

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of report (Date of earliest event reported): May 29, 2020

RED ROBIN GOURMET BURGERS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-34851
(Commission
File Number)

84-1573084
(IRS Employer
Identification Number)

6312 South Fiddler's Green Circle, Suite 200N
Greenwood Village, Colorado 80111
(Address of principal executive offices) (zip code)

(303) 846-6000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	RRGB	NASDAQ (Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement

Credit Agreement Amendment

On May 29, 2020 (the “Amendment Effective Date”), Red Robin Gourmet Burgers, Inc. (the “Company”), Red Robin International, Inc. (the “Borrower”), and certain of their subsidiaries entered into the First Amendment to Credit Agreement and Waiver (the “Amendment”) with certain lenders party thereto and Wells Fargo Bank, National Association, as administrative agent. The Amendment amends the Company’s Amended and Restated Credit Agreement (the “Credit Facility”) to, among other things:

- increase the pricing under the Credit Facility for (a) the period from the Amendment Effective Date through the first interest determination date occurring after the fiscal quarter ending on or about April 18, 2021 to LIBOR (subject to a 1.00% floor) plus 3.25% and (b) periods thereafter to the amounts set forth in a grid included in the Amendment (to which a 1.00% LIBOR floor shall apply);
- waive the existing events of default under Credit Facility related to the Borrower’s failure to comply with the financial covenants as of the fiscal quarter ending on or about April 19, 2020;
- suspend the application of (a) the lease adjusted leverage ratio financial covenant (the “Leverage Ratio Covenant”) and (b) the fixed charge coverage ratio financial covenant (the “FCCR Covenant”), in each case, for the fiscal quarter ending on or about July 12, 2020;
- if the Company issues new equity (or convertible debt) generating net cash proceeds of at least \$25,000,000 (the “Minimum Capital Event”), (a) suspend the application of the Leverage Ratio Covenant and FCCR Covenant, in each case, for the fiscal quarters ending on or about October 4, 2020 and December 27, 2020 and (b) increase the maximum leverage permitted for purposes of the Leverage Ratio Covenant for each of the first three fiscal quarters ending in 2021;
- for the fiscal quarters ending on or about April 18, 2021, July 11, 2021, and October 3, 2021, provide that (a) the Leverage Ratio Covenant will be calculated using a seasonally adjusted annualized consolidated EBITDA for the applicable period since the beginning of fiscal year 2021 and (b) the FCCR Covenant will be calculated only for the applicable period since the beginning of fiscal year 2021;
- add a minimum liquidity covenant, measured as of the last day of each fiscal month, that applies during the period commencing on the Amendment Effective Date through March 21, 2021;
- subject to limited exceptions, prohibit certain capital expenditures, restricted payments, acquisitions, and other investments until the later of (a) the Company’s delivery of a compliance certificate for the fiscal quarter ending on or about July 11, 2021 demonstrating compliance with the financial covenants then in effect and (b) the Company satisfying an agreed ratio under its Leverage Ratio Covenant for the most recently ended fiscal quarter or fiscal year, as applicable;
- add an anti-cash hoarding provision requiring revolver repayments (but with no associated permanent reduction in the revolver) to the extent that the Company’s consolidated cash on hand exceeds \$30,000,000 as of the end of any fiscal month;
- revise the conditions precedent to revolver borrowings so that certain effects of COVID-19 are excluded for purposes of certain representations and warranties that must be true and correct as conditions to revolving borrowings;
- require mandatory prepayments from net cash proceeds of equity (or convertible debt) issuances that exceed amounts set forth in the Amendment; and
- provide for certain additional financial reporting requirements under the Credit Facility.

As conditions to the Amendment, the Company (a) repaid revolving loans, so that the amount of the Company’s consolidated cash on hand did not exceed \$30,000,000 as of the Amendment Effective Date and (b) paid certain customary amendment fees to the lenders under the Credit Facility consenting to the Amendment and certain other customary fees.

The description above is a summary of the Amendment and is qualified in its entirety by the complete text of the agreement, which is attached to this report as Exhibit 10.1 and is incorporated herein by reference.

ITEM 2.02 Results of Operations and Financial Condition

On May 29, 2020, the Company issued a press release providing a business update, describing selected preliminary unaudited financial results for the fiscal first quarter of 2020, and announcing entry into the Amendment. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 2.02, including the information set forth in Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off- Balance Sheet Arrangement of a Registrant

The discussion of the Amendment to Credit Facility set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference in this Item 2.03.

Item 8.01 Other Events

Filing Relief - First Quarter 2020 Quarterly Report on Form 10-Q

The Company will be relying on the Securities and Exchange Commission’s order (Release No. 34-88318) under Section 36 of the Exchange Act granting exemptions from specified provisions of the Exchange Act and certain rules thereunder, as superseded by a subsequent order (Release No. 34-88465) issued on March 25, 2020 (collectively, the “Order”) to delay filing its Quarterly Report on Form 10-Q for the quarterly period ended April 19, 2020 (the “Quarterly Report”) that is due May 29, 2020, due to circumstances related to the novel coronavirus (COVID-19).

We have experienced significant disruptions to our business due to the COVID-19 pandemic and related mandated social distancing and shelter-in-place orders, resulting in previously disclosed temporary closures of 35 Company-owned restaurants across our portfolio and remaining locations shifted to an off-premise only operating model.

The considerable effect of the COVID-19 pandemic has triggered the need to perform additional impairment assessments of our property and equipment, goodwill, and other intangible assets. Due to the effect of the COVID-19 pandemic, we are currently anticipating recognizing a material goodwill impairment up to the full carrying amount totaling approximately \$95 million, and long lived asset impairment losses of approximately \$10 million to \$20 million in our Quarterly Report. Further, the March 19, 2020 passage of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) created an opportunity for the Company to carry back net operating losses, which in turn require us to analyze our realization of deferred tax assets related to our job tax credits. We anticipate recognizing a material valuation allowance on our deferred tax assets related to our job tax credits; however, we anticipate recognizing the full carryforward balance for cash tax purposes. These items represent a substantial undertaking due to the need to develop and analyze several best estimates and assumptions, compounded by the additional difficulty in forecasting operations during the COVID-19 pandemic, including future guest traffic, sales and operating results, discount and royalty rates, and volatility factors.

Due to the reporting impacts and disruption to our business of COVID-19, the Company will be unable to complete the analyses described above in time to file its Quarterly Report by the original filing deadline. Accordingly, we are relying on the Order to postpone the filing of our Quarterly Report to provide us with additional time to finalize these assessments and related disclosure. The Company expects to file its Quarterly Report no later than 45 days after the original deadline of May 29, 2020.

Financial Update

The Company expects to recognize or has recognized the following material changes to the consolidated financial statements during its first fiscal quarter of 2020. There have been no changes to the related accounting policies as disclosed in Part II, Item 8, Financial Statements and Supplementary Data, of our Annual Report on Form 10-K filed with the SEC on February 25, 2020.

Goodwill

The Company determined the sustained decrease in our stock price coupled with the closure of our dining rooms and significant decline to the equity value of our peers and overall U.S. stock market represented a goodwill impairment triggering event. We are finalizing a quantitative analysis as of our first quarter ended April 19, 2020 to determine if impairment to our goodwill existed for our one reporting unit. We used a blended approach in calculating fair value of our one reporting unit including the income approach, market approach, and market capitalization approach. This analysis could lead to a material impairment up to the full carrying amount of goodwill totaling approximately \$95 million. The goodwill impairment will be measured as the amount by which the carrying amount of a reporting unit, including goodwill, exceeds its fair value.

Restaurant Assets

The Company determined the triggering event described above also represented a long-lived asset impairment triggering event. The Company is anticipating recognizing between \$10 million and \$20 million of impairment related to restaurant assets during the sixteen weeks ended April 19, 2020 resulting from the continuing and projected future results of Company-owned restaurants. Recoverability of restaurant assets, including restaurant sites, leasehold improvements, information technology systems, right-of-use assets, amortizable intangible assets, and other fixed assets, to be held and used is measured by a comparison of the carrying amount of the assets to the future undiscounted net cash flows expected to be generated by the assets. Identifiable cash flows are measured at the lowest level for which they are largely independent of the cash flows of other groups of assets and liabilities, generally at the restaurant level. Each restaurant's past and present operating performance is being reviewed in combination with projected future results through projected undiscounted cash flows that includes management's expectation of future financial impacts from COVID-19. If the assets are determined to be impaired through comparison of the assets carrying value to its undiscounted cash flows, the Company will compare the carrying amount of each restaurant's assets to its fair value as estimated by management to calculate the impairment amount. The fair value of restaurant assets is generally determined using a discounted cash flow projection model, which is based on significant inputs not observed in the market and represents a level 3 fair value measurement. In certain cases, management will use other market information, when available, to estimate the fair value of a restaurant's assets. The restaurant asset impairment charges will represent the excess of the carrying amount over the estimated fair value of the restaurant assets calculated using a discounted cash flow projection model. Additional restaurant asset impairment may be required to be recognized in future periods if the COVID-19 pandemic continues to negatively impact our business.

