

BOSTON OMAHA CORP

FORM 8-K (Current report filing)

Filed 06/30/20 for the Period Ending 06/25/20

Address	1411 HARNEY ST. SUITE 200 OMAHA, NE, 68102
Telephone	857-256-0079
CIK	0001494582
Symbol	BOMN
SIC Code	6510 - Real Estate Operators (No Developers) and Lessors
Industry	Advertising & Marketing
Sector	Consumer Cyclical
Fiscal Year	12/31

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): June 25, 2020

BOSTON OMAHA CORPORATION (formerly known as REO PLUS, INC.)
(Exact name of registrant as specified in its Charter)

Delaware
(State or other jurisdiction of
Incorporation)

001-38113
(Commission File Number)

27-0788438
(IRS Employer Identification Number)

(Address and telephone number of principal executive offices, including zip code)

1411 Harney St., Suite 200
Omaha, Nebraska 68102

(857) 256-0079

(Former name or address, if changed since last report)
Not Applicable

Securities registered under Section 12(b) of the Exchange Act:

Title of Class	Trading Symbol	Name of Exchange on Which Registered
Class A common stock, \$0.001 par value per share	BOMN	The Nasdaq Stock Market LLC (NASDAQ Capital Market)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of 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 Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 DEFINITIVE MATERIAL AGREEMENT

On June 25, 2020, Link Media Holdings, Inc. (“Link”), a wholly-owned subsidiary of Boston Omaha Corporation (“BOC”), which owns and operates BOC’s billboard businesses, entered into a Second Amendment to Credit Agreement (the “Second Amendment”) with First National Bank of Omaha (the “Lender”). On August 12, 2019, Link entered into a Credit Agreement (the “Credit Agreement”) with the Lender under which Link may borrow up to \$40,000,000. Under the Credit Agreement, Link borrowed \$18,060,000 under Term Loan 1. The Credit Agreement was filed with the Securities and Exchange Commission on a Form 8-K filed with the Commission on August 13, 2019. On October 25, 2019, Link entered into a First Amendment to Credit Agreement (the “First Amendment”) with the Lender, and filed the First Amendment with the Securities and Exchange Commission on Form 8-K filed with the Commission on October 29, 2019.

The Second Amendment:

- Extends the Term Loan Availability Date under which additional funds may be drawn under the Term Loan 2 facility under the Credit Agreement from May 31, 2020 to August 31, 2020 and eliminates multiple advances under Term Loan 1.
- Establishes the repayment schedule of principal under Term Loan 1 to commence July 1, 2020.
- Modifies the Cure Right to allow exercise of the Cure Right in consecutive fiscal quarters while maintaining the limitation on the Cure Right being exercised in no more than two fiscal quarters during any fiscal year.
- Eliminates the definition of Aggregate Commitment, amends the definition of Term Loan 1 Commitment to mean \$18,060,000, and amends the Term Loan 2 Commitment to mean \$5,500,000.

The foregoing summary of the Second Amendment and the transactions contemplated thereby contained in this Item 1.01 does not purport to be a complete description and is qualified in its entirety by reference to the terms and conditions of the Second Amendment, a copy of which is attached as Exhibit 10.1 and incorporated herein by reference. Capitalized terms used in this Item 1.01 have the meaning given to such terms in the Second Amendment and Credit Agreement, as applicable.

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

The description contained in Item 1.01 is hereby incorporated by reference herein.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits. The Exhibit Index set forth below is incorporated herein by reference.

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit Title</u>
10.1	<u>Second Amendment to Credit Agreement dated June 25, 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.

BOSTON OMAHA CORPORATION
(Registrant)

By: /s/ Joshua P. Weisenburger
Joshua P. Weisenburger,
Chief Financial Officer

Date: June 30, 2020

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment") is entered into and made effective as of June 25, 2020 (the "Effective Date"), by and between LINK MEDIA HOLDINGS, LLC, a Delaware limited liability company ("Borrower"), and FIRST NATIONAL BANK OF OMAHA, a national banking association ("Lender").

