

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): October 30, 2018

GYRODYNE, LLC

(Exact name of Registrant as Specified in its Charter)

New York
(State or other jurisdiction
of incorporation)

001-37547
(Commission File
Number)

46-3838291
(I.R.S. Employer
Identification No.)

ONE FLOWERFIELD
SUITE 24
ST. JAMES, NEW YORK 11780

(Address of principal executive
offices) (Zip Code)

(631) 584-5400

Registrant's telephone number,
including area code

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))

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 Material Definitive Agreement

On October 30, 2018, the Board of Directors of Gyrodyne, LLC, a New York limited liability company (the "Company"), approved Amendment No. 3 to its Retention Bonus Plan (the "Plan"). Amendment No. 3 amends the Plan to provide that no benefits are to be paid to participants from the sale of any individual post-subdivided lot from either of the Company's Flowerfield or Cortlandt Manor properties until aggregate sale proceeds from all sales of post-subdivided lots from such property exceed a designated aggregate floor for such property. Prior to Amendment No. 3, benefits could have been paid out of the Plan following the sale of an individual post-subdivision lot irrespective of whether aggregate sale proceeds for the relevant subdivided property had exceeded or will exceed a designated aggregate floor. The aggregate floor for each of the Flowerfield and Cortlandt Manor properties is defined in Amendment No. 3 as the 2013 appraised value of such property plus land development costs incurred for such property since such appraisal.

The Company had previously adopted Amendment No. 2 to the Plan on January 26, 2018 to provide for vesting of benefits upon the sale of each individual post-subdivision lot at Flowerfield and Cortlandt Manor, so that payments to the bonus pool may be made shortly following the closing of the sale of such lot. As originally adopted, the Plan treated each of Flowerfield and Cortlandt Manor as one property. The reason for this original treatment was that, at the time of adoption of the Plan, the board of directors believed that each of Flowerfield and Cortlandt Manor would be sold as one block. Subsequent to adoption of the Plan, the board came to believe that subdividing the properties and selling individual post-subdivided lots may maximize aggregate proceeds and thus would be in the best interests of the Company and our shareholders. The Company believes that Amendment No. 3 further aligns the interests of Plan participants with those of our shareholders by ensuring that no Plan benefits are paid upon the sale of individual post-subdivision lots until aggregate sales from such subdivided property exceed the designated aggregate floor for such property.

The description of Amendment No. 3 in this Report is only a summary of its material terms, does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment No. 3 which is attached to this Report as Exhibit 10.1 and incorporated into this Item 1.01 by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

10.1 [Amendment No. 3 to Retention Bonus Plan](#)

Forward-Looking Statement Safe Harbor

The statements made in this report that are not historical facts constitute "forward-looking information" within the meaning of the Private Securities Litigation Reform Act of 1995, and Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, which can be identified by the use of forward-looking terminology such as "may," "will," "anticipates," "expects," "projects," "estimates," "believes," "seeks," "could," "should," or "continue," the negative thereof, other variations or comparable terminology as well as statements regarding the evaluation of strategic alternatives. Important factors, including certain risks and uncertainties, with respect to such forward-looking statements that could cause actual results to differ materially from those reflected in such forward-looking statements include, but are not limited to, risks and uncertainties relating to the plan of liquidation, the risk that the proceeds from the sale of Gyrodyne's assets may be substantially below Gyrodyne's estimates, the risk that the proceeds from the sale of our assets may not be sufficient to satisfy Gyrodyne's obligations to its current and future creditors, and other unforeseeable expenses related to the proposed liquidation, the tax treatment of condemnation proceeds, the effect of economic and business conditions, including risks inherent in the real estate markets of Suffolk and Westchester Counties in New York, risks and uncertainties relating to developing Gyrodyne's undeveloped property in St. James, New York and other risks detailed from time to time in Gyrodyne's SEC reports.

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

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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, thereunto duly authorized.

GYRODYNE, LLC

By: /s/ Gary Fitlin

Gary Fitlin

President and Chief Executive Officer

Date: November 2, 2018

**AMENDMENT NUMBER 3
TO THE
GYRODYNE, LLC RETENTION BONUS PLAN**

WHEREAS, Gyrodyne Company of America, Inc. (“Gyrodyne Company”) established the Gyrodyne Company of America, Inc. Retention Bonus Plan (the “Retention Bonus Plan” or the “Plan”), effective as of May 30, 2014, the date it was approved by the Board of Directors of Gyrodyne Company (the “Board”); and

WHEREAS, Gyrodyne, LLC (“Gyrodyne”) is the surviving entity in the merger of Gyrodyne Company of America, Inc. (the “Corporation”) and Gyrodyne Special Distribution, LLC (“GSD”) with and into Gyrodyne, LLC (the “Merger”), effective August 31, 2015; and

WHEREAS, the Retention Bonus Plan was amended and restated by Gyrodyne effective as of May 24, 2016; and