Rent

In response to the impact of COVID-19 on our operations, beginning April 1, 2020 the Company has not made full lease payments under its existing lease agreements for our restaurants and restaurant support center. During the suspension of payments, the Company continued to recognize expenses and liabilities for lease obligations and corresponding right-of-use assets on the balance sheet in accordance with *ASC Topic 842*.

We have engaged in ongoing constructive discussions with landlords regarding the potential restructuring of lease payments and rent concessions. To the extent we qualify, we will elect to recognize any contractual rent concessions reached in the future as a variable credit to rent expense as opposed to a lease modification consistent with the relief issued by the Financial Accounting Standards Board titled *ASC Topic 842 and ASC Topic 840: Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic*. Contractual rent concessions expected to be agreed to cannot be reasonably determined at this time based on the status of discussions with our landlords.

Legal Proceedings

On July 14, 2017, a current hourly employee filed a class action lawsuit alleging that the Company failed to provide required meal breaks and rest periods and failed to reimburse business expenses, among other claims. The case is styled *Manuel Viguera v. Red Robin International, Inc.* and is currently pending before the United States District Court in Santa Ana, California. In a related action, on September 21, 2017, a companion case, styled *Genny Vasquez v. Red Robin International, Inc.* was filed and is currently pending in California Superior Court in Santa Ana, California and involves claims under the California Private Attorneys' General Act ("PAGA") that partially overlap in the claims made in the *Viguera* matter. In the first quarter of 2020, the Company reached a tentative settlement agreement resolving all claims and the cost of class administration in both cases for an aggregate \$8.5 million. The Company is in the process of finalizing the settlement agreement, which will then be submitted to the court for approval. Court approval is required before any settlement agreement between the parties becomes final. An additional \$4.5 million was accrued to reach the \$8.5 million settlement amount during its first fiscal quarter of 2020.

Valuation Allowance on Deferred Tax Assets

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the future reversals of existing deferred tax liabilities and projected future taxable income, including whether future originating deductible temporary differences are likely to be realized.

The March 19, 2020 passage of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") created an opportunity for the Company to carry back 2019 and 2020 projected net operating losses ("NOL's"). As a result of these projected NOL carrybacks, \$30 million to \$40 million of previously utilized FICA tip tax credits could be reinstated. Given the reinstatement of the FICA tip tax credits, in combination with our existing FICA credit deferred tax asset, we are currently evaluating whether we would be required to recognize a valuation allowance against these FICA tip tax credits which could result in the recognition of a material valuation allowance up to our full carryforward.

Financial Condition Update and Going Concern

Under ASC 205-40, Presentation of Financial Statements – Going Concern, the Company is required to assess whether substantial doubt is raised in that conditions or events indicate that it is probable the Company will be unable to meet its obligations when they come due within one year from the financial statement issuance date. The assessment also includes the Company’s consideration of any management plans to alleviate such substantial doubt. The conditions related to the COVID-19 pandemic have had a material adverse impact on the Company’s revenues, profitability, and cash flows.

Pursuant to the terms of the Amendment to the Company’s Credit Facility described above, the lenders thereto agreed, among other things, to waive the existing events of default under the Credit Facility related to the Borrower’s failure to comply with the financial covenants as of the end of the fiscal quarter ended on or about April 19, 2020. In addition, the lenders agreed to (a) suspend the application of the Leverage Ratio Covenant and the FCCR Covenant, in each case, for the fiscal quarters ending on or about October 4, 2020 and December 27, 2020 and (b) increase the maximum leverage permitted for purposes of the Leverage Ratio Covenant for each of the fiscal quarters ending in 2021; *provided that the Company issues new equity generating net cash proceeds of at least \$25,000,000.*

The Company is actively evaluating options for raising equity capital in order to satisfy the requirements of the Amendment. If the Company is unable to raise sufficient equity capital within the timeframe prescribed by the Amendment, and is unable to obtain a further waiver or amendment to the Credit Facility, then the Company could experience an event of default under the Credit Facility, which could have a material adverse effect on the Company’s liquidity, financial condition, and results of operations. We cannot make any assurances regarding the likelihood, certainty, or exact timing of the Company’s ability to raise capital or execute further amendments to the Credit Facility. As a result, under applicable accounting standards, the Company concluded, because the equity raise is outside of management’s control, substantial doubt exists surrounding the Company’s ability to meet its obligations within one year from the financial statement issuance date and to continue as a going concern.

Risk Factor Update

The Company is also filing this Current Report on Form 8-K for the purpose of supplementing the Risk Factors disclosed in Item 1A of its Annual Report on Form 10-K for the fiscal year ended December 29, 2019. Accordingly, the Company’s Risk Factor disclosure is hereby updated to add the following:

ITEM 1A. Risk Factors

The novel coronavirus (COVID-19) pandemic has disrupted and may further disrupt our business, which has and could further materially affect our operations and business and financial results. In addition, any other epidemic, disease outbreak, or public health emergency may result in similar adverse effects.

The novel coronavirus (COVID-19) pandemic has had an adverse effect that is material on our business. The COVID-19 pandemic has impacted and may continue to impact sales and traffic at our restaurants, may make it more difficult to staff restaurants, cause an inability to obtain supplies, increase commodity costs, continue to cause partial or total closures of impacted restaurants, and could damage our reputation. The extent to which the COVID-19 pandemic and other epidemics, disease outbreaks, or public health emergencies will impact our business, liquidity, financial condition, and results of operations, depends on numerous evolving factors that we may not be able to accurately predict or assess, including the duration and scope of the pandemic, epidemic, disease outbreak, or public health emergency; the negative impact on the economy; the short and longer-term impacts on the demand for restaurant services and levels of consumer confidence; our ability to successfully navigate the impacts; government action, including restrictions on restaurant operations; and increased unemployment and reductions in consumer discretionary spending. Even if a virus or other disease does not spread significantly, the perceived risk of infection or health risk may damage our reputation and adversely affect our business, liquidity, financial condition, and results of operations.

We have been and could continue to be adversely affected by government restrictions on public gatherings, shelter-in-place orders, and limitations on operations of restaurants, including dine-in restrictions, and mandatory or voluntary closures or restrictions on hours of operations. Restaurants in the U.S. are currently under government mandates or guidelines to temporarily suspend operation or limit restaurant dine-in business in light of COVID-19. We are unable to predict when these measures may be further reduced, how quickly or if our operations will return to previous levels after the measures are scaled back, or if there will be additional future suspensions of operation for potential future waves of COVID-19 or another epidemic or public health emergency. While a limited number of our restaurants have recently been able to re-open, most of our restaurants have shifted to a take-out, catering, and delivery-only operating model, suspending most sit-down dining. We have also implemented temporary restaurant closures, modified hours, reduced staff, and furloughed employees. These changes and any additional changes may materially adversely affect our business, liquidity, financial condition, and results of operations, particularly if these changes are in place for a prolonged amount of time. The COVID-19 pandemic as well as other epidemics, disease outbreaks, or public health emergencies may also materially adversely affect our ability to implement our strategic growth plans, including delays in the rollout of Donatos® pizza to additional restaurant locations, the implementation of technology platforms and technology solutions, restaurant remodels, and development of new restaurants in future years.

In an effort to preserve liquidity, we have and may continue to take certain actions with respect to some or all of our leases, including negotiating with landlords to obtain rent abatement or deferrals and discontinuing payment. We can provide no assurances that forbearance of any lease obligations will be provided to us, or that, following the COVID-19 pandemic, we will be able to continue restaurant operations on the current terms of our existing leases, any of which could have an adverse effect on our business and results.

As we previously announced, we drew the full amount available under our revolving credit facility. The increase in our level of debt may adversely affect our financial and operating activities or ability to incur additional debt. Further, if we are unable to raise sufficient equity capital within the timeframe prescribed by the Amendment, and are unable to obtain a further waiver or amendment to the Credit Facility, then the Company could experience an event of default under the Credit Facility and be unable to make additional borrowings on any undrawn amounts and be required to repay its then outstanding borrowings which could have a material adverse effect on the Company's liquidity, financial condition, results of operations and ability to continue as a going concern.

