IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: ROADHOUSE HOLDING INC., *et al.*,[1] Debtors.	Chapter 11 Case No. 16-11819 (BLS) (Jointly Administered) **Docket Ref. No. 329**

DECLARATION OF NISHANT MACHADO IN SUPPORT OF CONFIRMATION OF DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

I, Nishant Machado, do hereby submit this declaration (this "**Declaration**") and declare under penalty of perjury that the following information is true and correct to the best of my knowledge, information, and belief.

1. I am the Chief Restructuring Officer ("**CRO**") of Operations of the above-captioned debtors and debtors in possession (the "**Debtors**"). I submit this Declaration in support of confirmation of the *Debtors' First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code*, dated September 28, 2016 [Docket No. 329] (together with all exhibits and as amended, modified and supplemented in accordance the Plan and the Confirmation Order, the "**Plan**").[2] Except as otherwise indicated, all facts set forth in this Declaration are based on my personal knowledge, information provided by professionals retained

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Roadhouse Holding Inc. (5939); Roadhouse Intermediate Inc. (6159); Roadhouse Midco Inc. (6337); Roadhouse Parent Inc. (5108); LRI Holdings, Inc. (4571); Logan's Roadhouse, Inc. (2074); Logan's Roadhouse of Texas, Inc. (2372); and Logan's Roadhouse of Kansas, Inc. (8716). The location of the Debtors' corporate headquarters is 3011 Armory Drive, Suite 300, Nashville, Tennessee 37204.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Plan or Disclosure Statement, as applicable.

by the Debtors, or information I obtained by reviewing relevant documents. If called to testify, I could and would testify competently as to the facts set forth herein.

2. I am a Senior Managing Director of Mackinac Partners, LLC ("**Mackinac**"). I graduated *cum laude* from Purdue University, am a member of the Association of Insolvency and Restructuring Advisors, and am a Certified Insolvency and Restructuring Advisor. I have served as CRO, interim CEO, CFO, COO, Lead Restructuring Advisor and senior financial officer for turnaround clients and public and private corporations in numerous industries. I have extensive experience in the development of reorganization plans, creditor negotiations, business plan preparation and long-term forecasting, developing and implementing cost reduction programs, and financial management of public and privately-held companies. Over my time as a restructuring professional, I have developed a detailed knowledge of and experience with the business and financial affairs of restaurant operators specifically, as well as a diversified business experience in restructuring, financial management, and accounting.

3. Mackinac was engaged by the Debtors in May 2016, and I was appointed as CRO of Operations of the Debtors, along with Keith Maib, who was appointed CRO of Finance. In the lead up to the Debtors commencing the Chapter 11 Cases, Mr. Maib and I worked closely with the Debtors' Board of Directors, the Debtors' management team and employees, and professionals in connection with a financial restructuring of, and to begin work on the operational turnaround for, the Debtors. In my time with the Debtors, I have become well-acquainted with the Debtors' operations, debt structure, business, and related matters. I have also engaged in extensive negotiations with the Debtors' key financial and operational stakeholders.

4. In my capacity as CRO of Operations, I am responsible for developing and implementing the Debtors' business plan and strategies and for generally overseeing the Debtors' business and operations. Accordingly, I have been involved in the Debtors' restructuring process (the "**Restructuring**"), which includes but is not limited to the following activities, over which I have primary responsibility or share responsibility with Mr. Maib: (i) reviewing and analyzing the Debtors and their financial projections, data and results; (ii) managing the Debtors' operations, including execution in the field and evaluating the Debtors' existing contractual arrangements and obligations with suppliers and service providers; (iii) assessing the Debtors' customer engagement and marketing strategies; (iv) overseeing preparation of cash flow forecasts and the long-term business plan; (v) development of the Plan and obtaining confirmation of the Plan; and (vi) management of key constituents, including communications and meetings with creditor constituents, secured lenders, noteholders, vendors, employees and restructuring advisors.

A. Background of the Chapter 11 Cases and the Debtors' Restructuring

5. On August 8, 2016 (the "**Petition Date**"), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The purpose of the Chapter 11 Cases was to implement both a financial restructuring – by substantially reducing the Debtors' debt load, including reducing secured debt by over $300 million – and an operational restructuring, which would be implemented in the Bankruptcy Court through the rejection of a number of real property leases for unprofitable or significantly underperforming stores and certain other executory contracts that did not fit the Debtors' go-forward business strategy or were otherwise burdensome.

