IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
BERTUCCI'S HOLDINGS, INC., *et al.*[1]	Case No. 18-____________ (_____)
Debtors.	(Joint Administration Requested)

DECLARATION OF BRIAN CONNELL IN SUPPORT OF THE DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY PLEADINGS

I, Brian Connell, hereby declare as follows:

1. I am the Chief Financial Officer and Senior Vice President of Bertucci's Holdings, LLC and its affiliated debtors and debtors-in-possession (collectively, "Bertucci's" or the "Debtors"). I joined Bertucci's management team as its Assistant Controller in October 2014. In this capacity, I have become and am familiar with the Debtors' businesses, day-to-day operations and financial affairs.

2. On the date hereof (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 (the "Chapter 11 Cases") of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended or modified, the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Court") and filed various motions described herein requesting certain relief in connection with the Chapter 11 Cases (collectively, the "First Day Pleadings"). I submit this declaration (the "Declaration") in support of the Debtors' Chapter 11 Cases and the First Day Pleadings.

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Bertucci's Holdings, Inc. (0243), Bertucci's Holdings, LLC (8034), Bertucci's Corporation (1266), Bertucci's, Inc. (7209), Two Ovens Restaurant Corp. (4922), Bertucci's Restaurant Corp. (4750), Bertucci's of Anne Arundel County, Inc. (4761), Bertucci's of Columbia, Inc. (4758), Bertucci's of Baltimore County, Inc. (9001), Bertucci's of Bel Air, Inc. (4759), and Bertucci's of White Marsh, Inc. (4760). The Debtors' corporate headquarters and the mailing address is 155 Otis Street, Northborough, Massachusetts 01532.

3. Except as otherwise indicated herein, all statements set forth in this Declaration are based upon (i) my personal knowledge gained in my capacity as an officer and director of the Bertucci's entities, (ii) information supplied to me by other members of Bertucci's management team under my supervision, (iii) my review of relevant documents, and/or (iv) my experience and knowledge of the Debtors' operations and financial affairs. If called upon to testify, I could and would testify to the facts set forth in this Declaration. I am authorized by the Debtors to submit this Declaration.

4. Part I of this Declaration describes the Debtors' businesses, Part II describes the circumstances giving rise to the commencement of these Chapter 11 Cases, Part III describes the Debtors' proposed course for these Chapter 11 Cases, and Part IV sets forth certain facts in support of the First Day Pleadings.

I.

OVERVIEW OF THE DEBTORS' BUSINESSES

Business Operations

5. Bertucci's owns and operates fifty-nine (59) full-service casual family restaurants offering traditional Italian and contemporary food centered around its signature open kitchens and brick ovens. Built on nearly four (4) decades of brand equity in the Northeast and Mid-Atlantic regions, Bertucci's is known for being the "unchained chain," with each of its restaurants offering a customized atmosphere and unique guest experience. While unique in their own right, every Bertucci's restaurant adheres to the same simple concept started with its very first location thirty (30) years ago: great food from the freshest ingredients, good friends and family and the brick oven at the heart of it all.

6. The first Bertucci's restaurant opened in the Davis Square neighborhood in Somerville, Massachusetts in 1981 (pictured below on the left). By the end of the 1980's,

Bertucci's footprint had expanded to thirteen (13) locations across New England. By the close of the 1990's, Bertucci's had grown to over one hundred (100) restaurants. Today, Bertucci's fifty-nine (59) restaurants are located across the Northeast and Mid-Atlantic regions as depicted below.

7. As of the Petition Date, the Debtors have 969 full-time employees and 3,245 part-time employees. Of the Debtors' 4,215 employees, 280 are salary employees and 3,935 are hourly employees. Thirty-six (36) full-time employees are based out of the Debtors' corporate headquarters in Northborough, Massachusetts with the remaining full-time and part-time employees working in the field at Bertucci's restaurants. Bertucci's has no unionized employees and is not party to any collective bargaining agreements.