Forward-Looking Statements

Certain information and statements contained in this report are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, without limitation, statements regarding the impact of COVID-19 on the Company's business, the ability of the Company's restaurants to re-open and operate on and grow a substantially all off-premise model, goodwill impairment, impairment losses, valuation allowance on our deferred tax assets related to our job tax credits, the timing of the Company's delayed 10-Q filing, future capital raise, and ability to continue as a going concern. These statements are based on assumptions believed by the Company to be reasonable and speak only as of the date on which such statements are made. Except as required by law, the Company undertakes no obligation to update such statements to reflect events or circumstances arising after such date, and cautions investors not to place undue reliance on any such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements based on a number of factors, including but not limited to the following: the rapidly evolving nature of the COVID-19 pandemic and related containment measures, including the potential for a complete shutdown of Company restaurants; economic, public health, and political conditions that impact consumer confidence and spending, including the impact of COVID-19 and other health epidemics or pandemics on the global economy; changes in unemployment rates; changes in laws impacting the Company's business, including increases in minimum wages and benefit costs; the ability to achieve significant cost savings; the Company's ability to defer lease or contract payments or otherwise obtain concessions from landlords, vendors, and other parties in light of the impact of the COVID-19 pandemic; the economic health of the Company's landlords and other tenants in retail centers in which its restaurants are located; the economic health of suppliers, licensees, vendors, and other third parties providing goods or services to the Company; the Company's ability to continue to increase sales; the effectiveness of the Company's marketing strategies and promotions and menu changes; the cost and availability of key food products, distribution, labor, and energy; the effectiveness of the Company's long term strategic initiatives; the cost and availability of capital or credit facility borrowings; the ability to obtain equity financing; the adequacy of cash flows or available debt resources to fund operations; the impact of federal, state, and local regulation of the Company's business; and other risk factors described from time to time in the Company's Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits. The following exhibits are filed and furnished with this report.

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	<u>First Amendment to Credit Agreement and Waiver, dated as of May 29, 2020, by and among Red Robin International, Inc., Red Robin Gourmet Burgers, Inc., the Guarantors, the Lenders party thereto and Wells Fargo Bank, National Association, as administration agent.</u>
<u>99.1</u>	<u>Red Robin Gourmet Burgers, Inc. Press Release dated May 29, 2020.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 29, 2020

RED ROBIN GOURMET BURGERS, INC.

By: /s/ Lynn S. Schweinfurth
Name: Lynn S. Schweinfurth
Title: Executive Vice President and Chief Financial Officer

FIRST AMENDMENT TO CREDIT AGREEMENT AND WAIVER

THIS FIRST AMENDMENT TO CREDIT AGREEMENT AND WAIVER (this "Agreement"), dated as of May 29, 2020, is by and among RED ROBIN INTERNATIONAL, INC., a Nevada corporation (the "Borrower"), RED ROBIN GOURMET BURGERS, INC., a Delaware corporation (the "Parent"), the Guarantors, the Lenders party hereto, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as administrative agent on behalf of the Lenders under the Credit Agreement (as hereinafter defined) (in such capacity, the "Administrative Agent").

WITNESSETH

WHEREAS, the Borrower, the Parent, the other Guarantors, the Lenders from time to time party thereto, and the Administrative Agent are parties to that certain Amended and Restated Credit Agreement dated as of January 10, 2020 (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement, as amended hereby);

WHEREAS, the Borrower has informed the Administrative Agent that certain Events of Default have occurred and are continuing under the Credit Agreement as a result of the Borrower's failure to comply with (i) the Lease Adjusted Leverage Ratio financial covenant under Section 5.9(a) of the Credit Agreement as of the fiscal quarter ending on or about April 19, 2020 and (ii) the Fixed Charge Coverage Ratio financial covenant under Section 5.9(b) of the Credit Agreement as of the fiscal quarter ending on or about April 19, 2020 (the "Existing Events of Default");

WHEREAS, the Credit Parties have requested that the Lenders (x) make certain amendments to the Credit Agreement and (y) waive the Existing Events of Default, in each case, as set forth herein; and

WHEREAS, the Lenders have agreed to (x) amend the Credit Agreement and (y) waive the Existing Events of Default, in each case, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
AMENDMENTS TO CREDIT AGREEMENT

1.1 Amendment to "Applicable Percentage". The definition of "Applicable Percentage" in Section 1.1 of the Credit Agreement is hereby amended by:

(i) deleting the pricing grid therein and replacing it with the following pricing grid:

Level	Lease Adjusted Leverage Ratio	Base Rate Margin	LIBOR Rate Margin/Letter of Credit Fee	Commitment Fee
I	<3.75 to 1.00	0.75%	1.75%	0.25%
II	≥ 3.75 to 1.00 but <4.00 to 1.00	1.00%	2.00%	0.30%
III	≥ 4.00 to 1.00 but <4.25 to 1.00	1.25%	2.25%	0.35%
IV	≥ 4.25 to 1.00 but < 4.75 to 1.00	1.50%	2.50%	0.40%
V	≥ 4.75 to 1.00	1.75%	2.75%	0.45%

and (ii) inserting the following new sentence at the end thereof:

Notwithstanding the foregoing, from the First Amendment Effective Date through the first Interest Determination Date occurring after the last day of the fiscal quarter of the Parent ending on or about April 18, 2021, the Applicable Percentage shall be equal to (i) 3.25% with respect to LIBOR Rate Loans, (ii) 3.25% with respect to Letter of Credit Fees, (iii) 2.25% with respect to Base Rate Loans and (iv) 0.45% with respect to the Commitment Fee.

1.2 Amendment to “Consolidated Cash on Hand”. The definition of “Consolidated Cash on Hand” in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“Consolidated Cash on Hand” means, as of any date of determination, the sum of the amount of cash and Cash Equivalents of the Credit Parties and their Subsidiaries on a Consolidated basis (it being understood that such amount shall exclude in any event any cash and Cash Equivalents identified as “restricted” on the balance sheet of the Parent (other than cash or Cash Equivalents restricted in favor of the Administrative Agent) or otherwise subject to a security interest in favor of any other Person (other than security interests under the Loan Documents)).

1.3 Amendment to “Expansion Capital Expenditures”. The definition of “Expansion Capital Expenditures” in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“Expansion Capital Expenditures” shall mean, for any period, all capital expenditures of the Parent and its Subsidiaries on a consolidated basis for such period (as determined in accordance with GAAP) relating to (i) the construction of new stores and/or distribution centers to be operated by the Parent or any of its Subsidiaries, (ii) the Store Rebranding and Outfitting Program and (iii) discretionary information technology and discretionary software update projects. The term “Expansion Capital Expenditures” shall not include capital expenditures in respect of the reinvestment of proceeds derived from Recovery Events received by the Parent and its Subsidiaries to the extent that such reinvestment is permitted under the Credit Documents.

1.4 Amendment to “Lease Adjusted Leverage Ratio”. The definition of “Lease Adjusted Leverage Ratio” in Section 1.1 of the Credit Agreement is hereby amended by inserting the following new sentence at the end thereof:

Notwithstanding the foregoing, for purposes of calculating the Lease Adjusted Leverage Ratio as of the end of the fiscal quarters of the Parent ending on or about April 18, 2021, July 11, 2021 and October 3, 2021, Consolidated EBITDA shall be calculated as (x) in the case of the fiscal quarter ending on or about April 18, 2021, actual Consolidated EBITDA for such fiscal quarter *divided by* 33.9%, (y) in the case of the fiscal quarter ending on or about July 11, 2021, actual Consolidated EBITDA for the period of two (2) consecutive fiscal quarters then ending *divided by* 59.1%, and (z) in the case of the fiscal quarter ending on or about October 3, 2021, actual Consolidated EBITDA for the period of three (3) consecutive fiscal quarters then ending *divided by* 73.6%.

1.5 Amendment to "LIBOR". The last sentence of the definition of "LIBOR" in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Notwithstanding the foregoing, (x) in no event shall LIBOR (including any Benchmark Replacement with respect thereto) be less than 1.00% and (y) unless otherwise specified in any amendment to this Agreement entered into in accordance with Section 2.14(c), in the event that a Benchmark Replacement with respect to LIBOR is implemented then all references herein to LIBOR shall be deemed references to such Benchmark Replacement.

