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DECLARATION OF JAMES R. COPE

I, James R. Cope, do hereby declare:

1. I am the Director of Contract Compliance for the Film Musicians Secondary Markets Fund (the "FUND"). The facts stated herein are of my own personal knowledge, unless stated upon information and belief, in which case I am informed and believe they are true. If called as a witness I could and would competently testify to the facts stated herein.

2. The FUND collects and administers television and movie payments (sometimes referred to as "residuals") owed to musicians who are members of the American Federation of Musicians of the United States and Canada, AFL-CIO, ("AFM"), and other participants. The Fund is that fund referenced in Exhibit A to the AFM Basic Theatrical Motion Picture Agreement and the AFM Basic Television Film Agreement, as well as in subsequent agreements. The AFM Basic Theatrical Motion Picture Agreement and the AFM Basic Television Film Agreement are industry-wide collective bargaining agreements (collectively referred to as the "Collective Bargaining Agreements") between movie and television producers and the AFM. Residual payments are made pursuant to a self-reporting system, where the producer is obligated to report and pay residuals to the FUND when and as they accrue, subject to later compliance review by the FUND. Even when the Debtor does make payments on these titles, the FUND may still conduct a review to identify unpaid or underpaid residuals.

3. The financial obligations to the Fund are specified in the Collective Bargaining Agreements and are defined as residual obligations. In general, at least one percent (1%) of all secondary market revenues generated from licensing covered films throughout the world are payable to the Fund, which in turn disburses such residuals to the musicians who worked on the score for such films. I understand that the musicians and their families sometimes depend on the residuals for their daily living needs and retirement.

4. At least two of the films which are either owned or distributed by one or more of the Open Road Debtors in their pending bankruptcy cases were made under and subject to the AFM

1 Collective Bargaining: "Machete Kills" and "Side Effects." To date no residual payments have
2 been received by the FUND with respect to "Machete Kills." We do not know why the Debtor
3 did not make the residual payments when due. In connection with the bankruptcy, I am informed
4 and believe that we have been advised by counsel for the Debtor that if residuals were in fact due
5 and owing to the FUND with respect to "Machete Kills" for the past (but not for the period
6 9/6/2018 through 11/30/2018), the amount due and owing would be \$51,695.69 (exclusive of
7 interest, liquidated damages and collection costs, which are also owed under the Collective
8 Bargaining Agreement). Because this is a self-reporting system, and the knowledge of residuals
9 owed are essentially within the exclusive knowledge of the debtor, I cannot verify that this
10 amount is correct. In fact, it may be significantly higher.

11
12 5. The documents attached as Exhibits A through C hereto are a true and correct copies
13 of documents kept and maintained by the Fund in the ordinary course of its business, and relied
14 upon me in the regular discharge of my business duties. The records were made and/or received
15 at or near the time of the occurrence of the matters set forth in the records by, or from
16 information transmitted by, a person with knowledge of those matters. It is the regular practice
17 of the Fund to preserve such documents (i.e., documents related to musicians' work on a film)
18 and to make a record of the receipt of such documents in the ordinary course of its business.

19 6. Attached as Exhibit A hereto is a true and correct copy of the Assumption Agreement
20 executed by Machete Productions, LLC during 2013 in connection with the soundtrack for the
21 film "Machete Kills."

22 7. Attached as Exhibit B hereto is a true and correct copy of a letter which Machete
23 Productions, LLC sent to the American Federation of Musicians in or about June 2013 explicitly
24 requesting permission to use the AFM's low budget agreement (which is in fact specifies rates to
25 be charged under the AFM Collective bargaining agreements for films which cost less than \$45
26 million to produce). Attached as Exhibit C hereto is a true and correct copy of correspondence
27 dated June 25, 2013 sent by the AFM to Machete Productions LLC in response.
28

1 I declare under penalty of perjury of the laws of the United States of America that the
2 foregoing is true and correct and that this declaration was executed this ^{2nd} day of November
3 2018, in Los Angeles, California.

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5 James R. Cope
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EXHIBIT A

AMERICAN FEDERATION OF MUSICIANS

PAYROLL COMPANY ASSUMPTION AGREEMENT

THEATRICAL MOTION PICTURE

The undersigned EPSG Talent Services, herein for convenience referred to as the "Payroll Company", hereby agrees with MACHETE PRODUCTIONS LLC, herein for convenience referred to as the "Producer", that the project entitled "MACHETE KILLS" is a picture photoplay covered by this Agreement and is subject to the AFM Basic Theatrical Motion Picture Agreement of 2010 and particularly to the provisions of Articles 15 and 16 thereof relating to payment to the Film Musicians Secondary Markets Fund (hereinafter the "Secondary Markets Fund") on release of a theatrical motion picture photoplay to free television or Supplemental Markets; and said Producer hereby agrees to abide by and perform the provisions of said Basic Agreement. Said Producer also hereby agrees, expressly for the benefit of the Secondary Markets Fund, to make the payments required by Articles 15 and 16.

It is expressly understood and agreed that the rights of any such Producer to exhibit or license the exhibition of such photoplays on free television shall be subject to and conditioned upon the payment to the Secondary Markets Fund as provided in Articles 15 and 16 of said Basic Agreement and it is further agreed that the Secondary Markets Fund shall be entitled to seek injunctive relief and damages against Producer in the event any such payments are not made.

