

# Hearing Agenda

**Date: June 27, 2023**

**Time: 11:00 am**

**Main Location:**

**Grant Sawyer Building  
Governor's Office of Economic  
Development Conference Room  
555 E. Washington Ave, Room 5400  
Las Vegas, NV 89101**

**Public Location for Video Conference:**

**[Register for Public Hearing](#)**

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1. Call to Order
  2. Public Comments
  3. Hearing Officer's Comments
  4. **Transferable Tax Credit Application for GOED Approval:**
    - A. **Sound Film LLC**  
**Production Type: Feature Film**
    - B. **Flight Risk Productions, Inc.**  
**Production Type: Feature Film**
  5. Public Comments
  6. Adjournment
- For Possible Action**

NOTE (1) THIS NOTICE HAS BEEN POSTED NO LATER THAN THREE WORKING DAYS PRIOR TO THE MEETING AT THE FOLLOWING LOCATIONS:

- a. GOED website [www.goed.nv.gov](http://www.goed.nv.gov)
- b. Nevada Public Notice website <http://notice.nv.gov>

NOTE (2) Persons with disabilities who require special accommodations or assistance at the meeting should notify Kim Spurgeon, Nevada Film Office, 555 E. Washington Ave, Suite 5400, Las Vegas, NV 89101, 702-486-2711, [kspurgeon@nevadafilm.com](mailto:kspurgeon@nevadafilm.com) on or before the close of business two business days prior to the meeting date.

NOTE (3) The Nevada Film Office reserves the right to take items in a different order, combine items for consideration and/or pull or remove items from the agenda at any time to accomplish business in the most efficient manner.

NOTE (4) All comments will be limited to 3 minutes per speaker. Comment based on viewpoint may not be restricted. No action may be taken upon a matter raised under the public comment period unless the matter itself has been specifically included on an agenda as an action item. Prior to the commencement and conclusion of a contested case or quasi-judicial proceeding that may affect the due process of individuals; the Nevada Film Office may refuse to consider public comment. Public comments may be submitted in advance to the Nevada Film Office, (702) 486-2711, or Kim Spurgeon, [kspurgeon@nevadafilm.com](mailto:kspurgeon@nevadafilm.com), no later than one business day prior to the meeting date. See NRS 233b.126.

NOTE (5) For supporting material please contact Kim Spurgeon, 555 E. Washington Ave, Suite 5400, Las Vegas, NV 89101, (702) 486-2711, [kspurgeon@nevadafilm.com](mailto:kspurgeon@nevadafilm.com). Materials may be obtained at the following public locations: GOED website [www.goed.nv.gov](http://www.goed.nv.gov).

# STATE OF NEVADA

## Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program

**Note: This application is considered public record.**

### I PRODUCTION COMPANY INFORMATION

A. Full Legal Name of Production Company to receive the tax credit

Company Name: **Sound Film LLC**

Company Address: **PO Box 82548**

City: **Las Vegas**

State: **NV**

Zip Code: **89180**

B. Contacts

Primary Contact: **Brendan Devane**

Title: **Executive Producer**

Phone: **828-610-1237**

Email: **bdevane@sadielandproductions.com**

Other contacts authorized to discuss this form (if applicable):

**Jemma Jones / Line Producer / jemmamayjones@gmail.com / 702-497-9666**

### II PRODUCTION INFORMATION

A. Production Title **The Sound**

B. Type of Production **Feature Film**

C. Will this production contain any obscene or sexually explicit material? If so, please explain.

**No**

E. Name of Producer(s) **Brendan Devane, James Devane Jr.**

F. Name of Director(s) **Brendan Devane**

G. Name(s) of Principal Cast **TBD**

### III PROPOSED SCHEDULE AND LOCATIONS

	In Nevada <sup>[1]</sup>	Everywhere
A. Pre-production Start Date	05-22-23	05-22-23
B. Production Start Date	06-13-23	06-13-23
C. Post-production Start Date	07-20-23	07-20-23
D. Project Completion Date	01-31-24	01-31-24

<sup>[1]</sup> NRS 360.7591(1) Qualified direct production expenditures must be for purchases rentals or leases of tangible personal property or services from a Nevada business during the period in which a qualified production is produced. The first date of pre-production in Nevada is the first day of the qualified production period.

# STATE OF NEVADA

## Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program

III PROPOSED SCHEDULE AND LOCATIONS (CONTINUED)		
E. List of Nevada filming locations	Mt. Charleston, NV, and Las Vegas, NV (Vu Studios)	
F. Will any filming days take place in any of the following counties: Carson City, Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey, Washoe, White Pine? If so, indicate which counties and number of filming days in each.		
No		
G. Are postproduction costs included in this application? <sup>[1]</sup>	No	
IV ATTACHMENTS		
<input checked="" type="checkbox"/>	Attachment 1:	Script, storyboard, or synopsis of the production.
<input checked="" type="checkbox"/>	Attachment 2:	Explanation of how the proposed production is in the economic interest of Nevada, including marketing & distribution plans. <sup>[2]</sup>
<input checked="" type="checkbox"/>	Attachment 3:	Summary budget or top sheet for the entire production.
<input type="checkbox"/>	Attachment 4:	Proposed Capital Investment in real property and other tangible personal property purchased (if applicable).
<input type="checkbox"/>	Attachment 5:	Completed Incentive Calculation Worksheet, including separate subtotals for costs incurred within and outside of Nevada, above the line, below the line, Nevada residents and non-Nevada residents; as well as disallowed expenditures, and a jobs summary. It must show at least \$500,000 and 60% of the total budget is incurred in Nevada.
<input checked="" type="checkbox"/>	Attachment 6:	Proof of adequate financing, that (a) Seventy percent or more of the funding for the qualified production has been obtained; or (b) the Production Company has a corporate credit rating of "lower medium grade" or higher from a credit rating agency found suitable by the Office.
V AGREEMENTS AND ACKNOWLEDGEMENTS		
BD	(initial)	(A) I certify that the Production Company has, or will, secure all licenses, registrations and other filings required to do business in each location in Nevada at which the production will be produced.
BD	(initial)	(B) I agree and acknowledge that this is a qualified production as defined in NRS 360.7586.
BD	(initial)	(C) I agree and acknowledge that the production must be completed within 18 months after the date of commencement of principal photography.
BD	(initial)	(D) I agree and acknowledge that the Production Company will pay for a final audit by a Nevada independent certified public accountant approved by the Office. The audit will include an itemized report of direct production expenditures, show at least \$500,000 was incurred in Nevada, and submit to the Office not later than 270 days after completion of the Production.

<sup>[1]</sup> At least 60% of the direct production expenditures for pre-production, production, and post-production must be incurred in Nevada as qualified direct production expenditures. However, if all post-production will be completed outside of Nevada, then post-production expenditures can be withheld from the 60% calculation.

<sup>[2]</sup> Due to funding caps in the transferable tax credits for film and other productions program, priority shall be given to applications that are in the economic interest of the State and promote tourism to Nevada.

