lower cost. These systems include a large resume base of very talented and seasoned crew members. Long term relationships with all our vendors as well as close relationships with agents.
- **Customers:** We are already serving key customers which have become loyal fans due to the success of all are previous films and our customers grow exponentially with each movie.
- **Marketing:** We have unique marketing skill sets that enable us to attract new customers at a low cost. These skill sets include our large base of social media fans, (Facebook, Twitter, Instagram), digital and print advertising, (magazines), and all forms of video, SVOD, VOD (iTunes, YouTube, and Vimeo).
- **Successes achieved to date:** We have already accomplished the following which positions us for future success. Produced, Marketed.

FIRST LOOK DEAL

NETFLIX

OUTPUT DEAL



STRATEGIC PARTNERSHIPS
THEATRICAL RELEASES



SVOD, VOD, TVOD, + AVOD



M A Y 2 0 1 9

AND NOW, **THE OPPORTUNITY**

C O N F I D E N T I A L



QUALIFIED OPPORTUNITY ZONES NEW TAX INCENTIVES FOR INVESTMENTS

HIGHLIGHTS

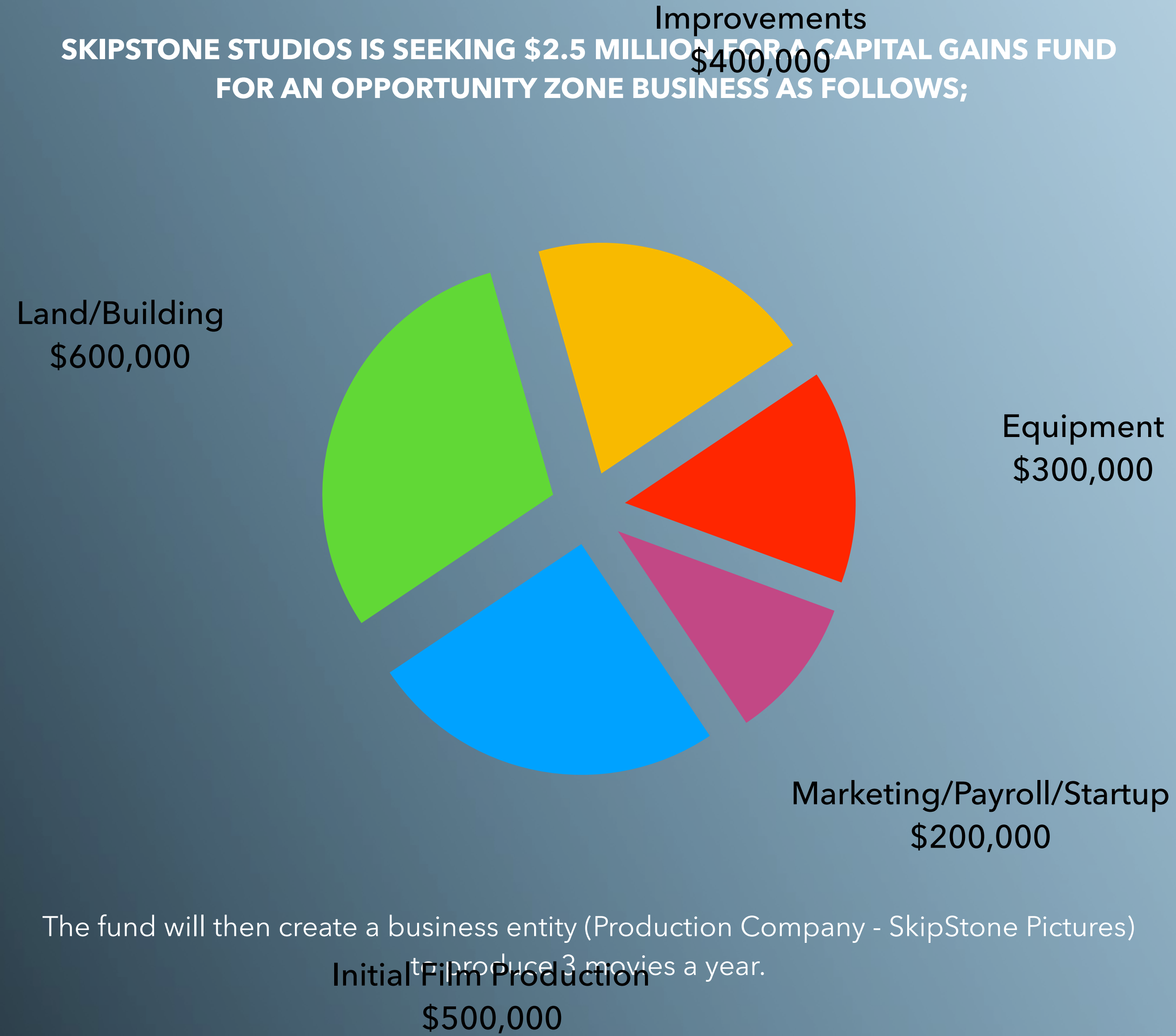
- Enacted as part of the 2017 Tax Cuts and Jobs Act - New Section 1400Z of the Code
 - Intended to unlock private investment potential of captive capital gains
 - Economic Revitalization
 - Innovation/Entrepreneur/Start-up Mechanism
 - Economic & Community Development
-
- Benefits of the OZ Tax Incentives
 - Tax Deferral
 - Partial "Forgiveness" of Gain/Tax Abatement
 - Tax-Free Post Investment Appreciation on Qualifying Investments
 - Qualified Opportunity Zone Funds
 - Investment in Qualified Opportunity Zone Property
-
- 10 Years: Upon Disposition Basis Step-Up to Fair Market Value
 - Post-10 Year Appreciation is Tax Free
 - \$1M Investment Worth \$5M, then \$4M Not Subject to Capital Gain Taxation Upon Disposition
 - Possible Avoidance of Depreciation Recapture

