

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): **November 17, 2021, (November 16, 2021)**

Orchid Island Capital, Inc.
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction of
Incorporation)

001-35236
(Commission File Number)

27-3269228
(IRS Employer Identification No.)

3305 Flamingo Drive, Vero Beach, Florida 32963
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code **(772) 231-1400**

N/A
(Former Name or Former Address, if Changed Since Last Report)

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:	Name of each exchange on which registered:
Common Stock, par value \$0.01 per share	ORC	NYSE

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.

Effective as of November 16, 2021, Orchid Island Capital, Inc. (the “Company”) and the Company’s external manager, Bimini Advisors, LLC (the “Manager”), entered into a Third Amendment (the “Amendment”) to the Management Agreement between the Company and the Manager dated February 20, 2013 (the “Agreement”). The Agreement was previously amended on April 1, 2014 and June 30, 2014.

Pursuant to the Agreement, the Manager performs management and other activities relating to the mortgage-backed securities portfolio, business activities and day-to-day operations of the Company as set forth in the Management Agreement, and provides the Company with its management team. In consideration for such services, the Manager receives management fees as well as reimbursement of certain costs and expenses. Certain repurchase agreement trading, clearing and administrative services have been provided to the Company by AVM, L.P. (“AVM”). Pursuant to Section 7 of the Agreement, the Company is required to pay the fees for such services directly to AVM.

Pursuant to the Amendment, the Company and the Manager have agreed the services that are currently performed by AVM will be performed by the Manager. Bimini Capital Management, Inc., the sole member of the Manager (“Bimini”), has hired Patrick Doyle, effective as of December 1, 2021, to perform the services currently handled by AVM. The transition of such services from AVM to the Manager shall occur on the first business day immediately after the termination of the Company’s arrangements with AVM, which the Company currently expects will occur on approximately March 31, 2022.

Pursuant to the Amendment, following termination of the AVM arrangements and in consideration for the repurchase agreement trading, clearing and administrative services being performed by the Manager, the Company will pay the following fees to the Manager:

- A daily fee for repurchase agreement funding transaction services that is based on the outstanding principal balance of the Company’s repurchase agreement funding. The fee for each day shall be equal to the product of the outstanding principal balance of repurchase agreement funding in place as of the end of such day and the applicable basis point factor set forth in Appendix A of the Amendment, divided by 360; and
- A fee for the clearing and operational services provided by personnel of the Manager equal to \$10,000 per month.

Pursuant to the Amendment, the Company is also required to pay its allocable share of fees incurred for safekeeping, transactions and cash services provided to the Company by the Bank of New York Mellon (the “BNYM Fee”) directly to the Bank of New York Mellon. The Company’s allocable share of the BNYM Fee shall be equal to the Company’s percentage of all assets under management by the Manager, inclusive of Bimini’s assets (measured as of the first day of each month).

The foregoing description of the Amendment is not complete and is qualified in its entirety by reference to the entire Amendment, a copy of which is attached hereto as Exhibit 10.1, and incorporated herein by reference.

ITEM 7.01. REGULATION FD DISCLOSURE.

The Company also issued a press release today announcing that Mr. Doyle has been hired by Bimini and that the repurchase agreement funding services and clearing and operational functions currently handled by AVM are being internalized by the Manager and will be handled by employees of the Manager following a transition period. This press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information referenced in this Item 7.01 (including Exhibit 99.1 referenced in Item 9.01 below) is being “furnished” under this Item 7.01. Regulation FD Disclosure and, as such, shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section and shall not be incorporated by reference into any registration statement or other document filed by the Company pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Caution About Forward-Looking Statements.

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws, including, but not limited to, statements about the timing of the transition of services from AVM to the Manager. These forward-looking statements are based upon the Company’s present expectations, but the Company cannot assure investors that actual results will not vary from the expectations contained in the forward-looking statements. Investors should not place undue reliance upon forward looking statements. For further discussion of the factors that could affect outcomes, please refer to the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the

fiscal year ended December 31, 2020. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect the Company. Except as required by law, the Company is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Third Amendment to Management Agreement, effective as of November 16, 2021
99.1	Press Release dated November 17, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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: November 17, 2021

ORCHID ISLAND CAPITAL, INC.

