

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 17, 2022

AIR INDUSTRIES GROUP
(Exact Name of Registrant as Specified in its Charter)

Nevada
State of Incorporation

001-35927
Commission File Number

80-0948413
IRS Employer
I.D. Number

1460 Fifth Avenue, Bay Shore, New York 11706
(Address of Principal Executive Offices)

Registrant's telephone number: (631) 968-5000

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))

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, par value \$0.001	AIRI	NYSE American

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

On May 17, 2022, we, Air Industries Group, entered into a Fourth Amendment to Loan and Security Agreement with Webster Bank increasing the amount of our term loan, establishing a capital expenditure line of credit which we may draw upon from time to time to finance future purchases of machinery and equipment, reducing the monthly principal instalments to be made in respect of the term loan and increasing the amount of capital expenditures that we may make each year to conform to our historical experience.

Pursuant to the Fourth Amendment, the new term loan with Webster Bank has an initial principal amount of \$5,000,000. The funds will be used to retire the existing term loan of approximately \$3.1 million, retire a capital lease with another lender of approximately \$250,000 and purchase two CNC Lathes for an aggregate of \$870,000, with the balance available for working capital. The new monthly principal payment due in respect of the term loan will be \$59,524 down from \$67,679.

In addition, Webster Bank has agreed to provide a \$2.0 million capital expenditure line of credit which may be used to pay 85% of the hard costs of newly acquired equipment. We currently anticipate drawing down \$500,000 of this line to purchase new equipment to be installed at our Barkhamsted facility.

All advances under the term loan and the capital expenditure line of credit are amortizable over seven years (84 months), mature on December 31, 2026, and bear interest at the greater of (i) 3.5% per annum or (ii) 30-day LIBOR plus 250 basis points or (iii) Prime Rate less 65 basis points. The current interest rate is 3.5%.

In reviewing the covenants in the Loan and Security Agreement in connection with the discussion regarding the increase in the term loan and the establishment of a capital expenditures line, it was determined that certain ordinary course expenses, such as the cost of tooling incurred to enable a machine to produce a particular product, should be considered a capital expenditure. Rather than amend the language in the covenant, Webster Bank agreed to increase the annual amount of capital expenditures we may make in any year without the bank's consent to \$1,500,000.

The description of the material terms of the Fourth Amendment to Loan and Security Agreement contained herein is not intended to be complete and is qualified by reference to the copy of the Amendment which is filed as an exhibit to this Report on Form 8-K.

Item 7.01 Regulation FD Disclosure

On May 18, 2022, we issued a press release announcing the closing on the expansion of our term loan with Webster Bank and the establishment of a new \$2.0 million capital expenditure line by Webster Bank.

The information in Item 7.01 of this Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed as "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liability of such Section, nor shall it be deemed incorporated by reference in any filing by us under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Fourth Amendment to Loan and Security Agreement with Webster Bank, National Association
99.1	Text of press release dated May 18, 2022, issued by Air Industries Group.
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.

Dated: May 18, 2022

AIR INDUSTRIES GROUP

By: /s/ Michael Recca

Michael Recca

FOURTH AMENDMENT TO
LOAN AND SECURITY AGREEMENT

THIS FOURTH AMENDMENT TO LOAN AND SECURITY AGREEMENT (the "Amendment"), is dated May 17, 2022, and is made by and among (a) AIR INDUSTRIES MACHINING, CORP., a New York corporation ("AIM"), NASSAU TOOL WORKS, INC., a New York corporation ("NTW"), THE STERLING ENGINEERING CORPORATION, a Connecticut corporation ("Engineering", and together with AIM and NTW, collectively the "Borrower"), (b) AIR INDUSTRIES GROUP, a Nevada corporation (together with its successors and permitted assigns, "Parent"), and AIR REALTY GROUP, LLC, a Connecticut limited liability company ("Realty", and together with Parent, the "Guarantor") and WEBSTER BANK, NATIONAL ASSOCIATION, a national banking association (successor by merger to Sterling National Bank), (together with its successors and permitted assigns, the "Lender").

