

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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 In re : Chapter 11
 :
 Rural/Metro Corporation, et al.,¹ : Case No. 13-11952 (KJC)
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 Debtors. : (Jointly Administered)
 :
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DECLARATION OF BRANDON AEBERSOLD OF LAZARD FRÈRES & COMPANY LLC IN SUPPORT OF CONFIRMATION OF PLAN OF REORGANIZATION

I, Brandon Aebersold, declare, pursuant to 28 U.S.C. § 1746, under penalty of perjury that:

1. I am a Director in the Restructuring Group at Lazard Frères & Co. LLC (“**Lazard**”), the primary U.S. operating subsidiary of a preeminent international investment banking, financial advisory and asset management firm with its principal office located at 30 Rockefeller Plaza, New York, New York. I submit this declaration (the “**Declaration**”) in support of confirmation of the *First Amended Joint Chapter 11 Plan of Reorganization for Rural/Metro Corporation and Its Affiliated Debtors* [Docket No. 581] (including all exhibits, schedules, appendices, and supplements thereto, and as amended, modified, or supplemented from time to time, the “**Plan**”)² pursuant to section 1129 of title 11 of the United States Code (the “**Bankruptcy Code**”).

¹ A list of the Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number is attached as Schedule 1 to the Declaration of Stephen Farber in Support of Chapter 11 Petition and First Day Pleadings [Docket No. 2] and at www.donlinrecano.com/rmc. The Debtors’ headquarters are located at 9221 E. Via de Ventura, Scottsdale, AZ 85258.

² On November 5, 2013, the Court entered its order [Docket No. 597] approving the *Debtors’ Disclosure Statement with Respect to First Amended Joint Chapter 11 Plan of Reorganization for Rural/Metro Corporation and Its Affiliated Debtors*, dated October 31, 2013 (as the same may be amended or modified, the “**Disclosure Statement**”) [Docket No. 582]

2. I have been one of the principal engagement personnel working on this engagement. Except as otherwise indicated herein, all facts set forth in this Declaration are based upon: (a) my personal knowledge; (b) my investment banking experience; (c) information provided by the Debtors concerning the operations and finances of the Debtors; (d) my review of relevant business records of the Debtors; and/or (e) information provided to me by Lazard colleagues and employees working under my supervision. If I were called upon to testify, I could and would testify competently as to the facts set forth herein. I am authorized to submit this Declaration on behalf of the Debtors. I am not being compensated specifically for this testimony other than payments received by Lazard as a retained professional in these cases.

II. BACKGROUND AND OVERVIEW

3. I graduated from Furman University (summa cum laude and phi beta kappa) and also received a J.D. from The University of Virginia School of Law and an M.B.A. from The University of Chicago Booth School of Business. I have been employed at Lazard since 2007, where I have provided advice regarding restructurings, reorganizations, workouts and a variety of other transactions, including refinancing and distressed mergers and acquisitions. Prior to joining Lazard, I was an attorney at the law firm of Simpson, Thacher & Bartlett LLP, where I focused on merger and acquisition and leverage finance transactions.

4. Lazard, together with its predecessors and affiliates, has been advising clients around the world for 150 years. Its restructuring professionals provide investment banking services in financially distressed situations, including advising debtors, creditors and other constituents in chapter 11 proceedings and out-of-court restructurings. The current managing directors, directors, vice presidents, and associates of Lazard have

extensive experience working with financially troubled companies in complex financing restructurings out-of-court and in chapter 11 proceedings. Lazard and its principals have been involved as advisor to debtor, creditor and equity constituencies and government agencies in many reorganization cases. Since 1990, Lazard's professionals have been involved in over 250 restructurings, representing over \$1 trillion in debtor assets. Lazard professionals have actively been retained as investment bankers and financial advisors in numerous cases throughout the U.S. and more specifically in the District of Delaware, including: Armstrong World Industries, Inc., Fruit of the Loom, Inc., GenTek Inc., Hayes Lemmerz International, Inc., Indianapolis Downs, LLC, Kaiser Aluminum Corporation, LandSource Communities Development LLC, Meridian Automotive Systems, Inc., New Century TRS Holdings, Inc., NewPage Corporation, Owens Corning, Sun Healthcare Group, Inc., Tropicana Entertainment, LLC, Vertis Holdings, Inc., Vlastic Foods International Inc. and Exide Technologies.

