

CONTRACT NUMBER : 2011-000047 A

**MEMBERSHIP INTEREST
SUBSCRIPTION AGREEMENT**

OF

200 CARTAS FILMS, LLC

A PUERTO RICO LIMITED LIABILITY COMPANY

AND

PUERTO RICO FILM COMMISSION

800 PREFERRED UNITS

AUGUST 24, 2011

Related to the project provisionally entitled

“200 Cartas”

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Número de Contrato Contract Number	2011-000047	
Fecha de Otorgamiento Execution Date	August 24, 2011	
Período de Efectividad Effectiveness Date	Since the execution date until June 17, 2026	
Nombres de la partes y representantes Name of the parties and/or representatives	NOMBRE CORPORATION FOR THE DEVELOPMENT OF THE ARTS, SCIENCES AND CINEMATOGRAPHIC INDUSTRY OR PUERTO RICO, represented by Mariella Pérez Serrano	660-71-7431
	200 CARTAS FILMS, LLC, represented by its managing member, Vanguardia Films, LLC., represented by Bruno Irizarry Torres	660-76-7489
Account Number Número de Cuenta	248-234-081-2002	
Amount Cantidad	\$800,000.00	

FIRST AMENDMENT TO OPERATING AGREEMENT

AMENDMENT entered into as of this 24 day of August 2011, by and among VANGUARDIA FILMS, L.L.C., a Puerto Rico limited liability company, as Managing Member of 200 Cartas Films, LLC, a Puerto Rico limited liability company (the "Company") and the THE CORPORATION FOR THE DEVELOPMENT OF THE ARTS, SCIENCES AND CINEMATOGRAPHIC INDUSTRY OF PUERTO RICO (the "PRFC"), with reference to the following facts:

A. The Company and the PRFC entered into the Company's Operating Agreement dated as of June 16, 2011 (the "Operating Agreement").

B. The Company and the PRFC have agreed to authorize the issuance of Preferred Units to third parties in exchange for cash capital contributions not to exceed \$200,000 in the aggregate, whereby the owners of such Preferred Units will recoup their investment in first position.

C. In order to accomplish the foregoing, the parties have agreed to amend the Operating Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. **Amendments.**

(a) Section 3.2(a) of the Operating Agreement is hereby amended to read as follows:

"(a) **Preferred Units.** The Company is authorized to issue up to 200 Preferred Units Class A, for a price of \$1,000 per Unit, which shall be issued to such Persons as the Company shall determine from time to time, and up to 800 Preferred Units Class B, for a price of \$1,000 per Unit, which shall be issued to the PRFC. Each Member that is granted Preferred Units after the date hereof, the number of Preferred Units so granted, and the Capital Contribution made therefore shall be set forth on **Exhibit B**, as such exhibit may be amended from time to time to reflect changes in the Preferred Members or the number of Preferred Units owned by each Preferred Member."

(b) Section 6.2 of the Operating Agreement is hereby amended to read as follows:

"6.2 **Distributions of Distributable Cash.** Subject to the Company's right to call the Preferred Units as set forth in Section 3.2(c), Distributable Cash shall be distributed to the Members in the following order of priority: (i) first, to the owners of Preferred Units Class A, pro rata in the proportion that the number of Preferred Units Class A held by them bears to all of the outstanding Preferred Units Class A, until such time as they receive an amount equal to 115% of their capital contribution to the Company; (ii) thereafter, to the PRFC as owner of Preferred Units Class B, until such time as the PRFC receives an amount equal to 115% of its capital contribution to the Company; (iii) thereafter, 100% to the Common Members, pro rata in the proportion that the number of Common Units held by them bears to all of the outstanding Common Units, until such time as they receive an amount equal to \$200,000; and (iv)

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thereafter, 50% to the Preferred Members, pro rata in the proportion that the number of all Preferred Units (Class A and B) held by them bears to all of the outstanding Preferred Units, and 50% to the Common Members, pro rata in the proportion that the number of Common Units held by them bears to all of the outstanding Common Units.”

(c) Section (n) of Exhibit F of the Operating Agreement is hereby amended to read as follows:

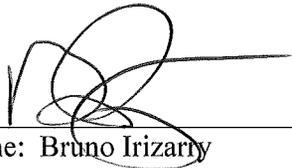
“n) Proceeds from the sale of Tax Credits will be treated as Distributable Cash and applied first to the repayment of Preferred Members in accordance with Section 6.2 of this Agreement; provided, however, that subject to the written consent of the PRFC, part of such Tax Credit inflows may be applied to other expenditures related to the Picture.”

SECTION 2. **Execution in Counterparts.** This Amendment may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

SECTION 3. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Puerto Rico.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

VANGUARDIA FILMS, INC.

By: 
Name: Bruno Irizarry
Its: President

PRFC

By: 
Name: Mariella Pérez Serrano
Its: Executive Director