IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	:	Chapter 11
SUPERIOR ENERGY SERVICES, INC., *et al.*,[1]	:	Case No. 20-35812 (DRJ)
Debtors.	:	(Jointly Administered)

DECLARATION OF RYAN OMOHUNDRO IN SUPPORT OF CONFIRMATION OF FIRST AMENDED JOINT PREPACKAGED PLAN OF REORGANIZATION FOR SUPERIOR ENERGY SERVICES, INC. AND ITS AFFILIATE DEBTORS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

I, Ryan Omohundro, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am a Managing Director at Alvarez & Marsal North America, LLC ("**A&M**"), restructuring advisor to the above captioned debtors (collectively, "**Superior**" or the "**Debtors**" and together with their non-Debtor subsidiaries, the "**Company**") in the above-captioned chapter 11 cases (the "**Chapter 11 Cases**"). Together with the Debtors' other advisors, I have performed a lead role in managing the restructuring efforts of the Debtors since August 2020. A&M has extensive experience and an excellent reputation for providing high quality, specialized management and restructuring advisory services to debtors and financially distressed companies, all as described more fully in the *Debtors' Application for Entry of an Order Authorizing the Employment and Retention of Alvarez & Marsal North America, LLC as Restructuring Advisors to Debtors and Debtors in Possession Pursuant to Section 327(a) of the Bankruptcy Code* [Docket

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Superior Energy Services, Inc. (9388), SESI, L.L.C. (4124), Superior Energy Services-North America Services, Inc. (5131), Complete Energy Services, Inc. (9295), Warrior Energy Services Corporation (9424), SPN Well Services, Inc. (2682), Pumpco Energy Services, Inc. (7310), 1105 Peters Road, L.L.C. (4198), Connection Technology, L.L.C. (4128), CSI Technologies, LLC (6936), H.B. Rentals, L.C. (7291), International Snubbing Services, L.L.C. (4134), Stabil Drill Specialties, L.L.C. (4138), Superior Energy Services, L.L.C. (4196), Superior Inspection Services, L.L.C. (4991), Wild Well Control, Inc. (3477), and Workstrings International, L.L.C. (0390). The Debtors' address is 1001 Louisiana Street, Suite 2900, Houston, Texas 77002.

No. 176] filed with this Court on December 18, 2020. On January 15, 2021, this Court entered an order [Docket No. 257] authorizing the Debtors to retain A&M as their financial advisor in connection with the Debtors' restructuring efforts.

2. A&M's debtor advisory services have included a wide range of activities targeted at stabilizing and improving a company's financial position, including developing or validating forecasts, business plans, and related assessments of a business's strategic position; monitoring and managing cash, cash flow, and supplier relationships; assessing and recommending cost reduction strategies; and designing and negotiating financial restructuring packages.

3. Since its inception in 1983, A&M has been a global provider of turnaround advisory services to companies in crisis or those in need of performance improvement in specific financial and operational areas, including, among others, in Chapter 11 cases in the Southern District of Texas, such as: *In re Hi-Crush Inc.*, No. 20-33495 (DRJ) (Bankr. S.D. Tex. Sept. 10, 2020); *In re Weatherford Int'l plc*, No. 19-33694 (DRJ) (Bankr. S.D. Tex. July 1, 2019); *In re Jones Energy, Inc.*, No. 19-32112 (DRJ) (Bankr. S.D. Tex. May 6, 2019); *In re Parker Drilling Company*, No. 18-36958 (MI) (Bankr. S.D. Tex. Jan. 15, 2019); *In re EXCO Resources, Inc.*, No. 18-30155 (MI) (Bankr. S.D. Tex. Jan. 15, 2018); *In re Seadrill Ltd.*, No. 17-60079 (DJR) (Bankr. S.D. Tex. Sept. 12, 2017); *In re SandRidge Energy, Inc.*, No. 16-32488 (DRJ) (Bankr. S.D. Tex. June 23, 2016).

