

**CERTIFICACIÓN**
CERTIFICATION**SOBRE OTORGAMIENTO DE CONTRATO, ESCRITURA O DOCUMENTO RELACIONADO**
REGARDING THE EXECUTION OF CONTRACTS, DEEDS AND OTHER RELATED DOCUMENT

[1] Código de Entidad 2298
Entity Code

[2] Número de Contrato 2010-000021
Contract Number

[3] Fecha de Otorgamiento (dd/mm/aa) 19/10/09
Date of execution (dd/mm/yy)

[4] Cuantía Total \$340,000.00
Total amount

[5] Cuentas: 248-234-00000-81-2002
Accounts

[6] Código del Tipo de Contrato 11-PRESTAMOS
Contract Type Code

[7] Exento 0-No Exento
Exempt

[8] Orden (Aprobación o dispensa de algún organismo del Gobierno) N/A
Authorization or waiver from another government entity

[9] Vigencia desde (dd/mm/aa) 19/10/09 hasta (dd/mm/aa) 19/10/14
Effective date from (dd/mm/yy) to (dd/mm/yy)

[10] Seguro Social Personal o Patronal 660-46-0897
Social Security Number

[11] Contratista(s) ISLA FILMS, INC.
Contractor

[12] Representante(s) de la(s) Entidad(es) Gubernamental(es) Mariella Pérez Serrano
Government Representative(s)

Se somete la presente certificación en un cumplimiento con la Carta Circular promulgada por el Contralor de Puerto Rico y en cumplimiento con el Reglamento Núm. 33 Sobre Registro de Contratos, Escrituras y Documentos Relacionados y Envío de Copias a la Oficina del Contralor. Esta debe ser remitida a la Oficina del Contralor.
(This certification is submitted in compliance with the instructions issued by the Comptroller of Puerto Rico and in accordance with Regulation No. 33, regarding the Registration of Contracts, Deeds and Other Related Documents and the Mailing of such Copies to the Comptroller's Office by the government entity.)

Los suscribientes certificamos haber otorgado hoy el contrato descrito en este documento.
The undersigned, certify having that the contract described in this document was executed on this date.

[13] En (ciudad) SAN JUAN, Puerto Rico, hoy (dd/mm/aa) 19/10/09
In , Puerto Rico, today (dd/mm/yy)

[14] Firma(s) Contratista(s):
Signature of the Contractor(s):
JAMES KRALF SS: 660-46-0897
Firma (Signature)
ISLA FILMS, INC.

[15] Firma(s) Funcionario(s) Gubernamental(es):
Signature of the Government Official(s):
Mariella Pérez Serrano
Firma (Signature)
Mariella Pérez Serrano
Letra de molde (print)

MEMBERSHIP INTEREST SUBSCRIPTION AGREEMENT
dated as of October 19, 2009 (this "Agreement") between:

ISLA FILMS LLC, a Puerto Rico limited liability company (the "Company"), and

THE CORPORATION FOR THE DEVELOPMENT OF THE ARTS, SCIENCES AND CINEMATOGRAPHIC INDUSTRY OF PUERTO RICO (hereinafter referred to as the "PUERTO RICO FILM CORPORATION" or the "PRFC"), a public corporation of the Commonwealth of Puerto Rico, organized pursuant to the provisions of its enabling act, Law Number 121 of August 17, 2001, as amended.

BACKGROUND

WHEREAS, PRFC wishes to subscribe for and purchase, and the Company desires to issue and sell, the PRFC Interest (as hereinafter defined) on the terms and subject to the conditions set forth herein; and

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Limited Liability Company Operating Agreement of the Company, dated as of October 19, 2009, as the same may be amended from time to time (the "LLC Agreement").

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I
THE INTERESTS

Subject to the terms and conditions herein set forth, the Company agrees to issue and sell to PRFC, and PRFC, agrees to purchase from the Company, the PRFC Interest for the

aggregate PRFC Purchase Price on the Closing Date. The PRFC Interest shall be issued to PRFC pursuant to Article II hereof and shall be subject to the terms and provisions of the LLC Agreement.

ARTICLE II
PURCHASE AND SALE

Section 2.1 Purchase and Sale. Upon the terms and subject to the conditions of this Agreement, the Company agrees to issue and sell to PRFC, and PRFC agrees to purchase from the Company, at the Closing, a number of Class B Membership Interests equal to 340 Class B Membership Interests (the "PRFC Interest"). Each such Class B Membership Interest shall be purchased by PRFC for a purchase price equal to \$1,000 per Class B Membership Interest (the "PRFC Purchase Price"), and shall be issued by the Company to PRFC.

