

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) December 21, 2012
Build-A-Bear Workshop, Inc.

(Exact Name of Registrant as Specified in Its Charter)

<u>Delaware</u> (State or Other Jurisdiction of Incorporation)	<u>001-32320</u> (Commission File Number)	<u>43-1883836</u> (IRS Employer Identification No.)
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<u>1954 Innerbelt Business Center Drive</u> <u>St. Louis, Missouri</u> (Address of Principal Executive Offices)	<u>63114</u> (Zip Code)
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(314) 423-8000

(Registrant's Telephone Number, Including Area Code)

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))
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Item 1.01. Entry into a Material Definitive Agreement.

Effective December 21, 2012, Build-A-Bear Workshop, Inc. (the “Company”) and all of its domestic subsidiaries (collectively with the Company, the “Borrower”) entered into a Eleventh Amendment to Loan Documents (the “Loan Document Amendment”) with U.S. Bank National Association (“U.S. Bank”), which amends the Company’s Fourth Amended and Restated Loan Agreement (the “Credit Agreement”) and the Fourth Amended and Restated Revolving Credit Note (the “Revolving Credit Note”) with U.S. Bank.

The Loan Document Amendment extends the expiration date of the facility from December 31, 2013 to December 31, 2014. The available line of credit is reduced from \$40 million for the first half of each calendar year with a \$50 million seasonal overline on the line of credit for the second half of each calendar year to \$35 million. In addition, the minimum tangible net worth covenant was decreased from \$90 million to \$75 million. The commitment fee on the unused portion of the credit line was reduced from 0.25% per annum to 0.125% per annum. The Credit Agreement will continue to be secured by the assets of the Borrower and a pledge of 65% of the Borrower’s ownership interest in certain of its foreign subsidiaries. The Borrower does not currently have any outstanding borrowings under the Credit Agreement and is in compliance with the Credit Agreement covenants.

As amended by the Loan Document Amendment, the Credit Agreement continues to contain typical representations, warranties and negative covenants, including, among other things, that the Borrower will not incur indebtedness or make any investments in excess of certain thresholds, acquire any subsidiaries, or merge or consolidate with any other entity or acquire all or substantially all of the assets of any other company outside the ordinary course of business.

Relationship to U.S. Bank

The Company has or may have had customary banking relationships with U.S. Bank based on the provision of a variety of financial services, including lending, commercial banking and other advisory services.

The foregoing description of the Loan Document Amendment is only a summary of certain terms and conditions of this document and is qualified in its entirety by reference to the Loan Document Amendment, which has been filed as Exhibit 10.1 hereto and which is incorporated by reference herein. In addition, the Company has previously filed the Credit Agreement and the Revolving Credit Note as Exhibits 10.1 and 10.2, respectively, to its Current Report on Form 8-K, filed on August 13, 2008, as amended by the Seventh Amendment to Loan Documents previously filed as Exhibit 10.1 to its Current Report on Form 8-K, filed on October 29, 2009, the Eighth Amendment to Loan Documents previously filed as Exhibit 10.1 to its Current Report on Form 8-K, filed on January 4, 2011, and the Ninth Amendment to Loan Documents previously filed as Exhibit 10.1 to its Current Report on Form 8-K, filed on January 4, 2012 which documents have also been incorporated by reference in the Company’s Annual Report on Form 10-K for the year ended December 31, 2011 (File No. 001-32320), filed on March 15, 2012, and the Tenth Amendment to Loan Documents previously filed as Exhibit 10.1 to its Current Report on Form 8-K, filed on July 26, 2012; the foregoing description of those documents is also only a summary of certain terms and conditions therein and is qualified in its entirety to such documents as previously filed.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	Eleventh Amendment to Loan Documents between Build-A-Bear Workshop, Inc., Build-A-Bear Workshop Franchise Holdings, Inc., Build-A-Bear Entertainment, LLC, Build-A-Bear Retail Management, Inc., as Borrowers, and U.S. Bank National Association, as Lender, entered into effective as of December 21, 2012.

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.