# STATE OF NEVADA

## Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program

V		AGREEMENTS AND ACKNOWLEDGEMENTS (CONTINUED)
BD	(initial)	(E) I agree and acknowledge that the Production Company shall provide a Declaration of Residency, with sufficient evidence, which will be a required part of the audit package for all cast and crew claimed to have Nevada residency during the production.
BD	(initial)	(F) I agree and acknowledge that the Production Company will repay to the Department or the State Gaming Control Board, as applicable, any portion of the transferable tax credits to which the producer is not entitled if found to have submitted any false statement, representation or certification in any document for the purpose of obtaining Transferable Tax Credits, or who otherwise becomes ineligible for transferable tax credits after receiving the transferable tax credits.
BD	(initial)	(G) I agree and acknowledge that the Production Company shall provide proof of insurance certificate, binder or quote for general liability insurance totaling \$1,000,000 or more at the start of production.
BD	(initial)	(H) I agree and acknowledge that the Production Company shall provide proof that the production meets the applicable requirements relating to worker's compensation insurance at the start of production.
BD	(initial)	(I) I agree and acknowledge that the State of Nevada may withhold, in whole or in part, any portion of the tax credits until any pending legal action in the State against the producer or qualified production is resolved.
BD	(initial)	(J) I agree and acknowledge that expenditures and costs which provide a pass-through benefit to a person or business who is not a Nevada resident or business (as defined in NRS 360.7583), are not qualified expenditures and are not eligible to serve as a basis for transferable tax credits, as described in NRS 360.7591(2) through NRS 360.7591(3).
BD	(initial)	(K) I acknowledge that a public hearing is required regarding this application.
BD	(initial)	(L) I agree and acknowledge that the Production Company will not be issued a Transferable Tax Credit Certificate until all required documentation and materials are submitted to the Office.
BD	(initial)	(M) I agree and acknowledge that the production will include a Nevada Film Office logo provided by the Office within the end screen credits, as described in NRS 360.759(3)(g).

### VI OATH AND SIGNATURE

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it and all of the attached information are true and correct.

<i>Brendan Devane</i>	06-02-23
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Signature of Authorized Representative

Date (mm/dd/yy)

Brendan Devane	Executive Producer
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Print Name

Title

**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
BUDGET BREAKDOWN**

**Note: This application is considered public record.**

**Instructions:** Adjust account numbers and descriptions as necessary to fit your budget. Break each account down into each of the four listed categories. The total budget will auto-calculate and should match the summary budget submitted. Only labor performed in Nevada is qualified; any labor performed outside of this State is considered a non-qualified expenditure. Below-the-line labor performed by non-Nevada residents in Nevada is also considered a non-qualified expenditure. [1] If post-production costs are not included in this application, do not include those account totals or breakdowns.

**Production Company:** Sound Film, LLC

**Date:** 6/8/2023

**Production Title:** The Sound

**Fiscal Year Funding:** 2022

ACCOUNT	DESCRIPTION	TOTAL BUDGET	LABOR - NEVADA RESIDENTS	LABOR - ATL NON-NV RESIDENTS [2]	NEVADA EXPENDITURES [3]	NON-QUALIFIED EXPENDITURES [4]	TOTAL QUALIFIED	TOTAL NON-QUALIFIED	NV	%	NON-NV %
1100	STORY/WRITERS	-					-	-		0%	0%
1200	PRODUCERS	148,000	110,000	38,000			148,000	-		100%	0%
1300	DIRECTION	37,925	37,925				37,925	-		100%	0%
1400	CAST	150,822	12,144	138,678			150,822	-		100%	0%
1500	TRAVEL & LIVING	65,000			65,000		65,000	-		100%	0%
1999	ATL FRINGE BENEFITS	24,476	7,329	17,147			24,476	-		100%	0%
2000	EXTRA TALENT	-					-	-		0%	0%
2100	PRODUCTION STAFF	95,168	95,168				95,168	-		100%	0%
2200	SET DESIGN	10,000	10,000				10,000	-		100%	0%
2300	SET CONSTRUCTION	140,000			140,000		140,000	-		100%	0%
2400	SPECIAL EFFECTS	-					-	-		0%	0%
2500	SET DRESSING	-					-	-		0%	0%
2600	PROPERTY	10,000			10,000		10,000	-		100%	0%
2700	CAMERA & VIDEO	134,034	56,134		55,400	22,500	111,534	22,500		83%	17%
2800	LIGHTING	60,263	19,263		21,000	20,000	40,263	20,000		67%	33%
2900	SET OPERATIONS	26,563	26,063		500		26,563	-		100%	0%
3000	PRODUCTION SOUND	25,000	20,000		5,000		25,000	-		100%	0%
3100	WARDROBE	26,458	15,458		11,000		26,458	-		100%	0%
3200	MAKEUP & HAIRDRESSING	11,207	11,207				11,207	-		100%	0%
3300	LOCATION EXPENSES	209,000			174,000	35,000	174,000	35,000		83%	17%
3400	PICTURE VEHICLES/ANIMALS	-					-	-		0%	0%
3500	TRANSPORTATION	32,000			32,000		32,000	-		100%	0%
3600	VISUAL EFFECTS	-					-	-		0%	0%
3700	PRODUCTION FILM & LAB	-					-	-		0%	0%
3800	VIDEO TAPE	-					-	-		0%	0%
3900	BTL TRAVEL AND LIVING	6,000				6,000	-	6,000		0%	100%
4000	FACILITY EXPENSES	-					-	-		0%	0%
4100	2ND UNIT	-					-	-		0%	0%
4200	TESTS	-					-	-		0%	0%
4999	BTL FRINGE BENEFITS	-					-	-		0%	0%
5000	EDITORIAL	-					-	-		0%	0%
5100	MUSIC	-					-	-		0%	0%
5200	POST PRODUCTION SOUND	-					-	-		0%	0%
5300	POST PRODUCTION FILM & LAB	-					-	-		0%	0%
5400	TITLES	-					-	-		0%	0%
5500	VISUAL EFFECTS	-					-	-		0%	0%
5999	POST PRODUCTION FRINGE BENEFITS	-					-	-		0%	0%
6000	INSURANCE	10,000				10,000	-	10,000		0%	100%
6100	PUBLICITY	10,000				10,000	-	10,000		0%	100%
6300	GENERAL EXPENSE	22,000			5,000	17,000	5,000	17,000		23%	77%
6500	CONTINGENCY	40,000			40,000		40,000	-		100%	0%
<b>TOTALS</b>		<b>1,293,916</b>	<b>420,691</b>	<b>193,825</b>	<b>558,900</b>	<b>120,500</b>	<b>1,173,416</b>	<b>120,500</b>	<b>91%</b>	<b>9%</b>	

[1] NRS 360.7593(1) In calculating the base amount of transferable tax credits pursuant to subsection 1 of NRS 360.7592: (a) Wages and salaries, including fringe benefits, paid to above-the-line personnel who are not Nevada residents must be included in the calculation at a rate of 12 percent. (b) Wages and salaries, including fringe benefits, paid to below-the-line personnel who are not Nevada residents: (4) For the period beginning January 1, 2017, must not be included in the calculation.