6. Prior to the Petition Date, the Debtors engaged in discussions with certain Noteholders and the Revolving Facility Lenders. The goal of these discussions was to obtain the support of these parties for a restructuring transaction that would materially deleverage the Debtors' balance sheet and provide much needed liquidity to the Debtors' business. These discussions resulted in the negotiation of the Restructuring Support Agreement with the Unanimous Supporting Noteholders, Revolving Facility Agent, Supporting Lenders, and Supporting Interest Holders. Key provisions obtained through the Restructuring Support Agreement were:

a) Consent to cash collateral usage during the chapter 11 cases;

b) The agreement to roll over the Revolving Lenders' claims into the Exit First Lien Facility, which has a maturity date 30 months after the Effective Date and the ability to pay in kind portions of the interest expense;

c) A $25 million new money, debtor-in-possession financing facility (junior to the Revolving Facility Lenders' liens) that provided the Debtors with the cash necessary not only to prosecute a chapter 11 plan but also sufficient post-emergence run-way to implement the Debtors' operational turnaround;

d) A commitment by the Unanimous Supporting Noteholders to roll over the obligations under the DIP Facilities into the Exit Second Lien Facility and agreement that such facility would only pay interest in kind, resulting in substantial cash savings to the Debtors that would not be available if the Debtors were required to take out the DIP Facility with a facility that paid in interest in cash only;

e) The commitment to support a chapter 11 plan process, rather than an expedited section 363 sale process, that ensures payment of all administrative and priority creditors;

f) Consent to the full equitization of the Notes Claims (except for those receiving the Cash Out Payment);

g) Consent to the extinguishment under the Plan of the greater than 97% equity interest in the Debtors that the Sponsors (who are also Noteholders) held without any consideration; and

h) Agreement on the aggregate distribution of a $350,000 General Unsecured Claim Cash Pool to unsecured creditors if the class of unsecured creditors voted to accept the Plan.

7. As a result of the agreements reached with the parties to the Restructuring Support Agreement, I believed that the Debtors were establishing themselves from a financial and balance sheet standpoint to implement the operational turn-around that the Debtors needed. Importantly, the new debtor-in-possession financing, which was being backstopped by the Unanimous Supporting Noteholders, would provide the cash needed for the new initiatives that I was working with the Debtors' management to develop and implement. The deleveraging and, importantly, an agreement to provide new financing that would not require cash payment of interest was very important to ensuring that the Debtors' cash position at emergence is favorable, which, among other things, will allow the Reorganized Debtors to obtain more favorable terms from their vendors.

8. It was also important to the Debtors that they quickly execute on a plan of reorganization and emerge from chapter 11 because a prolonged and uncertain stay in chapter 11 would have a negative impact on the Debtors' employee-base, which includes thousands of employees working across almost 200 restaurants, and would delay the Debtors' ability to obtain the more favorable terms that their deleveraged balance sheet warrants. The Restructuring Support Agreement provided the Debtors with a clear path through chapter 11 on a tight but achievable timeline that would mitigate the foregoing concerns.

9. Negotiations leading up to entry into the Restructuring Support Agreement were hard-fought by the Debtors, their management and their advisors and spanned several weeks. One specific provision of the Plan that received substantial attention and was clearly a "must-have" position in reaching agreement on the Restructuring Support Agreement and related documents was that the parties thereto would obtain the releases that are currently set forth in the

Plan. The terms of the Restructuring Support Agreement, the DIP Facilities, and the Plan are the interdependent result of those negotiations. I do not believe that specific provisions of the Plan could be "peeled off" and still enjoy the same support from the parties to the Restructuring Support Agreement.