BUILD-A-BEAR WORKSHOP, INC.

Date: December 21, 2012

By: /s/ Maxine Clark

Name: Maxine Clark

Title: Chief Executive Bear

EXHIBIT INDEX

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ELEVENTH AMENDMENT TO LOAN DOCUMENTS

BUILD-A-BEAR WORKSHOP, INC. ("BABWI"), successor by merger to BUILD-A-BEAR WORKSHOP, LLC, **BUILD-A-BEAR WORKSHOP FRANCHISE HOLDINGS, INC.** ("BABWF"), **BUILD-A-BEAR ENTERTAINMENT, LLC** ("BABE"), **BUILD-A-BEAR RETAIL MANAGEMENT, INC.** ("BABRM"), jointly and severally (individually and collectively, the "Borrower"), and **U.S. BANK NATIONAL ASSOCIATION** ("Lender"), hereby agree as follows effective as of December 21, 2012 (the "Effective Date"):

1. **Recitals.**

- 1.1 Lender and Build-A-Bear Workshop, LLC entered into a Loan Agreement and related loan and security documents dated as of March 1, 2000 pursuant to which the Lender extended a revolving credit facility to the Borrower (the "Loan").
 - 1.2 Lender, Build-A-Bear Workshop, LLC and BABWI entered into an assumption and amendment agreement dated as of April 3, 2000, whereby BABWI assumed all of the obligations of its predecessor in interest, Build-A-Bear Workshop, LLC.
 - 1.3 Lender and Borrower amended the terms of the Loan by the First Amended and Restated Loan Agreement and related loan and security documents dated as of June 1, 2001 (the "First Amended Loan Agreement").
 - 1.4 Lender and Borrower amended and restated the First Amended Loan Agreement by the Second Amended and Restated Loan Agreement dated as of February 13, 2002 (the "Second Amended Loan Agreement") and Borrower delivered to Lender in connection therewith the First Amended and Restated Revolving Credit Note and the First Amended and Restated Security Agreement.
 - 1.5 Lender and Borrower amended the Second Amended Loan Agreement and related Loan Documents pursuant to the First Amendment to Loan Documents effective as of May 30, 2003 to add additional borrowers to the Loan Documents, to revise certain financial covenants in the Loan Documents, and to add Build-A-Bear Workshop Canada, Ltd. ("Bear Canada") as a guarantor of the obligations under the Loan Documents.
 - 1.6 Lender and Borrower amended the Second Amended Loan Agreement and related Loan Documents pursuant to the Second Amendment to Loan Documents effective as of December 31, 2003 to add an additional borrower to the Loan Documents.
 - 1.7 Lender and Borrower amended the Second Amended Loan Agreement and related Loan Documents pursuant to the Third Amendment to Loan Documents effective as of May 31, 2004 to extend the Maturity Date and to change certain other terms and covenants in the Loan Documents.
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- 1.8 Lender and Borrower amended the Second Amended Loan Agreement and related Loan Documents pursuant to the Fourth Amendment to Loan Documents effective as of September 28, 2004 to correct the name of Bear Canada.
- 1.9 Lender and Borrower amended and restated the Second Amended Loan Agreement by the Third Amended and Restated Loan Agreement dated as of May 31, 2005 (the "Third Amended Loan Agreement") and Borrower delivered to Lender in connection therewith the Second Amended and Restated Revolving Credit Note.
- 1.10 Lender and Borrower amended the Third Amended Loan Agreement and related Loan Documents pursuant to the Fifth Amendment to Loan Documents effective as of June 30, 2006 to add Build-A-Bear Workshop UK Holdings, Ltd. ("Bear UK") as a Borrower and to change certain other terms and covenants in the Loan Documents and Borrower delivered to Lender in connection therewith the Third Amended and Restated Revolving Credit Note.
- 1.11 Lender and Borrower amended the Third Amended Loan Agreement and related Loan Documents pursuant to the Sixth Amendment to Loan Documents effective as of June 19, 2007 to extend the Maturity Date.
- 1.12 Lender and Borrower amended and restated the Third Amended Loan Agreement by the Fourth Amended and Restated Loan Agreement dated as of August 11, 2008 (the "Fourth Amended Loan Agreement") and Borrower delivered to Lender in connection therewith the Fourth Amended and Restated Revolving Credit Note (the "Fourth Amended Revolving Credit Note").
- 1.13 Lender and Borrower amended the Fourth Amended Loan Agreement, the Fourth Amended Revolving Note, and the related Loan Documents pursuant to the Seventh Amendment to Loan Documents effective as of October 28, 2009 to extend the Maturity Date, to adjust the rate of interest, and to modify certain covenants.
- 1.14 Lender and Borrower amended the Fourth Amended Loan Agreement, the Fourth Amended Revolving Note, and the related Loan Documents pursuant to the Eighth Amendment to Loan Documents effective as of December 31, 2010 to extend the Maturity Date, to adjust the rate of interest, and to modify certain covenants.
- 1.15 Lender and Borrower amended the Fourth Amended Loan Agreement, the Fourth Amended Revolving Note, and the related Loan Documents pursuant to the Ninth Amendment to Loan Documents effective as of December 30, 2011 to extend the Maturity Date, and to modify certain covenants.
- 1.16 Lender and Borrower amended the Fourth Amended Loan Agreement, the Fourth Amended Revolving Note, and the related Loan Documents pursuant to the Tenth Amendment to Loan Documents effective as of June 30, 2012 to modify the Tangible Net Worth Covenant.