By: /s/ Robert E. Cauley
Robert E. Cauley
Chairman and Chief Executive Officer

**THIRD AMENDMENT TO
MANAGEMENT AGREEMENT**

THIS THIRD AMENDMENT TO MANAGEMENT AGREEMENT (the “**Amendment**”) is entered into effective as of November 16, 2021 (the “**Effective Date**”), by and between Orchid Island Capital, Inc., a Maryland corporation (the “**Company**”), and Bimini Advisors, LLC, a Maryland limited liability company (“**Manager**”). Capitalized terms used but not defined in this Amendment shall have the meanings set forth in the Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, the Company and the Manager entered into a Management Agreement effective as of February 20, 2013, the First Amendment to Management Agreement effective as of April 1, 2014 and the Second Amendment to Management Agreement effective as of June 30, 2014 (collectively, the “**Agreement**”);

WHEREAS, the execution of repurchase agreement funding transactions and certain clearing and operational functions related to the Company’s trading activities are currently handled by AVM, L.P. (“**AVM**”), with the Company paying for such services directly to AVM;

WHEREAS, Section 7 of the Agreement includes the following language relating to such payment by the Company directly to AVM (the “**AVM Language**”):

“For the avoidance of doubt, payment for all services provided to the Company by AVM, L.P. (including repurchase agreement trading, clearing and administrative services) shall be made by the Company directly to AVM, L.P.”;

WHEREAS, in connection with the Manager hiring an individual experienced in the execution of repurchase agreement funding transactions and related clearing and operational functions, the repurchase agreement funding services and clearing and operational functions currently handled by AVM are being internalized by the Manager and will be handled by employees of the Manager following a transition period;

WHEREAS, the Company will terminate its agreements with AVM according to the terms thereof; and

WHEREAS, the Company and the Manager now desire to amend the Agreement on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the parties hereby amend and modify the Agreement in the manner set forth below:

1. Section 2 of the Agreement is hereby amended by renumbering Sections 2(b)(xxv) and 2(b)(xxvi) as Sections 2(b)(xxvi) and 2(b)(xxvii), respectively, and by adding the following new Section 2(b)(xxv) of the Agreement as follows:

“(xxv) performing repurchase agreement trading and certain clearing and operations services;”

2. Section 7(a) of the Agreement is hereby deleted and replaced by the following:

“(a) Except as provided in Section 7(b)(xx) and 7(b)(xxi), the Manager shall be responsible for (i) the expenses related to any and all personnel of the Manager and its Affiliates who provide services to the Company pursuant to this Agreement or to the Manager pursuant to the Overhead Sharing Agreement (including each of the officers of the Company and any directors of the Company who are also directors, officers, employees or agents of the Manager, Bimini or any of their Affiliates), including, without limitation, salaries, bonus and other wages, payroll taxes and the cost of employee benefit plans of such personnel, and costs of insurance with respect to such personnel and (ii) all other costs and expenses payable by the Manager under the Overhead Sharing Agreement.”

3. Section 7 of the Agreement is hereby amended by renumbering Section 7(b)(xxi) as Section 7(b)(xxiii), and by adding the following new Sections 7(b)(xxi) and 7(b)(xxii) of the Agreement as follows:

“(xxi) beginning on the first business date immediately following the termination of the Company’s agreements with AVM, (a) fees for repurchase agreement funding transaction services performed by personnel of the Manager which shall be calculated on a daily basis. The fee for each day shall be equal to the product of (i) the outstanding principal balance of the Company’s repurchase agreement funding in place as of the end of such day and (ii) the Basis Point Factor, as described in Appendix A, divided by 360 ((principal * bps)/360); and

(b) a fee for the clearing and operational services provided by personnel of the Manager equal to \$10,000 per month;

(xxii) beginning on the first business date immediately following the termination of the Company’s agreements with AVM, the Company’s allocable share of fees incurred for safekeeping, transactions and cash services provided by the Bank of New York Mellon (the “BNYM fee”). For purposes of this Section 7(b)(xxii), the Company’s “allocable share,” as applied to the dollar amount of the BNYM fee, shall be equal to the Company’s percentage of all assets under management by the Manager, inclusive of the assets of Bimini Capital Management, Inc. (measured as of the first day of each month);”

4. The AVM Language in Section 7 of the Agreement is hereby deleted in its entirety and replaced by the following:

“For the avoidance of doubt, payment for safekeeping, transactions and cash services provided to the Company by the Bank of New York Mellon shall be made by the Company directly to the Bank of New York Mellon.”

