

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): July 13, 2021

BBX CAPITAL, INC.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

000-56177
(Commission
File Number)

82-4669146
(IRS Employer
Identification No.)

201 East Las Olas Boulevard, Suite 1900,
Fort Lauderdale, Florida
(Address of principal executive offices)

33301
(Zip Code)

Registrant's telephone number, including area code: 954-940-4900

Not applicable
(Former name or former address, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act: None

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 (see General Instruction A.2. below):

- ☐ 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

In October 2020, Renin Canada Corp. and Renin US LLC, each of which is a wholly-owned subsidiary of ReninHoldings, LLC (“Renin”), a wholly-owned subsidiary of BBX Capital, Inc. (the “Company”), entered into a credit agreement (the “2020 TD Bank Credit Facility”) with The Toronto-Dominion Bank (“TD Bank”) which provides for a \$30.0 million term loan and an operating loan of up to \$20.0 million (the “Operating Loan”). Pursuant to the terms of the 2020 TD Bank Credit Facility, Renin has guaranteed the obligations of the borrowers under the facility, and the facility is collateralized by all of Renin’s assets. In addition, the Company has entered into a Pledge Agreement pursuant to which it has pledged all of its membership interests in Renin as security for the borrower’s obligations under the 2020 TD Bank Credit Facility.

On July 13, 2021, the 2020 TD Bank Credit Facility was amended to increase the availability under the Operating Loan from \$20.0 million to \$24.0 million through December 31, 2021, at which time the availability under the Operating Loan will revert to \$20.0 million and any amounts outstanding in excess of \$20.0 million must be repaid by Renin. In addition, the amendment to the 2020 TD Bank Credit Facility temporarily increases the maximum total leverage ratio included in the financial covenants of the facility and prohibits Renin from making distributions to the Company through July 1, 2022, at which time the leverage ratio and Renin’s ability to make distributions to the Company will revert to the requirements under the existing facility.

The foregoing description of the amendment to the 2020 TD Bank Credit Facility is a summary only, does not purport to be complete, and is qualified in its entirety by reference to the amendment to the 2020 TD Bank Credit Facility, a copy of which is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 First Amendment to 2020 TD Bank Credit Facility Agreement, dated as of July 13, 2021, by and among Renin Canada Corp., Renin US LLC, and The Toronto-Dominion Bank.

Signature

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: July 19, 2021

BBX Capital, Inc.

By: /s/ Brett Sheppard
Brett Sheppard
Chief Financial Officer

AND

- ii) The total of:
 - a) 85% of the Receivable Value, (net of discounts, rebates, over 90 day accounts, related party accounts and holdbacks) for Canadian and US companies with satisfactory Investment Grade credit ratings to the Bank, where "Investment Grade" refers to a company that maintains at least one rating of at least BBB-/Baa3 with S&P or Moody's credit ratings services

AND

- b) 80% of the Receivable Value (net of discounts, rebates, over 90 day accounts, related party accounts and holdbacks) for Canadian and US companies not included in paragraph a) above,

AND

- c) 60% of the Inventory Value except that the amount calculated under c) will not exceed USD\$10,000,000. Inventory Value to include raw materials and finished goods and goods in transit (GIT)* (to a maximum of USD\$5,000,000), and to be net of returned inventory, defective inventory, damaged goods, inventory held outside Canada & USA, obsolete inventory, unsaleable inventory, GIT in excess of the above maximum limit and Slow-Moving Inventory**. For clarity, Inventory Value to be held in a warehouse where the Bank holds a landlord waiver, otherwise a deduction of three (3) months rent will be taken.

*GIT will be excluded from Inventory Value unless the Borrower obtains a marine/freight cargo policy with TD as loss payee.

** "Slow-Moving Inventory" is defined as inventory where part of such inventory has not been sold for greater than 12 months

In addition, the Credit Limit of Facility 1 (A) (B) is to be capped on a monthly basis at the lesser of: (a) During the Bulge Period only, USD\$24,000,000 (or its CAD\$ equivalent), and at all other times thereafter from January 1st, 2022 until the Maturity Date, USD\$20,000,000 (or its CAD\$ equivalent), and (b) the total as calculated under (ii) of the definition above based on the most recently provided monthly borrowing base certificate or compliance certificate from the prior period (the "Forward Margin").

ADMINISTRATION
FEE

A one-time fee of \$15,000 to be paid by the Borrower upon execution of this Amending Agreement (the "Administration Fee").

STANDBY FEE

In addition to the standby fee payable under the Loan Agreement, during the Bulge Period the Borrower shall also pay a standby fee on the average daily unused amount of the undrawn portion of the increased Credit Limit of Facility 1, payable on the third Business Day following the last Business Day of fiscal quarters ending September and December 2021.