4. I have been employed at A&M since June 2006 and have been a full time restructuring advisor for over 14 years. I have a broad range of experience in liquidity and working capital management, cash forecasting, liquidation analyses and valuations, business plan development, cost-cutting and asset rationalization, lender negotiations, bankruptcy planning, and accounting. In addition to advising the Debtors, I have advised several distressed energy companies through the recent industry downturn, including FTS International, Arena Energy, Hi-Crush, Weatherford International, QMax, Northeast Gas, Parker Drilling Company, Jones Energy, Castex Energy, New Mach Gen, Forbes Energy Services, US Well Services, and Quintana Energy Services.

5. I received a master's degree in professional accounting and a bachelor's degree in business administration from the University of Texas at Austin, graduating with Highest Honors. I am a Certified Public Accountant (CPA), a Chartered Financial Analyst (CFA), a Certified Insolvency & Restructuring Advisor (CIRA), and a Certified Fraud Examiner (CFE).

6. On August 4, 2020, the Debtors retained A&M to, among other things, assist the Debtors in stabilizing and improving the Debtors' financial position, including developing and validating forecasts, with creating business plans and related assessments of strategic position, in monitoring and managing cash, with cash flow and supplier relationships, with assessing and recommending cost reduction strategies, and with negotiating financial restructuring packages. In providing such advisory services, I and certain other A&M professionals have worked closely with the Debtors' management and their other advisors and have become well acquainted with the Company's business operations, finances, capital structure, creditors, and other related matters. As a result of my work with the Debtors and my understanding of the Company's financial history and business operations, as well as my experience and training in the reorganization of financially distressed companies, I am qualified to testify to the statements made herein, including that the Debtors' Plan is feasible and satisfies the "best interests" of creditors tests.

7. Through my role as an advisor to the Debtors, I am familiar with the Debtors' financial affairs and current capital structure. I am also generally familiar with the terms and contents of the Debtors' *Disclosure Statement for the Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc. and its Affiliate Debtors under Chapter 11 of the Bankruptcy Code* [Docket No. 12] (the "**Disclosure Statement**") and the Debtors' *Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc. and its Affiliate Debtors under Chapter 11 of the Bankruptcy Code* [Docket No. 11] (as amended, modified, or supplemented from time to time, the "**Plan**"), including the agreements and other documents set forth in the *First Plan Supplement for the Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc. and Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 150] and the *Second Plan Supplement for the Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc.*

and Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code [Docket No. 214] (together, as amended, modified, or supplemented from time to time, the "**Plan Supplement**"). I am duly authorized to make and submit this declaration (this "**Declaration**") on behalf of A&M in support of the Debtors' *Memorandum of Law in Support of (I) Approval of Debtors' Disclosure Statement and (II) Confirmation of First Amended Joint Prepackaged Plan of Reorganization for Superior Energy Services, Inc. and Its Affiliate Debtors Under Chapter 11 of the Bankruptcy Code* (the "**Confirmation Brief**"), filed substantially contemporaneously herewith.[2]

8. Except as otherwise indicated, all statements in this Declaration are based on (a) my personal knowledge of the Company's operations and finances, (b) my review of relevant documents, (c) information provided to me by A&M employees working under my supervision, (d) information provided to me by, or discussions with, the members of the Debtors' management team or their other advisors, and (e) my opinion based upon my experience as a restructuring professional. If I were called upon to testify, I could and would competently testify to the facts set forth herein.

THE PLAN WAS PROPOSED IN GOOD FAITH

9. I believe that the Plan has been proposed in good faith and not by any means forbidden by law, as required by section 1129(a)(3) of the Bankruptcy Code. As described in greater detail below, the Plan reflects the terms of the Restructuring Support Agreement negotiated at arms' length by the Debtors and the Consenting Noteholders over several months leading up to and following the Debtors' chapter 11 filings.