1.6 Amendment to "Net Cash Proceeds". The definition of "Net Cash Proceeds" in Section 1.1 of the Credit Agreement is hereby amended by (i) deleting "and" at the end of clause (a), (ii) replacing "." with ", and" at the end of clause (b) and (iii) and inserting the following new clause (c) at the end thereof:

(c) with respect to any Equity Issuance by the Parent or Convertible Debt Issuance by the Parent or any of its Subsidiaries, the gross cash proceeds received by the Parent or any of its Subsidiaries therefrom less all reasonable and customary out-of-pocket legal, underwriting and other fees and expenses incurred in connection therewith.

1.7 Amendment to "Permitted Acquisition". The definition of "Permitted Acquisition" in Section 1.1 of the Credit Agreement is hereby amended by inserting the following new sentence at the end thereof:

Notwithstanding the foregoing, as of the First Amendment Effective Date, no Permitted Acquisitions shall be permitted to be made until the later to occur of (x) delivery of a compliance certificate pursuant to Section 5.1(c) demonstrating compliance with the financial covenants set forth in Section 5.9 for the fiscal quarter of the Parent ending on or about April 18, 2021 and (y) Lease Adjusted Leverage Ratio is less than or equal to 5.00 to 1.00 based on the compliance certificate delivered pursuant to Section 5.1(c) for the most recently ended fiscal quarter of the Parent.

1.8 Amendment to "Permitted Investment". Clause (xiii) of the definition of "Permitted Investment" in Section 1.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(xiii) in addition to the Investments otherwise expressly permitted by this definition, other Investments by any Credit Party in an aggregate amount not to exceed \$40,000,000 during the term of this Agreement; provided that no Default or Event of Default shall have occurred and be continuing at the time of such Investments or result therefrom; provided further, as of the First Amendment Effective Date, no Investments shall be permitted to be made under this clause (xiii) until the later to occur of (x) delivery of a compliance certificate pursuant to Section 5.1(c) demonstrating compliance with the financial covenants set forth in Section 5.9 for the fiscal quarter of the Parent ending on or about July 11, 2021 and (y) Lease Adjusted Leverage Ratio is less than or equal to 5.00 to 1.00 based on the compliance certificate delivered pursuant to Section 5.1(c) for the most recently ended fiscal quarter of the Parent.

1.9 Amendment to Section 1.1. Section 1.1 of the Credit Agreement is hereby amended by inserting the following new definitions in the appropriate alphabetical order therein:

“Convertible Debt Issuance” means any issuance by the Parent or the Borrower of unsecured Indebtedness of the Parent or the Borrower that (a) as of the date of issuance thereof contains customary conversion or exchange rights (as determined by the board of directors of the Parent or the Borrower, or a committee thereof, in good faith) and (b) is convertible or exchangeable into shares of common stock of the Parent (or other securities following a merger event, reclassification or other change of the common stock of the Parent), cash or a combination thereof (such amount of cash determined by reference to the price of the Parent’s common stock or such other securities), and cash in lieu of fractional shares of common stock of the Parent (it being understood that any such Indebtedness of the Parent for which any Credit Party or Subsidiary has corresponding obligations with the Parent shall be deemed, without duplication, to be Indebtedness of the Credit Parties and their Subsidiaries hereunder), to the extent permitted pursuant to Section 6.1 and on terms and conditions acceptable to the Administrative Agent, in its sole discretion.

“Equity Issuance” means (a) any issuance by the Parent of shares of its Capital Stock to any Person that is not a Credit Party (including in connection with the exercise of options or warrants or the conversion of any debt securities to equity) and (b) any capital contribution from any Person that is not a Credit Party or a Subsidiary into any Credit Party or any Subsidiary thereof.

“First Amendment Effective Date” shall mean May 29, 2020.

“Liquidity” means, as of any date of determination, an amount equal to the sum of (a) the Accessible Borrowing Availability as of such date plus (b) Consolidated Cash on Hand as of such date.

“Minimum Capital Event” means, following the First Amendment Effective Date, receipt by the Borrower of at least \$25,000,000 in the aggregate from Net Cash Proceeds of (i) Equity Issuances by the Parent (other than the exercise of stock options issued as part of employee compensation) or (ii) Convertible Debt Issuances by the Parent or its Subsidiaries, in each case, in one or more transactions.

1.10 Amendment to Section 2.8(b). Section 2.8(b) of the Credit Agreement is hereby amended by inserting the following new clauses (vii) and (viii) at the end thereof:

(vii) Equity Issuances or Convertible Debt Issuances. The Borrower shall make mandatory principal prepayments of the Loans and/or Cash Collateralize the LOC Obligations in the manner set forth herein in an amount equal to fifty percent (50%) of the aggregate Net Cash Proceeds from any Equity Issuances (other than the exercise price on stock options issued as part of employee compensation) or Convertible Debt Issuances in excess of \$50,000,000 in the aggregate (together with any other Equity Issuances or Convertible Debt Issuances made after the First Amendment Effective Date). Any such prepayment pursuant to this clause (vii) shall be made within five (5) Business Days after the date of receipt of the Net Cash Proceeds of any such Equity Issuance or Convertible Debt Issuances and shall be applied (1) first to the outstanding Revolving Loans (with a corresponding permanent reduction in the Revolving Committed Amount) until the Revolving Committed Amount is reduced to \$100,000,000 and (2) second to the Term Loans and the Incremental Term Loans (if any) in the inverse order of maturity of the remaining amortization payments pursuant to Section 2.2(b)). Within the parameters of the applications set forth above, prepayments shall be applied first to Base Rate Loans and then to LIBOR Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.8(b) shall be subject to Section 2.17 and be accompanied by interest on the principal amount prepaid through the date of prepayment.

(viii) Monthly Revolving Loans Paydown. To the extent that the Consolidated Cash on Hand exceeds \$30,000,000 at the end of any fiscal monthly period, in connection with the delivery of the financial statements pursuant to Section 5.1(e), the Borrower shall make mandatory principal prepayments on the outstanding Revolving Loans (without a corresponding permanent reduction in the Revolving Committed Amount) in an amount equal to such excess.

1.11 Amendment to Section 3.2. Section 3.2 of the Credit Agreement is hereby amended by inserting the following proviso at the end thereof:

; provided that, for purposes of this Section 3.2, only from the First Amendment Effective Date until the date in which the Loan Parties are required to deliver the financial statements and compliance certificate for the fiscal quarter of the Parent ending on or about April 18, 2021 pursuant to Section 5.1(b) and Section 5.1(c) respectively, the impacts of the COVID-19 pandemic on the business, operations, property or condition (financial or otherwise) of the Credit Parties and their Subsidiaries, taken as a whole, that (x) occurred prior to the First Amendment Effective Date and were disclosed in public filings or in writing to the Administrative Agent and the Lenders prior to the First Amendment Effective Date and (y) that were reasonably foreseeable (in consequence and duration) in light of any event, development or circumstance described in the foregoing clause (x), shall in each case be disregarded.

1.12 Amendment to Section 3.13. Section 3.13 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Section 3.13 Ownership: Insurance. Each of the Credit Parties is the owner of, and has good and, to the extent applicable, marketable title to, and adequate insurance coverage for, all of its respective assets that, together with assets leased or licensed by the Credit Parties, represents all assets individually or in the aggregate material to the conduct of the businesses of the Credit Parties taken as a whole, and none of such assets is subject to any Lien other than Permitted Liens. Each Credit Party enjoys peaceful and undisturbed possession under all of its leases and all such leases are valid and subsisting and in full force and effect other than exceptions to the foregoing that could not reasonably be expected to have a Material Adverse Effect; provided that, for purposes of this sentence only, only from the First Amendment Effective Date until the date in which the Loan Parties are required to deliver the financial statements and compliance certificate for the fiscal quarter of the Parent ending on or about April 18, 2021 pursuant to Section 5.1(b) and Section 5.1(c) respectively, the impacts of the COVID-19 pandemic on the business, operations, property or condition (financial or otherwise) of the Credit Parties and their Subsidiaries, taken as a whole, that (x) occurred prior to the First Amendment Effective Date and were disclosed in public filings or in writing to the Administrative Agent and the Lenders prior to the First Amendment Effective Date and (y) that were reasonably foreseeable (in consequence and duration) in light of any event, development or circumstance described in the foregoing clause (x), shall in each case be disregarded for the purposes of determining whether a Material Adverse Effect has occurred under this sentence. The Credit Parties have delivered, or made available for review, complete and accurate copies of all material leases to the Administrative Agent as of the Closing Date.

