

3. The statements in this Declaration are, except where specifically noted, based on my personal knowledge or opinion, or information that I have received from the Committee's other advisors, or Province's employees working directly with me or under my supervision or direction. Commencing in February 2023, I have overseen and been directly involved with a Province team that has been one of the principal advisors for the Committee. In this capacity, I have become well-acquainted with the Debtors' capital structure, liquidity needs, and business operations.

4. I am not being specifically compensated for this testimony other than through payments that may be received by Province as a professional retained by the Committee. If I were called upon to testify, I could and would competently testify to the facts set forth herein.

Background and Qualifications

5. Province is a financial advisory firm specializing in corporate and creditor advisory, forensic and dispute resolutions, and trustee-related services that are employed in large-scale corporate restructuring transactions. Province's professionals have extensive experience providing advisory and investment banking services to financially distressed companies and to creditors, equity holders, and other constituencies in reorganization proceedings and complex financial restructurings, both in-court and out-of-court.

6. For instance, Province is providing or has provided financial advisory and other services in connection with the restructuring of the following companies: (i) financial advisor to the unsecured creditors committee in A.B.C. Carpet, Alex and Ani, Armstrong Flooring, Ascena Group, Avadim Health, BL Restaurants Holding, Carbonlite Holdings, Cherry Man Industries, Cyprus Mines, DCL Holdings (USA), Destination Maternity, Eastern Outfitters, EHT US1 (Eagle Hospitality), Endo International, Francesca's Holding Corporation, Honx, Insys Therapeutics, J Crew, Lucky's Market, L'Occitane, Mallinckrodt, Neopharma, One Web, Papyrus, Path Medical,

Pier 1, PBS Brand Co. (Punch Bowl), Purdue Pharma, Reverse Mortgage, Revlon, Stage Stores, TECT Aerospace Group, True Religion Apparel, and White Stallion Energy matters; (ii) financial advisor to the debtors in 4E Brands, Basic Energy Services, Cherry Man Industries, Cinemex Holdings USA, Coin Cloud, Frontsight Management, Penthouse Global Media, Superior Linen, True Religion Apparel, Vesta Holdings, and Woodbridge Group of Companies; and (iii) the trustee in Aegean Marine Petroleum, Advance Watch, American Apparel, Borden Dairy, CS Mining, Cycle Force, EBH Topco, Eclipse Berry Farms, Energy & Exploration (ENXP), Fieldwood, Gump's, La Paloma Generating Company, Limetree Bay Services, Mallinckrodt, Maxus Energy, Neogenix, PBS Brand Co. (Punch Bowl), Promise Healthcare Group, RadioShack Corporation, and Samson Resources among others.

7. Prior to working at Province, I was a managing director in the Special Situations and Corporate Restructuring practice at B. Riley Securities, where I advised companies, creditors, lenders, labor unions and acquirers in restructuring more than \$50 billion of liabilities across an array of sectors. I also previously served as a director within the US Business Recovery Services practice at PwC and as a senior associate within the Corporate Finance practice at FTI Consulting. I hold an B.A. from the Fordham University Graduate School of Business and a B.S. from Union College.

8. While at Province and at prior firms, I have advised significant stakeholders in major restructurings, including those of Mallinckrodt plc, Unique Fabricating, Medley LLC, Hertz, Cost Plus World Market, Exide Technologies, S.P. Richards & Co., Aerocentury, PG&E Corp, Murray Energy, Insight Terminal Solutions, Mesabi Metallics, Mission Coal, Contura Energy, Alpha Natural Resources and Patriot Coal.

9. In virtually all of those cases, I advised clients with respect to issues relating to chapter 11 plan negotiations, DIP financings, cash collateral usage, section 363 sale processes, and/or new money recapitalizations, in each case analyzing and evaluating business plans, cash flow forecasts, and liquidity needs, as well as evaluating, negotiating, and structuring DIP financings.