[LEARN MORE](#)



INVESTMENT

SKIPSTONE STUDIOS IS SEEKING \$2.5 MILLION FOR A CAPITAL GAINS FUND FOR AN OPPORTUNITY ZONE BUSINESS AS FOLLOWS;



The fund will then create a business entity (Production Company - SkipStone Pictures) to produce 3 movies a year.



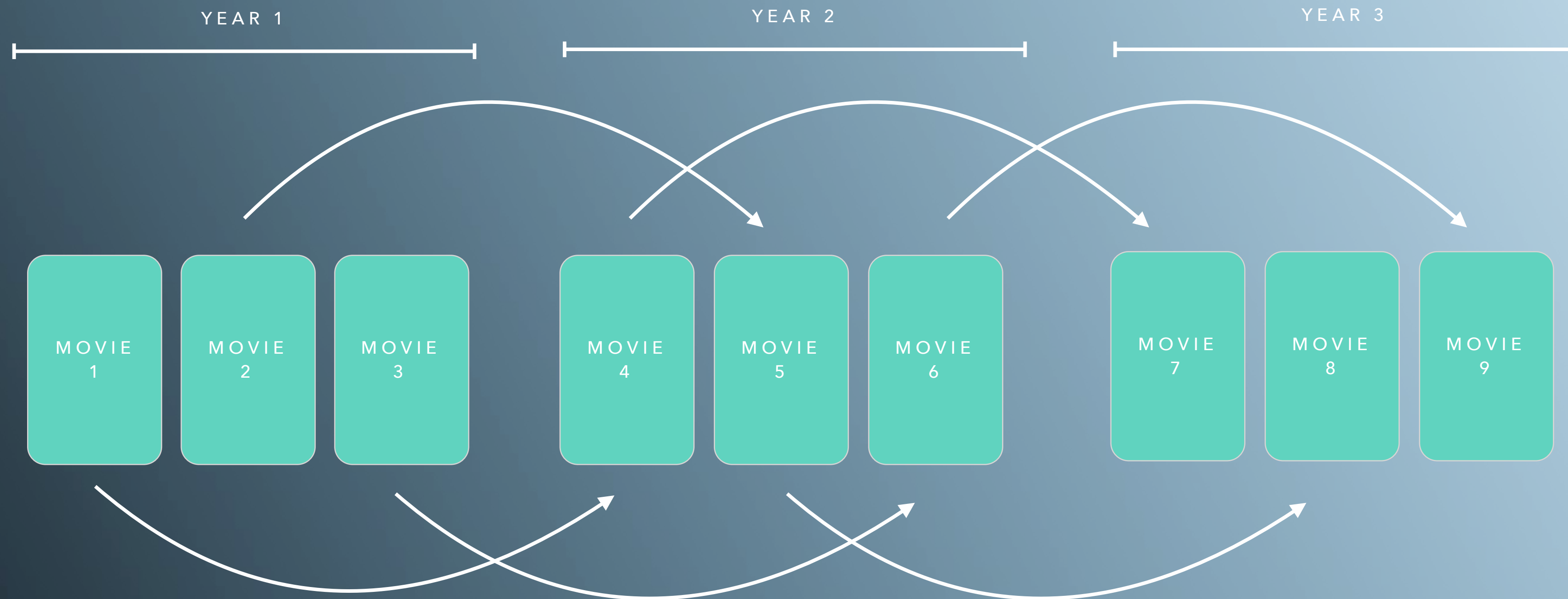
INVESTMENT OUTLINE

\$2 MILLION FUND

Land/Building Acquisition	\$600,000
Improvements	\$400,000
Equipment	\$300,000
Marketing/Payroll/Start Up	\$200,000
Initial Film Production *	\$500,000

*\$1 million Leveraged for Production

INVESTMENT :
CYCLE



Funding and Production will begin on Movie #1 & #2. By the time of production for Movie #3, most sales of movie #1 will be received and all profits will be disbursed among investors of fund. The initial production monies for movie #1 will finance movie #4. By the time of production for movie #5, most sales of movie #2 will be in and all profits will be disbursed among investors of fund.

C O N F I D E N T I A L



SKIPSTONE STUDIOS

SUMMARY OF SKIPSTONE OPPORTUNITY ZONE STRUCTURE AND PROJECT

Summary of SkipStone Opportunity Zone Structure and Project.

SkipStone OZ Fund LLC (the "SkipStone OZ Fund") is an Arkansas limited liability company. SkipStone OZ Fund was created to accept investments of capital gain from investors who will elect to obtain the federal income tax benefits afforded by the qualified opportunity zone program, which was enacted as part of the 2017 Tax Cuts and Jobs Act as new Code Sections 1400Z-1 and 1400Z-2 (the "Program").

I. Program Tax Incentives.