10. I believe the Debtors, the Creditors' Committee, the Prepetition Revolving Lenders, holders of Kelso Notes and GSO Notes, certain holders of Unexchanged Notes, and the Indenture Trustees participated in good faith in negotiating, at arm's length, the Plan and the settlements and compromises, contracts, instruments, releases, agreements, and documents related to or necessary to implement, effectuate, and consummate the Plan, including without limitation the Plan and Plan Supplement. Each of these parties and their respective counsel and advisors also participated in good faith in each of the actions taken to bring about, and in satisfying each of the conditions precedent to, confirmation and consummation of the Plan. The Indenture Trustees' participation in the Chapter 11 Cases and action take in connection therewith are in the best interests of the Noteholders. The Debtors' good faith is evidenced from the record of the Chapter 11 Cases, including, among other things, the totality of circumstances surrounding the filing of the Chapter 11 Cases, the record developed in connection with the Confirmation Hearing, the formulation of the Plan and all related pleadings, exhibits, statements, and comments regarding confirmation of the Plan, and other proceedings held in the Chapter 11 Cases. The Chapter 11 Cases were filed, and the Plan was proposed, with the legitimate and honest purpose of effecting a reorganization of the Debtors.

11. I do not believe that the Debtors would have been able to effectuate the comprehensive, going-concern restructuring set forth in the Plan without the support of the parties to the Restructuring Support Agreement and the agreement itself. This is particularly so

given those parties' position in the Debtors' capital structure and that they were the only parties willing to provide the Debtors with the additional financing they needed. As a result, I believe that the Restructuring Support Agreement and the terms of it that are integrated into the Plan – including the release provisions – are essential to the Debtors' restructuring.

12. Having entered into the Restructuring Support Agreement, the Debtors commenced their Chapter 11 Cases and moved promptly to implement their restructuring strategy, filing a chapter 11 plan consistent with the Restructuring Support Agreement in the first few days of the Chapter 11 Cases, and immediately closing stores that did not fit with the Debtors' go-forward business plan and rejecting the underlying leases. The Debtors' goal was to emerge from chapter 11 protection by mid-November 2016.

13. Following the commencement of the chapter 11 cases, the Debtors engaged with the Creditors' Committee members and their advisors to work constructively to reach a result in the Chapter 11 Cases that, first and foremost, positioned the Debtors for success post-emergence, thus ensuring that general unsecured creditors had a stronger, continuing business partner while minimizing the claims that may arise in a shut-down of the Debtors from, among other things, rejecting 200 leases of non-residential real property, and second, met the Creditors' Committee's goal to improve the recovery to general unsecured claims from what was provided for under the plan filed in accordance with the Restructuring Support Agreement at the outset of the Chapter 11 Cases.

14. To that end, the parties to the Restructuring Support Agreement and DIP Credit Agreement agreed to several waivers thereunder to allow the Creditors' Committee to advance negotiations regarding amendments to the plan initially proposed in accordance with the Restructuring Support Agreement and the DIP Facilities. Those negotiations were ultimately

fruitful, as the parties reached the Creditors' Committee Settlement, and the Debtors were able to file the Plan and the parties agreed to certain amendments to the DIP Facilities in implementation thereof. The salient points of the Creditors Committee Settlement were:

a) Adding $3.5 million in cash financing provided by the Unanimous Supporting Noteholders to the Exit Second Lien Facility;

b) Providing for an increase in the General Unsecured Claim Cash Pool to $1 million;

c) Amending the Plan to waive unsecured deficiency claims on account of the Notes, thereby substantially reducing the claims pool and materially increasing recoveries for the remaining General Unsecured Claims within in the claims pool;

d) Waiving the Sponsors' General Unsecured Claims of several million dollars, further enhancing recoveries to General Unsecured Creditors;

e) Waiving and releasing Avoidance Actions, which the Debtors believe would exist substantially against holders of General Unsecured Claims;

f) Obtaining the Creditors' Committee's support for the Plan; and

g) Increasing the funds available under the DIP Facilities for the Creditors' Committee's advisors, subject to the Creditors' Committee Claims Cap.

15. I believe that the Creditors' Committee Settlement, and the consideration provided by the parties to the Restructuring Support Agreement thereunder, further enhances the Debtors and their restructuring and results in benefits to all stakeholders. Notably, the additional liquidity provides a substantial increase in the Debtors' cash position without increasing cash pay debt service obligations and recoveries to General Unsecured Creditors are improved through three different elements that amplify in impact when taken together – the increase in the cash amount available for distribution, the waiver of the Notes Deficiency Claim, and the waiver of General Unsecured Claims by the Unanimous Supporting Noteholders, including a several million dollar claim waived by the Sponsors. Further, it removes the specter of Avoidance Action litigation, which I believe would substantially, if not exclusively, be brought against

holders of General Unsecured Claims. Finally, the Creditors' Committee agreed to support confirmation of the Plan as part of the Creditors' Committee Settlement, thereby keeping the Debtors on track for a November 2016 emergence from chapter 11 protection.