[2] NRS 360.7581(1) "Above-the-line personnel" means an executive producer, co-executive producer, producer, director, writer, principal actor, any other person having creative or financial control over a qualified production or any other person associated with such a person. The term does not include below-the-line personnel.

[3] NRS 360.7591(1) Qualified direct production expenditures must be for purchases, rentals or leases of tangible personal property or services from a Nevada business during the period in which a qualified production is produced, must be customary and reasonable and must relate to: (a) Set construction and operation; (b) Wardrobe and makeup; (c) Photography, sound and lighting; (d) Filming, film processing and film editing; (e) The rental or leasing of facilities, equipment and vehicles; (f) Food and lodging; (g) Editing, sound mixing, special effects, visual effects and other postproduction services; (h) The payroll for Nevada residents or other personnel who provided services in this State; (i) Payment for goods or services provided by a Nevada business; (j) The design, construction, improvement or repair of property, infrastructure, equipment or a production or postproduction facility; (k) State and local government taxes to the extent not included as part of another cost reported pursuant to this section; (l) Fees paid to a producer who is a Nevada resident; and (m) Any other transaction, service or activity authorized in regulations adopted by the Office of Economic Development pursuant to NRS 360.759.

[4] NRS 360.7591(2) Expenditures and costs: (a) Related to: (1) The acquisition, transfer or use of transferable tax credits; (2) Marketing and distribution; (3) Financing, depreciation and amortization; (4) The payment of any profits as a result of the qualified production; (5) The payment for the cost of the audit required by NRS 360.759; and (6) The payment for any goods or services that are not directly attributable to the qualified production; (b) For which reimbursement is received, or for which reimbursement is reasonably expected to be received; (c) Which are paid to a joint venturer or a parent subsidiary or other affiliate of the production company, unless the amount paid represents the fair market value of the purchase, rental or lease of the property or services for which payment is made; (d) Which provide a pass-through benefit to a person who is not a Nevada resident; or (e) Which have been previously claimed as a basis for transferable tax credits, are not qualified direct production expenditures and are not eligible to serve as a basis for transferable tax credits issued pursuant to NRS 360.759.

**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
JOBS SUMMARY**

**Instructions:** Include totals for all work performed both inside and outside of Nevada. Separate cast and crew into anticipated Nevada residents and non-Nevada residents. Input the number of crew members, anticipated total hours worked, total wages, and total fringes. The wage and fringe totals for Nevada resident labor performed in Nevada (cell G17) and above-the-line non-resident labor performed in Nevada (cell G21) should match the corresponding labor column totals on the Budget Breakdown sheet.

Production Company:

Production Title:

PRODUCTION HIRES:	CREW COUNT:	HOURS WORKED:	TOTAL WAGES:	TOTAL FRINGES:	WAGE & FRINGE TOTAL	WAGE HOURLY RATE:	WAGE & FRINGE HOURLY RATE:	FTE
<b>NEVADA RESIDENT LABOR PERFORMED IN NEVADA:</b>								
ATL NEVADA RESIDENT LABOR:	10	744	\$ 160,069	\$ 7,329	\$ 167,398	\$ 215.15	\$ 225.00	0.4
BTL NEVADA RESIDENT LABOR (not including extras):	25	5,112	\$ 225,175	\$ 9,918	\$ 235,093	\$ 44.05	\$ 45.99	2.5
NEVADA RESIDENT EXTRAS:	0	0	\$ -	\$ -	\$ -			0.0
<b>TOTAL NEVADA LABOR:</b>	<b>35</b>	<b>5,856</b>	<b>\$ 385,244</b>	<b>\$ 17,247</b>	<b>\$ 402,491</b>	<b>\$ 65.79</b>	<b>\$ 68.73</b>	<b>2.8</b>
<b>NON-NV RESIDENT LABOR PERFORMED IN NEVADA:</b>								
ATL NON-NEVADA RESIDENT LABOR:	22	936	\$ 176,678	\$ 17,262	\$ 193,940	\$ 188.76	\$ 207.20	0.5
BTL NON-NEVADA RESIDENT LABOR:	1	60	\$ 7,500		\$ 7,500	\$ 125.00	\$ 125.00	0.0
<b>TOTAL NON-NEVADA LABOR:</b>	<b>23</b>	<b>996</b>	<b>\$ 184,178</b>	<b>\$ 17,262</b>	<b>\$ 201,440</b>	<b>\$ 184.92</b>	<b>\$ 202.25</b>	<b>0.5</b>
<b>ALL LABOR PERFORMED OUTSIDE OF NEVADA:</b>								
ATL LABOR PERFORMED OUTSIDE OF NEVADA:					\$ -			0.0
BTL LABOR PERFORMED OUTSIDE OF NEVADA:					\$ -			0.0
<b>TOTAL LABOR PERFORMED OUTSIDE OF NEVADA:</b>	<b>0</b>	<b>0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			<b>0.0</b>
<b>TOTAL LABOR:</b>	<b>58</b>	<b>6,852</b>	<b>\$ 569,422</b>	<b>\$ 34,509</b>	<b>\$ 603,931</b>	<b>\$ 83.10</b>	<b>\$ 88.14</b>	<b>3.3</b>

**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
COMPENSATION LIMITS**

**Instructions:** Change cast and crew titles as needed. All producers on the production should be included in the producer subtotals. Include any entity (individual or loan-out) whose wage and fringe total will exceed \$750,000. [1] Include totals only for work performed in Nevada.

Production Company: Sound Film, LLC

Production Title: The Sound

<b>Nevada Residents</b>					
	Salary & Fringe Total	Maximum Allowed	Disallowed Expenditure	Remaining Allowed	% of NV Total Spend
<b>Above the Line</b>					
Executive Producer		750,000	-	-	0.0%
Producer		750,000	-	-	0.0%
Associate Producer	100,000	750,000	-	100,000	8.5%
(additional producers)	10,000	750,000	-	10,000	0.9%
(additional producers)		750,000	-	-	0.0%
<b>Subtotal All Producers</b>	<b>110,000</b>		<b>-</b>	<b>110,000</b>	<b>9.4%</b>
<b>Limit on Producers</b>	<b>10.0%</b>	<b>117,342</b>	<b>-</b>	<b>110,000</b>	
Director	37,925	750,000	-	37,925	
Lead Actor		750,000	-	-	
Supporting Actor		750,000	-	-	
Supporting Actor		750,000	-	-	
(additional items)	4,644	750,000	-	4,644	
(additional items)	7,500	750,000	-	7,500	
(additional items)		750,000	-	-	
<b>Subtotal Other Nevada ATL</b>	<b>50,069</b>		<b>-</b>	<b>50,069</b>	
<b>Total Nevada</b>	<b>160,069</b>		<b>-</b>	<b>160,069</b>	
<b>Total Nevada Expenditures</b>	<b>1,173,416</b>				