Corporate Structure

8. Formed under the laws of Delaware in 2012, Bertucci's Holdings, LLC ("BH LLC") is the ultimate parent company of the Debtors. BH LLC is a privately-held limited

liability company with one hundred (100%) of its equity owned by DV II BHC LLC ("DV"), an affiliate of Levine Leichtman Capital Partners ("LLCP"). The chart attached hereto as **"Exhibit A"** depicts the Debtors' organizational structure as of the Petition Date.

Capital Structure

9. As of the Petition Date, the Debtors have outstanding debt obligations in the aggregate principal amount of $119.39 million, consisting of approximately (a) $37.89 million in secured first priority loans borrowed by Bertucci's Corporation, (b) $29.6 million in secured second priority loans borrowed by Bertucci's Corporation, (c) $42.9 million of secured first priority loans borrowed by BH LLC, and (d) $9 million owed to vendors, landlords and other unsecured creditors.

Secured Debt

10. Bertucci's Corporation is the borrower, and all of its affiliates except for BH LLC are guarantors (such affiliates, collectively, the "Guarantors"), under a Credit Agreement dated September 30, 2015 (the "First Lien Credit Agreement") with CIT Bank, N.A. as Administrative Agent, L/C Issuer and Lender and Wells Fargo Bank, N.A. as Lender (together, the "First Lien Lenders"). The First Lien Credit Agreement provided for an initial term loan commitment of $32.5 million (the "First Lien Term Loan") and a revolving credit commitment of up to $5 million (the "Revolving Loan" and together with the First Lien Term Loan as the "First Lien Credit Facility"). As part of the Revolving Loan, the First Lien Credit Agreement provides for the issuance of standby and commercial letters of credit in an aggregate undrawn face amount of up to $3,500,000. Prior to the Petition Date, standby letters of credit were issued in the aggregate amount of approximately $1.09 million (the "Standby Letters of Credit"). The obligations under the First Lien Credit Facility are secured by first priority liens on generally all of the assets of

Bertucci's Corporation and the Guarantors. The First Lien Term Loan matures on September 30, 2020, and the Revolving Loan matures on the earlier of (a) September 30, 2020 or (b) the date on which the commitments under the Revolving Loan terminate pursuant to certain provisions in the First Lien Credit Agreement. As of the Petition Date, the outstanding balances on the First Lien Term Loan (including amounts borrowed pursuant to the Forbearance Agreement (described below)) and the Revolving Loan (including amounts under the Standby Letters of Credit) were approximately $33.4 million and $4.49 million, respectively (collectively, the "First Lien Debt").

11. In late 2017, after one or more Events of Default (as defined in the First Lien Credit Facility) occurred, Bertucci's Corporation and the First Lien Lenders entered into a forbearance agreement dated November 7, 2017 (the "Forbearance Agreement"). In connection therewith, the First Lien Lenders agreed to fund up to an additional $1.7 million under the First Lien Term Loan and forbear from exercising remedies and Bertucci's agreed to explore strategic alternatives to restructure its balance sheets. The Forbearance Agreement expired on January 31, 2018. Since that time, Bertucci's has been operating outside of the Forbearance Agreement while continuing to explore strategic alternatives.

12. Bertucci's Corporation also is the borrower under that certain Second Lien Credit Agreement (the "Second Lien Credit Agreement") dated September 30, 2015 with DV (in its capacity as the lender under the Second Lien Credit Agreement, the "Second Lien Lender") pursuant to which DV loaned Bertucci's Corporation approximately $32 million in the form of a term loan (the "Second Lien Term Loan"). The obligations under the Second Lien Term Loan are guaranteed by all of Bertucci's Corporation's affiliates except for BH LLC (collectively, the "Second Lien Loan Guarantors") and are secured by second priority liens generally all of the assets of Bertucci's Corporation and the Second Lien Loan Guarantors. The Second Lien Term

Loan matures on September 30, 2020. To assist Bertucci's in its efforts to explore strategic alternatives as required by the Forbearance Agreement, DV canceled $20 million of obligations under the Second Lien Term Loan in exchange for certain mutual releases pursuant to a Settlement and Cooperation Agreement dated January 3, 2018. As of the Petition Date, the outstanding balance on the Second Lien Term Loan was approximately $29.6 million (the "Second Lien Debt").