16. I have reviewed the results of the voting on the Plan. I believe the broad creditor support for the Plan is an acknowledgement that the Plan represents the best opportunity for approximately 13,000 employees, approximately 195 landlords, hundreds (if not thousands) of other vendors, and millions of Logan's customers to derive the maximum value from the Debtors, their businesses and their assets under the facts and circumstances of the Chapter 11 Cases.

B. The Plan Satisfies All Requirements for Confirmation

17. The Plan Complies with All Applicable Provisions of the Bankruptcy Code (Section 1129(a)(1)). It is my understanding that the Plan satisfies all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including, without limitation, sections 1122 and 1123 of the Bankruptcy Code.

18. The Classification of Claims and Interests in the Plan Satisfies the Requirements of Section 1122 of the Bankruptcy Code. I am informed and believe that each of the ten (10) Classes of Claims against and Interests in each Debtor, as applicable, set forth in Article IV of the Plan contain only those Claims or Interests that are substantially similar to the other Claims or Interests within that Class. I believe that valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims against and Interests in the Debtors under the Plan.

19. The Plan Satisfies the Requirements of Section 1123(a) of the Bankruptcy Code. I am informed and believe that the Plan complies with section 1123(a) of the Bankruptcy Code, as further detailed below:

(a) Section 1123(a)(1). The Plan properly designates all Claims and Interests that require classification, as required by section 1123(a)(1) of the Bankruptcy Code.

(b) Section 1123(a)(2). Article IV of the Plan provides that Classes 1, 2, 7, and 10 are Unimpaired under the Plan.

(c) Section 1123(a)(3). Article IV of the Plan specifies that classes 3 through 6 and Classes 8 and 9 are impaired under the Plan, and specifies the treatment of Claims and Interests in those Classes.

(d) Section 1123(a)(4). The Plan provides for the same treatment by the Debtors for each Claim or Interest in a particular Class unless the holder of a particular Claim or Interest in such Class has agreed to a less favorable treatment of its Claim or Interest. With respect to Class 5, I believe that the holders in that class receive the same economic treatment; while the form of distribution – Cash or New Stock – is different, the economic value of those distributions are each based on the Plan Equity Value allocable to the holders.

(e) Section 1123(a)(5). Article VII and various other provisions of the Plan provide adequate and proper means for the Plan's implementation. All documents necessary to implement the Plan, including, without limitation, those contained in the Plan Supplement and all other relevant and necessary documents, have been developed and negotiated in good faith and at arms' length.

(f) Section 1123(a)(6). The charter or analogous governance document of Reorganized Holding and each Reorganized Debtor will prohibit the issuance of nonvoting

equity interests to the extent that the issuance of nonvoting securities is prohibited under section 1123(a)(6) of the Bankruptcy Code.

(g) Section 1123(a)(7). On the Effective Date, the board of Reorganized Holding will be comprised of a seven (7) member board. On the Effective Date, the existing officers of the Debtors shall serve in their current capacities for the Reorganized Debtors. I have been advised that the Plan Supplement will be revised to identify the members of the board of Reorganized Holding.

20. Assumption and Rejection of Executory Contracts and Cure of Defaults (11 U.S.C. § 1123(b)(2), 1123(d)). Article VIII.A of the Plan provides for the rejection or assumption of the Debtors' executory contracts and unexpired leases, as set forth therein. The Debtors have reviewed their executory contracts and unexpired leases, which review is on-going, and the agreements identified in the Schedule of Assumed Contracts and Leases will be useful to the Debtors and assist them in operating their businesses following the Effective Date. The agreements that will be rejected as of the Effective Date are either or both (i) not essential to the operation of the Reorganized Debtors' business or (ii) unduly burdensome to the Reorganized Debtors under their existing terms. Based on my review of the Plan and my personal knowledge of the Debtors' post-emergence businesses and operations, I believe that the treatment of executory contracts and unexpired leases under the Plan, including any amendments thereof that the Debtors may enter into prior to the Effective Date in contemplation of the assumption of any agreement, is a sound exercise of the Debtors' business judgment and is in the best interest of the Debtors, their Estates, and creditors.

