

*Guaranteed Production  
Investment Certificate*

# GUARANTEED PRODUCTION INVESTMENT CERTIFICATE

Similar to investments currently used in other nations for capital financing with a difference. Utilizing the combined principle of equity market, commodity market, and hedge funds to deliver better performance for the investor. Reviewed and approved by "corporation" \_\_\_\_\_.

## Return on Investment

Project Investment evidenced by certificate.

€ \_\_\_\_\_ minimum investments.

**Eligible Investors:** Eligible for Investment are Corporation's and any resident individuals where applicable by law, dealing at arm's length with the Issuer.

## Supporting the Growth of Corporation

Financing to support the development and growth of the "corporation"

The investment is directly for motion picture production and projects, connected to company's investment guarantee program. Project's looked after in grave isolation, it appears that a long time has elapsed for this to come to fruition. However, when looked at in conjunction with the new approach and research and development, the project is a symbol of the future for investors and the entertainment business for decade's to come.

We are at a stage where the fulfillment of the dream is visible. The corporation has responded and contributed heavily. This is evidenced by the cumulative business investment in the concurrent research and development of the corporation financial project on which we are confident will never subside.

The Executive plan created for dedicated, creative solutions to comply with requirements and innovation. Plan formed to look after the financial needs of capital projects, as an extension of thought process. The Investment plan offering is the innovation of the executive members guided by its President and CEO \_\_\_\_\_. They have paid attention to detail, having consulted on matters of investment and ensured that the issuance of this certificate complies with the applicable regulatory requirements. Our foresight is creating a security that is worthy of note.

This offering, the first of its kind in large, is unique and is an investment opportunity to the purchaser. The intrinsic value of motion picture production with a supportive asset in a project, making this offering distinct from other offerings. The denomination of the issue makes it possible for one and all to participate.

Pursuant to the authority vested the "corporation" \_\_\_\_\_ endorses the launch and subsequent issue of Guaranteed Investment Production Certificate offering to appeal an investor to participate in the motion picture production with a guarantee on principal investment.

## Guaranteed Production Investment Certificate

### The Purpose of the Production Investment

The primary purpose of the Production Investment is to provide financing for the development of corporation's production project within the next 18 month's.

In doing so, Production Investment will:

Fulfill the development of entertainment program for the companies and artist's involved, hand in hand on principals of sustainable business. Raise the funds required for production, in a manner that will appeal to investor. Provide a competitive return to investors and provide security of invested principal capital. Increase the wealth of our offer as opposed to paying third party institutions.

### What is Project Equity Guarantee protection?

This technique of Project Equity Guarantee Protection issuance allows investors to take a return of profit calculated on a reference to the success of motion picture (the "Movie") revenue in the percentage value of the motion picture production being financed, which return can also fluctuate to reflect in unexpected low attendance. The Production Investment entitles the owner to make a percentage claim in motion picture profit.

The Production Investment is a legal agreement which gives the holders of the Production Investment Certificates (the "Certificate Holders") a claim to the production profit or in the event of unexpected low revenue to claim Project Equity Guarantee Protection with protection of company default (as discussed below).

The Certificate Holders will be compensated for the principal investment share value thru the Project Equity Guarantee. In the event of company default, the Certificate Holders have a claim to the company property guaranteed by "Project Equity Guarantee".

The term of the Certificate Holders will be 18 months plus 1 day of signed investment certificate statement. The Certificate Holders profit return will be calculated based on the revenue percentage interest in a one time motion picture production and guaranteed with the value of the project equity guarantee.

As mentioned above, the return to Certificate Holders will be guaranteed for principal amount invested. The Production Investment will be valued on a budget basis by an independent appraiser in order to calculate the percentage interest.

Other features of the investment include:

Eligible for investors dealing at arm's length with the Issuer.

International investors may be eligible to invest. Returns to investors will be treated as non-Interest Income. Slips will be issued to individual investors for any accrued yield on a profit basis, based on the percentage interest of the particular investment.