Section 2.2 Payment of Purchase Price; Closing. The Company will deliver the PRFC Interest to PRFC, against payment by or on behalf of PRFC, of the aggregate PRFC Purchase Price, as set forth above in Section 2.1, by wire transfer in immediately available funds to the account designated by the Company on Annex A or by check. The time and date of such delivery and payment shall be 4:00 p.m., San Juan, Puerto Rico time, on October 19, 2009 or such other date or time as the parties shall mutually agree (such time being referred to herein as the "Closing Date," and the closing of the transactions contemplated by this Agreement, the "Closing"). The Closing shall take place at the offices of Coto Malley & Tamargo, LLP San Juan, Puerto Rico, at which time the parties shall make the deliveries described below.

- (a) Deliveries by the Company. At the Closing, the Company shall deliver or cause to be delivered to PRFC and, a certificate, dated the Closing Date, of an executive officer of the Company, certifying that, as of such date, the representations and warranties of the Company contained herein are

accurate, true and correct with the same force and effect as though made on and as of such date and that the books and records of the Company have been adjusted to reflect the issuance of the PRFC Interest to PRFC.

(b) Deliveries by PRFC. At the Closing, PRFC shall deliver or cause to be delivered the following to the Company:
(i) the aggregate PRFC Purchase Price;

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to PRFC as of the date hereof and as of the Closing that:

Section 3.1 Due Organization. The Company has been duly formed and validly exists as a Puerto Rico limited liability company in good standing under the laws of the Commonwealth of Puerto Rico.

Section 3.2 Authorization. The Company has the requisite power to enter into this Agreement and the transactions and agreements contemplated hereby (the "Transactions") and to carry out its obligations hereunder and thereunder. This Agreement has been duly authorized, and this Agreement has been duly executed and delivered by the Company and constitutes a valid and binding agreement enforceable in accordance with its terms, except, to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors rights generally or by general equitable principles. Neither the execution and delivery of this Agreement, the consummation of the Transactions, nor compliance with the terms, conditions or provisions of this Agreement will be a violation of any of the terms, conditions or provisions of the Company's Certificate of Formation or the LLC Agreement (as amended through the Closing Date).

Section 3.3 Due Issuance. The Interests have been duly authorized, and when issued and delivered against payment therefor as provided herein, will be duly and validly issued, fully paid and non-assessable.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF PRFC

PRFC (each, a "Purchaser") represents and warrants to the Company as of the date hereof and as of the Closing that:

Section 4.1 Due Organization. Purchaser is duly organized and is validly existing and in good standing under the laws of its jurisdiction of formation.

Section 4.2 Authorization. Purchaser has the requisite power to enter into this Agreement and the Transactions and to carry out its obligations hereunder and thereunder. This Agreement has been duly authorized, executed and delivered by Purchaser and constitutes a valid and binding agreement of Purchaser enforceable in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors rights generally or by general equitable principles. Neither the execution and delivery of this Agreement, consummation of the Transactions, nor compliance with the terms, conditions or provisions of this Agreement, will be a violation of any of the terms, conditions or provisions of Purchaser's charter and bylaws or comparable organizational documents.

Section 4.3 Access to Information. Purchaser has been supplied with and has had access to such information as it deems relevant to entering into this Agreement and has had the opportunity to inquire of management of the Company as to any such information.

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ARTICLE V
CONDITIONS TO CLOSING

Section 5.1 Conditions to the Obligations of the Company. The obligations of the Company hereunder shall be subject to the following conditions:

- (a) All representations and warranties and other statements of the Purchaser herein are, at and as of the Closing, true and correct; and
- (b) The Purchaser shall have performed all of its obligations hereunder theretofore to be performed.