The Program provides the following Federal income tax benefits to an eligible taxpayer who elects into the Program and invests, within a specified time period, eligible gain in a qualified opportunity zone fund ("QOF"):

- (1) Deferral of the tax on the gain until the earlier of (i) the date the taxpayer's equity interest in the QOF is sold or exchanged or (ii) December 31, 2026;
- (2) A partial abatement of the deferred eligible gain provided the eligible taxpayer meets certain holding period requirements; and
- (3) At the election of the eligible taxpayer, post-investment appreciation on a sale or exchange of the eligible taxpayer's equity interest in the QOF is not subject to federal income taxation provided the eligible taxpayer has held its equity interest in the QOF for at least ten years as of the date of the sale or exchange.

The Program's investment eligibility requirements as well as the Federal income tax benefits are discussed in more detail in the following subparts.

(A) Eligibility in General. As mentioned, only eligible taxpayers qualify for the Program. Eligible taxpayers include individuals, trusts, estates, and entities classified for Federal income tax purposes as C-corporations (including regulated investment companies and real estate investment trusts), partnerships, or S-corporations.

OVERVIEW

In addition, the eligible taxpayer must affirmatively elect into the Program with respect to the eligible gain invested in the QOF. In other words, the eligible taxpayer must elect to defer the eligible gain, in whole or in part, when filing its federal income return for the year in which gain would otherwise be recognized in order to receive the Federal income tax benefits of the Program.