## Terms of Guaranteed Production Investment Certificate

**Issuer:** \_\_\_\_\_.

**Issue Type:** Production Investment.

**The Offering:** Private Placement. Production Investment structured as an undivided interest in a motion picture production. The Production Investment constitutes an unregistered hedge on the production (the "Production"), held in trust by agents for the investors, with individual investors purchasing individual undivided interests in the production investment.

The Production Investment will bear revenue, and provide a return on principal for repayment at maturity. The return on principal will be calculated based on profit earned by motion picture production. The return on investment is subject to a capped maximum. See Effective Yield below.

**Principal Amount:** € \_\_\_\_\_

**Issue Price:** € \_\_\_\_\_ face value.

**Use of Proceeds:** To finance the motion picture production (the "Movie"), and Project Equity Guarantee of the "corporation" \_\_\_\_\_. Furthermore, the proceeds will be utilized to retire short term financing related to the procurement in Equity Guarantee Project.

**Eligible Investors:** Eligible for Investment is Corporations and any resident individuals where applicable by law, dealing at arm's length with the Issuer.

**Selling Period:** To Month \_\_\_\_\_ Day \_\_\_\_\_, Year \_\_\_\_\_.

**Effective Date:** \_\_\_\_\_.

**Maturity Date:** \_\_\_\_\_.

**Coupon:** Zero Coupon.

**Effective Yield:** Calculated on the revenue success on a single base of the Motion Picture Production (the "Movie") in the percentage interest value of the profit. (With a guarantee of return of principal amount invested in case of attendance fluctuations revenues).

**Early Repayment:** Issuer has no option to repay earlier at any time. It should be emphasized that repayment is at the sole discretion of the Agent of "corporation" \_\_\_\_\_ and Certificate Holders cannot assume they will necessarily participate in any early repayments nor that there will, in fact, be any early repayments.

**Interest Payment:** No-interest payment certificate.

(Only in a case of Redemption at Maturity overrun; principal investment with \_\_\_\_\_ % per annum – monthly compounded.)

**Redemption at Maturity:** Percentage interest in Net Profit. (Equity Guarantee for principal amount only when no profit earned on invested movie production or payment on difference between profit earned and principal invested).

**Minimum Subscription:** €\_\_\_\_\_ per investment.  
Increments of €\_\_\_\_\_ thereafter.

**Issuer Rating:** No Rating has been assigned to this issue.

**Legal Counsel:** \_\_\_\_\_.

**Commissions:** No commissions will be paid and no prospectus will be issued regarding the Guaranteed Production Investment Certificate.

**Taxation:** Annual return for income tax purposes on the principal amount is taxable each year for residents where applicable by law.

**Withholding Tax:** Amounts in excess of principal amount of the Production Investment paid to a non-resident of "jurisdiction" will be subject to withholding tax if or where applicable by law.

## Duties and Responsibilities of the Agent

The principal reason for the involvement of the Agent is to hold the Equity Project Guarantee on the Guaranteed Production Investment Certificate on behalf of the individual Certificate Holders referred to below, because they will be too numerous to conveniently register their interest in the Equity Project Guarantee individually on title in the event of a default.

The Agent is responsible to certify that each:

Certificate, when issued, is a valid and binding obligation of "corporation" \_\_\_\_\_ and constitutes evidence of an undivided interest in the Equity Project Guarantee and to maintain a registry of all Certificate Holders.

Should the company ever be in default, the Agent, upon being so advised, will notify the Certificates Holders and act at their direction in registering the Equity Project Guarantee.

In carrying out their duties, the Agent is responsible to act honestly and in good faith with a view to the best interests of the Certificate Holders; and to exercise the degree of care and skill that a reasonably prudent corporate trustee would exercise in comparable circumstances.

The Agent may engage the services and rely on the opinion, advice or information obtained from experts and is indemnified by the "corporation" \_\_\_\_\_. The Agent's obligations are fully set out in the Equity Project Guarantee referred to below.