13. The rights and remedies of the First Lien Lenders and the Second Lien Lender with respect to their collateral and distributions on account of the First Lien Debt and Second Lien Debt obligations are governed by an Intercreditor and Subordination Agreement dated September 30, 2015 (the "Intercreditor Agreement"). The Intercreditor Agreement provides, among other things, for the subordination of the Second Lien Debt to the First Lien Debt. In the event of bankruptcy, the Second Lien Lender is deemed to consent to any use of cash collateral, debtor-in-possession financing or sale permitted by the First Lien Lenders. Additionally, the Intercreditor Agreement provides that the Second Lien Lender will not contest any request by the First Lien Lenders for adequate protection, but the Second Lien Lenders may seek a subordinated lien to such additional collateral.

14. In addition, BH LLC is the borrower under that certain Credit Agreement (the "Holdco Credit Agreement") dated September 30, 2015, pursuant to which DV (in its capacity as the lender under the Holdco Credit Agreement, the "Holdco Lender") loaned it approximately $30.7 million in the form of a term loan (the "Holdco Term Loan"). The obligations under the Holdco Term Loan are secured by first priority liens on all interests of BH LLC in the equity interests of all of its subsidiaries (*i.e.*, all of the other Debtors), subject to certain permitted liens, which include the First Lien Debt and the Second Lien Debt. The Holdco Credit Agreement also

provides that a default under the First Lien Credit Agreement or the Second Lien Credit Agreement constitutes an event of default under the Holdco Credit Agreement. The Holdco Term Loan matures on September 30, 2020. Pursuant to the Holdco Credit Agreement, per annum interest accrues and is to be paid in cash or capitalized monthly on the last business day of every fiscal month. As of the Petition Date, the outstanding balance on the Holdco Term Loan was approximately $42.9 million (the "Holdco Lien Debt").

Unsecured Debt

15. As of the Petition Date, the Debtors estimate that their unsecured debt aggregates approximately $9 million, consisting of trade debt, lease and maintenance obligations.

Equity

16. BH LLC, the ultimate parent company of the Debtors, is a formerly publicly traded company that went private in 1998 through a transaction with Jacobson Partners. Since 2013, DV has owned one hundred percent (100%) of BH LLC's equity interests.

II.

EVENTS LEADING TO THESE CHAPTER 11 CASES

17. With the rise in popularity of quick-casual restaurants and oversaturation of the restaurant industry as a whole, Bertucci's – and the casual family dining sector in general – has been affected by a prolonged negative operating trend in an ever increasing competitive price environment. Consumers have more options than ever for spending discretionary income, and their preferences continue to shift towards cheaper, faster alternatives. Since 2011, Bertucci's has experienced a year-over-year decline in sales and revenue.

18. To combat declining sales and shifts in customer preferences, Bertucci's has implemented a number of revenue enhancing and cost cutting initiatives. Specifically, in late 2016, Bertucci's original executive chef, Rosario Del Nero, returned to the brand bringing back

many of Bertucci's classic guest favorite recipes with a contemporary twist and instilling new efficiencies to Bertucci's kitchens. Management also initiated certain marketing and limited time offer strategies providing, among other things, quarterly food and wine pairings, specialty menus, express lunches, and wine specials to attract and retain customers. In September 2017, Bertucci's launched its mobile app to drive carry-out sales and improve dine-in speed. Additionally, throughout 2017, Bertucci's management implemented cost savings initiatives of approximately $5.3 million through reductions in headcount, cost of goods sold and other operating expenses. Bertucci's also engaged Hilco Real Estate LLC ("Hilco") in January 2018 to review its lease portfolio and negotiate more favorable lease terms. Prior to the Petition Date, Hilco achieved cost savings of approximately $3,545,516 on seventeen (17) leases. With Hilco's assistance, Bertucci's has identified twenty-nine (29) unprofitable leases that the Debtors intend to reject immediately, and the Debtors' and Hilco's review of the Debtors' leases is continuing.

