

Exhibit A

DECLARATION OF FLORIAN DARGEL

I, Florian Dargel, declare as follows:

1. I am managing member of Silver Reel Partners LLP, subadvisor to Silver Reel Entertainment Mezzanine Fund, L.P. (“Silver Reel”). The management of Loan Agreement and the Distribution Agreement, as both terms are defined and discussed herein, are delegated to Silver Reel Partners and are under the responsibility of Silver Reel Partners. The facts herein contained are within my own personal knowledge and belief and I could testify thereto if called upon to do so.

2. On or about July 1, 2011, The Host Film Holdings, LLC, (“Host Film Holdings” and together with Silver Reel, the “Host Parties”) and the Debtor Open Road Films, LLC (“Open Road”) entered into that certain Distribution Rights Acquisition Agreement, as amended by that certain Amendment #1 to Agreement dated December 4, 2012 (the “Amendment” and collectively, the “Distribution Agreement”). Attached hereto as Exhibit 1 is a true and correct copy of the Amendment. The entire Distribution Agreement has not been attached due to the contents containing certain sensitive commercial information, but I understand the Debtors possess the entire Distribution Agreement and the document may be made available to the Court for inspection, upon request.

3. Pursuant to the Distribution Agreement, Host Film Holdings:

- (a) licensed to Open Road the right to exploit the film known as “*The Host*” (the “Picture”) in the United States, its territories and possessions for a term of 20 years, all as more fully set forth and defined in the Distribution Agreement (collectively, the “Licensed Rights”) and
- (b) granted to Open Road a security interest and copyright mortgage in all of Host Film Holdings’ right, title and interest in and to (i) the Open Road Licensed Rights, (ii) all proceeds and products related thereto; and (iii) certain other

rights appurtenant thereto, but only to the extent necessary to permit Open Road to exercise its Licensed Rights.

4. Pursuant to the Distribution Agreement, Open Road was to pay to the Host Parties a minimum guaranty of \$2,000,000 (the "Minimum Guaranty") payable in installments upon the occurrence of certain designated milestones, including "Delivery" as defined in the Distribution Agreement, with the final milestone designated as the commercial theatrical release of the Picture, which occurred on or about March 29, 2013. Open Road was then entitled to "recoup" the Minimum Guarantee from the Picture's "Gross Receipts" (as defined in the Distribution Agreement).

5. The Distribution Agreement initially provided a Minimum Guarantee of \$2,000,000, which was subsequently increased to \$2,200,000 through the Amendment. The additional \$200,000 Minimum Guarantee was paid one half by Open Road and one half by Silver Reel. The Amendment also provides for a \$40,000 premium to be paid in connection with the increase of the Minimum Guarantee, one half to be paid to Open Road and one half to be paid to Silver Reel.

6. Attached as Exhibit 2 is a true and correct copy of an Accounting Statement for the Period Ended: December 31, 2017 issued by Open Road, which reflects that Open Road has deducted from the Gross Receipts the entire \$200,000 additional Minimum Guarantee plus the \$40,000 premium. Based on the Amendment, this amount was to have been paid *pari passu* with Silver Reel. Open Road failed to make this required payment to Silver Reel.

7. On or about January 17, 2012, Silver Reel entered into that certain Loan and Security Agreement (the "Loan Agreement") with Host Film Holdings. The purpose of the Loan Agreement was fund Host Film Holdings' production of the Picture.

8. In connection with the Loan Agreement, Silver Reel and Host Film Holdings also entered into collateral agreements including a Copyright Mortgage recorded against the Picture with the U.S. Copyright Office on or about December 27, 2011 (the "Silver Reel Copyright Mortgage"). Pursuant to the Silver Reel Copyright Mortgage, Silver Reel obtained a secured lien

in the screenplay, copyright and all other elements of the Picture (collectively, the “Silver Reel Collateral”).