1.17 Lender and Borrower intend to amend the Loan Documents by this Eleventh Amendment to Loan Documents (the "Amendment") to reduce the Total Facility, to extend the Maturity Date, and to modify certain other terms of the Loan Documents.

1.18 Capitalized terms used herein and not otherwise defined will have the meanings given such terms in the Fourth Amended Loan Agreement.

2. **Amendments.**

2.1 The maximum principal amount set forth in the first paragraph of the Fourth Amended Revolving Credit Note is hereby amended from FIFTY MILLION Dollars (\$50,000,000) to THIRTY FIVE MILLION Dollars (\$35,000,000). The reference to the \$50,000,000 principal amount of the Fourth Amended Revolving Credit Note on the top of the first page thereof is hereby amended from \$50,000,000 to \$35,000,000. All other references in the Loan Documents to the amount of the Total Facility or the maximum principal amount of the Fourth Amended Revolving Credit Note are hereby amended to \$35,000,000.

2.2 Section 3.2 of the Fourth Amended Revolving Credit Note is hereby deleted and replaced with the following:

3.2 The entire outstanding principal balance, all accrued and unpaid interest thereon, and all other amounts due under the Loan Documents will be due and payable in full on December 31, 2014 (the "Maturity Date").

2.3 Section 2.1.1 of the Fourth Amended Loan Agreement is hereby deleted and replaced with the following:

2.1.1 Total Facility. Lender will make available to Borrower a line of credit of up to \$35,000,000 ("Total Facility"), subject to the terms and conditions and made upon the representations and warranties of Borrower set forth in this Agreement. Amounts outstanding under the line of credit from time to time will be referred to as the "Revolving Credit Loan". The Revolving Credit Loan will be represented by the Fourth Amended and Restated Revolving Credit Note of Borrower dated as of August 11, 2008 and all amendments, extensions and renewals thereto and restatements and replacements thereof (the "Revolving Credit Note"). The Revolving Credit Loan will bear interest and will be payable in the manner set forth in the Revolving Credit Note, the terms of which are incorporated herein by reference

2.4 Section 2.1.4 of the Fourth Amended Loan Agreement is hereby deleted and replaced with the following:

2.1.4 Commitment Fee. Borrower will pay to Lender a commitment fee computed at the rate of 0.125% per annum, on the average daily difference between: (i) the outstanding amount of the Revolving Credit Note plus the outstanding amount of any Letters of Credit, and (ii) the Total Facility, such Commitment Fee to be payable quarterly in arrears on the last day of each June, September, December and March and upon the Maturity Date of the Revolving Credit Note and/or the date this Agreement is terminated.