Section 5.2 Conditions to the Obligations of the Purchaser. The obligations of the Purchaser hereunder shall be subject to the following conditions:

- (a) All representations and warranties and other statements of the Company herein are, at and as of the Closing, true and correct
- (b) The Company shall have performed all of its obligations hereunder theretofore to be performed;
- (c) (i) the Company shall not have failed to pay any principal of or interest on indebtedness for borrowed money within any applicable grace period following the due date thereof, (ii) no such indebtedness shall have been accelerated by the holders thereof because of a default under any of the terms of such indebtedness, and (iii) the Company shall not have failed to pay any required distributions within any applicable grace period following the due date thereof pursuant to the terms of any agreement;
- (d) since the date of this Agreement, there shall not have been any event, change, effect or development that, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on the business,

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assets, financial condition or results of operations of the Company and its subsidiaries, taken as a whole (an "MAE");

(e) no law, regulation, injunction or other legal restraint or prohibition preventing the consummation of the Transactions shall be in effect;

(f) neither the Company nor any of its material subsidiaries shall have (i) commenced a voluntary proceeding under Title 11 of the United States Code, as amended (the "Bankruptcy Code") or any other state or federal bankruptcy law, (ii) consented to the entry of an order for relief against it in an involuntary case under the Bankruptcy Code or any other state or federal bankruptcy or insolvency law, (iii) consented to the appointment of a custodian of it or for substantially all of its property, or (iv) made a general assignment for the benefit of its creditors, and no court of competent jurisdiction shall have entered an order for relief against the Company or any such subsidiary in an involuntary case under the Bankruptcy Code or any other state or federal bankruptcy law; and

(g) in the case of PRFC, PRFC shall have received from the U.S. Treasury funds in an amount at least equal to the aggregate PRFC Purchase Price, the use of proceeds of which is limited by PRFC's consummation of the purchase of the PRFC Interest.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Further Assurances. Each party hereto shall do and perform or cause to be done and performed all further acts and shall execute and deliver all other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

Section 6.2 Public Announcements. The parties shall consult with each other before issuing any press releases or otherwise making any public statements with respect to this Agreement or the transactions contemplated hereby, and none of the parties shall issue any press release or make any public statement without the prior written consent of the other parties, except as may be required by law and then only with such prior consultation with the other parties to the extent practicable.

Section 6.3 Amendments and Waivers.

(a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is duly executed and delivered by the Company and each of the Purchasers; and

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 6.4 Survival. The representations and warranties of the parties shall survive the Closing forever.

Section 6.5 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective legal successors and permitted assigns. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person or entity other than the parties and their respective legal successors and permitted assigns. Neither of the Purchasers may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other parties hereto.

Section 6.6 Notices. Any notice or other communication provided for herein or given hereunder to a party shall be in writing and shall be given by delivery, by telex, telecopier or by mail (registered or certified mail, postage prepaid, return receipt requested) to the respective parties as follows:

If to PRFC:

or to such other address with respect to a party as such party shall notify the other in writing.

Section 6.7 Entire Agreement. This Agreement constitutes the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, among the parties and their affiliates with respect to the subject matter hereof.

Section 6.8 Expenses. Except as otherwise expressly contemplated herein to the contrary, regardless of whether the Transactions are consummated, each party shall pay its own expenses incident to preparing for, entering into and carrying out this Agreement and the consummation of the Transactions.

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Section 6.9 Captions. The Section and Paragraph captions herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

Section 6.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. This Agreement shall become effective when each party shall have received counterparts hereof signed by each of the other parties.

Section 6.11 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH

THE LAWS OF THE STATE OF PUERTO RICO, WITHOUT REGARD TO THE CONFLICTS OF LAW RULES OF SUCH JURISDICTION.

Section 6.12 Jurisdiction; Venue; Services of Process. Each of the parties hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the Puerto Rico Court of First Instance, or in the event (but only in the event) that such court does not have subject matter jurisdiction over such action or proceeding, the United States District Court for the District of Puerto Rico, for any proceeding arising out of or relating to this Agreement and the Transactions (and agrees not to commence any proceeding relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth in this Agreement shall be effective service of process for any proceeding brought against it in any such court.

Section 6.13 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party.

Section 6.14 No Presumption Against Drafter. Each of the parties has jointly participated in the negotiation and drafting of this Agreement. In the event of an ambiguity or a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by each of the parties and no presumptions or burdens of proof shall arise favoring any party by virtue of the authorship of any of the provisions of this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered as of the day and year first executed.