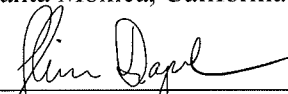
9. Pursuant to the Loan Agreement, upon the occurrence of an event of default, Host Film Holdings appointed Silver Reel as its attorney-in-fact, with full power of substitution, to act on behalf of Host Film Holdings to, among other things, (i) enforce all rights and pursuant to all agreements with respect to the Silver Reel Collateral; (ii) file any claim or commence, maintain, or continue any action deemed advisable by Silver Reel to collect or enforce payment of any money owing under the terms of the Silver Reel Collateral; and (iii) execute any and all such instruments, agreements, or documents, and do all things as may be necessary or desirable to carry out the purpose of the Loan Agreement. There is currently a default under the Loan Agreement.

10. In addition, the Loan Agreement provides that, if Host Film Holdings fails to pursue diligently any right under any distribution agreement relating to the Silver Reel Collateral (i.e. the Distribution Agreement), then Silver Reel may directly enforce such rights in its own, or in the name of Host Film Holdings and may enter into settlement or other agreements with respect thereto.

11. The Debtor proposes a cure amount due under the Distribution Agreement of \$31,894.33 (the “Proposed Cure Amount”). The Proposed Cure Amount appears to account for outstanding obligations owed under the Gross Corridor but excludes the unpaid \$120,000 constituting due to Silver Reel under the Amendment. Therefore, the cure amount for the Distribution Agreement is at least \$151,864.33, taking into account the unpaid Gross Corridor payments (\$31,894.33) and the Unpaid Minimum Guarantee Portion (\$120,000).

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 2nd day of November, 2018 at Santa Monica, California.



FLORIAN BARGEL

Exhibit 1

AMENDMENT #1 TO AGREEMENT

THIS AMENDMENT ("Amendment") is made as of December 4, 2012 by and between The Host Film Holdings, LLC ("Producer") and Open Road Films, LLC ("Distributor").

WITNESSETH:

WHEREAS, the parties have entered into that certain Distribution Rights Acquisition Agreement (the "Agreement") regarding the motion picture "The Host" (the "Picture") dated as of July 1, 2011; and

WHEREAS, the parties have agreed to make certain changes to the terms of the Agreement and the parties find it desirable to set forth these new terms in this Amendment. All capitalized words used herein have the same meanings as set forth in the Agreement.

NOW THEREFORE, in consideration of the foregoing and of the mutual promises herein, receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. **MINIMUM GUARANTEE:** The parties acknowledge and agree that the Minimum Guarantee under Paragraph 5 of the Agreement shall increase from \$2,000,000 to \$2,200,000 with the added \$200,000 to be paid by Distributor directly to Gradient Effects and other vendors as consideration for additional visual effects services in connection with the Picture. In addition to Distributor's recoupment of the Minimum Guarantee under the Distribution Agreement, Distributor will be paid an additional \$40,000 (i.e., an amount equal to 20% of the increase to the Minimum Guarantee) out of Gross Receipts in the same position and on the same basis as though such \$40,000 had been added to the Minimum Guarantee.

2. **SILVER REEL CONTRIBUTION/RECOUPMENT:** Within five business days following execution of this Amendment, Silver Reel Entertainment Mezzanine Fund, L.P. ("Silver Reel") will pay \$100,000 to Distributor (representing an amount equal to one-half of the increase to the Minimum Guarantee). The parties agree that, from and after the point (if ever) at which Distributor has recouped the first \$2,000,000 of the Minimum Guarantee under Paragraph 6.a.(v) of the Agreement, Distributor will, on a pro rata and pari passu basis, pay Silver Reel 50% of the next \$240,000 of Gross Receipts paid to Distributor in recoupment of the \$200,000 increase to the Minimum Guarantee plus the additional \$40,000 as set forth in Paragraph 1 above (the intention of the parties being that Silver Reel is advancing to Distributor one half of the increase to the Minimum Guarantee and will be recouping such sums plus one-half of the \$40,000 premium on a pro rata and pari passu basis with Distributor out the Minimum Guarantee recoupment corridor under Paragraph 6.a.(v) of the Agreement after Distributor has recouped the first \$2,000,000 of the Minimum Guarantee).