## DETAILS OF THE OFFERING

The following is a brief summary of the material rights, privileges, restrictions and conditions which will attach to the Guaranteed Production Investment Certificate (the "Certificates") offered hereby, which are to be issued under and pursuant to a Equity Project Guarantee dated for reference as of "Date" \_\_\_\_\_ (the "Project"), duly executed and delivered by "corporation" \_\_\_\_\_. This description is subject to all the terms and conditions of the Guaranteed Production Investment Certificate and reference is made thereto for only a brief description of the rights, obligations, duties and immunities of the Agent, "corporation" \_\_\_\_\_ and the Certificate Holders. "Corporation" \_\_\_\_\_ will furnish, on request, a copy of the Project Guarantee.

## Security and Priorities

The Guaranteed Production Investment Certificate that the Certificate Holders are investing in as evidenced by the Certificates is an unregistered first fixed charge on the single Motion Picture Production subject to certain provisions referred to below. Please note that this charge is subject to the company's property liens.

Provision is also made for the Project Equity Guarantee to be subordinated to another charge or charges or to be postponed, should it be deemed appropriate, to a maximum amount of € \_\_\_\_\_ by the "corporation" \_\_\_\_\_, and the Agent is empowered under the Project Equity Guarantee to effect the subordination or postponement on behalf of the Certificate Holders.

Other permitted encumbrances are set out in the Project Equity Guarantee.

## Repayment of the Guaranteed Production Investment Certificate

The "corporation" \_\_\_\_\_ and the Agent will seek to ensure that the re-payment of the principal amount invested or any effective profit yield. Profit Interest calculated on a single motion picture production revenue base success. At a maximum gross/net profit in proportion to percentage amount invested. With no yearly carry-forward provisions (the »Effective Profit") will be paid to the Certificate Holders. The Effective Profit will be paid in full on each Certificate's scheduled maturity date (the "Maturity Date"). Each Certificate will be repayable in full by "corporation" \_\_\_\_\_ on the Maturity Date specified in the Certificate upon surrender of the Certificate to the Agent.

All of the Effective Profit may be repaid at the option of the Issuer commencing on "Date" \_\_\_\_\_ and thereafter. In a provision of Project Equity Guarantee payments on anniversary would be subject to tender process as described in the Project Equity Guarantee, whereby by to meet sufficiently required the amount offered by the Issuer for repayment.

If such an amount is not met by the tender process, the selection of Certificates for payment by "corporation" \_\_\_\_\_ will be done on a pro-rata basis. In the event of a partial repayment, the Certificates applicable shall be surrendered and cancelled and new ones shall be issued for the remaining principal amounts owing, if any, on the same terms and with the new Maturity Date as those specified in the Certificates that were cancelled with applied interest clause specified in Terms of Guaranteed Production Investment Certificate. Issuer also has the option to repay at any time.

### **Sale of Assets**

In the event of default it is determined that it is not beneficial for the investor to exploit any of the commercialization opportunities, portions or all of the unused Project Equity Guarantee may be sold to the developers or interested parties. This Project Equity Guarantee is of substantial value and has the potential to appreciate even further. The net proceeds from the sale of these Project Equity Guarantees would first be used to partially or fully repay the Certificate Holders.

### **Subscription for Certificates**

Investors shall subscribe for Certificates by completing the Subscription Agreement attached hereto as Annex "A" and forwarding it to the Agent or "corporation" \_\_\_\_\_ together with a certified cheque or money order for the full amount of the principal of the Certificate, payable to the "Agent for the Guaranteed Production Investment Certificate, in Trust".

### **Transfer of Certificates**

Certificates shall not be transferable except with the prior written consent of "corporation" \_\_\_\_\_ as described above, in which case the old Certificate shall be surrendered and cancelled and a new Certificate issued in its place.