PRFC

By: /s/ 
Name: *Mariella Pérez Serrano*
Title: Executive Director

ISLA FILMS LLC

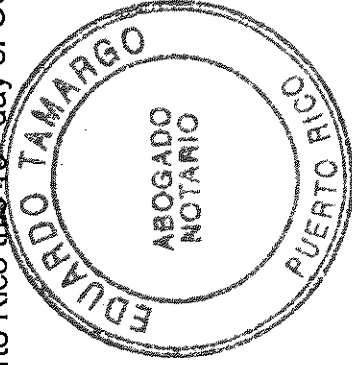
By: Isla Films, Inc.
its Managing Member

By: /s/ 
Name: *Frances Lausell*
Title: Authorized Signatory

[Membership Interests Subscription Agreement Signature Page]

Affidavit No. 6489

Acknowledged and subscribed to before me by Mariella Pérez Serrano, as Executive Director of Puerto Rico Film Corporation, of legal age, married, executive and resident of San Juan, Puerto Rico and by Frances Lausell, of legal age, married, executive and resident of San Juan, Puerto Rico, in her capacity as President of Isla Films, Inc., managing partner of Isla Films, LLC.; both personally known to me, in San Juan, Puerto Rico this 19th day of October 2009.




NOTARY PUBLIC

Annex A

PRFC

WIRING INSTRUCTIONS

LEGAL NAME: ISLA FILMS PRODUCTIONS, LLC
PLACE OF INCORPORATION: Puerto Rico
CASH/FED WIRE (BANK CODE): 362
ABA (IBAN; Routing Number): 021502011
A/C: 362082924
SWIFT Code: bppprsx
A/C Name: Isla Films, LLC
Banco Popular de Puerto Rico
Sucursal Señorial Center 278
Ave. Lomas Verdes
San Juan, Puerto Rico, 00926

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GUARANTY

THIS GUARANTY (this "Guaranty") dated as of October 19, 2009 is made by the undersigned ISLA FILMS, INC., a corporation organized and existing under the laws of the Commonwealth of Puerto Rico, represented herein by its authorized representative, Frances Lausell, of legal age, married, executive and a resident of San Juan, Puerto Rico (the "Guarantor"), in favor of THE CORPORATION FOR THE DEVELOPMENT OF THE ARTS, SCIENCES AND CINEMATOGRAPHIC INDUSTRY OF PUERTO RICO (hereinafter referred to as the "PUERTO RICO FILM CORPORATION", or the "Investor").

W I T N E S S E T H:

WHEREAS, pursuant to the Operating Agreement, dated as of even date herewith (together with all amendments and other modifications, if any, from time to time made thereto, the "Operating Agreement"), between ISLA FILMS, LLC, a limited liability company organized and existing under the laws of the Commonwealth of Puerto Rico (hereinafter referred to as the "Company") and the Investor, the latter has agreed to make a invest (the "Investment") in the Company as a Preferred Member; and

WHEREAS, as a condition precedent to the making of the Investment under the Operating Agreement, the Guarantor is required to execute and deliver this Guaranty;

WHEREAS, it is in the best interest of the Guarantor to execute this Guaranty inasmuch as the Guarantor will derive substantial direct and indirect benefits from the Investment made to the Company pursuant to the Operating Agreement;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce the Investor to make an Operating Agreement to the Company pursuant to the Operating Agreement, the Guarantor agrees, for the benefit of the Investor, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 Certain Terms. The following terms (whether or not underscored) when used in this Guaranty, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

Company is defined in the first recital.

Guaranteed Obligations is defined in Section 2.1 hereof.

Guarantor is defined in the preamble.

Guaranty is defined in the preamble.

Investor is defined in the first recital.

Operating Agreement is defined in the first recital.

Material Adverse Effect means a material adverse effect on (a) the condition (financial or otherwise), operations, business, properties, assets or prospects of the Guarantor or (b) the ability of the Guarantor to timely and fully perform any of its payment or other material obligations under this Guaranty or any other document to which it is a party.

SECTION 1.2 Operating Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this Guaranty, including its preamble and recitals, have the meanings provided in the Operating Agreement.

ARTICLE II

GUARANTY PROVISIONS

SECTION 2.1 Guaranty. In the event Investor, in its sole discretion, determines the Company, willfully or through gross negligence fails to comply with its obligations under the Operating Agreement and/or completion of the Picture (hereinafter the "Gross Negligence Event"), the Guarantor hereby

absolutely, unconditionally and irrevocably as primary obligor and not merely as surety, guarantees the full and prompt return and payment of the Investment, and of all obligations (monetary or otherwise) of the Company to the Investor, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, now or hereafter existing, or due or to become due, which arise out of or in connection with the Operating Agreement, or any other document, in each case as the same may be amended, modified, extended or renewed from time to time (the obligation to repay and return the Investment and all pay all aforementioned obligations being herein collectively called the "Guaranteed Obligations").