1.13 Amendment to Section 3.17. Section 3.17 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

Section 3.17 Solvency. As of the Closing Date, the fair saleable value of all Credit Parties' assets, taken as a whole and measured on a going concern basis, exceeds all probable liabilities of the Credit Parties, taken as a whole, including those to be incurred pursuant to this Agreement. As of the Closing Date, the Credit Parties, on a consolidated basis, (a) do not have unreasonably small capital in relation to the business in which they are or propose to be engaged or (b) have not incurred, or believe that they will incur after giving effect to the transactions contemplated by this Agreement, debts beyond its ability to pay such debts as they become due.

1.14 Amendment to Section 4.2(a). Section 4.2(a) of the Credit Agreement is hereby amended by and restated in its entirety to read as follows:

(a) Representations and Warranties. The representations and warranties made by the Credit Parties herein, in the Security Documents or which are contained in any certificate furnished at any time under or in connection herewith shall be true and correct in all material respects on and as of the date of such Extension of Credit as if made on and as of such date, except for representations and warranties expressly stated to relate to a specific earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representation or warranty that is already qualified or modified by materiality or reference to Material Adverse Effect in the text thereof.

1.15 Amendment to Section 5.1(b). Section 5.1(b) of the Credit Agreement is hereby amended by inserting the following proviso at the end thereof:

; provided that, with respect to the fiscal quarter of the Parent ending on or about April 19, 2020, (x) such financial statements referenced herein shall be delivered to the Administrative Agent within ninety (90) days of such fiscal quarter end and (y) the draft version of the consolidated balance sheet of the Parent and its consolidated Subsidiaries and related consolidated statements of income and retained earnings and of cash flows for the Parent and its consolidated Subsidiaries for such quarterly period (along with a calculation of the financial covenants set forth in Section 5.9), in form and substance reasonably satisfactory to the Administrative Agent, shall be delivered to the Administrative Agent within forty-five (45) days of such fiscal quarter end;

1.16 Amendment to Section 5.1. Section 5.1 of the Credit Agreement is hereby amended by inserting the following new clause (e) at the end thereof:

(e) Monthly Financial Statements. As soon as practicable and in any event within twelve (12) Business Days after the end of each fiscal monthly period (commencing with the fiscal monthly period ended June 14, 2020), (w) a consolidated gross same store sales report of the Credit Parties and their Subsidiaries for such period, setting forth, in each case in comparative form, the corresponding figures for the corresponding period of the previous fiscal year of the Parent, (x) a thirteen (13) week forecast of cash flows for the Credit Parties and their Subsidiaries, on a Consolidated basis (including the amount of cash and Cash Equivalents then on hand), (y) evidence of the Consolidated Cash on Hand as of the end of such fiscal monthly period and an indication of the mandatory prepayment (if any) required to be made pursuant to Section 2.8(b)(viii) and (z) solely during the Liquidity Measurement Period, a calculation of Liquidity for such period and demonstrating compliance with Section 9.15(c) as of such date of determination, in each case, in a form reasonably satisfactory to the Administrative Agent; provided that the obligation to deliver the materials in clauses (w) and (x) shall only apply until the delivery of a compliance certificate pursuant to Section 5.1(c) demonstrating compliance with the financial covenants set forth in Section 5.9 for the fiscal quarter of the Parent ending on or about December 26, 2021.

1.17 Amendment to Section 5.9(a). Section 5.9(a) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(a) Lease Adjusted Leverage Ratio

(i) Prior to the Minimum Capital Event, as of the last day of any fiscal quarter of the Parent ending during the periods specified below, beginning with the fiscal quarter ending on or about October 4, 2020, the Lease Adjusted Leverage Ratio shall be less than or equal to the corresponding ratio set forth below:

Period	Maximum Ratio
October 4, 2020 (the last day of the third fiscal quarter of the 2020 fiscal year of the Parent) through December 27, 2020 (the last day of the fourth fiscal quarter of the 2020 fiscal year of the Parent)	5.00 to 1.00
December 28, 2020 (the first day of the first fiscal year of the 2021 fiscal year) through December 26, 2021 (the last day of the fourth fiscal quarter of the 2021 fiscal year of the Parent)	4.75 to 1.00
December 27, 2021 (the first day of the first fiscal quarter of the 2022 fiscal year of the Parent) and thereafter	4.50 to 1.00

Notwithstanding the foregoing, the covenant in clause (i) of this Section 5.9(a) shall not be tested as of the end of the fiscal quarter of the Parent ending on or about July 12, 2020 (but otherwise shall be deemed to be in effect with respect to such fiscal quarter end for all provisions under this Agreement and the other Loan Documents that refer to compliance or pro forma compliance with Section 5.9 (it being understood and agreed that the maximum Lease Adjusted Leverage Ratio for such fiscal quarter for such purposes shall be 5.00 to 1.00)).

(ii) Following the Minimum Capital Event, as of the last day of any fiscal quarter of the Parent ending during the periods specified below, beginning with the fiscal quarter ending on or about April 18, 2021, the Lease Adjusted Leverage Ratio shall be less than or equal to the corresponding ratio set forth below:

Period	Maximum Ratio
April 18, 2021 (the last day of the first fiscal quarter of the 2021 fiscal year of the Parent)	5.50 to 1.00
July 11, 2021 (the last day of the second fiscal quarter of the 2021 fiscal year of the Parent)	5.25 to 1.00
October 3, 2021 (the last day of the third fiscal quarter of the 2021 fiscal year of the Parent)	5.00 to 1.00
December 26, 2021 (the last day of the fourth fiscal quarter of the 2021 fiscal year of the Parent)	4.75 to 1.00
December 27, 2021 (the first day of the first fiscal quarter of the 2022 fiscal year of the Parent) and thereafter	4.50 to 1.00

Notwithstanding the foregoing, following the Minimum Capital Event, the covenant in clause (ii) this Section 5.9(a) shall not be tested as of the end of the fiscal quarters of the Parent ending on or about July 12, 2020, October 4, 2020 and December 27, 2020 (but otherwise shall be deemed to be in effect with respect to each such fiscal quarter end for all provisions under this Agreement and the other Loan Documents that refer to compliance or pro forma compliance with Section 5.9 (it being understood and agreed that the maximum Lease Adjusted Leverage Ratio for each such fiscal quarter for such purposes shall be 5.00 to 1.00)).

1.18 Amendment to Section 5.9(b). Section 5.9(b) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(b) Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio, as of the last day of each fiscal quarter of the Parent, shall be greater than or equal to 1.25 to 1.0. Notwithstanding the foregoing, (i) the covenant in this Section 5.9(b) shall not be tested as of the end of the fiscal quarter of the Parent ending on or about July 12, 2020 and (ii) following the Minimum Capital Event, the covenant in this Section 5.9(b) shall not be tested as of the end of the fiscal quarters of the Parent ending on or about October 4, 2020 and December 27, 2020 (but, in each case, otherwise shall be deemed to be in effect with respect to each such fiscal quarter end for all provisions under this Agreement and the other Loan Documents that refer to compliance or pro forma compliance with Section 5.9). In addition, (x) for the fiscal quarter ending on or about April 18, 2021, the Fixed Charge Coverage Ratio shall be determined for only the single fiscal quarter of the Parent then ended (rather than the period of four (4) consecutive fiscal quarters of the Parent then ended), (y) for the fiscal quarter ending on or about July 11, 2021, the Fixed Charge Coverage Ratio shall be determined for only the period of the two (2) consecutive fiscal quarters of the Parent then ended (rather than the period of four (4) consecutive fiscal quarters of the Parent then ended) and (z) for the fiscal quarter ending on or about October 3, 2021, the Fixed Charge Coverage Ratio shall be determined for only the period of the three (3) consecutive fiscal quarters of the Parent then ended (rather than the period of four (4) consecutive fiscal quarters of the Parent then ended).

1.19 Amendment to Section 5.9. Section 5.9 of the Credit Agreement is hereby amended by inserting the following clause (c) at the end thereof:

(c) Minimum Liquidity. As of the last day of the fiscal monthly period of the Parent from the First Amendment Effective Date through March 21, 2021 (the "Liquidity Measurement Period"), Liquidity shall not be less than \$25,000,000 plus fifty percent (50%) of the Net Cash Proceeds of any Equity Issuances or Convertible Debt Issuances by the Parent or any of its Subsidiaries in excess of \$15,000,000 in the aggregate effected during the Liquidity Measurement Period (excluding any amounts required to be used to make prepayments on the Loans pursuant to Section 2.8(b)(vii) and (viii)).