**III. LAZARD'S ROLE IN ADVISING
THE DEBTORS AND PLAN FORMULATION**

5. Prior to August 4, 2013 (the "**Petition Date**"), the Debtors engaged Lazard in June 2013 to provide advice in connection with the Debtors' exploration of various strategic, financial and restructuring alternatives and otherwise assist the Debtors in preparing for these chapter 11 cases. The Debtors, in consultation with Lazard and the Debtors' other professionals, determined that a restructuring transaction implemented through chapter 11 proceedings would provide the best alternative available to the Debtors' stakeholders. To that end, following extensive negotiations, the Debtors and holders of approximately 60% of the Debtors' prepetition secured bank debt and holders of approximately 75% of the Debtors' prepetition unsecured bonds entered into a

restructuring support agreement, dated August 2, 2013, whereby such parties agreed to support the Plan.

6. Since being retained by the Debtors, Lazard has reviewed the Debtors' capital structure; analyzed the financial terms of the Debtors' outstanding debt and other obligations; reviewed the Debtors' businesses, operations, properties and finances; analyzed the Debtors' liquidity and projected cash flows; advised the Debtors in their evaluation of strategic and financing alternatives; assisted the Debtors in negotiations with the Consenting Lenders, Consenting Noteholders and the Unsecured Creditors Committee;³ assisted the Debtors in structuring the Plan; and otherwise assisted the Debtors in connection with these chapter 11 cases.

IV. LIQUIDATION ANALYSIS OF THE DEBTORS

7. In its role as the Debtors' investment banker, Lazard has reviewed the liquidation analysis prepared by the Debtors, which is annexed to the Debtors' Disclosure Statement as Exhibit 4 (the "**Liquidation Analysis**").

8. The Liquidation Analysis is subject to the assumptions, qualifications and limitations set forth therein and in the Disclosure Statement. The Liquidation Analysis sets forth estimates of recoveries by creditors and equity interest holders in the event of a liquidation under chapter 7 of the Bankruptcy Code. Based upon the methodologies employed in the Liquidation Analysis, the estimated gross proceeds available for distribution to creditors under a chapter 7 liquidation would range from approximately \$180.2 million to \$209.5 million. Based on the assumptions described in the Liquidation

³ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Plan or Disclosure Statement.

Analysis, the holders of the Class 2 Secured Lender Claims would receive an estimated recovery on their Claims in a liquidation scenario ranging between 14.8% and 23.5%, while holders of Class 3 Other Secured Claims would receive an estimated recovery on their Claims in a liquidation scenario ranging between 21.4% and 24.4%. In addition, as reflected in the Liquidation Analysis, holders of Class 1 Priority Non-Tax Claims, Class 4 Noteholder Claims, Class 5 Other Unsecured Claims, Class 6 Existing Securities Laws Claims and Class 7 Existing Common Stock Interests and Existing Securities Laws Claims on Account Thereof would not be expected to receive any recovery.

9. In contrast, under the Plan, holders of Class 1 Priority Non-Tax Claims, Class 2 Secured Lender Claims and Class 3 Other Secured Claims would receive a 100% recovery on account of their respective Allowed Claims. Furthermore, holders of the following Claims, which otherwise would not be expected to receive any recovery in a chapter 7 liquidation, are estimated to receive recoveries under the Plan that would be equal to or exceed the estimated recovery that would be available to such holders in a hypothetical chapter 7 liquidation: Class 4 Noteholder Claims, Class 5 Other Unsecured Claims, Class 6 Existing Securities Laws Claims and Class 7 Existing Common Stock Interests and Existing Securities Laws Claims on Account Thereof.

10. I believe that the Plan satisfies the so-called “best interests test” under section 1129(a)(7) of the Bankruptcy Code. As set forth above and in the Liquidation Analysis, each holder of an impaired Class of Claims or Interests receiving distributions under the Plan either has accepted the Plan or the recoveries realized by such holders are estimated to be greater than or equal to the distributions they would receive in a hypothetical chapter 7 case.