<b>Non-Nevada Residents</b>					
	Salary & Fringe Total	Maximum Allowed	Disallowed Expenditure	Remaining Allowed	% of NV Total Spend
<b>Above the Line</b>					
Executive Producer		750,000	-	-	0.0%
Producer		750,000	-	-	0.0%
Associate Producer		750,000	-	-	0.0%
(additional producers)	18,000	750,000	-	18,000	1.5%
(additional producers)	20,000	750,000	-	20,000	1.7%
<b>Subtotal All Producers</b>	<b>38,000</b>		<b>-</b>	<b>38,000</b>	<b>3.2%</b>
<b>Limit on Producers</b>	<b>5.0%</b>	<b>58,671</b>	<b>-</b>	<b>38,000</b>	
Director		750,000	-	-	
Lead Actor	13,425	750,000	-	13,425	
Supporting Actor	25,740	750,000	-	25,740	
Supporting Actor	70,195	750,000	-	70,195	
(additional items)	20,000	750,000	-	20,000	
(additional items)	3,096	750,000	-	3,096	
(additional items)	6,222	750,000	-	6,222	
<b>Subtotal Other Non-Nevada ATL</b>	<b>138,678</b>		<b>-</b>	<b>138,678</b>	
<b>Total Non-Nevada</b>	<b>176,678</b>		<b>-</b>	<b>176,678</b>	
<b>Total Nevada Expenditures</b>	<b>1,173,416</b>				

[1] NRS 360.7594(3) For the purposes of calculating qualified direct production expenditures: (a) The compensation payable to all producers who are Nevada residents must not exceed 10 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State. (b) The compensation payable to all producers who are not Nevada residents must not exceed 5 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State. (c) The compensation payable to any employee, independent contractor or any other person paid a wage or salary as compensation for providing labor services on the production of the qualified production must not exceed \$750,000.



**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
SUMMARY**

**Instructions:** Complete the number of production days. The rest of the form will auto-calculate based on inputs in previous worksheets.

**Production Company:** Sound Film, LLC  
**Production Title:** The Sound

**Date:** 6/8/2023

**Fiscal Year Funding:** 2022

	Pre-Production	Production	Post-Production	Total	Production days in a rural county
Total days in Nevada	5	16		21	<span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px;"></span>
Total days Outside of Nevada				-	
Total Days	<u>5</u>	<u>16</u>	-	<u>21</u>	<u>0%</u>

	Number of Personnel	Expenditure Amount	Disallowed Expenditures	Qualified Expenditures	Incentive Rate	Incentive Amount
Total Nevada Personnel Expenditures (Above the Line) Limit on compensation	10	167,398	-	167,398	15%	25,110
Total Non-Nevada Personnel Expenditures (Above the Line) Limit on compensation	22	193,940	-	193,940	12%	23,273
Total Nevada Personnel Expenditures (Below the Line) Excluding extras	25	235,093		235,093	15%	35,264
Total Nevada Personnel Expenditures (Extras)	-	-		-	15%	-
Percentage of Nevada Personnel (BTL)-for additional 5% [1]	<span style="border: 1px solid black; padding: 2px;">99%</span>					
Total Nevada Personnel Expenditures		402,491	-			
Total Qualified Non-NV Personnel Expenditures incurred in NV		193,940	-			
<b>Total Personnel Expenditures incurred in NV</b>		<u>596,431</u>	-			
Total Nevada Direct Production Expenditures		558,900		558,900	15%	83,835
Total Qualified Nevada Expenditures		1,155,331	-	1,155,331		
Total Non-Qualified Expenditures		120,500		120,500		
<b>Total Budget</b>		<u>1,275,831</u>	-	<u>1,275,831</u>		
Percentage of NV to Total Qualified Expenditures, must >60% [2]	<span style="border: 1px solid black; padding: 2px;">91%</span>					

**Additional Incentives**

Additional 5% incentive if >50% of BTL personnel are NV residents [3]	1,155,331	5%	57,767
Additional 5% incentive if >50% filming days occurred in rural county [4]	-	5%	-

**Projected Incentive Total** [5] \$ 225,248

Effective Incentive Rate 17.7%

Proof of Funds amount Production Company must show obtained [6]  
(70% of total Budget) \$ 893,082

[1] NRS 360.7592(3) For the purposes of paragraph (a) of subsection 2: (a) Except as otherwise provided in paragraph (b) of this subsection, the percentage of the below-the-line personnel who are Nevada residents must be determined by dividing the number of workdays worked by Nevada residents by the number of workdays worked by all below-the-line personnel. (b) Any work performed by an extra must not be considered in determining the percentage of the below-the-line personnel who are Nevada residents.

[2] NRS 360.759(3) To be eligible for transferable tax credits pursuant to this section, a production company must: (d) Provide proof satisfactory to the Office that at least 60 percent of the direct production expenditures for: (1) Preproduction; (2) Production; and (3) If any direct production expenditures for postproduction will be incurred in this State, postproduction; of the qualified production will be incurred in this State as qualified direct production expenditures.

**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
SUMMARY**

- [3] NRS 360.7592(2) Except as otherwise provided in subsections 3 and 4 and NRS 360.7594, in addition to the base amount calculated pursuant to subsection 1, transferable tax credits issued to an eligible production company pursuant to NRS 360.759 must include credits in an amount equal to: (a) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the below-the-line personnel of the qualified production are Nevada residents.
- [4] NRS 360.7592(2) Except as otherwise provided in subsections 3 and 4 and NRS 360.7594, in addition to the base amount calculated pursuant to subsection 1, transferable tax credits issued to an eligible production company pursuant to NRS 360.759 must include credits in an amount equal to: (b) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the filming days of the qualified production occurred in a county in this State in which, in each of the 2 years immediately preceding the date of application, qualified productions incurred less than \$10,000,000 of qualified direct production expenditures.
- [5] NRS 360.7594(2) The transferable tax credits issued to any production company for any qualified production pursuant to NRS 360.759: (a) Must not exceed a total amount of \$6,000,000.
- [6] NRS 360.759(3) To be eligible for transferable tax credits pursuant to this section, a production company must: (c) Provide proof satisfactory to the Office that 70 percent or more of the funding for the qualified production has been obtained.

Sound Film LLC  
PO Box 82548  
Las Vegas, NV 89180

31<sup>st</sup> May, 2023

Nevada Film Office  
555 E Washington Ave  
Las Vegas, NV 89101

Dear Nevada Film Office,

The feature film, The Sound, plans on highlighting the Mt. Charleston, and Las Vegas, NV area as a travel destination for Nevada. The film will shoot all principal photography (16 total shoot days) in Mt. Charleston and Las Vegas areas, and plans on hiring approximately 30 crew locally, as well as some local principal talent.

The distribution plans are to engage the world wide rock climbing community and aggressively seek foreign sales opportunities. Domestically, targeting a premiere at the SXSW Film Festival , with a small theatrical run and sale to a streamer. We plan on using the excellent production values this project will have, and the world class rock climbing talent attached to the project to push interest in the project. We also have a Las Vegas based unit publicist increasing the visibility of the film.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Devane', with a stylized flourish at the end.