Additionally, only that portion of the eligible taxpayer's equity interest in the QOF which is attributable to an investment of eligible gain qualifies for the Federal income tax benefits of the Program. Eligible gain is generally any gain for which the eligible taxpayer has not made election into the Program provided that such gain (i) would be recognized (but for the Program) as a capital gain for Federal income tax purposes and (ii) does not arise from a sale or exchange with a person related to the eligible taxpayer.

The third investment eligibility requirement relates to the time period within which the eligible taxpayer must invest the eligible gain in a QOF. Specifically, the eligible taxpayer must invest the eligible gain in a QOF in exchange for an equity interest issued by the QOF within the one hundred eighty-day period beginning on the day which the gain would have otherwise been recognized for Federal income tax purposes had the taxpayer not elected into the Program. However, if the eligible taxpayer is an entity classified as a partnership for Federal income tax purposes and such entity does not elect into the Program with respect to all or part of an eligible gain recognized by the entity, each entity owner is permitted to elect into the Program with respect such owner's allocable share of the eligible gain. In that event, the entity owner's one hundred eighty-day investment period generally begins on the last day of the entity's taxable year within which such owner's allocable share of such eligible gain is taken into account.

(B) Tax Incentives.

(i) Immediate Deferral. The initial Federal income tax benefit of the Program is the immediate deferral of the recognition of the eligible gain. The deferral, however, is not indefinite - the deferral period ends on earlier of (i) the date the eligible taxpayer's equity interest in the QOF is sold or exchanged or (ii) December 31, 2026. Upon the expiration of the deferral period, the eligible taxpayer will generally recognize the eligible gain deferred (as adjusted by the partial abatement concepts discussed below, if applicable) and pay tax on such gain, presumably, at the rates then in effect.



**SKIPSTONE
STUDIOS**

OVERVIEW

(ii) Partial Abatement. Although the deferral of the eligible gain is not indefinite, the Program provides that an eligible taxpayer may permanently exclude a portion of the eligible gain deferred if certain holding period requirements are met with respect to the eligible taxpayer's equity interest in the QOF. Specifically, if an eligible taxpayer holds the equity interest in the QOF for five years prior to the date the deferral period terminates, the eligible taxpayer will generally only recognize ninety percent of the eligible gain deferred. Further, if an eligible taxpayer holds such equity interest for seven years prior to the date the deferral period terminates, the eligible taxpayer will generally only recognize eighty-five percent of the eligible gain deferred.

(iii) 10-Year Benefit. In certain circumstances, an eligible taxpayer may elect to increase the basis in its QOF equity interest such that all post-investment appreciation on a sale or exchange of that equity interest is not subject to Federal income taxation. Specifically, at the election of an eligible taxpayer who has held its equity interest in the QOF for at least ten years, the basis of that equity interest upon a sale or exchange will be stepped-up to fair market value, which will result in the sale or exchange being a Federal income tax neutral transaction.

II. SkipStone Business.

(A) SkipStone OZ Fund will receive \$2,500,000 of contributions of eligible gain from multiple, separate taxpayers and in exchange for such contributions, will issue membership interests in SkipStone OZ Fund to such persons. The percentage equity interest in SkipStone OZ Fund issued to each such person will be pro rata, based on the aggregate amount contributed to SkipStone OZ Fund.

(B) SkipStone Studios LLC, an Arkansas limited liability company ("SkipStone Studios") was formed for the purpose of being a qualified opportunity zone business. SkipStone OZ Fund will contribute cash to SkipStone Studios in exchange for an equity interest therein.

(C) SkipStone Studios will own and operate a full service, state of the art, production, post production, and distribution services facility in an area of Springdale, Arkansas which has been designated as a qualified opportunity zone. SkipStone Studios' plan is to purchase real estate in a Springdale, Arkansas qualified opportunity zone and perform renovations and improvements to the property. The real estate will qualify as a qualified opportunity zone business property and will provide a state-of-the-art production and post production services studio to include, editing rooms, mixing room, visual effects and color grading room and production equipment. The real estate will be used by SkipStone Studios for in-house productions, rental for outside productions and co-productions thus generating an additional stream of income. SkipStone Studios expects to acquire the real estate and complete renovations by the end of October 2019.

