

(k) Indebtedness incurred in the Ordinary Course of Business in respect of credit cards, credit card processing services, debit cards, stored value cards, commercial cards (including so-called “purchase cards”, “procurement cards” or “p-cards”), or cash management or related services in an aggregate amount not to exceed \$250,000 at any time outstanding and provided that all amounts outstanding in respect of such credit cards, credit card processing services, debit cards, stored value cards, commercial cards, or cash management or related services are paid in full on a monthly basis;

(l) Indebtedness comprising Investments permitted under Section 6.06;

(m) accrual of interest, accretion or amortization of original issue discount, or the payment of interest in kind, in each case, on Indebtedness that otherwise constitutes Indebtedness permitted under this Section 6.01;

(n) obligations (contingent or otherwise) existing or arising under Swap Contracts in an amount not to exceed \$250,000 in the aggregate at any time outstanding; provided, that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates or foreign exchange rates and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(o) Sponsor Subordinated Debt in an aggregate principal amount at any time outstanding not to exceed \$470,000 solely to the extent the Sponsor Subordinated Debt is subject to the Sponsor Debt Subordination Agreement; and

(p) unsecured Indebtedness, of a type not described above, not to exceed \$250,000 in the aggregate at any time outstanding.

Section 6.02 Liens. Create, incur, assume or suffer to exist any Lien or other encumbrance of any nature whatsoever on any of its assets, now or hereafter owned, other than:

(a) Liens in favor of the Agent (for the benefit of the Agent and the other Secured Persons) securing the Obligations;

(b) Liens in favor of the Revolving Lender on Collateral securing the obligations of the Borrower under the Revolving Loan Documents solely to the extent such Liens are subject to the Intercreditor Agreement;

(c) Liens existing on the date of this Agreement and described on Schedule 6.02 of the Disclosure Schedule;

(d) any Lien on any asset securing Indebtedness permitted under Section 6.01(d), provided, that such Lien attaches only to the assets financed by such Indebtedness, and such Lien attaches concurrently with or within ninety (90) days after the acquisition thereof;

(e) subject to Section 5.02, Liens securing the payment of taxes which are either not yet due or the validity of which is being diligently contested by the Loan Parties, as applicable, in good faith by appropriate proceedings which result in the stay of any enforcement thereof and the Loan Parties shall have set aside on their books adequate reserves with respect to any such tax so contested, and payment with respect to any such tax shall be made before any Person has the right to seize or sell any property of any Loan Party in satisfaction thereof;

(f) Liens arising in the Ordinary Course of Business that are imposed by Applicable Law (as opposed to by Contract) (i) in favor of carriers, warehousemen, landlords, mechanics and materialmen and (ii) in connection with worker's compensation, unemployment compensation and other types of social security (excluding Liens arising under ERISA or the Code) or in connection with surety bonds, bids, performance bonds and similar obligations, in all cases described in this paragraph (f) for sums not overdue and not involving any deposits or advances or borrowed money or the deferred purchase price of property or services and, in each case, for which the Loan Parties maintain adequate reserves;

(g) easements, rights of way, restrictions, minor defects or irregularities in title and other similar Liens not interfering in any material respect with the ordinary conduct of the business of any Loan Party;

(h) any interest or title of a lessor or sublessor under any lease permitted by this Agreement;

(i) Liens arising from precautionary uniform commercial code financing statements filed under any lease permitted by this Agreement solely covering such leased items;

(j) licenses, sublicenses, leases or subleases granted to third parties in the Ordinary Course of Business not interfering with the business of any Loan Party;

(k) Liens in favor of collecting banks arising under Section 4-210 of the UCC;

(l) Liens (including the right of setoff) in favor of a bank or other depository institution arising as a matter of Applicable Law encumbering deposits;

(m) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 7.01(i);

(n) Liens granted to Northpark Mall/Joplin, LLC pursuant to the Northpark Lease; and

(o) Liens granted in the Ordinary Course of Business on the unearned portion of insurance premiums securing the financing of insurance premiums to the extent the financing is permitted under Section 6.01(j).

Section 6.03 Guarantees. Guarantee, endorse or otherwise in any manner become or be responsible for obligations of any other Person, except (a) endorsements of negotiable instruments for collection in the Ordinary Course of Business, (b) Guarantees of the Obligations, (c) guarantees by any Loan Party of obligations of the Borrower or of a Wholly-Owned Domestic Subsidiary Guarantor and (d) Guarantees of the Revolving Loans.