REPAYMENT

In addition to its repayment obligations under the Loan Agreement, the Borrower shall pay (without any prepayment fee) to the Bank on the last business day of the Bulge Period the amount required to bring the outstanding drawdowns under Facility 1 into compliance with the reduced Credit Limit applicable to Facility 1 as of January 1st, 2022.

**DISBURSEMENT
CONDITIONS**

Unless otherwise indicated or agreed upon with the Bank, the obligation of the Bank to permit any drawdown under this Amending Agreement shall only become effective upon the later to occur of (x) the Effective Date, and (y) the date upon which the Standard Disbursement Conditions contained in Schedule "A" to the Loan Agreement and the following additional Disbursement Conditions have been satisfied in the sole discretion of the Bank:

- a) The Borrower shall have delivered an updated Compliance Certificate dated as of the Effective Date confirming all representations and warranties under the Loan Agreement continue to be true as of the date of this Amending Agreement and confirming no default or Event of Default has occurred and is continuing as of the date of this Amending Agreement and that there has been no material adverse change in the property, assets, financial condition, business or operations of the Borrower since October 22, 2020;
- b) Payment of the one-time Administration Fee to the Bank and the legal fees, disbursements and applicable taxes of the Bank's legal counsel in connection with the preparation and closing of this Amending Agreement;
- c) Execution and delivery of this Amending Agreement by the Borrower and Holding s.

**NEGATIVE
COVENANTS**

Section 1) of the Negative Covenants is hereby deleted in its entirety and replaced with the following:

- 1) Make any Distributions* prior to June 30, 2022. Beginning July 1, 2022 Distributions are permitted provided: (i) no Event of Default has occurred and is continuing or will occur on a pre and post payment basis; and (ii) the Total Leverage Ratio remains <2.75x on a pre and post payment basis.
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* "Distributions" are defined as dividends, share redemptions, repayment of shareholder or related party loans, and advances to shareholders or related parties.

FINANCIAL COVENANTS

Financial Covenant (1) is hereby deleted in its entirety and replaced with the following:

The Borrowers and the Renin Group agree that at all times that the maximum Total Funded Debt to Consolidated Adjusted EBITDA Ratio ("Total Leverage Ratio") of the Renin Group shall not exceed:

- 4.25x at any time beginning upon the Effective Date of this Amending Agreement up to and including Dec 31, 2021;
- stepping down to not exceed 3.75x beginning on January 1, 2022 up to and including March 31, 2022;
- further stepping down to not exceed 3.50x beginning on April 1, 2022 up to and including June 30, 2022;
- further stepping down to not exceed 3.00x beginning July 1st, 2022 and thereafter until the Maturity Date.

The Total Leverage Ratio is to be calculated based on the consolidated Renin Group and tested quarterly on a rolling four quarter basis.

"Total Funded Debt" is defined as all debts and liabilities for borrowed money including liabilities in respect of BAs/LIBOR and Letters of Credit/Guarantee, capital leases, contingent guarantees.

"Consolidated Adjusted EBITDA" is defined as earnings before interest, taxes, depreciation, amortization, plus/(minus) extraordinary losses/(gains), non-cash losses/(gains), plus the following:

- a) Normalization adjustments at closing up to USD \$167,000 as supported by the September 2020 KPMG quality of earnings report;
- b) Non-recurring and identifiable expenses up to USD \$1,000,000 incurred in connection with the Colonial Elegance Acquisition;
- c) Unrealized cost synergies expected to be realized within 24 months from closing (to be reasonably identifiable and factually supportable) up to USD \$2,800,000.

Note the aggregate of (a), (b) and (c) not to exceed 25% of Consolidated Adjusted EBITDA for such period.

For clarity purposes, the historical EBITDA of Colonial Elegance Inc. ("CE") shall be added back to Consolidated Adjusted EBITDA as follows:

- a) Q4 2020 : CE EBITDA of 9.5 months from January 1, 2020 to October 15, 2020
- b) Q1 2021 : CE EBITDA of 6.5 months from April 1, 2020 to October 15, 2020
- c) Q2 2021 : CE EBITDA of 3.5 months from July 1, 2020 to October 15, 2020
- d) Q3 2021 : CE EBITDA of 0.5 months from October 1, 2020 to October 15, 2020

[CE EBITDA as per the Compliance Certificate provided by the Borrowers on the Acquisition Closing Date is as follows:

- a) Q1 2020 (January 1, 2020 to March 31, 2020) – CAD\$2,700,000
- b) Q2 2020 (April 1, 2020 to June 30, 2020) – CAD\$1,913,000
- c) Q3 2020 until the Acquisition Closing Date:
 - i. July 2020 – CAD\$745,000
 - ii. August 2020 – CAD\$885,000
 - iii. September 2020 Projected – CAD\$983,000
 - iv. October 2020 Projected – CAD\$983,000]

Unless otherwise stated, the amendments outlined above in this Amending Agreement are in addition to the Terms and Conditions of the existing Loan Agreement. All other terms and conditions of the Loan Agreement remain unchanged and in full force and effect.