10. In the months prior to the commencement of these Chapter 11 Cases, the Debtors, along with their advisors, engaged in good faith rigorous negotiations with certain holders of the Debtors' Prepetition Notes in an effort to reach a comprehensive and consensual financial restructuring (the "**Restructuring**") of the Company's balance sheet to ensure the long-term viability of Superior. As a result of these efforts, the Debtors and holders of approximately 85%

[2] Capitalized terms used but not otherwise defined in this Declaration shall have the meanings used in the Confirmation Brief, the Plan, or the Disclosure Statement, as applicable.

of the outstanding principal amount of the Debtors' Prepetition Notes (the "**Consenting Noteholders**"), became party to the Amended and Restated Restructuring Support Agreement, dated December 4, 2020 (the "**Restructuring Support Agreement**"), setting forth the terms and conditions of the Restructuring.

11. The Debtors engaged in hard-fought negotiations with the Ad Hoc Noteholder Group in agreeing to the Restructuring Support Agreement. Specifically, the Debtors fought for and initially obtained in a prior iteration of the Restructuring Support Agreement (the "**Original Support Agreement**") a recovery for their existing prepetition equity holders (the "**Existing Equity Holders**"). In the Original Restructuring Support Agreement, the Ad Hoc Noteholder Group agreed to support a plan of reorganization pursuant to which the Existing Equity Holders received 2% of the Reorganized Debtors' equity, as well as five-year warrants for 10.0% of the Reorganized Debtors' equity (the "**Existing Equity Holders' Recovery**").

12. However, after the Original Restructuring Support Agreement was executed, and given certain developments in the chapter 11 cases of Fieldwood Energy LLC that are currently pending before this Court, the Ad Hoc Noteholder Group became concerned with the likelihood and amount of certain historical guarantees issued by Parent with respect to certain legacy oil and gas interest obligations (as more fully set forth in Exhibit G of the Disclosure Statement) (the "**Legacy Parent Guarantees**"), which could expose the Parent to liability for the Legacy Parent Guarantee Claims (i.e., asset retirement obligations). Given the uncertainty and magnitude of such potential liabilities, and despite continued efforts by the Debtors to negotiate a recovery for the Holders of the Old Parent Interests, the Ad Hoc Noteholder Group no longer agreed to support a chapter 11 plan that allowed the potential Legacy Parent Guarantee Claims to "ride through" these Chapter 11 Cases.

13. Under the terms of the final Restructuring Support Agreement, the Consenting Noteholders have agreed to support the Debtors' Restructuring pursuant to the Plan. The Restructuring Support Agreement and the Plan contemplate a comprehensive restructuring of the Debtors' prepetition obligations, including the elimination of approximately $1.3 billion in

prepetition funded debt obligations, owed to holders of the Debtors' Prepetition Notes, in exchange for the Reorganized Debtors' new equity and certain other consideration. In addition, the Plan provides that Allowed General Unsecured Claims against all Debtors except for the Parent will be paid in full. Thus, the Plan will enable the Debtors to emerge with a significantly deleveraged capital structure and obtain the liquidity projected by the Debtors and their advisors necessary to their business for the long-term future.

14. Moreover, the Plan (including the Plan Supplement and all other documents necessary to effectuate the Plan) and the provisions therein (including, but not limited to, the Third Party Release and Debtor Release) are the result of extensive, arm's length negotiations among the parties to the Restructuring Support Agreement. As further evidence of the fairness and good faith-efforts that went into the Plan negation process, the Plan enjoys the support of a strong majority of creditors in all of the Voting Classes.

FEASIBILITY

15. I understand that section 1129(a)(11) of the Bankruptcy Code requires that this Court find that confirmation is not likely to be followed by the liquidation of the Reorganized Debtors or the need for further financial reorganization, unless the Plan contemplates such liquidation.