Section 6.04      Sales of Assets. Sell, lease, transfer, encumber or otherwise dispose of any of any Loan Party's properties, assets, rights, licenses or franchises other than (a) sales of inventory in the Ordinary Course of Business, (b) disposition of surplus or obsolete personal properties (other than shares of Capital Stock of any Subsidiary) in the Ordinary Course of Business with a fair market value not to exceed \$200,000 in the aggregate in any Fiscal Year, (c) other sales of assets (other than shares of Capital Stock of any Subsidiary) for fair value so long as all of the following conditions are met: (i) the aggregate market value of such assets sold in any single transaction or series of related transactions does not exceed \$150,000 and the aggregate market value of assets sold in any Fiscal Year does not exceed \$200,000, (ii) not less than 75% of the sales price is paid in cash, and (iii) no Default or Event of Default then exists or would result therefrom, or (d) as otherwise expressly permitted by Section 6.07.

Section 6.05      Sale-Leaseback. Enter into any arrangement, directly or indirectly, with any Person whereby any Loan Party shall sell or transfer any property (real, personal or mixed) used or useful in the Business Operations, whether now owned or hereafter acquired, and thereafter rent or lease such property.

Section 6.06      Investments. Make any Investment, except:

(a)              Investments (i) made by the Borrower in Wholly-Owned Domestic Subsidiary Guarantors; (ii) made by one Wholly-Owned Domestic Subsidiary Guarantor in another Wholly-Owned Domestic Subsidiary Guarantor, and (iii) constituting capital contributions from the Parent to the Borrower;

(b)              advances to employees of any Loan Party for normal business expenses not to exceed at any time outstanding \$25,000 in the aggregate;

(c)              Investments in securities of Account Debtors received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such Account Debtors;

(d)              Investments in cash and Cash Equivalents;

(e)              Investments in negotiable instruments deposited or to be deposited for collection in the Ordinary Course of Business;

(f)              advances made in connection with the purchase of goods or services in the Ordinary Course of Business;

(g)              guarantees permitted under Section 6.03;

(h)              Investments resulting from entering into any Swap Contract permitted under Section 6.01;

(i)              deposits of cash made in the Ordinary Course of Business to secure performance of operating leases; and

(j) so long as no Event of Default has occurred and is continuing or would result therefrom, any other Investments in an aggregate amount not to exceed \$150,000 during the term of this Agreement.

Section 6.07 Consolidations; Mergers; Acquisitions; Etc. Dissolve or liquidate, or consolidate or merge with or into, sell all or substantially all of the assets of any Loan Party to, or acquire all or substantially all, or any material portion, of the securities, assets or properties of, any other Person, except for, upon no less than thirty (30) days' prior written notice to the Agent (and so long as prior to the date of consummating any such transaction, the Loan Parties have complied with all items required under Section 5.11 by the Agent with respect thereto): (a) consolidations of a Wholly-Owned Domestic Subsidiary Guarantor with another Wholly-Owned Domestic Subsidiary Guarantor; (b) mergers of a Wholly-Owned Domestic Subsidiary Guarantor into the Borrower (with the Borrower being the surviving entity) or into another Wholly-Owned Domestic Subsidiary Guarantor; or (c) sales made by a Wholly-Owned Domestic Subsidiary Guarantor to the Borrower or to another Wholly-Owned Domestic Subsidiary Guarantor, in each case for fair value.

Section 6.08 Dividends and Redemptions. Directly or indirectly declare or pay any dividends, or make any distribution of cash or property, or both, to any Person in respect of any of the shares of the Capital Stock of any Loan Party, or directly or indirectly redeem, purchase or otherwise acquire for consideration any securities or shares of the Capital Stock of any Loan Party; provided, that this Section 6.08 shall not be deemed to prohibit:

(a) the payment of dividends or distributions by any Subsidiary to the Borrower or any Wholly-Owned Domestic Subsidiary Guarantor; and

(b) distributions by the Borrower to the Parent and to its other equity holders for tax purposes in order for Parent (or its owners if Parent is a partnership or disregarded entity for federal income tax purposes) and such other equity holders to pay their federal and state income tax due solely from the taxable income of the Company allocable to Parent (or its owners) and such other equity holders; provided, that for the period beginning on the Closing Date and ending on the thirty-six (36) month anniversary thereof, the amount of such distributions shall not exceed five percent (5%) of the Net Income of the Loan Parties (which, for the avoidance of doubt, shall not include the Net Income of the Sponsor Affiliates) for the twelve (12)-month period ending on the last day of the most recent Fiscal Quarter for which financial statements have been delivered pursuant to Section 5.04(b); provided further, that no such distributions shall be made with respect to a taxable period until the aggregate amount of losses allocable to the Parent and such other equity holders from prior periods have been fully recovered by allocations from the Borrower of taxable income.