WITNESSETH:

WHEREAS, Borrower and Lender previously entered into that certain Credit Agreement, dated as of August 12, 2019, as amended by the certain First Amendment to Credit Agreement, dated as of October 25, 2019, pursuant to which Lender agreed to make loans and otherwise extend credit to Borrower (as amended and further amended, restated or modified from time to time, the "Credit Agreement"); and

WHEREAS, the parties desire to amend the Credit Agreement as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

2. Amendments.

(a) Section 1.01(b) of the Credit Agreement is hereby modified to read as follows:

(a) Subject to and upon the terms and conditions set forth herein, Lender agrees to make, on the Effective Date, in one advance, a term loan ("Term Loan 1") which Term Loan 1 (i) shall be denominated in Dollars, (ii) is not revolving and amounts repaid may not then be reborrowed, and (iii) shall not exceed in aggregate principal amount at any time the Term Loan 1 Commitment.

(b) Section 4.02(b)(ii) of the Credit Agreement is hereby modified to read as follows:

(ii) Beginning on July 1, 2020, and on the first (1st) day of each succeeding month thereafter through and including the Term Loan 1 Maturity Date, principal payments on the outstanding principal balance of Term Loan 1 will be payable, each in an amount sufficient to fully repay the balance of Term Loan 1 over the applicable Amortization Period.

(c) Section 10.12(c) of the Credit Agreement is hereby modified to read as follows:

(c) Notwithstanding anything herein to the contrary, (i) the Cure Right shall not be exercised in more than two fiscal quarters during any fiscal year, (ii) the Cure Amount shall be no greater than the amount required for purposes of complying with the applicable financial covenants in Sections 9.08, 9.09 or 9.10, (iii) no Indebtedness repaid with the proceeds of an equity issuance or contribution effected in connection with the exercise of a Cure Right pursuant to this Section 10.12 shall be deemed repaid for the purposes of calculating the applicable financial covenants specified in Sections 9.08, 9.09 or 9.10, to the extent applicable, for the periods for which the cure is being exercised and (iv) the Cure Right may be exercised no more than five times during the term of this Agreement. For the avoidance of any doubt, Lender shall not be required to advance Loans during such time any Event of Default exists that may be cured with the Cure Right, and until it is cured pursuant to the foregoing, an Event of Default shall be deemed to exist for all other purposes of this Agreement and the Credit Documents.

(d) The definition of "Aggregate Commitment" in Section 11 of the Credit Agreement is hereby deleted in its entirety.

(e) The definition of "Term Loan Availability Cutoff Date" in Section 11 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Term Loan Availability Cutoff Date" means August 31, 2020.

(f) The definition of "Term Loan 1 Commitment" in Section 11 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Term Loan 1 Commitment" means \$18,060,000.

(g) The definition of "Term Loan 2 Commitment" in Section 11 of the Credit Agreement is hereby amended and restated in its entirety as follows:

"Term Loan 2 Commitment" means \$5,500,000.

3. No Further Amendments. Except as expressly provided herein, nothing contained herein is intended to reduce, restrict or otherwise affect any warranties, representations, covenants or other agreements made by Borrower. Except as expressly provided herein, this Amendment is not intended to supersede or amend the Credit Agreement or any documents executed in connection therewith. All of the covenants and obligations of Borrower under the Credit Documents are hereby acknowledged, ratified and affirmed by Borrower, and Borrower specifically acknowledges and agrees that all Collateral pledged to Lender secures the Obligations.

4. Representations and Warranties. Borrower hereby represents and warrants to Lender as follows:

(a) The representations and warranties contained in the Credit Agreement and the other Credit Documents are true and correct on and as of the date hereof as though made on and as of this date, except to the extent that such representations and warranties relate solely to an earlier date;

(b) There exists no Event of Default or Default;

(c) The execution, delivery and performance by Borrower of this Amendment and all other agreements and documents required hereunder have been duly authorized by all necessary action and do not and will not: (i) result in any breach of or constitute a default under any indenture, loan or credit agreement or any other agreement, lease or instrument to which Borrower or Parent is a party or by which it or its properties may be bound or affected; or (ii) result in, or require, for the benefit of any person or entity other than Lender, the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature upon or with respect to any of the properties now owned or hereafter acquired by Borrower or Parent; and

(d) No authorization, approval or other action by and notice to or filing with any governmental authority or regulatory body or any person or entity is required for the execution, delivery and performance by Borrower of this Amendment.