WHEREAS, Amendment Number 1 to the Plan was executed to provide that land development costs incurred on a property since the date of the appraisal designated therein shall be added to the appraised value for the property in calculating appreciation (gross sales price minus appraised value) for the purpose of determining the Bonus Pool; and

WHEREAS, Amendment Number 1 to the Plan also provided that each of the ten buildings in the Port Jefferson Professional Park shall be treated as a “property”, so that a Participant’s right to bonus payment on the sale of a Port Jefferson building shall vest on, and payments from the Bonus Pool may be made shortly following the closing of the sale of that building; and

WHEREAS, Amendment Number 2 provided for: (i) vesting of benefits upon the sale of each individual post-subdivision lot at Flowerfield and Cortlandt Manor; (ii) entitlement to a future benefit in the event of death, voluntary termination following substantial reduction in compensation or Board fees, mutually agreed separation to right-size the Board or involuntary termination without “Cause”; and (iii) clarification of how development costs are calculated; and

WHEREAS, as to any of the events referred to in clause (ii) in the preceding “Whereas”, a Participant shall only be eligible to receive a benefit to the extent that a property is sold within 3 years following the event and the sale produces an Internal Rate of Return (“IRR”) equal to at least 4% of the property’s value as of December 31 immediately preceding such event; and

WHEREAS, Section 9.5 of the Plan retained broad powers in the Board to amend and terminate the Plan; and

WHEREAS, the Board wishes to revise the provisions of Amendments Number 1 and 2, whereby payments are made from the Bonus Pool after the sale of separate lots; and

WHEREAS, the Board wishes to implement a new “Aggregate Floor” for the separate Flowerfield and Cortlandt Manor properties that must be achieved before any benefits shall be paid; and

WHEREAS, Gyrodyne retains the authority, under Section 9.5 of the Plan to periodically amend the Plan.

NOW, THEREFORE, effective as of October 30, 2018, the Plan shall be amended as follows:

1. **Restriction on Bonus Payments**. The following new Section 5.6 shall be added to the Plan:

“5.6 **Restriction on Bonus Payments**. Notwithstanding any provisions of the Plan to the contrary, the following new restrictions shall apply prior to the payment of any benefits:

- a. **“Aggregate Floor”**, for purposes of the Flowerfield and Cortlandt Manor properties, shall be defined as the 2013 appraisal of each respective property, plus land development costs incurred for each respective property since the appraisal for each respective property. Until aggregate sales exceed the Aggregate Floor as separately determined for each separate property (i.e., a separate Aggregate Floor exists for the separate Flowerfield and Cortlandt Manor

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- a. **“Aggregate Floor”**, for purposes of the Flowerfield and Cortlandt Manor properties, shall be defined as the 2013 appraisal of each respective property, plus land development costs incurred for each respective property since the appraisal for each respective property. Until aggregate sales exceed the Aggregate Floor as separately determined for each separate property (i.e., a separate Aggregate Floor exists for the separate Flowerfield and Cortlandt Manor properties) through the sale of individual lots, as noted elsewhere, no benefits shall be paid to any active employees, active Board members, former employees or former Board members under the Retention Bonus Plan.
- b. To clarify the intent of the changes, it should be noted as follows:
 - i. For active employees, aggregate sales of lots must exceed the Aggregate Floor for each respective property before any payments shall be made.
 - ii. For former employees or former Board members, the same first condition must be satisfied, whereby sales prior to a separation from service shall count for aggregate sales and the Aggregate Floor and future sales must occur to have Aggregate Sales exceed the Aggregate Floor before any payments shall be made. A second condition for former Participants is the 4% IRR must be achieved on properties sold after a separation from service, as provided in Amendment Number 2.”

2. **Vesting**. Article IV, Vesting, shall be amended to add the following new paragraph:

“For purposes of the above rules, the Aggregate Floor restrictions as described in Section 5.6 must be satisfied for amounts to be vested under this Article IV.”

3. **Void Provisions**. To the extent any provisions of the Plan contradict the provisions of this Amendment Number 3, they shall be null and void.

IN WITNESS WHEREOF, this Amendment Number 3 to the Gyrodyne, LLC Retention Bonus Plan is executed the 30th day of October, 2018.

GYRODYNE, LLC

By: /s/ Gary Fitlin
Gary Fitlin
President and Chief Executive Officer

2. **Vesting**. Article IV, Vesting, shall be amended to add the following new paragraph:

“For purposes of the above rules, the Aggregate Floor restrictions as described in Section 5.6 must be satisfied for amounts to be vested under this Article IV.”

3. **Void Provisions**. To the extent any provisions of the Plan contradict the provisions of this Amendment Number 3, they shall be null and void.

IN WITNESS WHEREOF, this Amendment Number 3 to the Gyrodyne, LLC Retention Bonus Plan is executed the 30th day of October, 2018.

GYRODYNE, LLC

By: /s/ Gary Fitlin

Gary Fitlin

President and Chief Executive Officer