5. Section 7(c) of the Agreement is hereby deleted in its entirety.

6. Section 16(a) of the Agreement is hereby amended to amend and restate the notice information for the Company as follows:

“The Company: Orchid Island Capital, Inc.
 3305 Flamingo Drive
 Vero Beach, FL 32963

Attention: Chief Executive Officer
Fax: 772-231-2896

with a copy to: Vinson & Elkins L.L.P.
2200 Pennsylvania Avenue NW
Suite 500 West
Washington, DC 20037
Attention: S. Gregory Cope, Esq.
Fax: 202-879-8916”

7. This Amendment constitutes an amendment or modification of the Agreement that is entered into pursuant to Section 16(d) of the Agreement.

8. Except as set forth in this Amendment, the parties acknowledge and agree that all other terms of the Agreement shall remain in full force and effect.

9. All prior agreements, promises, representations, or statements, whether oral or in writing, regarding this Amendment are merged and integrated herein. This Amendment and the Agreement, as so amended, constitute the entire agreement with respect to the subject matter hereof. No amendments, waivers or modifications to the terms of the Agreement shall be valid unless set forth in writing and signed by the Company and the Manager.

10. This Amendment may be executed in counterparts, each of which will be deemed an original, and all of which taken together shall constitute a single agreement.

[Signature page follows]

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

ORCHID ISLAND CAPITAL, INC.

By: /s/ Robert E. Cauley
Name: Robert E. Cauley
Title: Chief Executive Officer

BIMINI ADVISORS, LLC

By: /s/ George H. Haas, IV
Name: George H. Haas, IV
Title: Chief Financial Officer, Chief Investment Officer
and Secretary

Appendix A

Basis Point Factor

For purposes of calculating the daily fee set forth in Section 7(b)(xxi)(a) of the Agreement, (i) if the aggregate outstanding principal balance of the Company's repurchase agreement funding is equal to or less than \$5,000,000,000 (measured as of the end of each day), the Basis Point Factor to be applied shall be equal to 1.5 basis points (or 0.00015) and (ii) if the aggregate outstanding principal balance of the Company's repurchase agreement funding is greater than \$5,000,000,000 (measured as of the end of each day), the Basis Point Factor to be applied for amounts in excess of \$5,000,000,000 shall be equal to 1.0 basis points (or 0.00010).

**ORCHID ISLAND CAPITAL, INC. AND
BIMINI CAPITAL MANAGEMENT, INC. ANNOUNCE
THIRD AMENDMENT TO MANAGEMENT AGREEMENT**

- Third Amendment to Management Agreement
- Internalization of Funding and Custody/Settlement Operations
- Hiring of Patrick Doyle by Bimini Capital, Inc.

Vero Beach, Fla., November 17, 2021 - Orchid Island Capital, Inc. (“Orchid”) (NYSE: ORC) and Bimini Capital, Inc. (“Bimini”) (OTCQB: BMNM) jointly announced today that effective as of November 16, 2021, Orchid and its external manager, Bimini Advisors, LLC (the “Manager”), entered into a Third Amendment (the “Amendment”) to the Management Agreement between Orchid and the Manager dated February 20, 2013, as previously amended (the “Agreement”). The Manager is a wholly-owned subsidiary of Bimini.

Pursuant to the Agreement, the Manager performs management services relating to the mortgage-backed securities portfolio, business activities and day-to-day operations of Orchid. In consideration for those services, the Manager receives management fees as well as reimbursement of certain costs and expenses from Orchid. Also pursuant to the Agreement, certain repurchase agreement trading, clearing and administrative services are provided to Orchid by AVM, L.P. (“AVM”). Orchid pays the fees for those services directly to AVM.