Section 6.09 Compensation; Management Fees.

(a) Directly or indirectly pay any cash compensation to any executive officers of any Loan Party (which, for the avoidance of doubt, shall not include any store managers) except (i) in accordance with the employment agreements between such Loan Party and such executive officers as in effect on the Closing Date, copies of which have been provided to the Agent prior to the Closing Date, or (ii) reasonable compensation for services (including bonus compensation) actually rendered by such persons to such Loan Party which have been approved by the board of directors (or other comparable body) of such Loan Party and, if and to the extent such payments to (x) any single person would exceed \$75,000, or (y) all such persons would exceed \$200,000, in each case, during any Fiscal Year, have been disclosed in writing to the Agent prior to the making of any such payments.

(b) Directly or indirectly pay any management fees to any Affiliate of any Loan Party or any Sponsor Affiliate except the Management Fee in accordance with the terms of the Management Fee Subordination Agreement.

Section 6.10 Change of Business. Directly or indirectly engage in a business other than the Business Operations as now being conducted or as currently proposed to be conducted, or any business reasonably related thereto. The Parent shall not (i) engage in any business activities other than serving as a passive holding company for the Borrower, (ii) have any material assets other than the outstanding Capital Stock issued by the Borrower, (iii) have any Subsidiaries other than the Borrower or (iv) have any material liabilities other than the Obligations or guarantees permitted under Section 6.03.

Section 6.11 Receivables. Sell or assign in any way any Accounts, other accounts receivable, promissory notes or trade acceptances held by any Loan Party with or without recourse, except for collections (including endorsements) in the Ordinary Course of Business.

Section 6.12 Certain Amendments; Jurisdiction of Formation; Principal Place of Business. Agree, consent, permit or otherwise undertake to (a) amend or otherwise modify any of the terms or provisions of any Loan Party's Organic Documents, the Seller Subordinated Note Documents or the Sponsor Subordinated Note Documents except for such amendments or other modifications required by Applicable Law or which are not adverse to the interests of the Agent or any Lender and which, in each instance, are fully disclosed in writing to the Agent no less than five (5) Business Days prior to being effectuated, (b) without the prior written consent of Agent, change its jurisdiction of organization, incorporation or formation, or (c) without the prior written consent of Agent, move its chief executive office or principal place of business (other than within the same state).

Section 6.13 Affiliate Transactions. Enter into any Contract or transaction with any Affiliate of any Loan Party or any Sponsor Affiliate except (a) as disclosed in Schedule 6.13 of the Disclosure Schedule, (b) for intercompany transactions among the Loan Parties expressly permitted by this Agreement, or (c) in the Ordinary Course of Business on terms and conditions no less favorable to any Loan Party than those which could be obtained in an arms' length transaction with an unaffiliated third party and which are fully disclosed in writing to the Agent no less than five (5) Business Days prior to being consummated.

Section 6.14 Restrictive Agreements. Directly or indirectly (i) enter into or assume any agreement (other than the Loan Documents, the Revolving Loan Documents and other than Capitalized Leases and purchase money debt documents which contain prohibitions only upon the property leased or purchased thereunder) prohibiting the creation or assumption of any Lien upon its properties or assets, whether now owned or hereafter acquired or (ii) create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind (other than pursuant to the Loan Documents or the Revolving Loan Documents) on the ability of any such Person to pay or make any dividends or distributions to its equityholders, to pay any Indebtedness owed by such Person, to make loans or advances or to transfer any of its property or assets.

Section 6.15     Fiscal Year. Change its Fiscal Year.

Section 6.16     Subordinated Debt. Prepay, redeem or purchase any Subordinated Debt, or make any payment on any Subordinated Debt, in each case in violation of the applicable subordination or intercreditor agreement, or the subordination terms set forth in such Subordinated Debt.

Section 6.17     Subsidiaries. Establish or acquire any Foreign Subsidiary after the Closing Date.

Section 6.18     Financial Covenants.

(a) Maximum Capital Expenditures.