19. Notwithstanding the measures Bertucci's has taken to improve performance and reduce operating expenses, revenue and profitability have been insufficient to support its debt service, working capital and capital expenditure needs. After its default under the First Lien Credit Facility in late 2017 and the subsequent expiration of the Forbearance Agreement on January 31, 2018, Bertucci's has continued to explore its restructuring alternatives. With the expiration of the Forbearance Agreement, however, all of the First Lien Debt obligations are due and owing and Bertucci's has no present ability to satisfy them.

20. Ultimately, following a rigorous evaluation of all available options, Bertucci's determined that filing for Chapter 11 protection, obtaining postpetition financing and pursuing an orderly sale of its assets in a controlled, court-supervised environment is the best available option to maximize value for the company and its stakeholders. Bertucci's believes that the Chapter 11

process, including the proposed sale of substantially all of its assets to the Stalking Horse Bidder subject to higher and otherwise better bids pursuant to section 363 of the Bankruptcy Code (the "Sale"), will be seamless for its customers, trading partners and vendors, result in minimal disruption to its operations, allow the company to strengthen its financial structure, and position it for significant future growth.

363 Sale and DIP Facility

21. In October 2017, Bertucci's engaged Imperial Capital, LLC ("Imperial") to evaluate its operations and present strategic alternatives to Bertucci's board of directors. After analyzing its strategic alternatives, Bertucci's tasked Imperial with marketing its assets. Imperial has prepared extensive marketing materials and began marketing Bertucci's assets in December 2017.

22. After receiving and evaluating various proposals, Bertucci's selected Right Lane Dough Acquisition, LLC as the stalking horse purchaser (the "Stalking Horse Bidder") in connection with the Sale. On April 15, 2018, Bertucci's and the Stalking Horse Bidder entered into an asset purchase agreement (as amended, supplemented or modified, the "Asset Purchase Agreement"), a true and correct copy of which is attached to the Debtors' Sale Motion (as defined below). The Stalking Horse Bidder has agreed to purchase substantially all of the Debtors' assets, subject to higher or otherwise better bids, for aggregate consideration of (i) the Purchase Price, which is defined in the Asset Purchase Agreement as (a) $1.7 million cash, (b) a credit in the aggregate amount outstanding under the DIP Facility at Closing, but for no greater than four million dollars ($4,000,000) and (c) $14 million in New Second Lien Notes. Additionally, the Stalking Horse Bidder presently intends to offer employment to substantially all of the

Company's current employees with employment commencing as of, and only upon, the closing of the Sale.

23. The Debtors believe, in the exercise of their business judgment, that the proposed Sale and auction structure will foster an open and competitive process and provide the best option to maximize value for all of their stakeholders. Indeed, given that the Debtors have limited cash and no realistic financing option other than the DIP Facility (described below which itself depends on the Sale process moving forward as proposed), the only alternative to the Sale would be conversion to Chapter 7 and liquidation. In the Debtors' view, liquidation would be exceedingly value destructive, as the Debtors would immediately lose their going concern value, countless jobs would be eliminated and assets that have little or no value outside of their use by the company as a going concern would be monetized for marginal amounts.

24. In order to ensure that it has sufficient funds to maintain the stability of its business and its going concern value, Bertucci's has obtained authority to utilize the First and Second Lien Lenders' cash collateral and to borrow approximately $4 million (the "DIP Facility") from Right Lane Dough Funding LLC, an affiliate of the Stalking Horse Bidder, as set forth in the DIP Motion (defined below). In the exercise of its business judgment, the Debtors have determined that the DIP Facility is the best, and only, financing available to them and that the DIP Facility will provide them with the liquidity they require to operate in these Chapter 11 Cases.

III.

PROPOSED COURSE OF THE CHAPTER 11 CASES

25. The Debtors intend to pursue the Sale in Chapter 11 in order to avoid deterioration of their businesses and obtain maximum value for their assets for the benefit of all of their stakeholders. The DIP Facility will provide the Debtors with sufficient liquidity to operate during

the Sale process and the Stalking Horse Bid sets a floor price for what the Debtors hope will be an open, competitive and ultimately successful auction.