21. Furthermore, based on, among other things, the Financial Projections (included as Exhibit D to the Disclosure Statement) and the liquidity available under the Exit Financing

Facilites, I believe that the Debtors will have the financial wherewithal to pay all cure amounts and to perform all obligations under the contracts to be assumed under the Plan (as such agreements may be amended prior to the Effective Date), and therefore, the Debtors have demonstrated adequate assurance of future performance under the executory contracts and unexpired leases they are assuming under the Plan.

22. The Debtors Have Complied with the Applicable Provisions of the Bankruptcy Code (Section 1129(a)(2)). Based on my review of the Plan and my discussions with the legal advisors for the Debtors, it is my understanding that the Debtors have complied with all solicitation and disclosure requirements set forth in the Bankruptcy Code, the Bankruptcy Rules, and the *Order (I) Approving the Disclosure Statement; (II) Establishing Procedures for Solicitations and Tabulation of Votes on Plan, Including (A) Approving Form and Manner of Solicitation Procedures, (B) Approving Form and Notice of the Confirmation Hearing, (C) Establishing Voting Record Date and Approving Procedures for Distribution of Solicitation Packages, (D) Approving forms of Ballot, (E) Establishing Deadline for Receipt of Ballots, and (F) Approving Procedures for Vote Tabulations; (III) Establishing Deadline and Procedures for Filing Objections to (A) Confirmation of the Plan and (B) The Debtors' Proposed Cure Amounts for Unexpired Leases and Executory Contracts Assumed Pursuant to the Plan; and (IV) Granting Related Relief* [Docket No. 334] (the "**Disclosure Statement Order**") governing notice, disclosure, and solicitation in connection with the Plan and the Disclosure Statement.

23. The Plan Has Been Proposed in Good Faith and Not by Any Means Forbidden by Law (Section 1129(a)(3)). I believe that the Debtors have proposed the Plan (and all other documents necessary to effectuate the Plan, including the Plan Supplement) in good faith with the legitimate purpose of maximizing stakeholder value and not by any means forbidden by law.

The Plan provides for the distribution of significant value to creditors and ensures for payment in full of Administrative Claims, Professional Fee Claims, Priority Tax Claims, Other Secured Claims, Other Priority Claims, Revolving Facility Lender Claims and statutory fees due and owing to the U.S. Trustee, provides for other agreed-upon treatment for DIP Facilities Claims, and provides for a distribution to holders of Allowed Notes Claims in Classes 4 and 5 and holders of Allowed General Unsecured Claims in Class 6. Additionally, I believe that the record of these cases demonstrates that the Debtors and their directors, officers, employees, agents, affiliates, and professionals (acting in such capacity) have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code.

24. The Plan Provides that Payments Made by the Debtors for Services or Costs and Expenses Are Subject to Approval (Section 1129(a)(4)). Based on my review of the Plan and my discussions with the legal advisors of the Debtors, it is my understanding that no payment for services or costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incidental to the Chapter 11 Cases, including Professional Fee Claims, has been or will be made by the Debtors other than payments that have been authorized by order of the Bankruptcy Court. Article III of the Plan provides for the payment of various Professional Fee Claims, which are subject to Bankruptcy Court approval and the standards of the Bankruptcy Code. I am also advised that other orders have been entered, or are expected to be entered, in the Chapter 11 Cases with respect to the review of fees that are payable under the DIP Facilities, Final DIP Order and Restructuring Support Agreement.

25. The Debtors Have Disclosed the Identity of Directors and Officers and the Nature of Compensation of Insiders (Section 1129(a)(5)). It is my understanding that the Plan Supplement will be revised to identify the identities and affiliations of the individuals proposed

to serve, as of the Effective Date, as directors or officers of Reorganized Holding and the Reorganized Debtors. I have no reason to believe that these appointments are not consistent with the interests of holders of claims against and equity interests in the Debtors and public policy.

26. The Plan Does Not Contain Any Rate Changes Subject to the Jurisdiction of Any Governmental Regulatory Commission (Section 1129(a)(6)). It is my understanding that the Debtors do not have any rates that are subject to the jurisdiction of any governmental regulatory commission and therefore, the Plan does not provide for any rate changes subject to the jurisdiction of any such commission.