Brendan Devane  
Executive Producer  
828-610-1237  
bdevane@sadielandproductions.com

**STATE OF NEVADA****Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program****Note: This application is considered public record.****I PRODUCTION COMPANY INFORMATION**

A. Full Legal Name of Production Company to receive the tax credit

Company Name: Flight Risk Productions, Inc.

Company Address: 901 Grier Dr.

City: Las Vegas

State: Nevada

Zip Code: 89119

B. Contacts

Primary Contact: Jenny Hinkey

Title: Line Producer

Phone: (323) 314-1635

Email: jennyhinkey@gmail.com

Other contacts authorized to discuss this form (if applicable):

Faith Strongheart, Supervisor Producer

Rebecca Ryan, Production Supervisor

John Thomas &amp; Michael Flynn, Prod. Accts.

Will French, Fallbrook Finance, Tax Credit Admin.

**II****PRODUCTION INFORMATION**

A. Production Title

Flight Risk

B. Type of Production

Feature Film

C. Will this production contain any obscene or sexually explicit material? If so, please explain.

No

E. Name of Producer(s)

Alex Lebovici, Alex Kaplenov, John Davis, John Fox, Bruce Davey

F. Name of Director(s)

Mel Gibson

G. Name(s) of Principal Cast

Mark Wahlberg





**III****PROPOSED SCHEDULE AND LOCATIONS**

	In Nevada <sup>(1)</sup>	Everywhere
A. Pre-production Start Date	May 15, 2023	May 8, 2023
B. Production Start Date	June 19, 2023	
C. Post-production Start Date		July 24, 2023
D. Project Completion Date		Feb 2024

<sup>(1)</sup> NRS 360.7591(1) Qualified direct production expenditures must be for purchases rentals or leases of tangible personal property or services from a Nevada business during the period in which a qualified production is produced. The first date of pre-production in Nevada is the first day of the qualified production period.

## STATE OF NEVADA

## Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program

III PROPOSED SCHEDULE AND LOCATIONS (CONTINUED)	
E. List of Nevada filming locations	LMG Las Vegas - 7060 Windy St., Las Vegas, NV 89119
	TBD Las Vegas Airport
F. Will any filming days take place in any of the following counties: Carson City, Churchill, Douglas, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Lyon, Mineral, Nye, Pershing, Storey, Washoe, White Pine? If so, indicate which counties and number of filming days in each.	
	No
G. Are postproduction costs included in this application? <sup>[1]</sup>	No
IV ATTACHMENTS	
<input checked="" type="checkbox"/>	Attachment 1: Script, storyboard, or synopsis of the production.
<input checked="" type="checkbox"/>	Attachment 2: Explanation of how the proposed production is in the economic interest of Nevada, including marketing & distribution plans. <sup>[2]</sup>
<input checked="" type="checkbox"/>	Attachment 3: Summary budget or top sheet for the entire production.
<input checked="" type="checkbox"/>	Attachment 4: Proposed Capital Investment in real property and other tangible personal property purchased (if applicable).
<input checked="" type="checkbox"/>	Attachment 5: Completed Incentive Calculation Worksheet, including separate subtotals for costs incurred within and outside of Nevada, above the line, below the line, Nevada residents and non-Nevada residents; as well as disallowed expenditures, and a jobs summary. It must show at least \$500,000 and 60% of the total budget is incurred in Nevada.
<input checked="" type="checkbox"/>	Attachment 6: Proof of adequate financing, that (a) Seventy percent or more of the funding for the qualified production has been obtained; or (b) the Production Company has a corporate credit rating of "lower medium grade" or higher from a credit rating agency found suitable by the Office.
V AGREEMENTS AND ACKNOWLEDGEMENTS	
	(initial) (A) I certify that the Production Company has, or will, secure all licenses, registrations and other filings required to do business in each location in Nevada at which the production will be produced.
	(initial) (B) I agree and acknowledge that this is a qualified production as defined in NRS 360.7586.
	(initial) (C) I agree and acknowledge that the production must be completed within 18 months after the date of commencement of principal photography.
	(initial) (D) I agree and acknowledge that the Production Company will pay for a final audit by a Nevada independent certified public accountant approved by the Office. The audit will include an itemized report of direct production expenditures, show at least \$500,000 was incurred in Nevada, and submit to the Office not later than 270 days after completion of the Production.

<sup>[1]</sup> At least 60% of the direct production expenditures for pre-production, production, and post-production must be incurred in Nevada as qualified direct production expenditures. However, if all post-production will be completed outside of Nevada, then post-production expenditures can be withheld from the 60% calculation.

<sup>[2]</sup> Due to funding caps in the transferable tax credits for film and other productions program, priority shall be given to applications that are in the economic interest of the State and promote tourism to Nevada.

## STATE OF NEVADA

### Application for Certificate of Eligibility for the Nevada Transferable Tax Credit Program

V	AGREEMENTS AND ACKNOWLEDGEMENTS (CONTINUED)
<div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">DS</div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">JH</div>	(initial) (E) I agree and acknowledge that the Production Company shall provide a Declaration of Residency, with sufficient evidence, which will be a required part of the audit package for all cast and crew claimed to have Nevada residency during the production.
<div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">DS</div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">JH</div>	(initial) (F) I agree and acknowledge that the Production Company will repay to the Department or the State Gaming Control Board, as applicable, any portion of the transferable tax credits to which the producer is not entitled if found to have submitted any false statement, representation or certification in any document for the purpose of obtaining Transferable Tax Credits, or who otherwise becomes ineligible for transferable tax credits after receiving the transferable tax credits.
<div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">DS</div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">JH</div>	(initial) (G) I agree and acknowledge that the Production Company shall provide proof of insurance certificate, binder or quote for general liability insurance totaling \$1,000,000 or more at the start of production.
<div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">DS</div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">JH</div>	(initial) (H) I agree and acknowledge that the Production Company shall provide proof that the production meets the applicable requirements relating to worker's compensation insurance at the start of production.
<div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">DS</div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">JH</div>	(initial) (I) I agree and acknowledge that the State of Nevada may withhold, in whole or in part, any portion of the tax credits until any pending legal action in the State against the producer or qualified production is resolved.
<div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">DS</div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">JH</div>	(initial) (J) I agree and acknowledge that expenditures and costs which provide a pass-through benefit to a person or business who is not a Nevada resident or business (as defined in NRS 360.7583), are not qualified expenditures and are not eligible to serve as a basis for transferable tax credits, as described in NRS 360.7591(2) through NRS 360.7591(3).
<div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">DS</div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">JH</div>	(initial) (K) I acknowledge that a public hearing is required regarding this application.
<div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">DS</div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">JH</div>	(initial) (L) I agree and acknowledge that the Production Company will not be issued a Transferable Tax Credit Certificate until all required documentation and materials are submitted to the Office.
<div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">DS</div> <div style="border: 1px solid black; padding: 2px; width: 30px; margin: 0 auto;">JH</div>	(initial) (M) I agree and acknowledge that the production will include a Nevada Film Office logo provided by the Office within the end screen credits, as described in NRS 360.759(3)(g).