26. In order to achieve their goals in Chapter 11, the Debtors seek the relief set forth in the First Day Motions, as summarized below.

IV.

FACTS IN SUPPORT OF FIRST DAY PLEADINGS[2]

27. To minimize the adverse effects of the commencement of these Chapter 11 Cases on the Debtors' ability to effectuate a timely and efficient restructuring process that will preserve and maximize the value of the Debtors' estates, the Debtors have filed the following First Day Motions:

- Motion of the Debtors for Entry of an Order Directing Joint Administration of Related Chapter 11 Cases;

- Debtors Application for Appointment of Prime Clerk LLC as Claims and Noticing Agent;

- Motion of the Debtors for Entry of an Order (A) Authorizing the Maintenance of Bank Accounts and Continued Use of Existing Business Forms and Checks, (B) Authorizing the Continued Use of Existing Cash Management System, (C) Authorizing the Continued Use of Intercompany Transactions and Granting Administrative Expense Status to Postpetition Intercompany Transactions, and (D) Granting Limited Relief from the Requirements of Bankruptcy Code Section 345(b) and the United States Trustee Operating Guidelines;

- Motion for Entry of an Order Authorizing the Debtors to Pay Prepetition Wages, Compensation, Employee Benefits, and Other Associated Obligations;

- Motion of the Debtors for Entry of Interim and Final Orders (A) Prohibiting Utilities from Altering, Refusing, or Discontinuing Service, (B) Deeming Utilities Adequately Assured of Future Performance, and (C) Establishing Procedures for Determining Adequate Assurance of Payment;

[2] Capitalized terms not defined within this Section IV shall have the meaning ascribed to such terms in the respective First Day Motions.

- Motion of the Debtors for Entry of an Order (I) Authorizing the Debtors to Pay Certain Prepetition Tax and Fee Obligations and (II) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers;

- Motion of the Debtors for Interim and Final Orders Authorizing the Debtors to (I) Maintain Existing Insurance Policies and Pay All Policy Premiums Arising Thereunder and Renew or Enter into New Policies and (II) Continue Insurance Premium Financing Programs, Pay Insurance Premium Financing Obligations Arising in Connection Therewith and Renew or Enter into New Premium Financing Arrangements;

- Motion of the Debtors for Entry of Interim and Final Orders (a) Authorizing the Debtors to Pay All or a Portion of the Prepetition Claims of Certain Vendors and (b) Authorizing Financial Institutions to Honor and Process Related Checks and Transfers;

- Motion for Entry of an Order Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers and to Otherwise Continue Certain Customer Practices and Programs in the Ordinary Course of Business;

- Motion of the Debtors for Entry of Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105(a), 363, 507(a)(2), 541, 1107(a), and 1108 (I) Authorizing the Payment of Prepetition Claims Arising Under (A) the Perishable Agricultural Commodities Act and (B) the Packers and Stockyards Act and (II) Authorizing Banks to Honor and Process Checks and Electronic Transfer Requests Related to the Foregoing;

- Motion of the Debtors and Debtors-In-Possession for Entry of an Order (A) Approving Bidding Procedures in Connection with a Transaction by Public Auction; (B) Scheduling a Hearing to Consider the Transaction; (C) Approving the Form and Manner of Notice Thereof, (D) Approving Contract Procedures, and (E) Granting Related Relief ("Bid Procedures Motion");

- Motion of the Debtors for Entry of an Order (I) Approving Asset Purchase Agreement and Authorizing the Sale of Certain Assets of the Debtors Outside the Ordinary Course of Business, (II) Authorizing the Sale of Assets Free and Clear of all Liens, (III) Authorizing the Assumption and Assignment or Rejection of Certain Executory Contracts and Unexpired Leases, and (IV) Granting Related Relief ("Sale Motion");

- Motion of the Debtors and Debtors-In-Possession for Interim and Final Orders Authorizing the Debtors to: (A) Incur Postpetition Debt; (B) Provide Adequate Protection; (C) Use Cash Collateral; and (D) Grant Certain Liens and Provide Security and Other Relief to Prepetition Secured Parties ("DIP Motion");