We ask that the Borrower sign and return the attached duplicate copy of this Amending Agreement to the Bank on or before **July 13, 2021** which is the date the amendments will come into force (the "Effective Date"). Notwithstanding the foregoing, the Borrower's continued use of the Credit Facilities or failure to repay the Credit Facilities in full after the Effective Date constitutes the Borrower's acknowledgement and acceptance of this Amending Agreement.

ACCURACY OF INFORMATION

The Borrower hereby represents and warrants that all information that it has provided to the Bank is accurate and complete respecting, where applicable:

- (i) The names of the Borrower's directors and the names and addresses of the Borrower's beneficial owners;
- (ii) The names and addresses of the Borrower's trustees, known beneficiaries and/or settlors; and
- (iii) The Borrower's ownership, control and structure.

The Borrower will provide, or cause to be provided, such updated information and/or additional supporting information as the Bank may require from time to time with respect to any or all the matters in the Borrower's foregoing representation and warranty.

The Borrower confirms that there has been no change to any of the above information provided to the Bank since October 22, 2020.

NOTICE

The address of the Bank for Notice under the Loan Agreement is hereby deleted in its entirety and replaced with the following:

In the case of the Lender, to:

The Toronto-Dominion Bank
TD Commercial Banking
TD Commercial National Accounts
TD Tower, 66 Wellington Street West, 12th Floor
Toronto, Ontario
M5K 1A2

Attention: Sean Harrison, Director, National Accounts
Email: Sean.harrison@td.com

**RECONFIRMATION OF
SECURITY AND GUARANTEES**

The Borrower and all Guarantors acknowledge and confirm that all security and guarantees granted or continued under the Loan Agreement shall continue to support the repayment and performance of all present and future indebtedness and liability of the Borrower and the grantor of the security or guarantee to the Bank under the Loan Agreement as amended by this Amending Agreement.

GENERAL

This Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. This Amending Agreement may be executed in any number of counterparts, including by PDF counterparts and other electronic means, with each such PDF or electronic counterpart being equally effective as if executed by original wet ink signature.

Yours truly,

THE TORONTO-DOMINION BANK

/s/ Sean Harrison
Sean Harrison
Director, National Accounts

/s/ Robert Hish
Robert Hirsh
Senior Manager, Commercial Credit

TO THE TORONTO-DOMINION BANK:

RENIN CANADA CORP. hereby accepts the foregoing offer this 13th day of July, 2021. The Borrower confirms that, except as may be set out above, the Credit Facilities detailed herein shall not be used by or on behalf of any third party.

/s/ Elizabeth Skinner
Signature

/s/ Joseph Ruffo
Signature

Elizabeth Skinner, VP Finance
Print Name & Position

Joseph Ruffo, President & CEO
Print Name & Position

TO THE TORONTO-DOMINION BANK:

RENIN US LLC hereby accepts the foregoing offer this 13th day of July, 2021. The Borrower confirms that, except as may be set out above, the Credit Facilities detailed herein shall not be used by or on behalf of any third party.

/s/ Elizabeth Skinner
Signature

/s/ Joseph Ruffo
Signature

Elizabeth Skinner, VP Finance
Print Name & Position

Joseph Ruffo, President & CEO
Print Name & Position

cc. Guarantor(s)

The Bank is providing the guarantor(s) with a copy of this Amending Agreement as a courtesy only. The delivery of a copy of this Amending Agreement does not create any further obligation of the Bank to provide the guarantor(s) with notice of any changes to the Credit Facilities, including without limitation, changes to the terms and conditions, increases or decreases in the amount of the Credit Facilities, the establishment of new Credit Facilities or otherwise. The Bank may, or may not, at its option, provide the guarantor(s) with such information, provided that the Bank will provide such information upon the written request of the guarantor.

Receipt acknowledged this 13 day of July, 2021

RENIN HOLDINGS LLC

/s/ Joseph Ruffo
Signature

Joseph Ruffo
Chief Executive Officer

Print Name & Position

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