VI	OATH AND SIGNATURE
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**Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it and all of the attached information are true and correct.**

DocuSigned by: Signature of the signatory representative	June 14, 2023 Date (mm/dd/yy)
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Jenny Hinkey Print Name	Production Coordinator/Supervisor Title
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**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
BUDGET BREAKDOWN**

**Note: This application is considered public record.**

**Instructions:** Adjust account numbers and descriptions as necessary to fit your budget. Break each account down into each of the four listed categories. The total budget will auto-calculate and should match the summary budget submitted. Only labor performed in Nevada is qualified; any labor performed outside of this State is considered a non-qualified expenditure. Below-the-line labor performed by non-Nevada residents in Nevada is also considered a non-qualified expenditure. [1] If post-production costs are not included in this application, do not include those account totals or breakdowns.

**Production Company:** FLIGHT RISK PRODUCTIONS, INC.

**Date:** 6/9/2023

**Production Title:** FLIGHT RISK

**Fiscal Year Funding:** 2022

ACCOUNT	DESCRIPTION	TOTAL BUDGET	LABOR - NEVADA RESIDENTS	LABOR - ATL NON-NV RESIDENTS [2]	NEVADA EXPENDITURES [3]	NON-QUALIFIED EXPENDITURES [4]	TOTAL QUALIFIED	TOTAL NON-QUALIFIED	NV %	NON-NV %
1100	STORY/WRITERS	363,000	-	-	-	363,000	-	363,000	0%	100%
1200	PRODUCERS	1,869,103	-	1,493,993	1,785	373,325	1,495,778	373,325	80%	20%
1300	DIRECTION	819,070	-	736,485	1,000	81,585	737,485	81,585	90%	10%
1400	CAST	5,467,461	4,609,006	565,848	129,605	163,002	5,304,459	163,002	97%	3%
1500	TRAVEL & LIVING	132,912	-	-	130,162	2,750	130,162	2,750	98%	2%
1999	ATL FRINGE BENEFITS	372,666	88,371	219,896	-	64,399	308,267	64,399	83%	17%
2000	EXTRA TALENT	43,880	43,880	-	-	-	43,880	-	100%	0%
2100	PRODUCTION STAFF	519,185	225,619	-	6,826	286,740	232,445	286,740	45%	55%
2200	SET DESIGN	190,863	80,852	-	3,199	106,812	84,051	106,812	44%	56%
2300	SET CONSTRUCTION	169,306	-	-	-	169,306	-	169,306	0%	100%
2400	SET STRIKE	-	-	-	-	-	-	-	0%	0%
2500	SET DECORATION	70,036	-	-	38,383	31,653	38,383	31,653	55%	45%
2600	PROPERTY	118,971	33,237	-	45,905	39,829	79,142	39,829	67%	33%
2900	PICTURE VEHICLES	153,037	-	-	153,037	-	153,037	-	100%	0%
3000	CAMERA	442,557	123,265	-	8,120	311,172	131,385	311,172	30%	70%
3100	SET OPERATIONS	417,405	214,462	-	172,731	30,212	387,193	30,212	93%	7%
3200	LIGHTING	308,089	122,616	-	155,261	30,212	277,877	30,212	90%	10%
3300	SPECIAL EFFECTS	422,035	100,427	-	48,369	273,239	148,796	273,239	35%	65%
3400	COSTUMES	139,082	69,183	-	43,694	26,205	112,877	26,205	81%	19%
3500	MAKE-UP & HAIR	149,385	87,030	-	28,306	34,049	115,336	34,049	77%	23%
3700	PRODUCTION SOUND	118,833	91,808	-	27,025	-	118,833	-	100%	0%
3800	PRODUCTION VIDEO	52,416	36,488	-	15,928	-	52,416	-	100%	0%
3900	TRANSPORTATION	398,671	252,609	-	146,062	-	398,671	-	100%	0%
4000	PRODUCTION OFFICE	157,402	-	-	134,152	23,250	134,152	23,250	85%	15%
4100	LOCATION EXPENSES	178,310	7,124	-	167,686	3,500	174,810	3,500	98%	2%
4200	STAGE FACILITIES	1,787,199	-	-	1,787,199	-	1,787,199	-	100%	0%
4300	BTL TRAVEL & LIVING	297,332	-	-	293,851	3,481	293,851	3,481	99%	1%
4400	PRODUCTION FILM & LAB	81,745	-	-	-	81,745	-	81,745	0%	100%
4700	PLATE SHOOT	873,378	-	-	-	873,378	-	873,378	0%	100%
4999	BTL FRINGE BENEFITS	983,379	434,127	-	-	549,252	434,127	549,252	44%	56%
5000	EDITORIAL	-	-	-	-	-	-	-	0%	0%
5100	MUSIC	-	-	-	-	-	-	-	0%	0%
5200	POST PRODUCTION SOUND	-	-	-	-	-	-	-	0%	0%
5300	POST PRODUCTION FILM & LAB	-	-	-	-	-	-	-	0%	0%
5400	TITLES	-	-	-	-	-	-	-	0%	0%
5500	VISUAL EFFECTS	-	-	-	-	-	-	-	0%	0%
7000	PROMOTIONS & MARKETING	-	-	-	-	-	-	-	0%	0%
6000	INSURANCE	356,329	-	-	352,794	3,535	352,794	3,535	99%	1%
6100	PUBLICITY	-	-	-	-	-	-	-	0%	0%
6300	GENERAL EXPENSE	450,000	-	-	147,000	303,000	147,000	303,000	33%	67%
6500	CONTINGENCY	450,000	150,000	150,000	150,000	-	450,000	-	100%	0%
<b>TOTALS</b>		<b>18,353,035</b>	<b>6,770,102</b>	<b>3,166,222</b>	<b>4,188,080</b>	<b>4,228,631</b>	<b>14,124,404</b>	<b>4,228,631</b>	<b>77%</b>	<b>23%</b>

[1] NRS 360.7593(1) In calculating the base amount of transferable tax credits pursuant to subsection 1 of NRS 360.7592: (a) Wages and salaries, including fringe benefits, paid to above-the-line personnel who are not Nevada residents must be included in the calculation at a rate of 12 percent. (b) Wages and salaries, including fringe benefits, paid to below-the-line personnel who are not Nevada residents: (4) For the period beginning January 1, 2017, must not be included in the calculation.

[2] NRS 360.7581(1) "Above-the-line personnel" means an executive producer, co-executive producer, producer, director, writer, principal actor, any other person having creative or financial control over a qualified production or any other person associated with such a person. The term does not include below-the-line personnel.