- Debtors' First Omnibus Motion for Order, Pursuant to Bankruptcy Code Sections 105(a), 365(a) and 554 and Bankruptcy Rule 6004, Authorizing (A) Rejection of Certain Unexpired Leases of Non-Residential Real Property *Nunc Pro Tunc* to the Petition Date and (B) Abandonment of Any Remaining Property Located at Locations Covered by Real Property Leases;

- Application of the Debtors to Approve the Employment and Retention of Landis Rath & Cobb LLP as Their Bankruptcy Counsel, *Nunc Pro Tunc* to the Petition Date, Pursuant to Bankruptcy Code Section 327(a), Bankruptcy Rules 2014 and 2016 and Local Rule 2014-1;

- Application of the Debtors for Entry of an Order Authorizing the Employment and Retention of Imperial Capital, LLC as Investment Banker to the Debtors *Nunc Pro Tunc* to the Petition Date and a Waiver of Compliance with Certain of the Requirements of Local Rule 2016-2;

- Application of the Debtors to Approve the Employment and Retention of Shulte Roth & Zabel as Corporate Counsel *Nunc Pro Tunc* to the Petition Date Pursuant to Bankruptcy Code Sections 327(e) and 328(a), Bankruptcy Rule 2014(a) and Local Rule 2014-1;

- Application of the Debtors to Approve the Employment and Retention of Hilco Real Estate, LLC as Real Estate Advisors for the Debtors *Nunc Pro Tunc* to the Petition Date Pursuant to Bankruptcy Code Sections 327 and 328, Bankruptcy Rule 2014 and Local Rule 2014-1; and

- Debtors' Application for an Order Authorizing Employment and Retention of Prime Clerk LLC as Administrative Advisor *Nunc Pro Tunc* to the Petition Date.

28. I have reviewed each of the First Day Motions, including any exhibits thereto, and incorporate by reference each of the factual statements set forth in the First Day Motions. I believe that the relief requested by the First Day Motions is necessary to enable to the Debtors to preserve and maximize value and efficiently implement their restructuring efforts with minimal disruption and delay.

DECLARATION

29. Pursuant to section 1746 of title 28 of the United States Code, I declare under penalty of perjury that the foregoing is true and correct.

RELIEF REQUESTED

30. I respectfully request that the Court grant all relief requested in the First Day Pleadings and such other and further relief as may be just and proper.

Dated: April 15, 2018

BERTUCCI'S HOLDINGS, INC.
BERTUCCI'S HOLDINGS, LLC
BERTUCCI'S CORPORATION
BERTUCCI'S INC.
TWO OVENS RESTAURANT CORP.
BERTUCCI'S RESTAURANT CORP.
BERTUCCI'S OF ANNE ARUNDEL COUNTY, INC.
BERTUCCI'S OF COLUMBIA, INC.
BERTUCCI'S OF BALTIMORE COUNTY, INC.
BERTUCCI'S OF BEL AIR, INC.
BERTUCCI'S OF WHITE MARSH, INC.