27. The Plan Is in the Best Interests of Creditors (Section 1129(a)(7)). It is my understanding and belief that for each Impaired Class of Claims, any holder that rejected the Plan within one of those classes will receive or retain under the Plan, on account of its Claim, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date pursuant to chapter 7 of the Bankruptcy Code. I believe that the Liquidation Analysis attached as Exhibit F to the Disclosure Statement, which assumed a conversion to chapter 7 on November 14, 2016, reflects the ultimate result of a liquidation of the Debtors under chapter 7 with reasonable accuracy and that in such a liquidation only the Revolving Facility Lenders would receive any value on account of their Claims.

28. The Plan Has Been Accepted by Impaired Voting Classes (Section 1129(a)(8)). I am informed and believe that each of the four (4) Impaired Classes of Claims and Interests entitled to vote on the Plan voted to accept the Plan. Based on my discussions with the legal advisors of the Debtors, it is my understanding that Plan does not discriminate unfairly and is fair and equitable with respect to Classes 8 and 9 (which are deemed to reject the Plan).

29. The Plan Provides for Payment in Full of All Allowed Priority Claims (Section 1129(a)(9)). It is my understanding that the Plan provides for full payment of all Allowed Administrative Claims, DIP Facilities Claims, Priority Tax Claims, Professional Fee Claims, Other Secured Claims, and Other Priority Claims, other than as may have been otherwise agreed with a party.

30. At Least One Impaired, Non-Insider Class Has Accepted the Plan (Section 1129(a)(10)). Classes 3, 4, 5, and 6 are each impaired under the Plan and each voted to accept the Plan (excluding the votes of Claims held by insiders). Therefore, I believe that the requirements of section 1129(a)(10) are satisfied.

31. The Plan Is Feasible (Section 1129(a)(11)). Based on my review of the Plan, the Disclosure Statement (and all exhibits thereto), and all documents in support of the Plan, including the declaration of Richard Morgner is support of confirmation of the Plan, it is my understanding and belief that the Plan is feasible. As discussed in Part A, the Debtors have undertaken substantial efforts to best position themselves for success. I am responsible for putting together the Debtors' business plan. Based on my understanding of the Debtors and the industry, as well as my experience as CRO, I believe that the Debtors' business plan, and the various assumptions upon which it is based, are reasonable and that the Debtors can execute on that business plan.

32. The Debtors prepared, and included as Exhibit D to the Disclosure Statement, Financial Projections through the end of 2019 based on that business plan and related assumptions. The Financial Projections show that the Debtors will have positive EBITDA at all times after emergence, reaching EBITDA exceeding $25 million, $30 million and $33 million in each of 2017, 2018 and 2019, respectively. The Financial Projections support the finding that

the Debtors will have sufficient liquidity to meet all of the obligations under the Plan as of the Effective Date. Further, the Financial Projections support a finding that the Debtors will be able to meet all obligations, including debt service obligations, in the ordinary course of business through the period covered by the Financial Projections.

33. I am also familiar with the Debtors' cash position, and I regularly receive reporting and analysis on the Debtors' liquidity. Based on that familiarity, reporting and analysis, I believe the Debtors have ample liquidity to satisfy the cash payments that are required pursuant to the Plan. In conclusion, the Plan is feasible because it: (i) provides the financial wherewithal necessary to implement the Plan; and (ii) offers reasonable assurance that the Plan is workable and has a reasonable likelihood of success.

34. All Statutory Fees Have or Will Be Paid (Section 1129(a)(12)). Based on my review of the Plan, and my discussions with the legal advisors of the Debtors, Article III.F. of the Plan provides that all fees payable pursuant to 28 U.S.C. § 1930(a) will be paid by the Debtors on or before the Effective Date, and all such fees payable after the Effective Date shall be paid by the Reorganized Debtors until a Final Order is entered closing, dismissing, or converting the Chapter 11 Cases.

35. The Plan Appropriately Treats Retiree Benefits (Section 1129(a)(13)). I am informed that Article VIII.F. of the Plan provides that employee compensation and benefit plans, policies, and programs of the Debtors applicable generally to their employees, including agreements and programs subject to section 1114 of the Bankruptcy Code, as in effect on the Effective Date, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed under this Plan, in satisfaction of the requirements of section 1129(a)(13) of the Bankruptcy Code.