V. VALUATION OF THE REORGANIZED DEBTORS

11. In its role as the Debtors' investment banker, Lazard prepared a valuation analysis of the Reorganized Debtors annexed to the Debtors' Disclosure Statement as Exhibit 7 (the "**Valuation Analysis**") using several methodologies, including a discounted cash flow analysis based on the financial projections provided by the Debtors' management for the years 2014 through 2018, a selected companies analysis and a selected transactions analysis. Lazard estimated the value of the Reorganized Debtors' operations on a going-concern basis (the "**Enterprise Value**") to advance the analysis of the value available for distribution to holders of Allowed Claims pursuant to the Plan and the analysis of the relative recoveries to such holders. The Valuation Analysis assumes a valuation date of September 30, 2013, that the Plan becomes effective on or about December 31, 2013 and that, solely for the purposes of the Plan, no change that would affect value will occur between the assumed valuation date and the assumed effective date. The Valuation Analysis is subject to all of the assumptions, qualifications and limitations set forth therein and in the Disclosure Statement.

12. In preparing the Valuation Analysis, Lazard: (a) reviewed certain historical financial information of the Debtors for recent years and interim periods, which is limited; (b) reviewed certain internal financial and operating data of the Debtors, including the Financial Projections (attached to the Debtors' Disclosure Statement as Exhibit 5); (c) discussed the Debtors' operations and future prospects with the senior management team and third-party advisors; (d) reviewed certain publicly available financial data for, and considered the market value of, companies that Lazard deemed generally relevant in analyzing the value of the Reorganized Debtors; (e) considered certain economic and industry information relevant to the operating businesses; and (f)

conducted such other studies, analyses, inquiries and investigations as Lazard deemed appropriate. In preparing the Valuation Analysis, Lazard relied upon information provided to Lazard and publicly available information, assumed the accuracy and completeness of such information and did not assume any responsibility for independent verification of such information.

13. Lazard prepared the Valuation Analysis in accordance with its internal valuation procedures used for the preparation of other valuation analyses in similar situations.

14. Solely for purposes of the Plan and pursuant to the Valuation Analysis, Lazard estimated that the Enterprise Value of the Reorganized Debtors fell within a range of approximately \$324 to \$432 million.

15. I believe that, subject to the disclaimers set forth herein and therein, the Valuation Analysis was a reasonable and independent analysis with respect to the value of the Debtors' enterprise based on the information available to Lazard at the time it was prepared.

VI. FEASIBILITY OF THE PLAN

16. The Debtors' senior management team prepared the Financial Projections, attached to the Disclosure Statement as Exhibit 5, based on the forecast period of 2014 through 2018.

17. Upon consummation of the Plan, the Debtors will emerge deleveraged, with overall indebtedness more appropriately aligned to their projected operating cash flows. The Rights Offering will provide \$135 million in capital, which, pursuant to the Plan, shall be used to pay all DIP Claims arising under the DIP Credit Agreement on the Effective Date, fund other payments required under the Plan, including the \$50 million

Prepayment of Secured Lender Claims on the Effective Date, and for ordinary course operations and general corporate purposes of the Reorganized Debtors after the Effective Date. In addition, the Reorganized Debtors' post-Effective Date operations will be supported by the Amended and Restated Secured Credit Agreement and the Exit LC Facility.

18. Based on the Financial Projections and the projected capital structure that will result from the Plan, I believe that the Debtors will emerge from these chapter 11 cases as a financially and operationally stronger and more competitive business. I believe that confirmation and consummation of the Plan is not likely to be followed by liquidation or the need for further reorganization within the reasonably foreseeable future. For the foregoing reasons, I believe the Debtors' Plan has a reasonable likelihood of success and satisfies the feasibility standard of section 1129(a)(11).

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 and belief.

Executed this 13th day of December, 2013.

/s/ Brandon Aebersold
Brandon Aebersold
Director
Lazard Frères & Co. LLC