3. **MULTIPLE COUNTERPARTS.** This Amendment may be executed in counterparts and transmitted by facsimile or electronic copy, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Except as set forth herein, the Agreement shall remain in full force and effect without modification.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

OPEN ROAD FILMS, LLC

By: _____
Title: _____
Print Name: _____

THE HOST FILM HOLDINGS, LLC

By: *[Signature]*
Title: Manager
Print Name: Bill Jackson

Silver Reel Entertainment Mezzanine Fund, L.P. hereby acknowledges, accepts and agrees to the terms and conditions set forth above as same concern Silver Reel and agrees that it is bound by and will perform under the terms of this Amendment as same concern Silver Reel.

SILVER REEL ENTERTAINMENT MEZZANINE FUND, L.P.

By: Directors of Silver Reel GP Ltd., as general partner of Silver Reel Entertainment Mezzanine Fund, L.P.

By: _____
Title: Director Director
Print Name: Roger Hanson Ronan Guilfoyle

OPEN ROAD FILMS, LLC

By: _____
Title: _____
Print Name: _____

THE HOST FILM HOLDINGS, LLC

By: _____
Title: _____
Print Name: _____

Silver Reel Entertainment Mezzanine Fund, L.P. hereby acknowledges, accepts and agrees to the terms and conditions set forth above as same concern Silver Reel and agrees that it is bound by and will perform under the terms of this Amendment as same concern Silver Reel.

SILVER REEL ENTERTAINMENT MEZZANINE FUND, L.P.

By: Directors of Silver Reel GP Ltd., as general partner of Silver Reel Entertainment Mezzanine Fund, L.P.


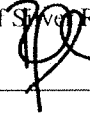
By:	 _____	 _____
Title:	Director	Director
Print Name:	Roger H. Hanson	Ronan Guilfoyle

Exhibit 2

OPENROAD

The Host Film Holdings, LLC
ACCOUNTING STATEMENT FOR THE PERIOD ENDED: December 31, 2017

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THE HOST

RELEASE DATE: 03/29/2013

	<u>Current Period</u>	<u>Inception to Date</u>
Gross Receipts		
Theatrical	-	10,066,475
Home Entertainment ⁽¹⁾	88,900	11,614,773
Pay Television	-	6,450,678
Free Television/ Network	-	1,258,046
Non-theatrical	421	188,687
Total Gross Receipts	89,321	29,578,659
Producer's Gross Corridor (Limited to the Minimum Guarantee and BO Bonuses) ⁽²⁾	10%	8,932
		2,957,866
Less:		
Producer Box Office Bonuses	-	300,000
Minimum Guarantee ⁽³⁾	-	2,200,000
Fee on Minimum Guarantee Increase ⁽³⁾	-	40,000
Assumed Third Party Contingent Compensation: ⁽⁴⁾		
Assumed Meyer Contingent Compensation	609	318,849
Saoirse Ronan	-	-
Subtotal	609	2,858,849
Producer Gross Corridor Balance	8,323	99,017
Less: Previously Paid		(90,694)
Balance Due to The Host Film Holdings, LLC	\$ 8,323	\$ 8,323

Note 1: Home Entertainment Gross Receipts and Distribution Expenses as reported by Sub-distributor to Open Road Films. Home Entertainment rights defined per Distribution Rights Acquisition Agreement section 6.a

Note 2: Gross Corridor defined per Distribution Rights Acquisition Agreement section 6.a.(iii)

Note 3: Minimum Guarantee/addition to Minimum Guarantee per Distribution Rights Acquisition Agreement section 5. and Amendment #1 to Agreement.

Fee on additional Minimum Guarantee (i.e., an amount equal to 20% of the increase to the Minimum Guarantee) per Amendment #1 to Agreement

Note 4: Assumed Third Party Contingent Compensation defined per Distribution Rights Acquisition Agreement section 6.a