1.20 Amendment to Article V. Article V of the Credit Agreement is hereby amended by inserting the following new Section 5.18 at the end thereof:

5.18 Advisor. The Credit Parties hereby acknowledge and agree that the Administrative Agent may engage a financial advisor (the "Agent Financial Advisor") to, among other things, perform a review of the Credit Parties' financial performance, financial reporting, financial forecasts and short term liquidity. To the extent that the Administrative Agent engages the Agent Financial Advisor, the Credit Parties shall (a) provide the Agent Financial Advisor with reasonable access to the Credit Parties' facilities, members of management and financial information as is necessary to perform the services within the scope of the engagement and (b) reimburse the Administrative Agent promptly upon demand for the reasonable fees and expenses incurred by the Administrative Agent in connection with the engagement of the Agent Financial Advisor.

1.21 Amendment to Section 6.11. Section 6.11 of the Credit Agreement is hereby amended by inserting the following new sentence at the end thereof:

Notwithstanding the foregoing, as of the First Amendment Effective Date, no Restricted Payments shall be permitted to be made under clause (c) of this Section 6.11 until the later to occur of (x) delivery of a compliance certificate pursuant to Section 5.1(c) demonstrating compliance with the financial covenants set forth in Section 5.9 for the fiscal quarter of the Parent ending on or about July 11, 2021 and (y) Lease Adjusted Leverage Ratio is less than or equal to 5.00 to 1.00 based on the compliance certificate delivered pursuant to Section 5.1(c) for the most recently ended fiscal quarter of the Parent.

1.22 Amendment to Article VI. Article VI of the Credit Agreement is hereby amended by inserting the following new Section 6.17 at the end thereof:

6.17 Expansion Capital Expenditures. The Credit Parties and their Subsidiaries shall be permitted to make, or become legally obligated to make, Expansion Capital Expenditures so long as (x) no Default or Event of Default shall have occurred and be continuing at such time or would result therefrom and (y) the Credit Parties will be in compliance on a Pro Forma Basis with the financial covenants set forth in Section 5.9 after giving effect thereto. Notwithstanding the foregoing, as of the First Amendment Effective Date, no Expansion Capital Expenditures shall be permitted to be made (other than Expansion Capital Expenditures for work commenced prior to the First Amendment Effective Date in an aggregate amount not to exceed \$3,000,000) until the later to occur of (x) delivery of a compliance certificate pursuant to Section 5.1(c) demonstrating compliance with the financial covenants set forth in Section 5.9 for the fiscal quarter of the Parent ending on or about July 11, 2021 and (y) Lease Adjusted Leverage Ratio is less than or equal to 5.00 to 1.00 based on the compliance certificate delivered pursuant to Section 5.1(c) for the most recently ended fiscal quarter of the Parent; provided that after the Minimum Capital Event, this sentence shall not prohibit the Credit Parties and their Subsidiaries from making Expansion Capital Expenditures in an aggregate amount not to exceed \$5,000,000.

1.23 Amendment to Section 7.1(c). Section 7.1(c) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

(c) (i) Any Credit Party shall fail to perform, comply with or observe any term, covenant or agreement applicable to it contained in Sections 5.4 (with respect to maintenance of a Credit Party's existence), 5.7 (with respect to notice of a Default or Event of Default), or 5.9 or Article VI hereof; (ii) any Credit Party shall fail to perform, comply with or observe any term, covenant or agreement applicable to it contained in Section 5.1 and such default shall continue for a period of five (5) Business Days, or (iii) any Credit Party shall fail to comply with any other covenant, contained in this Agreement or the other Credit Documents (other than as described in Sections 7.1(a), 7.1(c)(i) or 7.1(c)(ii) above), and in the event such breach or failure to comply is capable of cure, is not cured within the time prescribed therein, or to the extent not prescribed therein, within thirty (30) days of its occurrence; or

ARTICLE II
WAIVER

2.1 Existing Events of Default. Effective as of the First Amendment Effective Date, and subject to the terms and conditions set forth herein and in reliance upon the representations and warranties set forth herein, the Administrative Agent and the Lenders hereby waive the Existing Events of Default.

2.2 Financial Covenants.

(a) Effective as of the First Amendment Effective Date, and subject to the terms and conditions set forth herein and in reliance upon the representations and warranties set forth herein, the Administrative Agent and the Lenders hereby waive compliance by the Credit Parties with Section 5.9 of the Credit Agreement, solely for the fiscal quarter of the Parent ending on or about July 12, 2020 (and for this purpose such waiver shall be interpreted as if the Credit Parties were not required to comply with Section 5.9 of the Credit Agreement for the fiscal quarter of the Parent ending on or about July 12, 2020).

(b) Subject to the terms and conditions set forth herein and in reliance upon the representations and warranties set forth herein, it is acknowledged and agreed that, upon the Minimum Capital Event, the Administrative Agent and the Lenders shall be deemed to have waived compliance by the Credit Parties with Section 5.9 of the Credit Agreement, solely for the fiscal quarters of the Parent ending on or about October 4, 2020 and December 27, 2020 (and for this purpose such waiver shall be interpreted as if the Credit Parties were not required to comply with Section 5.9 of the Credit Agreement for the fiscal quarters of the Parent ending on or about October 4, 2020 and December 27, 2020).

2.3 Limited Waiver. Each of the foregoing waivers is a one-time waiver and applies only to the specified circumstances and does not modify or otherwise affect the Credit Parties' obligations to comply with such provisions of the Credit Agreement or any other provision of the Loan Documents, in each case, as amended hereby, in any other instance. Each of the foregoing waivers shall not be deemed or otherwise construed to constitute a waiver of any other Default or Event of Default under the Credit Agreement and/or the other Loan Documents that have occurred or that may occur from and after the date hereof or to prejudice any right, power or remedy which the Administrative Agent or any Lender may not have or may have in the future under or in connection with the Credit Agreement or any other Loan Document, all of which rights, powers and remedies are hereby expressly reserved by the Administrative Agent and the Lenders. The agreements and consents set forth in this Article II are limited to the extent specifically set forth herein and no other terms, covenants or provisions of the Credit Agreement or the other Loan Documents are intended to be affected hereby.

ARTICLE III
CLOSING CONDITIONS

3.1 Closing Conditions. This Agreement shall become effective as of the date hereof (the "First Amendment Effective Date") upon the satisfaction of the following conditions precedent:

(a) Execution of Agreement. The Administrative Agent shall have received a copy of this Agreement duly executed by the Borrower, the other Credit Parties, the Administrative Agent and the Required Lenders.

(b) Monthly Reporting. The Administrative Agent shall have received, with respect to the fiscal monthly period ended May 17, 2020, (w) a consolidated gross same store sales report of the Credit Parties and their Subsidiaries for such period, setting forth, in each case in comparative form, the corresponding figures for the corresponding period of the previous fiscal year of the Parent, (x) a thirteen (13) week forecast of cash flows for the Credit Parties and their Subsidiaries, on a Consolidated basis (including the amount of cash and Cash Equivalents then on hand), (y) evidence of the Consolidated Cash on Hand as of the end of such fiscal monthly period and (z) a calculation of Liquidity for such period, in each case, in a form reasonably satisfactory to the Administrative Agent.

(c) Revolving Loans Paydown. To the extent that the Consolidated Cash on Hand exceeds \$30,000,000 as of the First Amendment Effective Date, immediately prior to the effectiveness of this Agreement (as certified by the Borrower in writing to be accurate within two (2) Business Days prior to the First Amendment Effective Date), the Borrower shall make a mandatory principal prepayment on the outstanding Revolving Loans (without a corresponding permanent reduction in the Revolving Committed Amount) in an amount equal to such excess.

(d) Amendment Fees. The Administrative Agent shall have received, for the account of each Lender consenting to this Agreement, an amendment fee equal to 0.20% of the aggregate principal amount of such Lender's Revolving Commitment and outstanding Term Loans, in each case, as of the date hereof.

(e) Other Fees and Out of Pocket Costs. The Borrower shall have paid any and all reasonable, documented out-of-pocket costs incurred by the Administrative Agent (including the fees and expenses Moore & Van Allen, PLLC as legal counsel to the Administrative Agent) and all other fees and amounts required to be paid to the Administrative Agent in connection with this Agreement to the extent invoiced prior to the date hereof.