RECITALS

Pursuant to that certain Loan and Security Agreement, dated as of December 31, 2019 (the "Loan Agreement") by and among Borrower, Guarantor, the other Credit Parties thereto, and Lender, Lender has agreed to make certain financial accommodations available to Borrower from time to time pursuant to the terms and conditions thereof (capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement, as amended hereby).

The Credit Parties have acknowledged that the aggregate amount of Capital Expenditures by Parent and its consolidated Subsidiaries for the Fiscal Year ending December 31, 2021, inclusive of amounts spent on tooling in the ordinary course of business, was \$1,400,000, which amount is in excess of the maximum amount of Capital Expenditures that may be incurred by Parent and its consolidated Subsidiaries in any Fiscal Year pursuant to Section 9.14(b) of the Loan Agreement, resulting in an Event of Default under Section 10.1(c)(i) of the Loan Agreement (the "Existing Event of Default").

The Credit Parties have requested that Lender agree to amend the Loan Agreement as set forth herein (a) to make an additional Term Loan to Borrower, (b) to provide for one or more Term Cap Ex Loans, (c) to increase the amount of the Capital Expenditures that may be made by Parent and its consolidated Subsidiaries each Fiscal Year to \$1,500,000 and (d) waive the Existing Event of Default.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Amendments to Loan Agreement. As of the effective date of this Amendment, on the terms and subject to the satisfaction (or waiver) of the conditions set forth in Sections 5 (a) and (b) hereof, the Loan Agreement is, effective as of the Fourth Amendment Effective Date, hereby amended to delete the stricken text (indicated textually in the same manner as the following sample: ~~stricken text~~) and to add the underlined text (indicated textually in the same manner as the following example: double underlined text), in each case, as set forth on Exhibit A attached hereto.

2. Limited Waiver of Existing Event of Default.

(a) Borrower hereby acknowledges, confirms and agrees that (i) the Existing Event of Default has occurred and is continuing; (ii) the Existing Event of Default constitutes an Event of Default under the Loan Agreement and the other Loan Documents; and (iii) in the absence of this Amendment and at all times during the period commencing on the earliest date on which any of the Existing Event of Default occurred through the Fourth Amendment Effective Date (as defined below), the occurrence of the Existing Event of Default entitles Lender to exercise its rights and remedies under the Loan Documents, applicable law and otherwise.

(b) Subject to the limitations and other terms and conditions set forth in this Amendment, Lender hereby waives the Existing Event of Default. Notwithstanding the foregoing, Lender has not waived and is not by this Amendment waiving, and have no present intention of waiving, any Event of Default which may have occurred prior to the Fourth Amendment Effective Date, or may be continuing on the Fourth Amendment Effective Date or any Event of Default which may occur after the Fourth Amendment Effective Date, other than the Existing Event of Default to the extent set forth herein, whether the same or similar to any Existing Event of Default or otherwise. Lender hereby reserves the right, in its sole discretion, to exercise any or all of their rights and remedies arising under the Loan Documents, applicable law or otherwise, as a result of any Event of Default, other than the Existing Event of Default, which may have occurred prior to the Fourth Amendment Effective Date, or are continuing on the Fourth Amendment Effective Date, or any Events of Default which may occur after the Fourth Amendment Effective Date, whether the same, similar, or related to the Existing Event of Default.

3. No Other Changes. Except as explicitly amended by this Amendment, all of the terms and conditions of the Loan Agreement shall remain in full force and effect and shall apply to any Loan made thereunder.

4. Amendment Fee. In consideration of Lender's agreement to enter into this Amendment, Borrower shall pay to Lender a non-refundable amendment fee in an amount equal to \$20,000 which amendment fee has been fully earned as of the effective date of this Amendment, and which shall be payable at the execution and delivery of this Amendment.

