

LENNAR CORP /NEW/
Form 8-K
June 30, 2014

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

June 25, 2014

Date of Report (Date of earliest event reported)

LENNAR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

1-11749
(Commission

File Number)

95-4337490
(IRS Employer

Identification No.)

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700 Northwest 107th Avenue, Miami, Florida 33172
(Address of principal executive offices) (Zip Code)

(305) 559-4000

(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:

- .. 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 June 25, 2014, Lennar Corporation (the Company) entered into a Second Amended and Restated Credit Agreement (the Credit Agreement), among the Company, as borrower, the several lenders from time to time parties thereto, JPMorgan Chase Bank, N.A., as swingline lender, issuing lender, and administrative agent, HSBC Bank USA and Wells Fargo Bank, N.A., as documentation agents, J.P. Morgan Securities LLC, as sole bookrunner and arranger, Bank of America, N.A., Citibank, N.A., Deutsche Bank Securities, Inc., UBS Securities LLC, PNC Bank, National Association, RBC Capital Markets, RBS Securities Inc. and BMO Capital Markets, as syndication agents, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Deutsche Bank Securities, Inc., UBS Securities LLC, PNC Bank, National Association, RBC Capital Markets, RBS Securities Inc. and BMO Capital Markets, as arrangers, that increases the aggregate principal amount of the Company's unsecured revolving credit facility (the Credit Facility) from \$950 million to \$1.5 billion, and extends the maturity of the Credit Facility to June 25, 2018. The \$1.5 billion includes a \$263 million accordion feature, subject to additional commitments. The Credit Agreement also provides that up to \$500 million in commitments may be used for letters of credit.

The Credit Facility consists of a revolving loan under which amounts may be borrowed, repaid and redrawn, subject to compliance with specific financial covenants and the satisfaction of other customary conditions to borrowing. Amounts borrowed under the Credit Facility accrue interest at alternative rates based on leverage, the range of which is the Eurodollar Rate plus a margin equal to 1.75% to 2.25%. The fee charged on the amount of unused commitment is 0.3% to 0.4% per annum, depending on the Company's leverage ratio. The proceeds available under the Credit Facility may be used for working capital and general corporate purposes. The Company may, from time to time, borrow from and repay the Credit Facility. Consequently, the amount outstanding under the Credit Facility at the end of a period may not be reflective of the total amounts outstanding during a period.

Covenants in the Credit Agreement require the Company to meet specific financial tests, including, (1) as of the end of each fiscal quarter, a minimum Consolidated Tangible Net Worth (as defined in the Credit Agreement) of approximately \$1.5 billion plus the sum of 50% of the cumulative Consolidated Net Income (as defined in the Credit Agreement) from February 29, 2012, if positive, and 50% of the net cash proceeds from any equity offerings from and after February 29, 2012, (2) a Maximum Leverage Ratio of 65%, which may be reduced in specified circumstances, and (3) as of the end of each fiscal quarter, either (x) Liquidity (as defined in the Credit Agreement) in an amount equal to or greater than 1.00x Consolidated Interest Incurred (as defined in the Credit Agreement) for the last twelve months then ended or (y) an Interest Coverage Ratio (as defined in the Credit Agreement) of equal to or greater than 1.50:1.00 for the last twelve months then ended. The Credit Agreement also contains customary affirmative and negative covenants that, among other things, limit the ability of the Company and the Subsidiary Guarantors (as defined below) to engage in certain asset dispositions, including a sale of all or substantially all of their assets, mergers or consolidations, dissolutions, liquidations or winding up of their business, or incur liens.

Upon the occurrence of certain bankruptcy and insolvency events with respect to the Company or specified subsidiaries, all commitments under the Credit Agreement automatically terminate and all amounts due under the Credit Agreement and other loan documents become immediately due and payable. If certain other events of default occur and are continuing, including failure to pay the principal and interest when due or a breach of a negative covenant, then, with the consent of or upon the request of the lenders responsible for a majority of the aggregate amount of all commitments under the Credit Agreement, all commitments under the Credit Agreement will terminate and all amounts due under the Credit Agreement and other loan documents become immediately due and payable.

In connection with the Credit Agreement, the Company entered into a Second Amended and Restated Guarantee Agreement (the Guarantee Agreement), dated as of June 25, 2014, among the Company's wholly-owned subsidiaries, except (1) subsidiaries that are engaged in the mortgage banking business, including the origination, servicing, packaging or selling of mortgages, (2) subsidiaries that are engaged in originating, underwriting, acquiring, owning, financing, selling, managing or servicing real estate assets, third party capital, commercial and residential real estate

loans or mortgage backed securities, (3) subsidiaries that are prohibited from delivering a

Guarantee Agreement by law, rule, regulation or an agreement with a person not affiliated with Lennar Corporation, and (4) subsidiaries that do not as to any subsidiary have a net worth of \$10 million or more and as to all the excluded subsidiaries have a net worth of \$75 million or more (the Subsidiary Guarantors). Pursuant to the Guarantee Agreement, the Subsidiary Guarantors guarantee all amounts borrowed under the Credit Agreement and any other loan documents.

The descriptions of the Credit Agreement and the Guarantee Agreement are qualified in their entirety by reference to the full and complete terms contained in the Credit Agreement and the Guarantee Agreement, respectively.

The Company and certain of its affiliates have previously entered into commercial financial arrangements with JPMorgan Chase Bank, N.A., Citibank, N.A., The Royal Bank of Scotland PLC, Bank of America, N.A., Deutsche Bank AG New York Branch, Royal Bank of Canada, Bank of Montreal, PNC Bank, National Association, UBS AG, Stamford Branch, Wells Fargo Bank, National Association, HSBC Bank USA, Texas Capital Bank, N.A., TD Bank, N.A., California Bank & Trust, Comerica Bank, Regions Bank and Capital Bank, N.A., and/or their respective affiliates, and each of these entities and/or its affiliates has in the past provided financial, advisory, investment banking and other services to the Company and its affiliates. In addition, certain of the lenders and/or their affiliates served as underwriters in connection with the Company's issuances of convertible senior notes and senior notes.

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 under Item 1.01 is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

No.	Description of Document
10.21	Second Amended and Restated Credit Agreement, dated as of June 25, 2014, among Lennar Corporation, as borrower, JPMorgan Chase Bank, N.A., as swingline lender, issuing lender, and administrative agent, the several lenders from time to time parties thereto, and the other parties and agents thereto.
10.22	Second Amended and Restated Guarantee Agreement, dated as of June 25, 2014, among certain of Lennar Corporation's subsidiaries in favor of guaranteed parties referred to therein.
99.1	Press release issued by Lennar Corporation on June 25, 2014.

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.

Date: June 30, 2014

Lennar Corporation

By: /s/ Bruce E. Gross

Name: Bruce E. Gross

Title: Vice President and Chief Financial Officer