The undersigned Producer agrees to keep or have access to complete books and records showing the income derived from the sale, lease, license, or distribution of such motion pictures on free television and in Supplemental Markets within the entire territory for which Producer is granted such rights and the Federation and the Administrator of the Secondary Markets Fund shall have the right at all reasonable times to examine and inspect such books and records. The undersigned shall give the Federation prompt written notice of the date on which each photoplay covered hereby is first telecast in free television and/or in Supplemental Markets. An inadvertent failure to comply with said notice requirements shall not constitute a default by the undersigned Producer provided that such failure is cured promptly after notice thereof from the Federation.

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Upon delivery of such Assumption Agreement, the Payroll Company shall not be further liable to the Federation for the keeping of any such records related to or for the payment(s) required based on the exhibition of the motion picture on free television or in Supplemental Markets and the Secondary Markets. Fund agrees to look exclusively to the Producer who is the party to the Assumption Agreement for the keeping of such books and records, payments and compliance with credit obligations.

The Producer hereby expressly agrees for the benefit of the payroll company to be bound by the provisions of the within Assumption Agreement.

AGREED:

EPSP Talent Services

PAYROLL COMPANY

Signature

Bob Pucher

Print Name

2835 N Naomi Street

Address

Burbank

CA

City

State

(818)-955-6000

Telephone

Date

MARQUE PRAS, LLC
PRODUCER/BUYER

Signature

SENCA BESPALON

Print Name

15760 VENTURA BLVD, #1450

Address

BURBANK

CA

City

State

(818) 783-4084

Telephone

JUNE 20, 2013

Date

Page 2

MACHETE KILLS
NAME OF PICTURE

THEATRICAL MOTION PICTURE ✓

ORIGINAL RECORDING SESSION DATE: MAY/JUNE 2013

COMPOSER: CARL THIEL

EXHIBIT B

MACHETE PRODUCTIONS, LLC
15760 VENTURA BLVD., SUITE 1450
ENCINO, CA 91436

June 20, 2013

The Low Budget Film Department
AFM, West Coast Office
3550 Wilshire Blvd., Suite 1900
Los Angeles, CA 90010

To Whom It May Concern;

This is a request to utilize the AFM low budget agreement. Our information is as follows:

Picture: Machete Kills

Financier: Machete Productions, LLC (Contact: Janet Wattles)
Phone: (818) 783-4084

Production Company: Machete Kills, LLC
4900 Old Manor Road | Austin, TX 78723
(512)334-7722(o) | (512)391-1809(f)

Length in Hours/Minutes: 1 Hr, 45 Minutes

Estimated Cost: \$18,505,998

Composer: Carl Thiel

Contractor: Carl Thiel
Phone: (512) 288-4926

Dates & Locations of Sessions: May - June 2013/Carl Thiel Music Studios, Austin, TX

Estimated Number of Musicians: 4 to 6

Payroll Company: Entertainment Partners

Distributor: Open Road

Thank You,

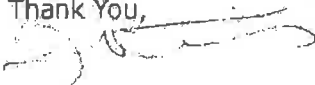

Janet Wattles

EXHIBIT C



American Federation of Musicians of the United States and Canada

AFL-CIO/CLCA Affiliated

OFFICE OF THE PRESIDENT
RAYMOND M. HAIR, JR.
817 Vine St
Hollywood, CA 90038
323-461-5401 • FAX 323-461-5409
www.afm.org

June 25, 2013

MACHETE PRODUCTIONS LLC.
15760 VENTURA BLVD #1450
ENCINO, CA 91436

RE: "MACHETE KILLS" ("Picture")

This is to confirm approval by the American Federation of Musicians of the United States and Canada ("Federation") for the use of the Low Budget Agreement by MACHETE KILLS, LLC ("Producer") in connection with the above-referenced Picture pursuant to the terms of the following Low-Budget provision of the Theatrical Motion Picture Agreement (the "Agreement"):

(check one box)

- Paragraph 61 – Theatrical Motion Pictures Budgeted at \$45 Million or Less
 Paragraph 62 – Theatrical Motion Pictures Budgeted at \$15 Million or Less
 Paragraph 63 – Theatrical Motion Pictures Budgeted at \$2 Million or Less

This approval is based upon the accuracy of the information provided in your correspondence of 6-25-2013.

Note that the provisions of paragraph 61, 62 or 63 of the Agreement, as applicable, will apply to the Picture, including:

- The Producer must notify all musicians, including music preparation musicians, when initially engaged that terms of such engagement are governed by the "Low Budget" provisions of the applicable paragraph selected above.
- The final estimated cost of the Picture as of the date of release must be certified by the head of production and submitted to the Federation within thirty (30) days of the release of the Picture. Failure to provide the final estimated cost within thirty (30) days of release will result in an automatic upgrade to full scale for all wages and benefits otherwise due. A final estimated cost in excess of the applicable budget threshold will result in an automatic upgrade to either the next Low Budget Tier Scale or Basic Scale (as applicable) for all wages and benefits otherwise due. Submission of any estimate of final cost that is materially false will result in an automatic upgrade to full scale wages and benefits otherwise due plus a 50% penalty (based on full scale).

Nothing in this letter shall be considered a waiver of any provision of the Agreement, which shall govern in the event of any contradiction between this letter and the Agreement. Nevertheless, please bear in mind that, under current Federation policy:

- Final costs may exceed the budget threshold described above by up to 10%.
- Costs under the Agreement not anticipated in the initial estimated budget (e.g., hiring additional musicians or adding additional days of scoring) that result in a final estimated cost in excess of the applicable budget threshold above (plus the overage described in the bullet above) shall not result in disqualification of the Low-Budget status of the Picture.

Thank you for your cooperation.

Best regards,



Matt Allen, Contract Administrator
Theatrical Motion Pictures and Television Films
Electronic Media Services Division, AFM West Coast Office

cc: AFM Local 433
James Cope, Secondary Markets Fund