5. Conditions Precedent. This Amendment shall be effective on the date (such date, the "Fourth Amendment Effective Date") that each of the following conditions have been satisfied, in form and substance satisfactory to Lender:

(a) The Lender shall have received a fully executed copy of this Amendment;

(b) The Lender shall have received a copy of the resolutions or equivalent action, in form and substance reasonably satisfactory to the Lender, of the Board of Directors or equivalent authorizing body of Borrower authorizing, as applicable, the execution, delivery of this Amendment and the performance of this Amendment, certified by the Secretary, an Assistant Secretary or other authorized representatives of Borrower as of the Fourth Amendment Effective Date, which certificate shall state that the resolutions or other action hereby certified have not been amended, modified (except as any later such resolution or other action may modify any earlier such resolution or other action), revoked or rescinded and are in full force and effect; and

(c) The Lender shall have received the amendment fee set forth in Section 4 above and Borrower shall have paid or cause to be paid all fees and expenses required to be paid in accordance with this Amendment.

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

(a) Borrower has all requisite power and authority to execute this Amendment and any other agreements or instruments required hereunder and to perform all of its obligations hereunder, and this Amendment and all such other agreements and instruments have been duly executed and delivered by Borrower and constitute the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms.

(b) The execution, delivery and performance by Borrower of this Amendment and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate action and do not (i) require any authorization, consent or approval by any governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) violate any provision of any law, rule or regulation or of any order, writ, injunction or decree presently in effect, having applicability to Borrower, or the certificate of formation, articles of incorporation, operating agreement, or by-laws of Borrower, or (iii) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which it or its properties may be bound or affected.

(c) All of the representations and warranties contained in the Loan Agreement are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

(d) After giving effect to this Amendment and the transactions contemplated hereby, no Default or Event of Default has occurred and is continuing.

7. References. All references in the Loan Agreement to “this Agreement” shall be deemed to refer to the Loan Agreement as amended hereby; and any and all references in the Loan Documents to the Loan Agreement shall be deemed to refer to the Loan Agreement as amended hereby.

8. No Waiver. Except as set forth in Section 1 of this Amendment, the execution of this Amendment and the acceptance of all other agreements and instruments related hereto shall not be deemed to be a waiver of any Default or Event of Default under the Loan Agreement or a waiver of any breach, default or event of default under any Loan Document or other document held by Lender, whether or not known to Lender and whether or not existing on the date of this Amendment.

9. Release. Borrower hereby absolutely and unconditionally releases and forever discharges Lender, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former directors, officers, agents and employees of any of the foregoing, from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise, Borrower has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever relating to any Loan Document arising from the beginning of time to and including the date of this Amendment, whether such claims, demands and causes of action are matured or unmatured or known or unknown.

10. Costs and Expenses. Borrower hereby reaffirms its agreement under the Loan Agreement to pay or reimburse Lender on demand for all costs and expenses incurred by Lender in connection with the Loan Documents, including without limitation all reasonable fees and disbursements of legal counsel. Without limiting the generality of the foregoing, Borrower specifically agrees to pay all fees and disbursements of counsel to Lender for the services performed by such counsel in connection with the preparation of this Amendment and the documents and instruments incidental hereto. Borrower hereby agrees that Lender may, at any time or from time to time in its sole discretion and without further authorization by Borrower, make a loan to the Borrower under the Loan Agreement, or apply the proceeds of any loan, for the purpose of paying any such fees, disbursements, and costs and expenses.

11. Counterparts. This Amendment may be executed by means of (a) an electronic signature that complies with the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, or any other relevant and applicable electronic signatures law; (b) an original manual signature; or (c) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument. Delivery of an executed counterpart of a signature page of this Amendment will be as effective as delivery of a manually executed counterpart of the Agreement.

12. Headings. Section Headings are for convenience of reference only, and are not part of, and are not to be taken into consideration in interpreting this Amendment.

13. Governing Law. The rights and obligations hereunder of each of the parties hereto shall be governed by and interpreted and determined in accordance with the laws of the State of New York.

[Signature pages follow]

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

BORROWER:

AIR INDUSTRIES MACHINING, CORP.

By: /s/ Michael Recca

Name Michael Recca

Title: CFO

NASSAU TOOL WORKS, INC.

