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Meritage Homes CORP
Form 8-K
June 16, 2014

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) June 13, 2014

MERITAGE HOMES CORPORATION
(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

1-9977
(Commission File
Number)

86-0611231
(IRS Employer
Identification No.)

8800 E. Raintree Drive, Suite 300, Scottsdale, Arizona 85260
(Address of Principal Executive Offices) (Zip Code)

(480) 515-8100
(Registrant's telephone number, including area code)

(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 (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))

ITEM 1.01 ENTRY INTO MATERIAL DEFINITIVE AGREEMENT

ITEM 2.03 CREATION OF DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

On June 13, 2014, Meritage Homes Corporation (the “Company”) entered into an amended and restated unsecured, four-year revolving credit facility (the “Revolving Facility”) with JPMorgan Chase Bank, N.A. (“JPMorgan”), as administrative agent and the other lenders named therein. The Revolving Facility provides for total lending commitments of up to \$400 million (“Total Commitment”), \$200 million of which will be available for letters of credit. In addition, the Revolving Facility has an accordion feature under which the Company may increase the Total Commitment up to a maximum aggregate amount of \$100 million, subject to certain conditions, including the availability of additional bank commitments. The Revolving Facility matures June 13, 2018. At closing, substantially all of the Company’s 100% owned subsidiaries were guarantors of the Revolving Facility.

Borrowings under the Revolving Facility are unsecured but availability is subject to, among other things, a borrowing base. The Revolving Facility contains representations, warranties and covenants that the Company considers usual and customary for an agreement of this type. The Revolving Facility also contains certain financial covenants, including (a) a minimum tangible net worth requirement of \$670.3 million (which amount is subject to increase over time based on subsequent earnings and proceeds from equity offerings), and (b) a maximum leverage covenant that prohibits the leverage ratio (as defined therein) from exceeding 60%. In addition, the Company is required to maintain either (i) an interest coverage ratio (EBITDA to interest expense, as defined therein) of at least 1.50 to 1.00 or (ii) liquidity (as defined therein) of an amount not less than the Company’s consolidated interest incurred during the trading 12 months. The Revolving Facility amends, restates and replaces the Company’s previous \$200 million unsecured revolving credit facility. As of closing date of the Revolving Facility, the Company we had outstanding letters of credit totaling \$28.9 million, leaving \$371.1 million under the Revolving Facility available to be drawn.

The foregoing description is qualified in its entirety by reference to the Revolving Facility, a copy of which is filed as an exhibit to this Current Report on Form 8-K and is incorporated by reference herein.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

- 10.1 Amended and Restated Credit Agreement, dated as of June 13, 2014, among Meritage Homes Corporation, JPMorgan Chase Bank, N.A., and the several lenders named therein.

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: June 16, 2014

MERITAGE HOMES CORPORATION

/s/ LARRY W. SEAY

By: Larry W. Seay

Executive Vice President and Chief Financial Officer