(i)                At all times the Senior Leverage Ratio is greater than or equal to 2.00:1.00, permit the aggregate amount of Capital Expenditures for the Loan Parties on a consolidated basis for any period set forth below to exceed the amount set forth below for such period:

Fiscal Year	Maximum Capital Expenditures
2018 and each Fiscal Year thereafter	\$1,000,000

(ii)                At all times the Senior Leverage Ratio is less than 2.00:1.00, permit the aggregate amount of Capital Expenditures for the Loan Parties on a consolidated basis for any period set forth below to exceed the amount set forth below for such period:

Fiscal Year	Maximum Capital Expenditures
2018 and 2019	\$1,500,000
2020	\$2,000,000
2021	\$1,750,000
2022 and each Fiscal Year thereafter	\$1,500,000

(b) Minimum EBITDA. At all times that the Senior Leverage Ratio is greater than or equal to 1.50:1.00, permit EBITDA for the twelve (12) month period ending on the last day of any Fiscal Quarter to be less than the amount set forth below for such date:

Fiscal Quarter Ending	Minimum EBITDA
June 30, 2018, September 30, 2018 and December 31, 2018	\$12,000,000
March 31, 2019 and each Fiscal Quarter thereafter	\$12,500,000

(c) Maximum Senior Leverage Ratio. Permit the Senior Leverage Ratio for the twelve (12) month period ending on the last day of any Fiscal Quarter to be greater than the ratio set forth below for such date:

Fiscal Quarter Ending	Senior Leverage Ratio
June 30, 2018 and September 30, 2018	2.85:1.00
December 31, 2018	2.65:1.00
March 31, 2019	2.60:1.00
June 30, 2019	2.40:1.00
September 30, 2019	2.10:1.00
December 31, 2019	1.90:1.00
March 31, 2020	1.80:1.00
June 30, 2020	1.75:1.00
September 30, 2020 and each Fiscal Quarter thereafter	1.50:1.00

(d) Minimum Fixed Charge Coverage Ratio. Permit the Fixed Charge Coverage Ratio for the twelve (12) month period ending on the last day of any Fiscal Quarter to be less than the ratio set forth below for such date:

Fiscal Quarter Ending	Fixed Charge Coverage Ratio
June 30, 2018, September 30, 2018 and December 31, 2018	1.30:1.00
March 31, 2019	1.10:1.00
June 30, 2019, September 30, 2019 and December 31, 2019	1.30:1.00
March 31, 2020 and each Fiscal Quarter thereafter	1.40:1.00

(e) Maximum Same Store Sales Decline. At all times that the Senior Leverage Ratio is greater than or equal to 1.50:1.00, permit the Same Store Sales Percentage to be less than or equal to negative five and one-half percent -5.50% as of the last day of any Fiscal Quarter.



(f) Maximum New Store Openings.

(i) At all times the Senior Leverage Ratio is greater than or equal to 2.00:1.00, establish more than three (3) new retail locations of the Loan Parties in any consecutive twelve (12)-month period.

(ii) At all times the Senior Leverage Ratio is less than 2.00:1.00, establish more than four (4) new retail locations of the Loan Parties in any consecutive twelve (12)-month period.

(g) Equity Cure.

(i) In the event the Loan Parties would otherwise default in any payment of principal, interest, fees or other amount payable under this Agreement or any other Loan Document (each, a "Payment Default Amount") when the same shall be due and payable, any cash equity contribution to Borrower (funded with a capital contribution to Parent or proceeds of Capital Stock issued by Parent having terms acceptable to the Agent in the Agent's Discretion and in any case, not constituting Disqualified Capital Stock) on or prior to the due date for such payment will, at the irrevocable election of the Parent, be permitted solely for the purposes of making such payment (any such equity contribution, a "Payment Default Equity Contribution"), provided, that (A) notice of Parent's irrevocable election to make a Payment Default Equity Contribution shall be delivered to Agent no later than the day on which such Payment Default Equity Contribution is made, (B) the amount of any Payment Default Equity Contribution will be no greater than the applicable Payment Default Amount, and (C) the gross proceeds of each Payment Default Equity Contribution shall be paid to the Agent to be applied to the applicable Payment Default Amount.