By: /s/ Michael Recca

Name Michael Recca

Title: CFO

THE STERLING ENGINEERING CORPORATION

By: /s/ Michael Recca

Name Michael Recca

Title: CFO

GUARANTOR:

AIR INDUSTRIES GROUP,

as parent

By: /s/ Michael Recca

Name Michael Recca

Title: CFO

AIR REALTY GROUP, LLC

By: /s/ Michael Recca

Name Michael Recca

Title: CFO

WEBSTER BANK, NATIONAL ASSOCIATION,

as Lender

By: /s/ Wing Louie

Name: Wing Louie

Title: Managing Director

[Fourth Amendment to Loan and Security Agreement]



May 18, 2022 08:30 AM Eastern Time:

Air Industries Group Announces Closing on Expansion of Term Loan and a New Capital Expenditure Line of Credit from Webster Bank Totaling a Combined \$7 million.

Bay Shore, N.Y.--(BUSINESS WIRE)--**Air Industries Group** (NYSE American: **AIRI**), an integrated Tier 1 manufacturer of precision assemblies and components for mission-critical aerospace and defense applications, and a prime contractor to the U.S. Department of Defense, today announced that Webster Bank (formerly Sterling National Bank) has agreed to expand the size of its existing Term Loan and establish a Capital Expenditure Line of Credit to finance future purchases of machinery and equipment. The transaction closed on May 17, 2022.

The new Webster Bank Term Loan has an initial principal amount of \$5 million. These funds will be used to retire the existing term loan of approximately \$3.1 million, retire a capital lease of approximately \$250,000, and purchase two CNC Lathes for an aggregate of \$870,000. In addition to the Term Loan, Webster Bank has extended a new \$2.0 million Capital Expenditure Line of Credit to be used to purchase new machinery and equipment.

All advances under the Term Loan and the Capital Expenditure Line of Credit are amortizable over seven years (84 months), mature on December 31, 2026, and bear interest at the greater of (i) 3.5% per annum or (ii) 30-day LIBOR plus 250 basis points or (iii) Prime Rate less 65 basis points. The current interest rate is 3.5%.

CEO Commentary

Lou Melluzzo, CEO of Air Industries said, *“Webster Bank became Air Industries’ primary lender in January 2020. Their support over the past two and one-half years has been a great benefit to us. We have previously announced significant capital investments to expand the capabilities and improve the efficiency of our operations. This expands our Term Loan and Capital Expenditure Line of Credit by nearly \$4 million and will enable us to complete the purchase of six major new pieces of equipment [including the CNC Lathes] costing over \$2.2 million, and to continue our modernization program into 2023.*

I would also like to point out that over the past two years Air Industries has significantly reduced its prior term loan through principal payments. In December 2020 our term loan had a principal balance of over \$5.6 million and this has been reduced by \$2.5 million. This transaction essentially allows us to re-borrow what we had paid back and reinvest those proceeds in the business.”

ABOUT AIR INDUSTRIES GROUP

Air Industries Group (NYSE American: AIRI) is an integrated manufacturer of precision assemblies and components for leading aerospace and defense prime contractors and original equipment manufacturers. The Company is a Tier 1 supplier to aircraft Original Equipment Manufacturers, and a Prime Contractor to the U.S. Department of Defense, and is highly regarded for its expertise in designing and manufacturing parts and assemblies vital for flight safety and performance.

Additional information about the Company can be found in its filings with the SEC and by visiting our newly revamped website at www.airindustriesgroup.com.

Forward Looking Statements

Certain matters discussed in this press release are 'forward-looking statements' intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. In particular, the Company's statements regarding trends in the marketplace, future revenues, earnings and Adjusted EBITDA, the ability to realize firm backlog and projected backlog, cost cutting measures, potential future results and acquisitions, are examples of such forward-looking statements. The forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the timing of projects due to variability in size, scope and duration, the inherent discrepancy in actual results from estimates, projections and forecasts made by management, regulatory delays, changes in government funding and budgets, and other factors, including general economic conditions, not within the Company's control. The factors discussed herein and expressed from time to time in the Company's filings with the Securities and Exchange Commission could cause actual results and developments to be materially different from those expressed in or implied by such statements. The forward-looking statements are made only as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Contacts

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