### **Certificates Registered**

The "corporation" \_\_\_\_\_ shall keep a register of all Certificates issued and company shall pay principal or any Effective Profit due to the registered holder at the address specified in the register. Certificate Holders who wish to change their mailing address will be required to notify Company and the Agent in writing. Correspondence should be addressed to the attention of the Agent for the Certificate Holders.

### **Ranking of Certificates**

All Certificates are evidence of undivided interests in the Guaranteed Production Investment Certificate and will rank equally on a proportionate basis with each other as to repayment of principal or effective Profit. Should "corporation" \_\_\_\_\_ ever be in default under the Project Equity Guarantee, the Property have to be sold to provide proceeds for repayment of Certificate Holders, the Project Equity Guarantee provides that the first payments made to Certificate Holders will be on account of principal, on a proportionate basis to each depending on the face amount of their Certificate. Once all outstanding principal has been repaid, any remaining funds are then to be applied for settling if any other outstanding debt to be repaid again on a proportionate basis, based on the Certificate principal.

**Events of Default by "corporation"**

As more fully described under the terms of the Guaranteed Production Investment Certificate, for an event of default to occur, sixty percent (60%) of the Certificate Holders must claim that one or more of the following events occurred:

- failure to pay principal, or effective profit as a result of profit margins or depreciation of the Project Equity Guarantee when due or any additional payment or other obligation pursuant to the Certificate or the Project Equity Guarantee;
- if the Issuer makes default in the observance or performance of any covenant, agreement, obligation or condition contained in any Certificate or in the Project Equity Guarantee;
- if an order shall be made or an effective resolution be passed for the winding-up, liquidation or dissolution of the Issuer;
- if the Issuer shall make a general assignment for the benefit of its creditors or a proposal under the Bankruptcy and Insolvency Act, or shall be declared bankrupt, or if a receiver and manager or any other officer with similar powers is appointed in respect of the Issuer;
- if there is default in the observance or performance of any other covenant, agreement, obligation or condition contained in any instrument under any Certificate or the Project Equity Guarantee; or
- unless as otherwise permitted in the Guaranteed Production Investment Certificate (including allowing security to be placed against the Project Equity Guarantee), if the Issuer sells, transfers, assigns, conveys or otherwise disposes of all the Project Equity Guarantee, or enter into any sale or leaseback agreement covering all of the Project Equity Guarantee.

Notwithstanding the foregoing, the Issuer shall have thirty (30) days to remedy any such event of default, prior to the Agent pursuing any of the available remedies under the Project Equity Guarantee.

**TRUSTEES OF THE "CORPORATION"**

The following are the names, municipalities of residence and principal occupations of the Trustees of "corporation" \_\_\_\_\_ as "Date" \_\_\_\_\_.

Name and Municipality of Residence	Principal Occupation
1. .....	
2. .....	
3. .....	
4. .....	
5. .....	

**RISK FACTORS****Absence of Liquidity**

The Certificates cannot be transferred without the prior written consent of "corporation" \_\_\_\_\_ and the principal amount is payable on maturity. No secondary market will be provided. **Accordingly, the Certificates cannot be sold or liquidated in case of emergency or other financial need.** Subscribers are cautioned to avoid over extending themselves in terms of principal amount or term to maturity so that the holding of these Certificates will cause no undue financial difficulties. It should be emphasized that prepayment is at the sole discretion of the Agent of "corporation" \_\_\_\_\_ and Certificate Holders cannot assume they will necessarily participate in any prepayments nor that there will, in fact, be any prepayments.

**Market Value of Security**

It should be understood by the investor that the Project Equity Guarantee, currently used by company with ancillary uses, is a special use facility for which there may be a limited market in the future should it be necessary to realize the security in the event of a default by "corporation" \_\_\_\_\_.

**Project Equity Guarantee Not Registered**

It should be understood that the Project Equity Guarantee on the Guaranteed Production Investment Certificate shall only be registered in an event of default, as described in the Project Equity Guarantee. This significantly increases the risk to the Certificate Holders, including the risk that a bonafide third party without notice may acquire title to or an interest in the Project Equity Guarantee ahead of the Certificate Holders.