ARTICLE IV
MISCELLANEOUS

4.1 Amended Terms. On and after the date hereof, all references to the Credit Agreement in each of the Credit Documents shall hereafter mean the Credit Agreement as amended by this Agreement. Except as specifically amended hereby or otherwise agreed, the Credit Agreement is hereby ratified and confirmed and shall remain in full force and effect according to its terms.

4.2 Representations and Warranties of Credit Parties Each of the Credit Parties represents and warrants as follows:

(a) Each of the Credit Parties has full corporate power, authority and right to execute, deliver and perform this Agreement and has taken all necessary limited liability company or corporate action to authorize the execution, delivery and performance by it of this Agreement.

(b) This Agreement has been duly executed and delivered on behalf of each of the Credit Parties. This Agreement constitutes a legal, valid and binding obligation of each of the Credit Parties, enforceable against such Credit Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

(c) No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Credit Parties (other than those which have been obtained) or with the validity or enforceability of this Agreement against the Credit Parties.

(d) The representations and warranties made by the Credit Parties in the Credit Agreement, in the Security Documents or which are contained in any certificate furnished at any time under or in connection with the Credit Agreement are true and correct in all material respects on and as of the date hereof as if made on and as of such date, except for representations and warranties expressly stated to relate to a specific earlier date; provided that, in each case, such materiality qualifier shall not be applicable to any representation or warranty that is already qualified or modified by materiality or reference to Material Adverse Effect in the text thereof.

(e) After giving effect to this Agreement, no Default or Event of Default has occurred and is continuing on the date hereof.

(f) The Security Documents continue to create a valid security interest in, and Lien upon, the Collateral purported to be covered thereby, in favor of the Administrative Agent, for the benefit of the holders of the Secured Obligations, which security interests and Liens are perfected in accordance with the terms of the Security Documents and prior to all Liens other than Permitted Liens.

(g) The Obligations of the Credit Parties are not reduced or modified by this Agreement (except as set forth herein) and, as of the date hereof, are not subject to any offsets, defenses or counterclaims.

4.3 Reaffirmation of Obligations. Each Credit Party hereby ratifies the Credit Agreement, as amended hereby, and each other Credit Document to which it is a party and acknowledges and reaffirms (a) that it is bound by all terms of the Credit Agreement, as amended hereby, and each other Credit Document to which it is a party applicable to it and (b) that it is responsible for the observance and full performance of its respective obligations under the Credit Documents.

4.4 Release. The Borrower and each of the other Credit Parties hereby releases and forever discharges the Administrative Agent, each Lender, the Issuing Lender, the Swingline Lender and their respective predecessors, successors, assigns, attorneys and Related Parties (each and every of the foregoing, a "Lender Party") from any and all claims, counterclaims, demands, damages, debts, suits, liabilities, actions and causes of action of any nature whatsoever, in each case to the extent arising in connection with any of the Credit Documents through the date hereof, whether arising at law or in equity, whether known or unknown, whether liability be direct or indirect, liquidated or unliquidated, whether absolute or contingent, foreseen or unforeseen, and whether or not heretofore asserted, which any Credit Party may have or claim to have against any Lender Party.

4.5 Credit Document. This Agreement shall constitute a Credit Document under the terms of the Credit Agreement.

4.6 Entirety. This Agreement and the other Credit Documents embody the entire agreement among the parties hereto and supersede all prior agreements and understandings, oral or written, if any, relating to the subject matter hereof.

4.7 Expenses. The Borrower agrees to pay all reasonable costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Agreement, including without limitation the reasonable fees and expenses of the Administrative Agent's legal counsel.

4.8 Counterparts: Electronic Execution. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed signature page of this Agreement by facsimile transmission or other electronic means shall be effective as delivery of a manually executed counterparty hereof.

4.9 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK (INCLUDING SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) WITHOUT REGARD TO CONFLICTS OR CHOICE OF LAW PRINCIPLES THAT WOULD REQUIRE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

4.10 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

4.11 Consent to Jurisdiction; Service of Process; Waiver of Jury Trial. The jurisdiction, services of process and waiver of jury trial provisions set forth in Section 9.14 and Section 9.17 of the Credit Agreement and the limitation of liability provisions of Section 9.5(b) of the Credit Agreement are hereby incorporated by reference, *mutatis mutandis*.

[Signature pages to follow]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed on the date first above written.

BORROWER:

RED ROBIN INTERNATIONAL, INC.,
a Nevada corporation

By: /s/ Michael L. Kaplan

Name: Michael L. Kaplan

Title: Vice President and Secretary

GUARANTORS:

RED ROBIN GOURMET BURGERS, INC.,
a Delaware corporation

By: /s/ Michael L. Kaplan

Name: Michael L. Kaplan

Title: Executive Vice President, Chief Legal Officer and Secretary

RED ROBIN WEST, INC.,
a Nevada corporation

By: /s/ Michael L. Kaplan

Name: Michael L. Kaplan

Title: Vice President and Secretary

WESTERN FRANCHISE DEVELOPMENT, INC.,
a California corporation

By: /s/ Michael L. Kaplan

Name: Michael L. Kaplan

Title: Vice President and Secretary

RED ROBIN DISTRIBUTING COMPANY LLC,
a Nevada limited liability company

By: /s/ Michael L. Kaplan

Name: Michael L. Kaplan

Title: Manager

NORTHWEST ROBINS, L.L.C.,
a Washington limited liability company

By: RED ROBIN INTERNATIONAL, INC.,
Sole Member and Manager of Northwest Robins, L.L.C.

By: /s/ Michael L. Kaplan

Name: Michael L. Kaplan

Title: Vice President and Secretary

RED ROBIN EXPRESS, LLC,
a Colorado limited liability company

By: /s/ Michael L. Kaplan

Name: Michael L. Kaplan

Title: Manager

RED ROBIN NORTH HOLDINGS, INC.,
a Nevada corporation

By: /s/ Michael L. Kaplan

Name: Michael L. Kaplan

Title: Vice President and Secretary

FIRST AMENDMENT TO CREDIT AGREEMENT AND WAIVER
RED ROBIN INTERNATIONAL, INC.

ADMINISTRATIVE AGENT
AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Administrative Agent, Issuing Lender and as a Lender

By: /s/ Maureen Malphus
Name: Maureen Malphus
Title: Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT AND WAIVER
RED ROBIN INTERNATIONAL, INC.

JPMORGAN CHASE BANK, N.A.,
as a Lender

By: /s/ Ann C. Araya
Name: Anna C. Araya
Title: Executive Director

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as a Lender

By: /s/ Deborah Booth
Name: Deborah Booth
Title: Executive Director

FIRST AMENDMENT TO CREDIT AGREEMENT AND WAIVER
RED ROBIN INTERNATIONAL, INC.

BANK OF AMERICA, N.A.,
as a Lender

By: /s/ Anthony Luppino
Name: Anthony Luppino
Title: Senior Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT AND WAIVER
RED ROBIN INTERNATIONAL, INC.

BBVA USA, an Alabama Banking Corporation,
as a Lender

By: /s/ Scott Donaldson
Name: Scott Donaldson
Title: Senior Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT AND WAIVER
RED ROBIN INTERNATIONAL, INC.

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Jeff Benedix
Name: Jeff Benedix
Title: Vice President

FIRST AMENDMENT TO CREDIT AGREEMENT AND WAIVER
RED ROBIN INTERNATIONAL, INC.

Red Robin Provides Business and Operational Update
Sales Momentum Continues to Build
158 Company-operated Dining Rooms have Re-opened as of May 24, 2020
Reports Preliminary Sales Results for the Fiscal First Quarter 2020 Ended April 19, 2020

Greenwood Village, CO – May 29, 2020 –Red Robin Gourmet Burgers, Inc. (NASDAQ: RRGB) (“Red Robin” or the “Company”) today provided a business and operational update and reported preliminary sales results for the fiscal first quarter ended April 19, 2020.

Relevant Highlights Year-To-Date Include

- Through the first eight weeks of fiscal 2020, comparable restaurant revenue grew 3.7%, driven in part by positive Guest counts.
- Since the mid-March peak impact of the COVID-19 pandemic, substantial improvement in revenue with consistent and sequential increases in each of the last five weeks; preliminary comparable restaurant revenue was -47.0% for the week ended May 24, 2020.
- Re-opening dining rooms with a measured and strategic approach and a focus on health and safety; preliminary comparable restaurant revenue for restaurants with re-opened dining rooms was -31.9% for the week of May 24, 2020.
- Maintaining significantly higher off-premise sales, which have tripled when compared to pre-COVID-19 levels.
- With improving revenue and previously taken cost reductions, reduced estimated average cash burn to \$2 million per week for the second fiscal quarter.
- As of May 29, 2020, the Company has approximately \$80 million of total liquidity.
- Finalized an amendment to its credit facility, which provides further financial flexibility during the COVID-19 pandemic.