16. Together with others at A&M, I have worked extensively with the Debtors in reviewing their Financial Projections (as defined below), and in developing the Plan and the transactions contemplated thereunder. Based upon the foregoing and my other work with the Debtors prior to and throughout the Chapter 11 Cases, and based on the facts and circumstances presently known to me, I believe that the Plan is feasible and that there is a reasonable prospect that the Reorganized Debtors will be able to meet their financial obligations under the Plan and their business in the ordinary course.

17. The Debtors, with the assistance of their advisors, prepared financial projections of the Reorganized Debtors for the years ending 2021, 2022, and 2023, attached as Exhibit D to the Disclosure Statement (the "**Financial Projections**"). As illustrated by the Financial Projections, the Reorganized Debtors are projected to generate unlevered free cash flow of approximately $46 million in the remainder of 2021, and approximately $53 million and $75 million in 2022 and 2023, respectively, which will be more than sufficient to continue conducting business operations as a going concern. The Reorganized Debtors' liquidity will be further supported by their borrowing base under the Exit ABL Facility.

18. I believe that as a result of the transactions contemplated by the Plan, including the full equitization of funded debt and the incremental liquidity provided by the Exit Facility Credit Agreement, the Reorganized Debtors have sufficient cash flow and availability to make all payments required pursuant to the Plan while conducting ongoing business operations.

19. Based on the Financial Projections, I believe that confirmation and consummation of the Plan is not likely to be followed by the liquidation or further reorganization of the Reorganized Debtors.

THE BEST INTERESTS OF CREDITORS TEST

20. I understand the "best interests" test under section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation of a plan of reorganization, that each holder of a claim or interest in each impaired class either (a) has accepted the plan; or (b) will receive or retain under the plan property of a value, as of the effective date of

the confirmed plan, that is not less than the amount such holder would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code on such date.

21. I am familiar with and assisted the Debtors in preparing a hypothetical, reasonable and good-faith estimate of the proceeds that would be generated if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code, as set forth in more detail in the liquidation analysis attached as Exhibit C to the Disclosure Statement (the "**Liquidation Analysis**"). The Liquidation Analysis was completed after extensive analysis and due diligence by the Debtors and A&M, reflects the views and input of the Debtors' management and A&M based upon its experience with the Company's assets, and includes a detailed description of the assumptions, analysis and results of a hypothetical chapter 7 liquidation of the Debtors. The Liquidation Analysis was described in the Disclosure Statement and a complete description of the process and the results of the Liquidation Analysis are set forth in Exhibit C to the Disclosure Statement. I believe that the methodology and assumptions used by the Debtors in preparing the Liquidation Analysis were reasonable.

22. I understand that the best interests test is not relevant for the Holders of Claims or Equity Interests in Classes 1-4 and 8, 9, and 11, because such Classes of Claims and Equity Interests are Unimpaired under the Plan.

23. As stated in the Liquidation Analysis, subject to the assumptions and limitations described therein, the Net Liquidation Proceeds Available for Distribution (as defined in the Liquidation Analysis) to the Affiliate Debtors' claimants range from approximately $404.6 million to $495.3 million. Therefore, as set forth in the Liquidation Analysis, after applying available liquidation proceeds in accordance with the Bankruptcy Code and applicable law, the proceeds from a hypothetical chapter 7 liquidation would provide each Impaired Class with the estimated

recoveries set forth in the table below. As shown, none of these estimated chapter 7 recoveries is more than the estimated recoveries as set forth in the Plan.