## Appraised Value

A recent appraisal of the Project Equity Guarantee appraised the value of the Guarantee at € \_\_\_\_\_, an amount that is more than the principal amount the “corporation” \_\_\_\_\_ intends to raise via this offering. Accordingly, if that appraisal is correct, the “corporation” \_\_\_\_\_ will be raising less money than the Project Equity Guarantee is worth and accordingly, unless the Project Equity goes down in value, any realization by the Agent on behalf of the Certificate Holders may yield sufficient funds to repay all amounts due under the Project Equity Guarantee.

## Acting through Agent

While an individual can usually sue in his own name to enforce the debt to him, Certificate Holders must act through the Agent as their agent in exercising their remedies against the Project Equity Guarantee in the event of default by “corporation” \_\_\_\_\_. The Agent will not exercise remedies for the investors except on the instructions of Certificate Holder(s) holding at least sixty percent (60%) of the aggregate principal amount of Certificates then outstanding. It should be noted that there are provisions in the Project Equity Guarantee whereby Certificate Holders can waive events of default, including non-payment of principal or any effective profit when due.

## Advice to Investors

“Corporation” \_\_\_\_\_ has prepared the Project Equity Guarantee with the advice of counsel but there has been no benefit of independent counsel acting solely on behalf of potential investors. Due to the nature of the investment and a desire to reduce, so far as is practical, the administrative workload on “corporation” \_\_\_\_\_ and the Agent, the rights, remedies and other protections which might otherwise be expected to be available to the investor have been greatly modified and restricted, and are solely as set forth in the Guaranteed Investment Production Certificate.

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**For More Information**

**Please Contact:** xxx xxx.xxx.xxxx  
xxx xxx.xxx.xxxx  
xxx xxx.xxx.xxxx

**Email:** \_\_\_\_\_

THIS TERM SHEET SHOULD BE READ IN CONJUNCTION WITH THE MEMORANDUM OF INFORMATION RELATED TO THIS OFFERING. THE SECURITY OFFERED HEREBY HAS NOT BEEN REGISTERED WITH OR APPROVED BY ANY SECURITIES COMMISSION IN "STATE/COUNTRY" \_\_\_\_\_, NOR HAS ANY SECURITIES COMMISSION OR SIMILAR AUTHORITY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREBY OR THE ACCURACY OF THE MEMORANDUM OF INFORMATION. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE MEMORANDUM OF INFORMATION IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, A PROSPECTUS OR ADVERTISEMENT OR A PUBLIC OFFERING OF THESE SECURITIES.

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**ANNEX "A"**  
**SUBSCRIPTION AGREEMENT**

TO: "Corporation Address" \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Bank: \_\_\_\_\_

Account Number: \_\_\_\_\_

SWIFT: \_\_\_\_\_

**1. Subscription for Guaranteed Investment Production Certificate**

The undersigned hereby subscribes for €\_\_\_\_\_ in principal amount Guaranteed Investment Production Certificate (the "Certificates") of ("Corporation") as described in that certain Project Equity Guarantee (the "Equity Guarantee") dated for reference "Date" \_\_\_\_\_ and entered between of "corporation" \_\_\_\_\_, an incorporated organization having its head office in the \_\_\_\_\_ and the trustees for the investment being Mr. .....etc, as agents (collectively referred to as the "Agent"). The subscription of the undersigned is as to the foregoing principal amount of €\_\_\_\_\_ bearing no interest and such Certificate will mature on \_\_\_\_\_, \_\_\_\_\_ (the "Maturity Date") on which day, all effective profit or the principal due pursuant to the terms of this Subscription and the Guaranteed Production Investment Certificate shall be due and payable in full.