36. Sections 1129(a)(14)–(a)(16) of the Bankruptcy Code Are Inapplicable. None of the Debtors have domestic support obligations, are individuals, or are nonprofit organizations.

37. The Plan Is Fair and Equitable With Respect to the Impaired Class of Interests that are Deemed to Have Rejected the Plan (Section 1129(b)). Based on my discussions with the legal advisors of the Debtors, it is my understanding and belief that the Plan satisfies the "fair and equitable" requirement and that the Plan does not unfairly discriminate against any Class. All Classes of Claims are legally and factually distinct from other Claims and Interests in other Classes and are properly classified in a separate Class.

38. No holder of any Claim against or Interest in the applicable Debtor that is junior to a holder in a Deemed Rejecting Class that is receiving or retaining any property under the Plan on account of such junior claim or interests, and the holders of Claims against or Interests in the Debtors that are senior to the Deemed Rejecting Classes are receiving distributions, the value of which is less than 100% of the Allowed amount of their Claims.

39. Intercompany Claims and Intercompany Interests are not being impaired by the Plan and are being reinstated (unless the Debtors elect to cancel any Intercompany Claim); however, the sole reason for this treatment of Intercompany Claims and Intercompany Interests is to maintain the existing corporate structure of the Debtors and the Reorganized Debtors and the administrative convenience associated therewith. I have been informed and believe, therefore, that the Plan satisfies the requirements of section 1129(b) of the Bankruptcy Code.

40. The Plan Is Not an Attempt to Avoid Tax Obligations (Section 1129(d)). Based on my review of the Plan, my knowledge of the circumstances leading up to its development, and my discussions with the legal advisors of the Debtors, I submit that the principal purpose of the

Plan is not the avoidance of taxes or the avoidance of the application of the Securities Act, and no party in interest has filed an objection alleging otherwise.

41. The Plan Contains Discharge, Injunction, Release, and Exculpation and Limitation of Liability Provisions That Are Integral Components of the Plan. Based upon my review of the Plan, my personal knowledge of the circumstances leading up to its development, and my discussions with the legal advisors of the Debtors, it is my understanding and belief that each of the discharge, injunction, release, and exculpation and limitation of liability provisions set forth in Article IX of the Plan are proper because, among other things, they are the product of arms'-length negotiations, have been critical to obtaining the support of the various constituencies for the Plan and are an inherent part of the Plan and condition to the compromises and settlements within the Plan, including the Creditors' Committee Settlement, and the Restructuring Support Agreement.

42. I believe that the releases by the Debtors (the "**Debtor Release**") set forth in Article IX.E. of the Plan represents a valid exercise of the Debtors' business judgment. The Debtors' pursuit of claims against the Released Parties would not be in the best interests of the Debtors and their various constituencies. The Debtor Release was a bargained for element of the Restructuring Support Agreement and support for the Plan settlements and compromises by the parties to the Restructuring Support Agreement. Further, the costs involved in pursuing claims and Causes of Action against Released Parties likely would outweigh any potential benefits. In addition, the Released Parties provided good and valuable consideration in exchange for the Debtor Release, including extraordinary service to the Debtors, funding (either through the usage of cash collateral and/or providing new money loans), agreeing to support the Plan, consenting to the equitization of the Notes, agreeing to the cancellation of the Existing Equity Interest, waiving

substantial deficiency and other General Unsecure Claims, and otherwise facilitating the reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan. As additional consideration for the Debtors' Release, I understand that the Debtors and their Estates will receive reciprocal releases from potential claims and causes of action of the Released Parties.

43. The Debtors also are seeking approval of releases by non-Debtor third parties as set forth in Article IX.F. of the Plan (the "**Third-Party Release**"). The Third-Party Release includes the release of claims against, among others, the Debtors' current and former directors and officers and certain advisors, who are entitled to indemnification from the Debtors or Reorganized Debtors. I believe that the officers and directors were and are indispensable to administering these cases and operating the Debtors' business while under extremely difficult circumstances. In addition, I am advised that, under their preexisting articles of incorporation and by-laws, the Debtors owe indemnification obligations to their current and former directors and officers to the fullest extent permitted by law in connection with defending against claims and causes of action arising out of the good-faith performance of their duties as directors and officers. In addition, I understand that Article IX.L. of the Plan provides that any obligations of the Debtors pursuant to their corporate governance documents to indemnify, among others, their current and former directors and officers shall not be discharged or impaired under the Plan. I believe that the release of claims against an officer or director is appropriate, given that such claims would be subject to indemnification by the Reorganized Debtors. Further, various loan agreements and the management agreement with the Sponsors require the Debtors to indemnify the parties thereto, which include certain of the Released Parties. Moreover, and separately, I believe that all of the Released Parties share an identity of interest with the Debtors because they