Class	Claim	Low Estimated Chapter 7 Recovery	High Estimated Chapter 7 Recovery	Projected Plan Recovery[3]
5	Prepetition Notes Claims Against Parent	0%	0%	Low: 63% High: 76%
6	General Unsecured Claims Against Parent	0%	0%	$125,000
7	Prepetition Notes Claims Against Affiliate Debtors	16%	22%	Low: 63% High: 76%
10	Old Parent Interests	0%	0%	0%
12	510(b) Equity Claims	0%	0%	0%

24. The Parent does not own any material assets other than its equity interests in SESI, L.L.C., its direct subsidiary. SESI, L.L.C. is the issuer of, and primarily liable for, the entire amount of the Prepetition Notes Claims that exceed $1.3 billion. As shown in the Valuation Analysis attached as Exhibit E to the Disclosure Statement as well as the Cummings Declaration, the estimated enterprise value of the Reorganized Debtors (such value includes all direct and indirect equity interests of non-debtor affiliates) is between $710 million and $880 million. Therefore, SESI, L.L.C. is worth substantially less than the face amount of the Prepetition Notes Claims and, in turn, the Parent has no residual value for its creditors or equityholders other than

[3] The range of recoveries corresponding to the Prepetition Notes Claims against Parent (Class 5) and the Prepetition Notes Claims against Affiliate Debtors (Class 7) is presented herein on a combined basis for both of those Classes.

pursuant to a $125,000 distribution to Holders of General Unsecured Claims at the Parent provided for under the Plan. Further, and as set forth in the Liquidation Analysis, a hypothetical chapter 7 liquidation of the Parent would result in no recovery for General Unsecured Claims at the Parent given the minimal assets and claims that reside at this legal entity.

25. I believe that the recoveries under the Plan substantially exceed those under a hypothetical liquidation, as set forth in the Liquidation Analysis, and, as a result, I believe that the Plan satisfies the best interests test requirement under section 1129(a)(7) of the Bankruptcy Code. Therefore, to the best of my knowledge, information and belief, insofar as I have been able to ascertain after reasonable inquiry, I believe that the Debtors have satisfied this requirement.

OTHER CONFIRMATION REQUIREMENTS UNDER SECTION 1129 OF THE BANKRUPTCY CODE

26. The Plan complies with the other applicable provisions of the Bankruptcy Code, including as required by section 1129(a)(1), in that, among other things: (a) the Plan's classification scheme is appropriate and places only substantially similar claims or interests in each class under the Plan, and was not designed for any improper purpose; (b) the Plan complies with all of the mandatory requirements of section 1123(a) of the Bankruptcy Code, including providing adequate means for its implementation; and (c) other permissive provisions of the Plan, including the various release, exculpation and injunctive provisions discussed below, are consistent with the Bankruptcy Code and applicable law.

27. I believe that the Plan's provisions governing appointment of directors and officers for the Reorganized Debtors satisfy the requirements of section 1129(a)(5) of the Bankruptcy Code, including that the appointment (or continuation of service) of the Reorganized Debtors' directors and officers be consistent with the interests of creditors and equity security holders. Here, all of the proposed directors and officers of the Reorganized Debtors, some of whom are members

of the Debtors' existing management team, have significant knowledge and business and industry experience, and will give the Reorganized Debtors continuity in running their businesses.

28. The Plan provides for the separate classification of Claims and Equity Interests based upon differences in the legal nature and/or priority of such Claims and Equity Interests. The Plan designates the following twelve Classes of Claims and Equity Interests:[4] Class 1 (Other Priority Claims), Class 2 (Other Secured Claims), Class 3 (Secured Tax Claims), Class 4 (Prepetition Credit Agreement Claims), Class 5 (Prepetition Notes Claims Against Parent), Class 6 (General Unsecured Claims Against Parent), Class 7 (Prepetition Notes Claims Against Affiliate Debtors), Class 8 (General Unsecured Claims Against Affiliate Debtors), Class 9 (Intercompany Claims), Class 10 (Old Parent Interests), Class 11 (Intercompany Equity Interests) and Class 12 (510(b) Equity Claims). The Plan contemplates being a separate plan of reorganization each Debtor entity, but the Plan does not contemplate substantive consolidation of the Debtors. Instead, each Class of creditors is being treated under the Plan on a per-Debtor basis.[5] Therefore, it is appropriate for the Debtors to classify the General Unsecured Creditors at the Parent separate and apart from the General Unsecured Creditors at the Affiliate Debtors.