[3] NRS 360.7591(1) Qualified direct production expenditures must be for purchases, rentals or leases of tangible personal property or services from a Nevada business during the period in which a qualified production is produced, must be customary and reasonable and must relate to: (a) Set construction and operation; (b) Wardrobe and makeup; (c) Photography, sound and lighting; (d) Filming, film processing and film editing; (e) The rental or leasing of facilities, equipment and vehicles; (f) Food and lodging; (g) Editing, sound mixing, special effects, visual effects and other postproduction services; (h) The payroll for Nevada residents or other personnel who provided services in this State; (i) Payment for goods or services provided by a Nevada business; (j) The design, construction, improvement or repair of property, infrastructure, equipment or a production or postproduction facility; (k) State and local government taxes to the extent not included as part of another cost reported pursuant to this section; (l) Fees paid to a producer who is a Nevada resident; and (m) Any other transaction, service or activity authorized in regulations adopted by the Office of Economic Development pursuant to NRS 360.759.

[4] NRS 360.7591(2) Expenditures and costs: (a) Related to: (1) The acquisition, transfer or use of transferable tax credits; (2) Marketing and distribution; (3) Financing, depreciation and amortization; (4) The payment of any profits as a result of the qualified production; (5) The payment for the cost of the audit required by NRS 360.759; and (6) The payment for any goods or services that are not directly attributable to the qualified production; (b) For which reimbursement is received, or for which reimbursement is reasonably expected to be received; (c) Which are paid to a joint venturer or a parent subsidiary or other affiliate of the production company, unless the amount paid represents the fair market value of the purchase, rental or lease of the property or services for which payment is made; (d) Which provide a pass-through benefit to a person who is not a Nevada resident; or (e) Which have been previously claimed as a basis for transferable tax credits, are not qualified direct production expenditures and are not eligible to serve as a basis for transferable tax credits issued pursuant to NRS 360.759.

**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
JOBS SUMMARY**

**Instructions:** Include totals for all work performed both inside and outside of Nevada. Separate cast and crew into anticipated Nevada residents and non-Nevada residents. Input the number of crew members, anticipated total hours worked, total wages, and total fringes. The wage and fringe totals for Nevada resident labor performed in Nevada (cell G17) and above-the-line non-resident labor performed in Nevada (cell G21) should match the corresponding labor column totals on the Budget Breakdown sheet.

Production Company: **FLIGHT RISK PRODUCTIONS, INC.**

Production Title: **FLIGHT RISK**

PRODUCTION HIRES:	CREW COUNT:	HOURS WORKED:	TOTAL WAGES:	TOTAL FRINGES:	WAGE & FRINGE TOTAL	WAGE HOURLY RATE:	WAGE & FRINGE HOURLY RATE:	FTE
<b>NEVADA RESIDENT LABOR PERFORMED IN NEVADA:</b>								
ATL NEVADA RESIDENT LABOR:	12	1,314	\$ 4,759,006	\$ 88,371	\$ 4,847,377	\$ 3,621.77	\$ 3,689.02	0.6
BTL NEVADA RESIDENT LABOR (not including extras):	86	17,162	\$ 1,444,718	\$ 413,084	\$ 1,857,802	\$ 84.18	\$ 108.25	8.3
NEVADA RESIDENT EXTRAS:	4	970	\$ 43,880	\$ 21,043	\$ 64,923	\$ 45.24	\$ 66.93	0.5
<b>TOTAL NEVADA LABOR:</b>	<b>102</b>	<b>19,446</b>	<b>\$ 6,247,604</b>	<b>\$ 522,498</b>	<b>\$ 6,770,102</b>	<b>\$ 321.28</b>	<b>\$ 348.15</b>	<b>9.3</b>
<b>NON-NV RESIDENT LABOR PERFORMED IN NEVADA:</b>								
ATL NON-NEVADA RESIDENT LABOR:	9	3,960	\$ 2,946,326	\$ 219,896	\$ 3,166,222	\$ 744.02	\$ 799.55	1.9
BTL NON-NEVADA RESIDENT LABOR:	23	9,200	\$ 887,178	\$ 413,190	\$ 1,300,368	\$ 96.43	\$ 141.34	4.4
<b>TOTAL NON-NEVADA LABOR:</b>	<b>32</b>	<b>13,160</b>	<b>\$ 3,833,504</b>	<b>\$ 633,086</b>	<b>\$ 4,466,590</b>	<b>\$ 291.30</b>	<b>\$ 339.41</b>	<b>6.3</b>
<b>ALL LABOR PERFORMED OUTSIDE OF NEVADA:</b>								
ATL LABOR PERFORMED OUTSIDE OF NEVADA:	9	1,320	\$ 192,446	\$ 5,509	\$ 197,955	\$ 145.79	\$ 149.97	0.6
BTL LABOR PERFORMED OUTSIDE OF NEVADA:	20	4,512	\$ 605,718	\$ 89,146	\$ 694,864	\$ 134.25	\$ 154.00	2.2
<b>TOTAL LABOR PERFORMED OUTSIDE OF NEVADA:</b>	<b>29</b>	<b>5,832</b>	<b>\$ 798,164</b>	<b>\$ 94,655</b>	<b>\$ 892,819</b>	<b>\$ 136.86</b>	<b>\$ 153.09</b>	<b>2.8</b>
<b>TOTAL LABOR:</b>	<b>163</b>	<b>38,438</b>	<b>\$ 10,879,272</b>	<b>\$ 1,250,239</b>	<b>\$ 12,129,511</b>	<b>\$ 283.03</b>	<b>\$ 315.56</b>	<b>18.5</b>



**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
COMPENSATION LIMITS**

**Instructions:** Change cast and crew titles as needed. All producers on the production should be included in the producer subtotals. Include any entity (individual or loan-out) whose wage and fringe total will exceed \$750,000. [1] Include totals only for work performed in Nevada.

**Production Company:** FLIGHT RISK PRODUCTIONS, INC.

**Production Title:** FLIGHT RISK

<b>Nevada Residents</b>					
	Salary & Fringe Total	Maximum Allowed	Disallowed Expenditure	Remaining Allowed	% of NV Total Spend
<b>Above the Line</b>					
Executive Producer	-	750,000	-	-	0.0%
Producer	-	750,000	-	-	0.0%
Associate Producer	-	750,000	-	-	0.0%
(additional producers)	-	750,000	-	-	0.0%
(additional producers)	-	750,000	-	-	0.0%
<b>Subtotal All Producers</b>	-		-	-	<b>0.0%</b>
<b>Limit on Producers</b>	<b>10.0%</b>	<b>1,412,440</b>	-	-	
Director	-	750,000	-	-	
Principal Cast	4,550,006	750,000	3,800,006	750,000	
Supporting Actor	-	750,000	-	-	
Supporting Actor	-	750,000	-	-	
(additional items)	-	750,000	-	-	
(additional items)	-	750,000	-	-	
(additional items)	-	750,000	-	-	
<b>Subtotal Other Nevada ATL</b>	<b>4,550,006</b>		<b>3,800,006</b>	<b>750,000</b>	
<b>Total Nevada</b>	<b>4,550,006</b>		<b>3,800,006</b>	<b>750,000</b>	
<b>Total Nevada Expenditures</b>	<b>14,124,404</b>				