Of

The undersigned has executed and is delivering herewith a certified cheque or money order in the amount of €\_\_\_\_\_ payable to the "Agent for the Guaranteed Investment Production Certificate, in Trust" and acknowledges that participation in the Certificates and the Project Equity Guarantee is subject to acceptance of this Subscription by "corporation" \_\_\_\_\_ and that "corporation" \_\_\_\_\_ may, in its own discretion and for any reason, accept or reject this Subscription, in whole or in part, but this Subscription shall not be revocable by the undersigned.

**2. Return of Funds to Subscriber**

The undersigned understands that all amounts subscribed may be returned to the undersigned without interest, or any Effective Profit, if this Subscription has not been accepted in the aforesaid manner and is subsequently rejected by "corporation" \_\_\_\_\_.

If the undersigned is allocated less than the principal amount of Certificates subscribed for pursuant to clause 1 above, "corporation" \_\_\_\_\_ will remit the balance of the full subscription paid without interest, or any Effective Profit, to the undersigned within thirty (30) days after such partial acceptance of this Subscription.

### 3. Information

The undersigned acknowledges that:

- The undersigned has received and read a copy of the Memorandum of Information (the "Memorandum") and has either read the Terms of Guaranteed Production Investment Certificate or has had access thereto but has, at the undersigned's sole option, elected not to do so;
- The undersigned has had the opportunity to obtain all additional information described in order to verify or supplement the material contained in the Memorandum; and
- The undersigned is relying solely upon the Memorandum and independent investigations made by the undersigned or persons retained by the undersigned for that purpose in making the decision to invest in the Certificates. The undersigned has been advised that there has not been and is not now a market for the Certificates and that there is no possibility that such a market will develop in the future.

### 4. Acknowledgements

The undersigned acknowledges, represents and warrants to "corporation" \_\_\_\_\_ (knowing that "corporation" will be relying on such acknowledgements, representations and warranties in making a decision to accept in whole or in part, or reject the subscription of the undersigned) that:

- The Certificates subscribed by the undersigned will be acquired for the account of the undersigned only for the purpose of investment and not for the account or benefit, in whole or in part, for any other person save as fully disclosed to and approved by "corporation" \_\_\_\_\_ and not for the purposes of resale or other distribution;
- The undersigned recognizes that "corporation" \_\_\_\_\_ is a profit entity whose only substantial source of revenue is from the services (consulting, management, sales, production and R&D) and to that extent the Certificates involve special risks. In that regard, the undersigned acknowledges having read the outline of certain of such risks under the description of "Risk Factors" in the Memorandum; and

- The Certificates cannot be transferred without the prior written consent of "corporation" \_\_\_\_\_ and that the principal amount is payable only on maturity and, accordingly, the Certificates cannot be sold or liquidated in case of emergency or other financial need. The undersigned represents that sufficient liquid assets are otherwise available to the undersigned so that the investment and holding of the Certificates will cause no undue financial difficulties. The Memorandum and all other documents and information relating thereto have been prepared by "corporation" \_\_\_\_\_ and its counsel, but without the benefit of any independent counsel acting on behalf of the persons, such as the undersigned, who may become Certificate Holders. The undersigned acknowledges the recommendation of "corporation" \_\_\_\_\_ that all subscribers obtain the benefit of independent legal and tax counsel prior to subscribing for Certificates.

## 5. Adoption

The undersigned hereby specifically accepts and adopts and agrees to be bound by all of the provisions of the Guaranteed Production Investment Certificate and acknowledges and agrees that this Subscription shall be governed by and subject to the laws of the "state/country" \_\_\_\_\_.

## 6. Execution and Acceptance

When accepted by "corporation" \_\_\_\_\_ of "state/country" \_\_\_\_\_, in whole or in part, this Subscription shall be valid and binding upon the undersigned for all purposes. The acceptance of this Subscription shall be effective upon communication of its acceptance to the undersigned and shall be deemed to have been accepted upon the deposit of a written confirmation, in the mail, addressed to the undersigned at the address indicated below.

Day of \_\_\_\_\_, \_\_\_\_.

**Name of Subscriber:**