29. The classification structure of the Plan is rational and complies with the Bankruptcy Code. All Claims and Equity Interests within a Class have the same or similar rights against the Debtors. The Plan provides for the separate classification of Claims against and Equity Interests in each Debtor based upon the differences in legal nature and/or priority of such Claims and Equity

[4] Administrative Claims, Professional Fee Claims, DIP Facility Claims, and Priority Tax Claims are not classified and are separately treated under the Plan.

[5] *See* Preamble to Plan ("Although proposed jointly for administrative purposes, this Plan constitutes a separate Plan for each Debtor for the resolution of outstanding Claims against and Equity Interests in each Debtor pursuant to the Bankruptcy Code. This Plan is not premised upon the substantive consolidation of the Debtors with respect to the Classes of Claims or Equity Interests set forth in the Plan.")

Interests. Moreover, the classification scheme generally tracks the Debtors' prepetition capital structure and divides Claims and Equity Interests into Classes based on the underlying instruments giving rise to such Claims and Equity Interests.

30. While Prepetition Notes Claims against the Parent and Holder of General Unsecured Claims against Parent are classified in two separate classes–Class 5 and Class 6, respectively–such classification is appropriate. Claims in Class 5 are fixed and liquidated, while Claims in Class 6 are contingent and unliquidated. The separation of fixed and liquidated claims, on the one hand, and contingent and unliquidated claims, on the other hand, is a rational basis for the placement of claims into two separate classes.

31. Certain other requirements of section 1129 do not apply. Section 1129(a)(6) does not apply, as the Plan does not propose to change any rates subject to the jurisdiction of any governmental regulatory position. The Debtors do not have any obligations to pay retiree benefits and, therefore, Section 1129(a)(13) does not apply. The Debtors are not subject to any domestic support obligations, and, as such, Section 1129(a)(14) does not apply. Further, Section 1129(a)(15) applies only in cases in which the debtor is an "individual" (as that term is defined in the Bankruptcy Code). Additionally, it is my understanding that the Debtors are moneyed, business, or commercial corporations, and thus Section 1129(a)(16) is not applicable.

32. The primary purpose of the Plan is not avoidance of taxes or avoidance of the requirements of section 5 of the Securities Act of 1933, 15 U.S.C. § 77e, and there has been no objection filed by any governmental unit asserting such avoidance.

DEBTOR RELEASE

33. It is my understanding that Article X.B.1 of the Plan provides for a release of the Released Parties, their respective Related Persons, and their respective assets and properties, by

the Debtors and Reorganized Debtors, in their respective individual capacities and as debtors-in-possession (the "**Debtor Release**"). It is also my understanding that the Debtor Release does not operate to waive or release any Causes of Action arising from willful misconduct, fraud, or gross negligence, in each case as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction.

34. I believe that the Debtor Release is appropriate and in the best interest of the Estates because: (a) it is my understanding that the Debtors are not aware of any meaningful Claims or Causes of Action against the Released Parties;[6] (b) all Voting Classes voted in favor of the Plan, including the Debtor Release discussed below; (c) general unsecured creditors against all Debtors other than the Parent are Unimpaired under the terms of the Plan; (d) the Plan, including the Debtor Release, was negotiated by sophisticated entities that were represented by able advisors who each conditioned their support for the Plan and entry into the Restructuring Support Agreement, among other things, on the grant of the Debtor Release; and (e) the Debtor Release has provided a material benefit to the Debtors' estates by securing the votes in favor of the Plan by Voting Classes who executed the Restructuring Support Agreement, in return for the Debtor Release and the Third-Party Releases discussed below. The resulting compromise reflects a true arm's-length negotiation process. Accordingly, I believe the Debtor Release is fair, equitable, and in the best interest of their Estates.