(ii) In the event the Loan Parties fail to comply with the financial covenants set forth in Section 6.18(b), (c) or (d) as of the last day of any Fiscal Quarter, as applicable, any cash equity contribution to Borrower (funded with a capital contribution to Parent or proceeds of Capital Stock issued by Parent having terms acceptable to the Agent in the Agent's Discretion and in any case, not constituting Disqualified Capital Stock) after the last day of such Fiscal Quarter, and on or prior to the day that is ten (10) Business Days after the day on which financial statements are required to be delivered for that Fiscal Quarter, will, at the irrevocable election of the Parent, be included in the calculation of EBITDA solely for the purposes of determining compliance with such covenants at the end of Fiscal Quarter, and for not more than three (3) subsequent periods that includes such Fiscal Quarter (any such equity contribution so included in the calculation of EBITDA, a "Covenant Default Equity Contribution"; each Payment Default Equity Contribution and Covenant Default Equity Contribution is referred to herein as a "Specified Equity Contribution"); provided, that (A) notice of Parent's irrevocable election to make a Covenant Default Equity Contribution shall be delivered to Agent no later than the day on which financial statements are required to be delivered for the applicable Fiscal Quarter, (B) the amount of any Covenant Default Equity Contribution will be no greater than the amount required to cause the Loan Parties to be in compliance with such covenants, (C) all Covenant Default Equity Contributions will be disregarded for purposes of the calculation of EBITDA for all other purposes, including calculating basket levels, pricing and other items governed by reference to EBITDA, (E) the gross proceeds of all Covenant Default Equity Contributions shall be paid to the Agent to be applied as a mandatory prepayment (including the Make-Whole Amount or Prepayment Premium applicable thereto) of the Term Loan and applied under Section 2.05 hereof when funded and (F) the amount of the Term Loan prepaid with the proceeds of Covenant Default Equity Contributions shall be deemed outstanding for purposes of determining compliance with such covenants for the current Fiscal Quarter and the next three Fiscal Quarters thereafter.

(iii) Notwithstanding anything to the contrary herein, Specified Equity Contributions shall not be made (A) more than twice during the term of this Agreement, (B) in two consecutive Fiscal Quarters, (C) more than once during any four consecutive Fiscal Quarter period or (D) in any single Fiscal Quarter in an amount greater than \$2,000,000.

## **VII. DEFAULTS**

Section 7.01 Events of Default. Each of the following events is herein, sometimes referred to as an “Event of Default”:

(a) if any representation, warranty or other statement or disclosure made herein or in any other Loan Document, or in any certificate, financial statement, instrument or other statement furnished by or on behalf of any Loan Party in connection with this Agreement, any other Loan Document or with respect to the Term Loan and/or any other Obligations shall be false, inaccurate or misleading in any material respect (without duplication of any existing materiality qualifiers) when made or when deemed made;

(b) any default in the payment by any Loan Party of any (i) principal payable under this Agreement or any other Loan Document when the same shall be due and payable, whether at the due date thereof or at a date required for prepayment or by acceleration or otherwise, or (ii) interest, fees or other amount (other than principal) payable under this Agreement or any other Loan Document when the same shall be due and payable, whether at the due date thereof or at a date required for prepayment or by acceleration or otherwise, and in the case of clause (ii) above, the continuance of any such non-payment (in whole or in part) for a period of three (3) Business Days;

(c) any default by any Loan Party in the due observance or performance of any covenant, condition or agreement contained in Section 5.01(c), 5.03, 5.04, 5.05, 5.08, 5.09, 5.10, 5.13, 5.14 or in any Section of Article VI hereof;

(d) any default by any Loan Party in the due observance or performance of any covenant, condition or agreement contained in Section 5.15, and the continuance of such default unremedied for a period of three (3) Business Days;

(e) any default by any Loan Party in the due observance or performance of any covenant, condition or agreement contained in any provision of this Agreement or any other Loan Document and not addressed in Section 7.01(a), (b), (c) or (d), and the continuance of such default unremedied for a period of twenty (20) days after the earlier of (i) the date upon which any Loan Party obtains knowledge of such default and (ii) the date upon which any Loan Party receives written notice of such default from Agent; provided, that such twenty (20) day grace period shall not be available for any default that is not reasonably capable of being cured within such period or for any intentional default;

(f) (x) any default with respect to any Indebtedness (other than the Obligations) of any Loan Party that has an outstanding aggregate balance in an amount in excess of \$200,000 if (i) such default shall consist of the failure to pay all or any portion of such Indebtedness when due, whether by acceleration or otherwise, or (ii) the effect of such default is to permit the holder, with or without notice or lapse of time or both, to accelerate the maturity of all or any portion of any such Indebtedness or to cause all or any portion of such Indebtedness to become due prior to the stated maturity thereof or (y) the occurrence of any “Event of Default” (as defined in the Revolving Loan Credit Agreement);