

BEAZER HOMES USA INC
Form 8-K
September 22, 2016

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): September 21, 2016

BEAZER HOMES USA, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of

Company or organization)

001-12822
(Commission

File Number)
1000 Abernathy Road, Suite 260

58-2086934
(I.R.S. Employer

Identification No.)

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Atlanta, Georgia 30328

(Address of principal executive offices)

(770) 829-3700

(Registrant's telephone number, including area code)

None

(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))

Item 1.01. Entry into a Material Definitive Agreement.

On September 21, 2016, Beazer Homes USA, Inc. (the Company) issued and sold \$400 million aggregate principal amount of its 8.750% Senior Notes due 2022 (the Notes) through a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the Securities Act), and outside the United States pursuant to Regulation S under the Securities Act. The Notes were initially sold pursuant to a purchase agreement, dated September 8, 2016, among the Company, the wholly-owned subsidiaries named as guarantors therein (the Guarantors) and Credit Suisse Securities (USA) LLC, as representative of the initial purchasers named therein (the Initial Purchasers). The proceeds from the offering were used to fund the repayment of all of the Company's 6.625% Senior Secured Notes due 2018 (the 2018 Notes) and a portion of its 9.125% Senior Notes due 2019 (the 2019 Notes), including fees and expenses related to a tender offer for the 2018 Notes.

Interest on the Notes is payable semi-annually in cash in arrears on March 15 and September 15 of each year, commencing March 15, 2017. The Notes will mature on March 15, 2022.

The Notes were issued under an Indenture, dated September 21, 2016 (the Indenture), among the Company, the Guarantors and U.S. Bank National Association, as trustee. The Indenture contains covenants which, subject to certain exceptions, limit the ability of the Company and its restricted subsidiaries (as defined in the Indenture) to, among other things, incur additional indebtedness or issue certain preferred shares, create liens on assets to secure indebtedness, pay dividends or make other equity distributions, purchase or redeem capital stock, make certain investments and consolidate or merge. The Indenture contains customary events of default. Upon the occurrence of an event of default, payments on the Notes may be accelerated and become immediately due and payable.

Upon a change of control (as defined in the Indenture), the Indenture requires the Company to make an offer to repurchase the Notes at 101% of their principal amount, plus accrued and unpaid interest.

The Company may redeem the Notes at any time prior to March 15, 2019, in whole or in part, at a redemption price equal to 100% of the principal amount, plus a customary make-whole premium, plus accrued and unpaid interest to, but excluding, the redemption date. In addition, at any time on or prior to March 15, 2019, the Company may redeem up to 35% of the aggregate principal amount of Notes with the proceeds of certain equity offerings at a redemption price equal to 108.750% of the principal amount of the Notes plus accrued and unpaid interest, if any, to, but excluding, the date fixed for redemption; provided, that at least 65% of the aggregate principal amount of the Notes originally issued under the Indenture remain outstanding after such redemption. Furthermore, at any time prior to the maturity of the Notes, if at least 90% of the principal amount of the Notes have previously been repurchased and cancelled in connection with a change of control offer (as defined in the Indenture) the Company may redeem all of the remaining Notes at a redemption price equal to 101% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date. On or after March 15, 2019, the Company may redeem some or all of the Notes at the redemption prices set forth in the Indenture, plus accrued and unpaid interest to, but excluding, the redemption date.

The Notes rank equally in right of payment with all of the Company's existing and future senior unsecured obligations, senior to all of the Company's existing and future subordinated indebtedness and effectively subordinated to the Company's existing and future secured indebtedness, including indebtedness under the Company's revolving credit facility and its secured term loan, to the extent of the value of the assets securing such indebtedness. The Notes and related guarantees are structurally subordinated to all indebtedness and other liabilities of all of the Company's subsidiaries that do not guarantee the Notes. The Notes are fully and unconditionally guaranteed jointly and severally on a senior basis by the Guarantors.

In connection with the issuance of the Notes, the Company and the Guarantors entered into a Registration Rights Agreement, dated as of September 21, 2016 (the Registration Rights Agreement),

with the representative of the Initial Purchasers. The Registration Rights Agreement requires the Company to register under the Securities Act the issuance, in exchange for the privately-placed Notes, of 8.750% Senior Notes due 2022 (the Exchange Notes) having substantially identical terms to the Notes and to complete the exchange or, if the exchange cannot be effected, to file and keep effective a shelf registration statement for resale of the privately-placed Notes. Failure of the Company to comply with the registration and exchange requirements in the Registration Rights Agreement within the specified time period would require the Company to pay as liquidated damages additional interest on the privately-placed Notes until the failure to comply is cured.

The foregoing descriptions of the Indenture, the Notes and the Registration Rights Agreement are qualified in their entirety to the forms of the Indenture and the Notes and the Registration Rights Agreement filed herewith as Exhibits 4.1, 4.2 and 4.3, respectively, and incorporated in this Item 1.01 by reference.

Item 1.02. Termination of a Material Definitive Agreement

On September 22, 2016, the Company irrevocably deposited with U.S. Bank National Association, trustee for the 2018 Notes, sufficient funds to fund the redemption of the 2018 Notes remaining outstanding. As a result, the Company and the guarantors under the 2018 Notes have been released from their respective obligations under the 2018 Notes and the indenture governing the 2018 Notes pursuant to the satisfaction and discharge provisions thereunder.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above under Item 1.01 is hereby incorporated by reference into this Item 2.03.

Item 8.01. Other Events

On September 21, 2016, the Company issued a press release announcing the completion of the refinancing transaction. A copy of this release is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 4.1 Indenture, dated as of September 21, 2016, between the Company, the Guarantors and U.S. Bank National Association, as trustee.
- 4.2 Form of 8.750% Senior Note due 2022 (included in Exhibit 4.1).
- 4.3 Registration Rights Agreement, dated as of September 21, 2016, between the Company, the Guarantors and Credit Suisse Securities (USA) LLC, as representative of the Initial Purchasers.
- 99.1 Press release dated September 21, 2016.

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 thereunto duly authorized.

Date: September 22, 2016

BEAZER HOMES USA, INC.

By: /s/ Kenneth F. Khoury
Kenneth F. Khoury
Executive Vice President, Chief
Administrative Officer and General
Counsel

EXHIBIT INDEX

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