This Guaranty constitutes a guaranty by the Guarantor of payment when due and not of collection, and the Guarantor specifically agrees that it shall not be necessary or required that the Investor exercise any right, assert any claim or demand or enforce any remedy whatsoever against the Company (or any other Person) before or as a condition to the obligations of the Guarantor hereunder.

SECTION 2.2 Acceleration of Guaranty. Notwithstanding anything to the contrary herein or elsewhere, the Guarantor agrees that, in the event of any Gross Negligence Event, the Guarantor shall pay to the Investor forthwith the full amount of the Investment under the Operating Agreement and the pertinent subscription agreements executed in connection therewith.

SECTION 2.3 Guaranty Absolute, etc. This Guaranty shall in all respects be a continuing, absolute, unconditional and irrevocable guaranty of payment by the Guarantor, and shall remain in full force and effect until all Guaranteed Obligations have been paid in full, finally and indefeasibly. The Guarantor guarantees that the Guaranteed Obligations shall be paid strictly in accordance with the terms of the Operating Agreement and each other Document under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Agent or any Investor with respect thereto. The creation or existence from time to time of additional Guaranteed Obligations to the Investor or any of them is hereby authorized, without notice to the Guarantor, and shall in no way impair the rights of the Investor or the obligations of the Guarantor under this Guaranty, including the Guarantor's guaranty of such additional Guaranteed Obligations. The liability of the Guarantor under

this Guaranty shall be absolute, unconditional and irrevocable irrespective of:

(a) the failure of the Investor

(i) to assert any claim or demand or to enforce any right or remedy against the Company or any other Person (including any other guarantor) under the provisions of the Operating Agreement, any other Document or otherwise, or

(ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any Guaranteed Obligations;

(b) (i) any addition, exchange, release, surrender or non-perfection of any collateral or (ii) any amendment to or waiver or release or addition of, or consent to departure from, any other guaranty held by the Investor, securing or supporting any of the Guaranteed Obligations; or

SECTION 2.4 Reinstatement, etc. The Guarantor agrees that this Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Guaranteed Obligations is rescinded or must otherwise be restored by the Investor, upon the insolvency, bankruptcy or reorganization of the Company, any other Person or otherwise, as though such payment had not been made.

SECTION 2.5 Waiver, etc. The Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that any Agent or any Investor protect, secure, perfect or insure any security interest or Lien, or any property subject thereto, or exhaust any right or take any action against the Company or any other Person (including any other guarantor) or entity or any collateral securing any Guaranteed Obligations.

SECTION 2.6 Waiver of Subrogation and Contribution. The Guarantor hereby irrevocably waives in favor of the Investor any claim or other rights which it may now or hereafter acquire against the Company or any other Person that arise from the existence, payment, performance or enforcement of the

Guarantor's obligations under this Guaranty or any other Document, including any right of subrogation, reimbursement, contribution, exoneration, or indemnification, any right to participate in any claim or remedy of the Investor against the Company or any other Person or any collateral which the Investor now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law, including the right to take or receive from the Company or any other Person, directly or indirectly, in cash or other property or by set-off or in any manner, payment or security on account of such claim or other rights. If any amount shall be paid to the Guarantor in violation of the preceding sentence and the Guaranteed Obligations shall not have been paid in cash infeasibly in full such amount shall be deemed to have been paid to the Guarantor for the benefit of, and held in trust for, the Investor, and shall forthwith be paid to the Investor to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured. The Guarantor acknowledges that it will receive direct and indirect benefits from the arrangements contemplated by the Operating Agreement and that the waiver set forth in this Section is knowingly made in contemplation of such benefits. Notwithstanding anything to the contrary in this agreement, in the event Guarantor pays and satisfies in full all Guaranteed Obligations, to the satisfaction of the Investor, the waiver of subrogation of any claim or rights against the Company or any other person, excluding the Investor and all its directors, officers, employees, and agents, shall terminate and expire, and the Guarantor shall be entitled to subrogate and be vested into all of Investor's rights against the Company.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

To induce the Investor to enter into the Operating Agreement and to make the Investment here under, the Guarantor represents and warrants to the Investor that:

SECTION 3.1 Validity and Binding Nature. This Guaranty is, and upon the execution and delivery thereof each other Document to which the Guarantor is intended to be a party will be, the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, except that enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws now or

hereafter in effect relating to creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in equity or at law).