2.5 Section 6.4 of the Fourth Amended Loan Agreement is hereby deleted and replaced with the following:

6.4 **Minimum Tangible Net Worth.** Permit the Tangible Net Worth of Borrower on a consolidated basis to be less than \$75,000,000 as of the fiscal quarter ending December 29, 2012 and as of each fiscal quarter end thereafter.

3. **General.**

- 3.1 Except as expressly modified herein, the Loan Documents, as amended, are and remain in full force and effect. The Loan Documents are hereby ratified and confirmed as the continuing obligation of Borrower. Nothing contained herein will be construed as waiving any Default or Event of Default under the Loan Documents or will affect or impair any right, power or remedy of Lender under or with respect to the Loan Documents, as amended, or any agreement or instrument guaranteeing, securing or otherwise relating to any of the Obligations.
- 3.2 Borrower represents and warrants to Lender that: (a) this Amendment and the documents to be executed by Borrower in connection with this Amendment have been duly authorized, executed and delivered by Borrower; (b) each has full power and authority to enter into this Amendment; (c) this Amendment and the documents executed by Borrower in connection with this Amendment constitute the legal, valid and binding obligations of Borrower enforceable in accordance with their respective terms except as such enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium or similar laws in effect from time to time affecting the rights of creditors generally and except as such enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in law or in equity); and (d) no Default or Event of Default exists. The representations and warranties of Borrower contained in the Loan Documents are deemed to have been made again on and as of the date of execution of this Amendment, except to the extent that such representations and warranties were expressly limited to an earlier date.
- 3.3 All representations and warranties made by Borrower herein will survive the execution and delivery of this Amendment.
- 3.4 This Amendment will be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns.
- 3.5 Borrower will pay attorneys' fees and expenses of Lender incurred in connection with this Amendment and related documentation. Such fees, expenses may be charged to Borrower by Lender as a Revolving Credit Loan.

- 3.6 This Amendment will in all respects be governed and construed in accordance with the laws of the State of Ohio.
- 3.7 A copy of this Amendment may be attached to the Fourth Amended Revolving Credit Note as an allonge. This Amendment is a “Loan Document” as defined in the Fourth Amended Loan Agreement.
- 3.8 This Amendment and the documents and instruments to be executed hereunder constitute the entire agreement among the parties with respect to the subject matter hereof and shall not be amended, modified or terminated except by a writing signed by the party to be charged therewith.
- 3.9 Borrower agrees to execute such other instruments and documents and provide Lender with such further assurances as Lender may reasonably request to more fully carry out the intent of this Amendment.
- 3.10 This Amendment may be executed in a number of identical counterparts. If so, each such counterpart shall collectively constitute one agreement. Any signature delivered by a party by facsimile or other electronic transmission shall be deemed to be an original signature hereto.
- 3.11 No provision of this Amendment is intended or shall be construed to be for the benefit of any third party.
- 3.12 **BORROWER AND LENDER HEREBY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION RELATING TO THIS INSTRUMENT AND TO ANY OF THE LOAN DOCUMENTS, THE OBLIGATIONS THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. BORROWER AND LENDER EACH REPRESENTS TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.**

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO ELEVENTH AMENDMENT TO LOAN DOCUMENTS

**U.S. BANK NATIONAL ASSOCIATION
Lender**

By: /s/ Charles L. Thomas

Charles L. Thomas
Senior Vice President

**BUILD-A-BEAR WORKSHOP, INC.,
BUILD-A-BEAR WORKSHOP FRANCHISE
HOLDINGS, INC.,
BUILD-A-BEAR RETAIL MANAGEMENT, INC.
Borrowers**

By: /s/ Maxine Clark

Maxine Clark
Chief Executive Officer

**BUILD-A-BEAR ENTERTAINMENT, LLC,
By: Build-A-Bear Retail Management, Inc.,
Sole Member
Borrower**

By: /s/ Maxine Clark

Maxine Clark
Chief Executive Officer