<b>Non-Nevada Residents</b>					
	Salary & Fringe Total	Maximum Allowed	Disallowed Expenditure	Remaining Allowed	% of NV Total Spend
<b>Above the Line</b>					
Executive Producer	409,150	750,000	-	409,150	2.9%
Producer	1,500,000	750,000	750,000	750,000	5.3%
Associate Producer	-	750,000	-	-	0.0%
(additional producers)	-	750,000	-	-	0.0%
(additional producers)	-	750,000	-	-	0.0%
<b>Subtotal All Producers</b>	<b>1,909,150</b>		<b>750,000</b>	<b>1,159,150</b>	<b>8.2%</b>
<b>Limit on Producers</b>	<b>5.0%</b>	<b>706,220</b>	<b>452,930</b>	<b>706,220</b>	
Director	-	750,000	-	-	
Principal Cast	-	750,000	-	-	
Supporting Actor	-	750,000	-	-	
Supporting Actor	-	750,000	-	-	
(additional items)	-	750,000	-	-	
(additional items)	-	750,000	-	-	
(additional items)	-	750,000	-	-	
<b>Subtotal Other Non-Nevada ATL</b>	-		-	-	
<b>Total Non-Nevada</b>	<b>1,909,150</b>		<b>1,202,930</b>	<b>706,220</b>	
<b>Total Nevada Expenditures</b>	<b>14,124,404</b>				

[1] NRS 360.7594(3) For the purposes of calculating qualified direct production expenditures: (a) The compensation payable to all producers who are Nevada residents must not exceed 10 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State. (b) The compensation payable to all producers who are not Nevada residents must not exceed 5 percent of the portion of the total budget of the qualified production that was expended in or attributable to any expenses incurred in this State. (c) The compensation payable to any employee, independent contractor or any other person paid a wage or salary as compensation for providing labor services on the production of the qualified production must not exceed \$750,000.

**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
SUMMARY**

**Instructions:** Complete the number of production days. The rest of the form will auto-calculate based on inputs in previous worksheets.

**Production Company:** FLIGHT RISK PRODUCTIONS, INC.  
**Production Title:** FLIGHT RISK

**Date:** 6/9/2023

**Fiscal Year Funding:** 2022

	Pre-Production	Production	Post-Production	Total	Production days in a rural county
Total days in Nevada	20	23	-	43	-
Total days Outside of Nevada	-	4	168	172	
Total Days	<b>20</b>	<b>27</b>	<b>168</b>	<b>215</b>	<b>0%</b>

	Number of Personnel	Expenditure Amount	Disallowed Expenditures	Qualified Expenditures	Incentive Rate	Incentive Amount
Total Nevada Personnel Expenditures (Above the Line) Limit on compensation	12	4,847,377	3,800,006	1,047,371	15%	157,106
Total Non-Nevada Personnel Expenditures (Above the Line) Limit on compensation	9	3,166,222	1,202,930	1,963,292	12%	235,595
Total Nevada Personnel Expenditures (Below the Line) Excluding extras	86	1,857,802		1,857,802	15%	278,670
Total Nevada Personnel Expenditures (Extras)	4	64,923		64,923	15%	9,738
Percentage of Nevada Personnel (BTL)-for additional 5% [1]	56%					
Total Nevada Personnel Expenditures		6,770,102	3,800,006			
Total Qualified Non-NV Personnel Expenditures incurred in NV		3,166,222	1,202,930			
<b>Total Personnel Expenditures incurred in NV</b>		<b>9,936,324</b>	<b>5,002,936</b>			
Total Nevada Direct Production Expenditures		4,188,080		4,188,080	15%	628,212
Total Qualified Nevada Expenditures		14,124,404	5,002,936	9,121,468		
Total Non-Qualified Expenditures		4,228,631		4,228,631		
<b>Total Budget</b>		<b>18,353,035</b>	<b>5,002,936</b>	<b>13,350,099</b>		
Percentage of NV to Total Qualified Expenditures, must >60% [2]				68%		

**Additional Incentives**

Additional 5% incentive if >50% of BTL personnel are NV residents [3]	9,121,468	5%	456,073
Additional 5% incentive if >50% filming days occurred in rural county [4]	-	5%	-

**Projected Incentive Total [5]** **\$ 1,765,395**

Effective Incentive Rate 9.6%

Proof of Funds amount Production Company must show obtained [6]  
(70% of total Budget) \$ 12,847,125

[1] NRS 360.7592(3) For the purposes of paragraph (a) of subsection 2: (a) Except as otherwise provided in paragraph (b) of this subsection, the percentage of the below-the-line personnel who are Nevada residents must be determined by dividing the number of workdays worked by Nevada residents by the number of workdays worked by all below-the-line personnel. (b) Any work performed by an extra must not be considered in determining the percentage of the below-the-line personnel who are Nevada residents.

[2] NRS 360.759(3) To be eligible for transferable tax credits pursuant to this section, a production company must: (d) Provide proof satisfactory to the Office that at least 60 percent of the direct production expenditures for: (1) Preproduction; (2) Production; and (3) If any direct production expenditures for postproduction will be incurred in this State, postproduction; of the qualified production will be incurred in this State as qualified direct production expenditures.

**STATE OF NEVADA  
INCENTIVE CALCULATION WORKSHEET  
SUMMARY**

- [3] NRS 360.7592(2) Except as otherwise provided in subsections 3 and 4 and NRS 360.7594, in addition to the base amount calculated pursuant to subsection 1, transferable tax credits issued to an eligible production company pursuant to NRS 360.759 must include credits in an amount equal to: (a) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the below-the-line personnel of the qualified production are Nevada residents.
- [4] NRS 360.7592(2) Except as otherwise provided in subsections 3 and 4 and NRS 360.7594, in addition to the base amount calculated pursuant to subsection 1, transferable tax credits issued to an eligible production company pursuant to NRS 360.759 must include credits in an amount equal to: (b) An additional 5 percent of the qualified direct production expenditures if more than 50 percent of the filming days of the qualified production occurred in a county in this State in which, in each of the 2 years immediately preceding the date of application, qualified productions incurred less than \$10,000,000 of qualified direct production expenditures.
- [5] NRS 360.7594(2) The transferable tax credits issued to any production company for any qualified production pursuant to NRS 360.759: (a) Must not exceed a total amount of \$6,000,000.
- [6] NRS 360.759(3) To be eligible for transferable tax credits pursuant to this section, a production company must: (c) Provide proof satisfactory to the Office that 70 percent or more of the funding for the qualified production has been obtained.

Explanation of how the proposed production is in the economic interest of Nevada, including marketing & distribution plans. [2]

We will be hiring the majority of our crew locally in Las Vegas and the surrounding areas as well as casting our day players from Nevada.

We will be housing all out of town people in hotels and apartments in the Las Vegas and our cast and crew will be regularly eating at local establishments and spending money on entertainment.

In addition, we will be working with local vendors to rent equipment and purchase items for the film. We will also be renting stage space and paying location fees for the shooting locations.

We have 22 days shooting in the Las Vegas area, which will generate a substantial spend from our overall budget.