10. As a result of my experience and training, I am familiar with the standard methodologies and analyses necessary to determine a company's liquidity needs and capital requirements. I am also able to analyze and evaluate whether fees proposed to be paid in conjunction with post-petition capital raises are in line with the market, taking into account a company's financing needs and the terms of the proposed capital raise.

The Backstop Fees

11. Under the Backstop Commitment Agreement, I understand that, in exchange for their agreement to backstop the Rights Offering, the Backstop Parties will receive (a) the right to participate in an offer (the "Rights Offering") to purchase up to \$60 million of new preferred stock and to exchange up to \$75 million of existing claims for new preferred stock² (collectively, the "New Preferred Equity"), (b) a 20% Backstop Commitment Premium equal to \$12 million payable in additional shares of New Common Equity or a Backstop Termination Fee equal to \$6 million cash, and (c) payment of the Backstop Parties' professional fees, expenses and indemnification.

12. It is my understanding that the Backstop Parties have already agreed to purchase \$39 million of \$60 million in New Preferred Equity. Accordingly, the 20% or \$12 million Backstop Commitment Premium is more accurately applied to the remaining, uncommitted \$21

² All unsecured creditors are eligible to purchase their *pro rata* share of up to \$60 million of New Money Equity and to exchange on a pro rata basis up to \$75 million of existing notes and claims for Exchangeable Preferred Equity.

million of the New Preferred Equity, bringing the Backstop Commitment Premium to 57% of the total uncommitted New Preferred Equity.

13. In my experience, and based on my analysis of comparable cases attached as **Appendix 1**, the Backstop Commitment Premium compared to the total amount of the \$60 million Rights Offering is high, at 20%. Comparable cases have included fees amounting to an average of 13% as reflected in **Appendix 1**. On information and belief, the Pro Rata share of the Rights Offering the Backstop Parties have committed to purchase on account of their Unsecured Notes Claims is approximately \$39 million, leaving only \$21 million for which they will backstop. When considering the Backstop Commitment Premium as a percentage of the \$21 million uncommitted portion of the Rights Offering, the fee amounts to 57% and vastly exceeds fees awarded in the comparable cases reflected in **Appendix 1**.

14. Additionally, I understand that, upon the termination of the Backstop Commitment Agreement for a reason other than a breach by the Backstop Parties, as well as the satisfaction of certain other conditions, the Backstop Parties will be entitled to a Backstop Commitment Termination Premium in the form of a \$6 million cash payment, amounting to a 10% termination fee. The amount is on the high end for comparable transactions listed in **Appendix 1**. The average termination fee for the comparable transactions listed in **Appendix 1** is around 7%.

15. In my experience, the combination of the Backstop Parties' prior commitment to purchase a majority of the shares under Rights Offering and the unreasonably high backstop fee makes for a backstop package that is extremely high, particularly in light of the fact that the vast majority of the Rights Offering is already committed. And, in my opinion, it is excessive under the circumstances.

16. Considered solely on an individual basis, the Backstop Commitment Premium, the Backstop Parties' prior commitment to purchase a certain amount of the shares issued under the Rights Offering, and the Backstop Commitment Termination Premium are not wholly unprecedented. But each term is on the high end of the range and, taken together, comprise an excessively high backstop package compared to what has been approved by bankruptcy courts in comparable cases.

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.