5. Conditions Precedent. As conditions precedent to the enforceability of this Amendment, Lender shall have received from Borrower all of the following, each dated (unless otherwise indicated) such day, in form and substance satisfactory to Lender:

(a) This Amendment executed by Borrower;

(b) A copy of the separate resolutions of Borrower authorizing the execution, delivery and performance of the documents to which Borrower is a party, certified as of the date hereof by a responsible officer of Borrower together with a certification from such officer that there have been no amendments, restatements, alterations or modifications to the organizational documents of Borrower since such organizational documents were last certified and provided to Lender; and

(c) Borrower shall have paid all out-of-pocket costs and expenses, including without limitation, attorneys' fees and expenses, incurred by Lender in connection with this Amendment and the Credit Documents and all related documentation, recording or filing fees.

6. Limited Effect. Except as expressly provided herein or contemplated by this Amendment, the Credit Agreement and the other Credit Documents shall remain unmodified and in full force and effect. This Amendment shall not be deemed (a) to be a waiver of, or consent to, or a modification or amendment of, any other term or condition of the Credit Agreement or any other Credit Document or a waiver of any Default or Event of Default, (b) to prejudice any right or rights which Lender may now have or may have in the future under or in connection with the Credit Agreement or the other Credit Documents or any of the instruments or agreements referred to therein, as the same may be amended, restated, supplemented or modified from time to time, or (c) to be a commitment or any other undertaking or expression of any willingness to engage in any further discussion with Borrower, any Guarantor or any other Person with respect to any waiver, amendment, modification or any other change to the Credit Agreement or the other Credit Documents or any rights or remedies arising in favor of Lender under or with respect to any such documents.

7. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. An electronic transmission or facsimile of this Amendment shall be deemed an original and shall be admissible as evidence of the document and the signer's execution.

8. Entire Agreement. This Amendment is the entire agreement, and supersedes any prior agreements and contemporaneous oral agreements, of the parties concerning its subject matter.

9. Successors and Assigns. This Amendment shall be binding on and inure to the benefit of the parties and their respective heirs, beneficiaries, successors and permitted assigns.

[The Remainder of this Page Intentionally Left Blank, Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date and year first above written.

BORROWER:

LINK MEDIA HOLDINGS, LLC

By: /s/ Scott LaFoy

Name: Scott LaFoy

Title: President

LENDER:

FIRST NATIONAL BANK OF OMAHA

By: /s/ David S. Erker

Name: David S. Erker

Title: Vice President

REAFFIRMATION OF GUARANTY

Each of the undersigned (each, a "Guarantor") hereby: (a) acknowledges that each Guarantor has reviewed and consents to this Amendment on the terms and conditions set forth herein; (b) acknowledges and agrees that all references to the "Credit Agreement" and "Credit Documents" contained in the Subsidiaries Guaranty shall constitute references to the Credit Agreement and Credit Documents as the same have been amended and may be amended, restated or otherwise modified from time to time hereafter; (c) acknowledges and agrees that the Subsidiaries Guaranty has not been discharged to any extent and that Lender has not waived any of its rights or remedies whatsoever against Borrower or the undersigned by entering into the Amendment or by any previous action taken by Lender; (d) ratifies and reaffirms in all respects the Subsidiaries Guaranty, agrees to be bound thereby, and agrees that the Subsidiaries Guaranty constitutes the legal, valid and binding obligation of the undersigned enforceable against each Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and (e) acknowledges that no future obligation to obtain the undersigned's consent or acknowledgment to Lender's extending future loans or amending agreements with Borrower shall be imposed or otherwise implied as a result of the undersigned having giving this Reaffirmation of Guaranty.

GUARANTORS:

LINK MEDIA ALABAMA, LLC

By: /s/ Scott LaFoy

Name: Scott LaFoy

Title: President

LINK MEDIA FLORIDA, LLC

By: /s/ Scott LaFoy

Name: Scott LaFoy

Title: President

LINK MEDIA GEORGIA, LLC

By: /s/ Scott LaFoy

Name: Scott LaFoy

Title: President

LINK MEDIA MIDWEST, LLC

By: /s/ Scott LaFoy
Name: Scott LaFoy
Title: President

LINK MEDIA OMAHA, LLC

By: /s/ Scott LaFoy
Name: Scott LaFoy
Title: President

LINK MEDIA SERVICES, LLC

By: /s/ Scott LaFoy
Name: Scott LaFoy
Title: President

LINK MEDIA SOUTHEAST, LLC

By: /s/ Scott LaFoy
Name: Scott LaFoy
Title: President

LINK MEDIA WISCONSIN, LLC

By: /s/ Scott LaFoy
Name: Scott LaFoy
Title: President