all have collaborated toward and share the common goal of confirming the Plan and realizing the transactions embodied therein.

44. Additionally, I believe that the circumstances of the Chapter 11 Cases render the Third-Party Release integral to the success of the Plan. Under the Plan, the Third-Party Release is given by all holders of Claims and Interests to the Released Parties in consideration of the actions of the Released Parties taken to facilitate the reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan. Based upon my review of the Plan, my personal knowledge of the circumstances leading up to its development, and my discussions with the advisors of the Debtors, I believe that the Third-Party Release is in exchange for good and valuable consideration provided by the Released Parties, which is extensively detailed in Part A of this Declaration but includes, specific to the releasing creditors, the agreement to waive the Notes Deficiency Claim, the agreement by the Unanimous Supporting Noteholders to waive their General Unsecured Claims, consent to an increase in the General Unsecured Claims Cash Pool, consent to the waiver and release of Avoidance Actions, and the other actions that were generally taken to ensure that the Debtors can reorganize as a viable business, including the granting of consensual use of cash collateral, the granting of extensions and waivers under the Restructuring Support Agreement and DIP Credit Agreement to facilitate the development of the consensual Plan, the conversion of DIP Facilities Claims to loans under the Exit Second Lien Facility and the agreement by the Unanimous Supporting Noteholders to fund an additional $3.5 million under the Exit Second Lien Facility, thereby preserving Logan's as an on-going business partner to myriad holders of General Unsecured Claims and avoiding the incurrence of tens of millions of additional General Unsecured Claims. The Sponsors (which are also Supporting Noteholders and DIP Lenders) made additional

significant contributions to these Chapter 11 Cases, including by facilitating the commencement of the Chapter 11 Cases, foregoing any distribution in respect of their General Unsecure Claims and equity interests in the Debtors, and entering into the Restructuring Support Agreement. In sum, I believe the Released Parties have made substantial contributions in the Chapter 11 Cases that directly and indirectly benefit both the Debtors and their stakeholders, including holders of General Unsecured Claims. Additionally, I believe the Third-Party Release is a good faith settlement and compromise of the claims released by the holders of Claims and Interests deemed to have granted the Third-Party Release pursuant to the terms of the Plan; in the best interests of the Debtors and all holders of Claims and Interests; and fair, equitable, reasonable, and necessary to the Debtors' reorganization.

45. Releases of the Released Parties by the Debtors and non-Debtor third parties were critically important to the success of the Plan, which embodies the Restructuring Support Agreement, Creditors' Committee Settlement, and other compromises and settlements, agreed to by the Debtors' primary stakeholders and reflects and implements the concessions and compromises made by the Released Parties to the restructuring transactions contemplated by the Plan and ensuring that a cash recovery was made available to General Unsecured Creditors. The Debtors received value from or on behalf of, and were aided in the reorganization process by, the Released Parties. The Released Parties played an integral role in the formulation and implementation of the Plan, including in ensuring that value is delivered to creditors at all levels of the Debtors' capital structure. The Debtors believe that the parties to the Restructuring Support Agreement would not have agreed to the terms of the Restructuring Support Agreement absent the inclusion of the Debtor Release and Non-Debtor Release. And if that were the case, the Debtors would likely have suffered irreparable harm – possibly a fire sale of their assets or an

expedited section 363 sale process. Instead, the Plan reflects the settlement and resolution of several complex issues, and the Debtor Release and Third-Party Release were integral parts of the consideration provided in exchange for the terms of the Restructuring Support Agreement and the compromises and resolutions, including the Creditors' Committee Settlement, embodied in the Plan.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 7, 2016

/s/ Nishant Machado
Nishant Machado
Chief Restructuring Officer of Operations
Logan's Roadhouse, Inc.