

# RAVEN'S BLUFF

## PRODUCTION LOAN TERMS



### Production Loan Terms:

- This is not an investment. No ownership in the business entity or partnership in the film project is expressed or implied.
- This is a 100% unsecured, 0% interest, forgivable loan. Funding is restricted solely to the production costs of Raven's Bluff - the Movie. A complete loss for the lender is possible.
- The only recoupment opportunity is income derived from a distribution deal. There is no guarantee of distribution, however, Liner House does have Sales Agent representation to the film distribution market.
- The only potential return for the lender beyond recoupment is derived from Producer Points\* (see "How Producer Points Work") earned post-distribution. The rate is 0.5 points for every \$1,000 loaned for the production of Raven's Bluff - the Movie.

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## PRODUCER & BACKEND POINTS

A project is comprised of 100 points which derive their value from the project's net proceeds (income minus expenses & liabilities). Once a project has recouped all expenditures and zeroed out all liabilities (ie. Production Loans), payments are made to those entities (corporate and individual) which hold points in the project.

### **Additional Information:**

- Residual payments will continue to be made to point holders for as long as the project is exploited in the marketplace.
- Point holders maintain ownership of their points even if the rights to the film are sold and restructured under a different legal entity other than Liner House.
- Points are transferable
- Residual payments will be made every quarter or once a point holder's balance equals \$100.

### **Recoupment & Points Payout Scenario:**

Liner House is offering 0.5 points per every thousand dollars loaned to production.

#### Example:

A loan of \$4,000 would award the lender 2 Producer Points. Which means, if Liner House spent \$30,000 on production and grosses \$50,000 in sales, net proceeds would equal \$20,000. In that scenario the lender would receive a payment of \$4,400 (\$4,000 loan repayment + 2% of net proceeds).

### **Questions?**

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