(D) In addition to owning real property which qualifies as a qualified opportunity zone business property, SkipStone Studios will actively engage in the production of feature films and television programming. SkipStone Studios will generate revenues from selling and licensing the film and television content it produces.

(E) Prior to the time that SkipStone OZ Fund contributes funds to SkipStone Studios, SkipStone OZ Fund will prepare a written schedule for the use of all funds, as well as a timeline for the deployment of such funds. This will be done to comply with the Program. An estimated use of funds and timeline will be as follows:

<u>Item</u>	<u>Cost</u>	<u>Completion Date</u>
Land/Building Acquisition	\$600,000	August 2019
Improvements	\$400,000	November 2019
Equipment	\$300,000	November 2019
Marketing/wages/start up	\$200,000	December 2019
Initial film production (start)	\$500,000	December 2019

(F) SkipStone OZ Fund and SkipStone Studios may leverage its real property, equipment, and current and future movie copyrights to create a line of credit. The line of credit would be used to produce additional movies throughout the duration of the SkipStone OZ Fund. Upon the sale of each movie the line of credit would be reduced by the amounts drawn on the line to produce the movie. The use of leverage to create additional assets within the business will increase the equity and overall return and tax benefits to the investors.

(G) The goal of SkipStone OZ Fund and SkipStone Studios is to actively produce and generate revenues from multiple feature films and television content. After the investors have held their ownership in SkipStone OZ Fund for a period of at least ten (10) years, an exit strategy will be developed to liquidate the SkipStone film library in a manner calculated to return the appreciation inherent in the film library to the investors on a tax-free basis.

(H)

Disclaimer: This is not an offering. Any interested parties should conduct their own independent analysis of the project and consult with their own legal, tax, and expert advisors in connection with any such analysis. No information included in this package shall be construed as an offer to sell or a solicitation of offer to purchase any security, or as legal or tax advice in connection with any such proposed offering. Any such offers, when and if made, will be made in a private placement and will be offered in reliance on exemptions from registration under state and federal securities laws.



Mitigation of Risk

The plan for the fund is to produce 3 feature films a year at a \$500K budget. The state of Arkansas has a Film Rebate program in place, and it has been extended through 2029. The program is a hard rebate and pays in the form of a check upon final approval of submitted, required, production information. It pays twenty (20%) percent on all out of state employees, twenty-five (25%) percent for all goods purchased and services rendered within the state, and thirty (30%) percent of all in state employees. At an average of twenty-five (25%), each film will receive a check for roughly \$125,000 dollars. At a \$2 million raise, with an interest payout at ten (10%) percent, the yearly interest payment will be \$200,000. This payment will be covered, and interest payment risk mitigated from the rebate payments if we produce 3 films (rebate total is \$375,000).

Other risk factors in this engagement could include, changes to legislation, incapacitation of the principal manager, substantial unforeseen changes in the feature film market or output deals, and other factors outside of our control in the course of filmmaking. All major risks have been mitigated directly. With legislation changes, we have hired legal experts in opportunity zone legislation. Additionally, any possible incapacitation of the principal manager is being addressed with key person insurance to purchase from the fund. Key person insurance is a life insurance policy with a benefit that the company pays for and is the beneficiary of.



THANK YOU FOR THE OPPORTUNITY

JOHNNY REMO | CEO

610 East Emma Ave
Springdale, AR. 72764
(714) 651-7000

johnny@skipstonepictures.com

This presentation contains forward-looking statements concerning our plans, intentions, strategies, expectations and predictions concerning our future activities and results of operations and other future events or conditions. A variety of factors could cause actual results or activities or actual events or conditions to differ materially from those estimated or projected in the forward-looking statements. Some of these factors may be beyond our control. The plans, strategies, and intentions of management may change based upon increased experience with our business model, as well as in response to competition, general economic trends, or perceived opportunities, risks, or other developments.