Dated: March 15, 2023
Stamford, Connecticut

/s/ Adam Rosen
Adam Rosen, Principal
Province, LLC

APPENDIX 1

Company	Emergence Date	Plan Equity Equity Value	Rights Offering		Backstop Fee %			Termination Fee as % of New Money ERO			
			\$ Amount	Discount	Nominal	Effective	Form	\$ Fee	% Fee	% of Backstop	Form
Revlon	Pending	\$1,580	\$670	30.0%	12.5%	17.9%	Equity	\$81	12.5%	100.0%	Cash
Avaya	Pending	797	150	37.5%	12.5%	20.0%	Equity	19	12.5%	100.0%	Cash
Talen Energy	Dec-22	\$2,800	\$1,550	25.0%	20.0%	26.7%	Cash/Equity	\$155	10.0%	100.0%	Cash
Grupo Aeromexico	Mar-22	2,564	720	n/a	15.0%	15.0%	Equity	n/a	n/a	n/a	n/a
Riverbed Technology	Dec-21	\$675	\$100	n/a	16.7%	16.7%	Conv. Pref.	n/a	n/a	n/a	n/a
Carlson Wagonlit	Nov-21	525	350	25.0%	5.0%	6.7%	Equity	n/a	n/a	n/a	n/a
Washington Prime	Oct-21	\$800	\$325	32.5%	9.0%	13.3%	Equity	\$28	8.5%	94.0%	Cash
Tuesday Morning	Sep-21	55	40	n/a	5.0%	5.0%	Equity	n/a	n/a	n/a	n/a
Gulfport Energy	May-21	\$600	\$50	30.0%	10.0%	14.3%	Conv. Pref.	n/a	n/a	n/a	n/a
NPC International	Apr-21	816	100	35.0%	8.0%	12.3%	Equity	8	8.0%	100.0%	Cash
Chesapeake	Feb-21	\$2,300	\$600	35.0%	10.0%	15.4%	Equity	\$60	10.0%	100.0%	Cash
Extraction Oil & Gas	Jan-21	641	200	35.0%	9.5%	14.6%	Equity	15	7.5%	78.9%	Cash
California Resources	Oct-20	\$1,650	\$450	35.0%	10.0%	15.4%	Equity	\$23	5.0%	50.0%	Cash
EP Energy	Oct-20	325	325	n/a	8.0%	12.3%	Equity	26	8.0%	100.0%	Cash
Windstream	Sep-20	\$1,250	\$540	37.5%	8.0%	12.8%	Equity	\$60	8.0%	100.0%	Cash
Ultra Petroleum	Sep-20	899	85	49.6%	7.5%	15.1%	Equity	6	7.5%	100.0%	Cash
Acosta	Dec-19	\$975	\$325	21.0%	4.5%	5.6%	Conv. Pref.	n/a	n/a	n/a	n/a
Legacy Reserves	Dec-19	590	256	n/a	6.0%	6.6%	Equity	n/a	n/a	n/a	n/a
Bristow Group	Oct-19	\$535	\$385	17.9%	10.0%	12.5%	Pref./Equity	\$19	5.0%	50.0%	Cash
Halcon	Oct-19	335	165	26.0%	6.0%	8.1%	Equity	10	6.0%	100.0%	Cash
PHI Inc.	Sep-19	\$338	\$75	25.0%	20.0%	20.0%	Equity	\$4	5.0%	25.0%	Cash
Hexion	Jul-19	1,373	300	35.0%	8.0%	12.3%	Cash/Equity	24	8.0%	100.0%	Cash
Monitronics	Jun-19	\$471	\$177	16.1%	13.5%	16.2%	Equity	n/a	n/a	n/a	n/a
Aegerion Pharmaceuticals	May-19	371	60	20.0%	5.0%	5.0%	Cash	n/a	n/a	n/a	n/a
Parker Drilling	Mar-19	\$251	\$95	47.6%	8.0%	12.2%	Equity	\$8	8.0%	100.0%	Cash
Expro	Feb-19	1,148	200	36.8%	5.0%	7.9%	Equity	10	5.0%	100.0%	Cash
Toys "R" Us (Taj Debtors)	Jan-19	N/A	460	45.0%	6.5%	11.8%	Equity	n/a	n/a	n/a	n/a
		25th Percentile		25.0%	6.3%	10.0%			6.0%	94.0%	
		Average		31.7%	9.6%	13.0%			7.9%	88.1%	
		Median		33.8%	8.0%	12.8%			8.0%	100.0%	
		75th Percentile		36.4%	11.3%	15.4%			8.5%	100.0%	
Invacare Corporation		\$22	\$60	n/a	20%	20%	Equity	\$6	10%	50%	Cash

Note: \$ in millions

Source: Court Filings, Reorg Research