Paul J.B. Murphy III, Red Robin’s President and Chief Executive Officer, said, “We are very encouraged by our five sequential weeks of sales improvement through May 24th due to the continued strong growth in off-premise sales and early traction in dine-in sales. We attribute these trends to our enhanced execution, developed around our strategic plan and implemented on an accelerated basis as restaurants re-open, which has resulted in record dine-in and off-premise Guest satisfaction scores. Across our 158 re-opened dining rooms, sales have been positively impacted by the accelerated implementation of our new hospitality model, coupled with strong health and safety standards. Notably, restaurants with re-opened dining rooms are still capturing meaningful off-premise sales, demonstrating the enduring and growing popularity of Red Robin for off-premise occasions.”

Mr. Murphy added, “The health and safety of our Guests and Team Members is paramount. In addition, our Team Members have done an outstanding job protecting the health and safety of our Guests while also delivering on the Red Robin brand promise. We sincerely thank them for their dedication and commitment to our communities during these difficult times and know how eager they are to welcome our Guests back into our restaurants for elevated dine-in experiences as more dining rooms re-open.”

Business and Operational Update

Red Robin entered fiscal 2020 with strong business momentum and substantially improved guest satisfaction scores. Through the first eight weeks of the year, comparable restaurant revenue grew 3.7%, driven in part by positive Guest counts. These results were built on execution of the core tenets of the Company’s strategic plan.

With the onset of the COVID-19 pandemic, Red Robin pivoted to an off-premise only business model and leveraged the opportunity to focus on enhancing the Guest experience while ensuring uncompromising adherence to health and safety protocols. Of note, off-premise sales have tripled compared to pre-COVID 19 levels.

The Company immediately accelerated its menu simplification plan by reducing approximately one third of its menu items to support the off-premise only business model. The simplified menu and ease of ordering from a new enhanced website focused on the online ordering user experience have improved speed of service and accuracy. Increased car-side and home delivery options, including Red Robin Delivery where Guests order directly from Red Robin with outsourced delivery, have improved convenience to our Guests and the economics of our off-premise business.

The Company spent considerable time developing a measured and strategic approach to re-open dining rooms with a focus on the health and safety of our Guests and Team Members. Consumer research also led to several enhanced measures including all Team Members wearing face coverings and completing daily health surveys, including temperature checks, and social distancing protocols. Red Robin has made visible cleaning and disinfecting behaviors important elements of its daily operations, including dedicating one Team Member on each shift to front of house sanitation. In addition, all re-opened dining rooms feature the Company's new hospitality model, Total Guest Experience ("TGX"), that Red Robin had previously planned to implement over the course of fiscal 2020.

Sales have continued to grow as the Company began to re-open select dining rooms at a limited capacity beginning April 28, 2020. As of May 24, 2020, Red Robin had re-opened 158 dining rooms with limited capacity representing 38% of currently open Company-operated restaurants. Preliminary comparable restaurant revenue for restaurants with dining rooms re-opened for the full week of May 24, 2020 was -31.9%. Overall, the Company's weekly comparable restaurant revenue has sequentially improved and, for the week ended May 24, 2020, preliminary comparable restaurant revenue was -47.0%.

Preliminary Comparable Restaurant Revenue and Related Data through the Week Ended May 24, 2020

Company-operated Restaurants	Week ended				
	26-Apr	3-May	10-May	17-May	24-May
Weekly Net Comparable Restaurant Revenue	-56.0%	-54.7%	-52.2%	-47.9%	-47.0%
Average Net Sales per Restaurant	\$ 23,908	\$ 23,994	\$ 26,747	\$ 28,292	\$ 30,751
# of Comparable Company-operated Restaurants	414	414	414	414	414

Financial and Liquidity Update

As previously announced, Red Robin has taken several actions to enhance liquidity, reduce costs, and strengthen its organizational structure. As a result of these actions, the Company has reduced its estimated cash burn and currently expects its average cash-burn rate during the fiscal second quarter to be approximately \$2 million per week, which includes partial rent payments, re-opening costs, one-time COVID-19 expenses and costs associated with finalizing the amendment to its credit facility.

Red Robin had a cash balance of \$88.9 million as of the fiscal first quarter end on April 19, 2020 and has liquidity of approximately \$80 million as of May 29, 2020, including cash and borrowing capacity under its credit facility.

Immediately following today's press release, Red Robin expects to file with the SEC a Current Report on Form 8-K related to the amendment to its credit facility with its lenders.

Preliminary First Quarter 2020 (16 Weeks) Sales Summary Compared to First Quarter 2019 (16 Weeks)

- Total revenues were \$306.1 million, a decrease of 25.3%;
- Comparable restaurant revenue decreased 20.8%;
 - Comparable restaurant revenue increased 3.7% through the first eight weeks;
 - Comparable restaurant revenue decreased 43.2% through the last eight weeks;
- Comparable restaurant Guest counts decreased 20.9%; and
- Off-premise sales increased 86.1% and comprised 26.3% of total food and beverage sales.

About Red Robin

Red Robin Gourmet Burgers, Inc. (www.redrobin.com), a casual dining restaurant chain founded in 1969 that operates through its wholly-owned subsidiary, Red Robin International, Inc., and under the trade name, Red Robin Gourmet Burgers and Brews, is the Gourmet Burger Authority™, famous for serving more than two dozen craveable, high-quality burgers with Bottomless Steak Fries® in a fun environment welcoming to Guests of all ages. At Red Robin, burgers are more than just something Guests eat; they're a bonding experience that brings together friends and families, kids and adults. In addition to its many burger offerings, Red Robin serves a wide variety of salads, soups, appetizers, entrees, desserts, and signature beverages. Red Robin offers a variety of options behind the bar, including its extensive selection of local and regional beers, and cocktails. It's now easy to take Red Robin anywhere with online ordering for to-go and Gourmet Burger Bar catering pickups through Yummm2Go. There are more than 550 Red Robin restaurants across the United States and Canada, including those operating under franchise agreements. Red Robin... YUMMM®! Connect with Red Robin on [Facebook](#), [Instagram](#) and [Twitter](#).

Forward-Looking Statements

Forward-looking statements in this press release are made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include, without limitation, statements regarding preliminary financial results including revenues, guest counts, and off-premise sales, and related trends, the expected cash burn for the second quarter, the impact of COVID-19 on the Company's business, the ability of the Company's restaurants to operate on and grow a substantially all off-premise model, additional measures to further preserve financial flexibility, adherence to the guidance of the CDC and local health departments, strengthening of the Company's liquidity position and the Company's ability to overcome near-term operating conditions and be better positioned for the long term. These statements are based on assumptions believed by the Company to be reasonable and speak only as of the date on which such statements are made. Except as required by law, the Company undertakes no obligation to update such statements to reflect events or circumstances arising after such date, and cautions investors not to place undue reliance on any such forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the statements based on a number of factors, including but not limited to the following: the rapidly evolving nature of the COVID-19 pandemic and related containment measures, including the potential for a complete shutdown of Company restaurants; economic, public health, and political conditions that impact consumer confidence and spending, including the impact of COVID-19 and other health epidemics or pandemics on the global economy; changes in unemployment rates; changes in laws impacting the Company's business, including increases in minimum wages and benefit costs; the ability to achieve significant cost savings; the Company's ability to defer lease or contract payments or otherwise obtain concessions from landlords, vendors, and other parties in light of the impact of the COVID-19 pandemic; the economic health of the Company's landlords and other tenants in retail centers in which its restaurants are located; the economic health of suppliers, licensees, vendors, and other third parties providing goods or services to the Company; the Company's ability to continue to increase sales; the effectiveness of the Company's marketing strategies and promotions and menu changes; the cost and availability of key food products, distribution, labor, and energy; the effectiveness of the Company's long term strategic initiatives; the cost and availability of capital or credit facility borrowings; the ability to obtain equity financing; the adequacy of cash flows or available debt resources to fund operations; the impact of federal, state, and local regulation of the Company's business; and other risk factors described from time to time in the Company's Form 10-K, Form 10-Q, and Form 8-K reports (including all amendments to those reports) filed with the U.S. Securities and Exchange Commission.

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