Bimini and the Manager are taking steps to internalize the repurchase agreement trading, clearing and administrative services that are currently provided by AVM. Pursuant to the Amendment, Orchid and the Manager have agreed that Orchid’s agreements with AVM will be terminated and the Manager will become responsible for the performance of repurchase agreement trading, clearing and administrative services.

Following termination of the AVM arrangements and in consideration for the repurchase agreement trading, clearing and administrative services to be performed by the Manager, Orchid will pay the following fees to the Manager:

- A daily fee for repurchase agreement funding transaction services equal to the product of the outstanding principal balance of repurchase agreement funding in place as of the end of such day and the applicable basis point factor set forth in the Amendment, divided by 360; and
- A fee for the clearing and operational services provided by personnel of the Manager equal to \$10,000 per month.

Pursuant to the Amendment, Orchid is also required to pay its allocable share of fees incurred for safekeeping, transactions and cash services provided to Orchid by the Bank of New York Mellon (the “BNYM Fee”) directly to the Bank of New York Mellon. Orchid’s allocable share of the BNYM Fee will be equal to Orchid’s percentage of all the assets under management by the Manager, inclusive of the assets of Bimini (measured as of the first day of each month).

AVM also performs repurchase agreement trading, clearing and administrative services for Bimini with respect to its mortgage-backed securities portfolio. The Manager’s internalization of these services will allow Bimini to terminate its arrangements with AVM, and the Manager will become responsible for the performance of these services for Bimini.

Bimini has hired Patrick Doyle, effective as of December 1, 2021, to lead the Manager’s repurchase agreement trading, clearing and administrative services. From 1998 until joining Bimini, Mr. Doyle was employed by AVM, most recently as Head of Funding and Liquidity.

Commenting on the Amendment, the internalization of certain functions and the hiring of Patrick Doyle, Robert E. Cauley, the Chairman and CEO of Orchid and Bimini, stated, “We are very pleased to welcome Pat to Bimini. Pat has significant expertise and experience in the repo markets, as well as extensive knowledge of the settlement and operations related practices of our business. As a manager of repo funding operations at AVM, Pat has worked with Bimini since 2003. Once these critical functions are being performed by Bimini for Orchid, we will be able to provide them in an efficient and cost-effective manner with the help of one of the funding market’s leading professionals.” Mr. Doyle added, “The opportunity to work with Bimini is very exciting for me. I have been working with Bimini as a client since their inception in 2003. This opportunity is a natural fit for both of us. I look forward to enhancing Bimini’s abilities to fund their portfolios under management, to create new operational efficiencies, and to enhance the management of liquidity risks.”

About Orchid Island Capital, Inc.

Orchid Island Capital, Inc. is a specialty finance company that invests on a leveraged basis in Agency RMBS. Our investment strategy focuses on, and our portfolio consists of, two categories of Agency RMBS: (i) traditional pass-through Agency RMBS, such as mortgage pass-through certificates and collateralized mortgage obligations issued by Fannie Mae, Freddie Mac or Ginnie Mae, and (ii) structured Agency RMBS. The Company is managed by Bimini Advisors, LLC, a registered investment adviser with the Securities and Exchange Commission.

About Bimini Capital Management, Inc.

Bimini Capital Management, Inc. invests primarily in, but is not limited to investing in, residential mortgage-related securities issued by Fannie Mae, Freddie Mac and Ginnie Mae. Its objective is to earn returns on the spread between the yield on its assets and its costs, including the interest expense on the funds it borrows. In addition, Bimini generates a significant portion of its revenue serving as the manager of the MBS portfolio of Orchid Island Capital, Inc.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements include, but are not limited to, statements about the transition of services from AVM to the Manager and the performance of repurchase agreement funding, clearing and administrative services by the Manager. These forward-looking statements are based upon Orchid's and Bimini's present expectations, but these statements are not guaranteed to occur. Investors should not place undue reliance upon forward-looking statements. For further discussion of the factors that could affect outcomes, please refer to the "Risk Factors" section of the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 of Bimini and Orchid, respectively.