THIRD-PARTY RELEASE

35. In addition to the Debtor Release, Article X.B.2 of the Plan provides for the consensual release of the Released Parties, their respective Related Persons, and their respective

[6] For the avoidance of doubt, this does not include claims against the Excluded Parties, which have been carved out from the Debtor Release.

assets and properties, from any Causes of Action and Claims held by each Non-Debtor Releasing Party that does not affirmatively opt out of such release on its respective Ballot (the "**Third-Party Release(s)**"). It is also my understanding that the Third-Party Releases do not operate to waive or release any Causes of Action arising from willful misconduct, fraud, or gross negligence, in each case as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction.

36. It is my belief that the Third-Party Releases are (a) integral to the plan, (b) a condition of the settlement among the Debtors, the Consenting Noteholders, and other constituencies embodied in the Plan, and (c) given for consideration.

37. The Third-Party Releases are an integral part of the Plan and a condition of the global settlement set forth therein. Based on my understanding of the negotiations with the Consenting Noteholders and other Released Parties, I believe that the Third-Party Releases facilitated the participation of the Consenting Noteholders and other Released Parties in both the Plan and the chapter 11 process and were critical in reaching consensus to support the Plan. Indeed, the Consenting Noteholders insisted on the inclusion of the Third-Party Releases as a condition to entering into the Restructuring Support Agreement and, ultimately, supporting the Plan. As such, it is my belief that the Third-Party Releases were a core negotiation point and appropriately offer certain protections to parties that constructively participated in the Restructuring.

38. I believe that the Third-Party Releases are given for consideration. The Released Parties have played an extensive and integral role in the Restructuring Transactions. I understand that all parties in interest benefit from the Restructuring Transactions contemplated by the Plan and the significant contributions of the Released Parties in furtherance thereof, including, among

other things, (a) the Consenting Noteholders' agreement to accept all of their recoveries in New Common Stock while allowing all General Unsecured Claims against Affiliate Debtors to remain Unimpaired, (b) the DIP Agent's and the DIP Lenders' willingness to extend financing under the DIP Agreement during the Chapter 11 Cases, and (c) the Exit Facility Lenders' willingness to extend financing under the Exit ABL Facility to support the Debtors' post-emergence liquidity needs.

39. Finally, I believe the Third-Party Releases are consensual. All parties impacted by the Third-Party Releases had ample opportunity to evaluate and opt out of the Third-Party Releases by either objecting to the Plan or opting out of the releases. Importantly the ballots distributed to Holders of Claims entitled to vote on the Plan quoted the entirety of the Third-Party Release, clearly informing holders of Claims entitled to vote of the steps they should take if they disagreed with the scope of the release. Thus, affected parties received a notice of the Third-Party Releases, including the option to opt out of the Third-Party Releases. As such, I believe the Third-Party Releases are fully consensual releases.

40. Based on the foregoing, I believe that the Third-Party Releases are appropriate and justified under the circumstances.

EXCULPATION

41. Further, I understand that the exculpation provision set forth in Article X.E of the Plan was an integral part of the negotiations among and the global settlement between the Debtors and their constituents, which culminated in the consensual Plan.

42. Based on negotiations to date, I believe that the Exculpated Parties have, and will continue to, participate in good faith with respect to the Chapter 11 Cases, the formulation, negotiation, and implementation of the Plan, the solicitation of acceptances of the Plan, the pursuit

of Confirmation of the Plan, the Confirmation of the Plan, the Consummation of the Plan, and the administration of the Plan or the property to be distributed under the Plan.

43. Lastly, I understand that the exculpation provision is consistent with applicable law and should be approved in connection with the Confirmation of the Plan.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Executed on: January 15, 2021

/s/ Ryan Omohundro
Ryan Omohundro
Managing Director
Alvarez & Marsal North America, LLC