

Meritage Homes CORP
Form 8-K
June 02, 2015

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 2, 2015

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 East Raintree Drive, Suite 300, Scottsdale,
Arizona**

(Address of Principal Executive Offices)

(480) 515-8100

85260

(Zip Code)

(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 A MATERIAL DEFINITIVE AGREEMENT

Completion of Offering of 6.00% Senior Notes due 2025

On June 2, 2015, Meritage Homes Corporation, a Maryland corporation (the *Company*), completed an offering of \$200,000,000 aggregate principal amount of 6.00% Senior Notes due 2025 (the *2025 Notes*) that are guaranteed (the *Guarantees*, and collectively with the *2025 Notes*, the *Securities*) by substantially all of the *Company*'s 100% owned subsidiaries (the *Guarantors*). The *Securities* were offered to investors in a private placement in reliance on Rule 144A and Regulation S under the Securities Act of 1933, as amended (the *Securities Act*). The *Securities* have not been registered under the Securities Act or any state securities laws and may not be sold except in a transaction registered under, or exempt from, the registration provisions of the Securities Act and applicable state securities laws.

The *Securities* were issued pursuant to an Indenture dated June 2, 2015 among the *Company*, the *Guarantors* and Wells Fargo Bank, National Association, as trustee (the *2025 Indenture*). The material terms of the *2025 Notes* and the *2025 Indenture* are described below.

The *2025 Notes* are the general unsecured obligations of the *Company*. The *2025 Notes* will rank senior in right to all future obligations of the *Company* that are, by their terms, expressly subordinated in right of payment to the *2025 Notes* and pari passu in right of payment with all existing and future unsecured obligations of the *Company* that are not so subordinated. The *2025 Notes* bear interest at 6.00% per annum, payable on June 1 and December 1 of each year, commencing on December 1, 2015. Interest on the *2025 Notes* will be computed on the basis of a 360-day year of twelve 30-day months.

Prior to March 1, 2025, the *Company* may redeem the *2025 Notes* in whole at any time or in part from time to time, on at least 30 but not more than 60 days' prior written notice, at a redemption price equal to the greater of (i) 100% of the principal amount of the notes being redeemed, or (ii) the sum of the present values of the remaining scheduled payments on the *2025 Notes* being redeemed, discounted to the date of redemption (on a semiannual basis) at a discount rate equal to the rate payable with respect to comparable treasury securities plus 0.50%. On or after March 1, 2025, the *Company* may redeem any or all of the *2025 Notes* at any time at a redemption price equal to 100% of the principal amount of the *2025 Notes* being redeemed. The *Company* will also pay accrued interest on any *2025 Notes* being redeemed to the redemption date.

The terms of the *2025 Indenture*, among other things, generally limit, subject to exceptions, the ability of the *Company* and certain of its subsidiaries to (i) incur secured indebtedness and (ii) enter into certain sale and leaseback transactions.

The *2025 Indenture* provides for customary events of default which include (subject in certain cases to customary grace and cure periods), among others: nonpayment of principal or interest; breach of covenants or other agreements in the *2025 Indenture*; defaults under certain other indebtedness; and certain events of bankruptcy or insolvency. Generally, if an event of default occurs and is continuing under the *2025 Indenture*, the Trustee or the holders of at least

25% in aggregate principal amount of the 2025 Notes then outstanding may declare the principal of, premium, if any, and accrued interest on all the 2025 Notes immediately due and payable. In addition, in the event there is both (i) a change in control and (ii) a ratings decline by either Standard & Poor's Ratings Services or Moody's Investors Service, Inc., the Company will be required to commence and consummate an offer to purchase all 2025 Notes then outstanding at a price equal to 101% of their principal amount, plus accrued interest (if any) to the date of repurchase.

The foregoing description of the 2025 Notes and the 2025 Indenture is only a summary and is qualified in its entirety by reference to the full text of the 2025 Indenture, including the form of note, which is attached to this Current Report on Form 8-K as Exhibit 4.1 and is incorporated by reference herein.

In connection with the sale of the 2025 Notes, the Company and the Guarantors entered into a Registration Rights Agreement dated as of June 2, 2015 (the "Registration Rights Agreement"), with the initial purchasers of the 2025 Notes. Pursuant to the Registration Rights Agreement, the Company will use its reasonable best efforts to register with the Securities and Exchange Commission exchange notes ("Exchange Notes"), which will have substantially identical terms as the 2025 Notes (except that the Exchange Notes will not contain terms with respect to transfer restrictions), so the Company can offer to exchange freely tradable Exchange Notes for the 2025 Notes.

The foregoing description of the Registration Rights Agreement is only a summary and is qualified in its entirety by reference to the full text of the Registration Rights Agreement, which is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated by reference herein.

On June 2, 2015, the Company issued a press release announcing the closing of the offering of Notes described above. A copy of this press release is attached as Exhibit 99.1.

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

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated by reference herein.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

4.1 Indenture for 6.00% Senior Notes due 2025, and Form of Note

10.1 Registration Rights Agreement relating to 6.00% Senior Notes due 2025

99.1 Press Release dated June 2, 2015, announcing the closing of a private offering of \$200 million of 6.00% Senior Notes due 2025

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 2, 2015

MERITAGE HOMES CORPORATION

/s/ LARRY W. SEAY

By: Larry W. Seay

Executive Vice President and Chief
Financial Officer