SECTION 3.2 Litigation and Guarantee Obligations. No litigation (including, without limitation, derivative actions), arbitration proceeding or governmental proceeding is pending or, to the Guarantor's knowledge, threatened against the which, if adversely determined, might have a material adverse effect against the Guarantor.

SECTION 3.3 Solvency, etc. On the Effective Date and immediately prior to and after giving effect to each investment under the Operating Agreement and the use of the proceeds thereof, (a) the Guarantor's assets will exceed its liabilities and (b) the Guarantor will be solvent, will be able to pay its debts as they mature, will own property with fair saleable value greater than the amount required to pay its debts and will have capital sufficient to carry on its business as then constituted.

SECTION 3.4 Information. All written information heretofore or contemporaneously herewith furnished by the Guarantor to the Investor for purposes of or in connection with the Operating Agreement and this Guaranty and the transactions contemplated thereby and hereby is, and all written information hereafter furnished by or on behalf of the Guarantor to the Investor pursuant hereto or thereto or in connection herewith or therewith will be, true and accurate in every material respect on the date as of which such information is dated or certified, and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading.

ARTICLE IV

MISCELLANEOUS PROVISIONS

SECTION 4.1 Document. This Guaranty is a Document executed pursuant to the Operating Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

SECTION 4.2 Binding on Successors, Transferees and Assigns; Assignment of Guaranty. This Guaranty shall be binding upon the Guarantor and its successors, transferees and assigns, and all references herein to the Company and the Guarantor, respectively, shall be deemed to include any of such Person's successor or successors, whether intermediate or remote. The Investor may from time to time, without notice to the Guarantor, assign or transfer any or all of the Guaranteed Obligations or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Guaranteed Obligations shall be and remain Guaranteed Obligations for the purpose of this Guaranty, and each and every immediate and successive assignee or transferee of any of the Guaranteed Obligations or of any interest therein shall, to the extent of the interest of such assignee or transferee in the Guaranteed Obligations, be entitled to the benefits of this Guaranty and shall be protected to the same extent as if such assignee or transferee were the Investor.

SECTION 4.3 Amendments, etc. No amendment to or waiver of any provision of this Guaranty, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Investor and the Guarantor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 4.4 Addresses for Notices to the Guarantor. All notices and other communications provided for hereunder shall be in writing and shall be mailed in the manner and to the addresses provided by in the Operating Agreement.

SECTION 4.5 No Waiver; Remedies. In addition to, and not in limitation of, Section 2.3 and Section 2.5, no failure on the part of the Investor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. All payments by the Guarantor pursuant to this Guaranty shall be made to the Investor.

SECTION 4.6 Section Captions. Section captions used in this Guaranty are for convenience of reference only, and shall not affect the construction of this Guaranty.

SECTION 4.7 Fees and Expenses. The Guarantor further agrees to pay all reasonable expenses (including reasonable attorneys' fees and legal expenses) paid or incurred by the Investor in endeavoring to collect the Guaranteed Obligations, or any part thereof, in realizing upon or protecting any Collateral for this Guaranty, and in enforcing this Guaranty against the Guarantor.

SECTION 4.8 Severability. Wherever possible each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

SECTION 4.9 Governing Law, Entire Agreement, etc. This Guaranty shall be governed by and construed in accordance with the laws of the Commonwealth of Puerto Rico without reference to conflicts of laws principles. This Guaranty and the other Documents constitute the entire understanding among the parties hereto with respect to the subject matter hereof and thereof and supersede any prior agreements, written or oral, with respect thereto.

SECTION 4.10 Forum Selection And Consent To Jurisdiction. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTY OR ANY OTHER OPERATING DOCUMENT, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE SUPERIOR COURT OF THE COMMONWEALTH OF PUERTO RICO, SAN JUAN PART. THE GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE COMMONWEALTH OF PUERTO RICO FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. THE GUARANTOR HEREBY EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

GUARANTOR
ISLA FILMS, INC.

Frances Lausell

By: Frances Lausell

AFFIDAVIT NUMBER 6488

Acknowledged and subscribed to before me by Frances Lausell, of legal age, married, executive and resident of San Juan, Puerto Rico, in her capacity as President of Isla Films, Inc., personally known to me, in San Juan, Puerto Rico this 19 day of October 2009.

Eduardo Tamargo

NOTARY PUBLIC