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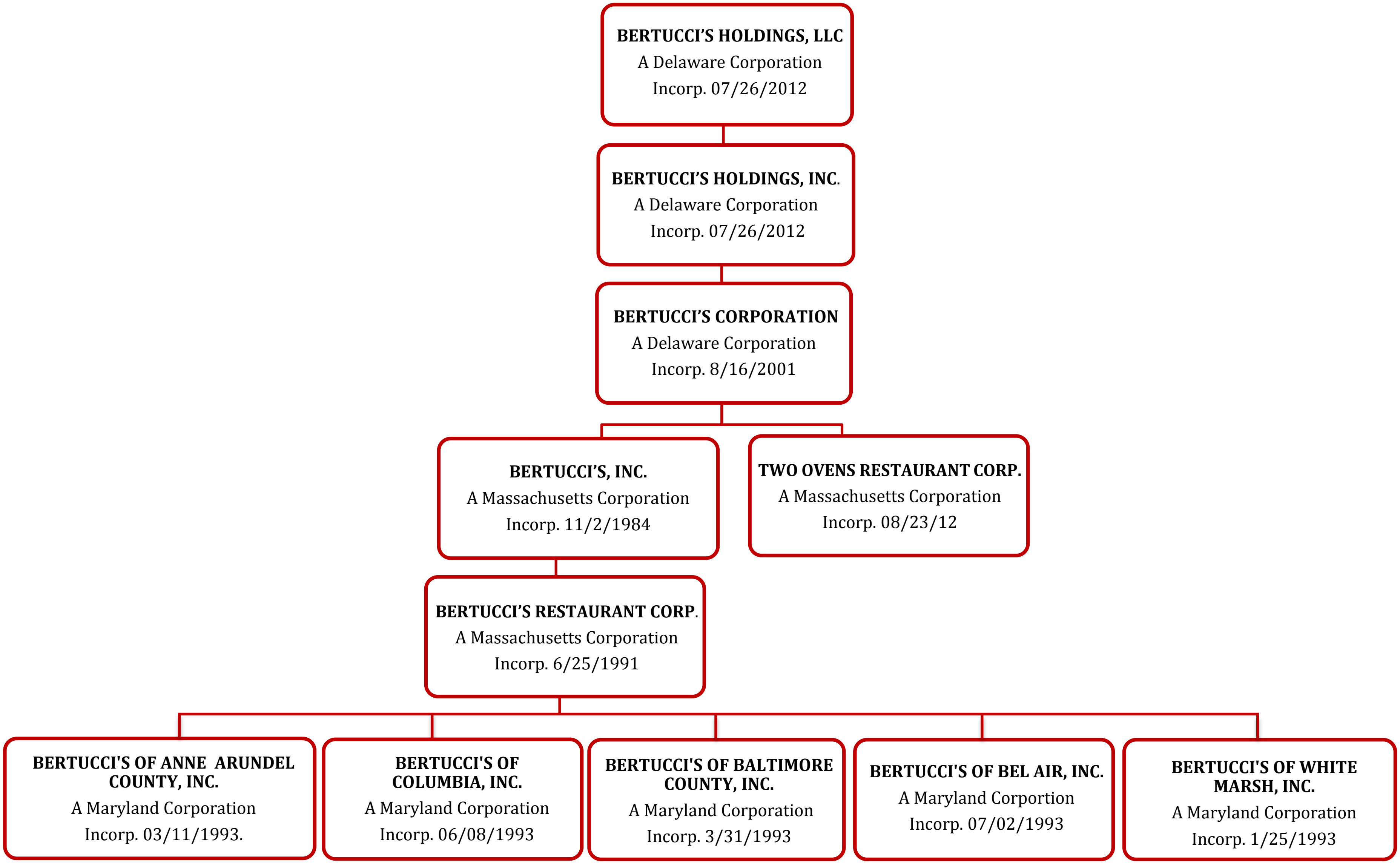
Brian Connell
Chief Financial Officer and
Senior Vice President

EXHIBIT A


BERTUCCI'S HOLDINGS, LLC
A Delaware Corporation
Incorp. 07/26/2012
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A Delaware Corporation
Incorp. 8/16/2001
BERTUCCI'S, INC.
A Massachusetts Corporation
Incorp. 11/2/1984
TWO OVENS RESTAURANT CORP.
A Massachusetts Corporation
Incorp. 08/23/12
BERTUCCI'S RESTAURANT CORP.
A Massachusetts Corporation
Incorp. 6/25/1991
BERTUCCI'S OF ANNE ARUNDEL COUNTY, INC.
A Maryland Corporation
Incorp. 03/11/1993.
BERTUCCI'S OF COLUMBIA, INC.
A Maryland Corporation
Incorp. 06/08/1993
BERTUCCI'S OF BALTIMORE COUNTY, INC.
A Maryland Corporation
Incorp. 3/31/1993
BERTUCCI'S OF BEL AIR, INC.
A Maryland Corportion
Incorp. 07/02/1993
BERTUCCI'S OF WHITE MARSH, INC.
A Maryland Corporation
Incorp. 1/25/1993