

CalAtlantic Group, Inc.  
Form 8-K  
April 04, 2017

**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): March 30, 2017**

**CALATLANTIC GROUP, INC.**  
**(Exact Name of Registrant as Specified in Charter)**

**Delaware**  
**(State or Other Jurisdiction**

**of Incorporation)**

**1100 Wilson Boulevard, 32100**

**1-10959**  
**(Commission**

**File Number)**

**33-0475989**  
**(IRS Employer**

**Identification No.)**

**22209**

**Arlington, Virginia**

**(Address of Principal Executive Offices)**

**(Zip Code)**

**Registrant's telephone number, including area code: (240) 532-3806**

**Not Applicable**

**(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

CalAtlantic Group, Inc. (the Company) is issuing \$125,000,000 aggregate principal amount of its 5 7/8% Senior Notes due 2024 (the 2024 Notes) and \$100,000,000 aggregate principal amount of its 5 1/4% Senior Notes due 2026 (the 2026 Notes) and, together with the 2024 Notes, the Notes).

The 2024 Notes will be issued under the indenture, dated as of April 1, 1999 (the Indenture), between the Company and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to J.P. Morgan Trust Company, National Association, Bank One Trust Company, N.A. and The First National Bank of Chicago), as trustee (the Trustee), as supplemented by a Twenty-First Supplemental Indenture, dated as of November 6, 2014 (the Twenty-First Supplemental Indenture), among the Company, the subsidiary guarantors party thereto, and the Trustee and by a Twenty-Fifth Supplemental Indenture, dated as of October 1, 2015 (the Twenty-Fifth Supplemental Indenture), by and among the Company, the subsidiary guarantors party thereto (together with the subsidiary guarantors party to the Twenty-First Supplemental Indenture, the Guarantors) and the Trustee (the Indenture, as so supplemented, the 2024 Notes Indenture). The 2024 Notes will be senior unsecured obligations of the Company and will be guaranteed by the Guarantors on a senior unsecured basis.

The 2024 Notes will have the same terms as, and will be treated as a single series with, the Company's outstanding \$300,000,000 aggregate principal amount of 5 7/8% Senior Notes due 2024, issued on November 6, 2014 (the Existing 2024 Notes). The 2024 Notes will also be fully fungible for tax purposes with, and will have the same CUSIP number as, the Existing 2024 Notes. Holders of the 2024 Notes and the Existing 2024 Notes will vote as one series under the 2024 Notes Indenture. The 2024 Notes will bear interest at a rate of 5 7/8% per year, payable semiannually in arrears on May 15 and November 15 of each year, beginning on May 15, 2017. The 2024 Notes will mature on November 15, 2024.

The Company may redeem any or all of the 2024 Notes at any time or from time to time. If the Company redeems the 2024 Notes prior to May 15, 2024, the redemption price will be equal to the greater of (a) 100% of the principal amount of the 2024 Notes being redeemed and (b) the sum of the present values of the remaining scheduled payments and interest on the 2024 Notes being redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the comparable treasury rate plus 50 basis points, plus, in either case, accrued and unpaid interest, if any, on the principal amount being redeemed to the date of redemption. If the Company redeems the 2024 Notes on or after May 15, 2024, the redemption price will be equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest, if any, on the principal amount being redeemed to the date of redemption.

The 2026 Notes will be issued under the Indenture, as supplemented by a Twenty-Seventh Supplemental Indenture, dated as of May 31, 2016 (the Twenty-Seventh Supplemental Indenture), among the Company, the Guarantors, and the Trustee (the Indenture, as so supplemented, the 2026 Notes Indenture). The 2026 Notes will be senior unsecured obligations of the Company and will be guaranteed by the Guarantors on a senior unsecured basis.

The 2026 Notes will have the same terms as, and will be treated as a single series with, the Company's outstanding \$300,000,000 aggregate principal amount of 5 1/4% Senior Notes due 2026, issued on May 31, 2016 (the Existing 2026 Notes). The 2026 Notes will also be fully fungible for tax purposes with, and will have the same CUSIP number as, the Existing 2026 Notes. Holders of the 2026 Notes and the Existing 2026 Notes will vote as one series under the 2026 Notes Indenture. The 2026 Notes will bear interest at a rate of 5 1/4% per year, payable semiannually in arrears on June 1 and December 1 of each year, beginning on June 1, 2017. The 2026 Notes will mature on June 1, 2026.

The Company may redeem any or all of the 2026 Notes at any time or from time to time. If the Company redeems the 2026 Notes prior to December 1, 2025, the redemption price will be equal to the greater of (a) 100% of the principal amount of the 2026 Notes being redeemed and (b) the sum of the present values of the remaining scheduled payments and interest on the 2026 Notes being redeemed, discounted to the redemption date on a semi-annual basis (assuming a

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360-day year consisting of twelve 30-day months) at the comparable treasury rate plus 50 basis points, plus, in either case, accrued and unpaid interest, if any, on the principal amount being redeemed to the

date of redemption. If the Company redeems the 2026 Notes on or after December 1, 2025, the redemption price will be equal to 100% of the principal amount of the 2026 Notes to be redeemed plus accrued and unpaid interest, if any, on the principal amount being redeemed to the date of redemption.

Upon a change of control triggering event (as defined in the 2024 Notes Indenture, with respect to the 2024 Notes, and the 2026 Notes Indenture, with respect to the 2026 Notes), holders of the applicable Notes will have the right to require the Company to repurchase some or all of their applicable Notes at a price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. A change of control triggering event occurs when both a change of control and a rating decline occur.

Pursuant to the terms of the indentures governing the Notes, the Company and its restricted subsidiaries will be subject to, among other covenants, restrictions on the incurrence of secured indebtedness, entering into sale and leaseback transactions, designating subsidiaries as unrestricted subsidiaries and investing in unrestricted subsidiaries.

The Trustee is the trustee under the indentures governing the Company's other outstanding notes. Pursuant to the 2024 Notes Indenture and the 2026 Notes Indenture, the Company has delivered to the Trustee an Officer's Certificate, dated as of April 4, 2017, notifying the Trustee of the issuance of the 2024 Notes and the 2026 Notes.

The foregoing description of the 2024 Notes, the Twenty-First Supplemental Indenture and the Twenty-Fifth Supplemental Indenture is qualified in its entirety by reference to the full text of the Twenty-First Supplemental Indenture (including the form of 2024 Notes), which is attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the Securities and Exchange Commission (the SEC) on November 6, 2014, and is incorporated herein by reference and the full text of the Twenty-Fifth Supplemental Indenture, which is attached as Exhibit 4.12 to the Company's Current Report on Form 8-K, filed with SEC on October 5, 2015, and is incorporated herein by reference.

The foregoing description of the 2026 Notes and the Twenty-Seventh Supplemental Indenture is qualified in its entirety by reference to the full text of the Twenty-Seventh Supplemental Indenture (including the form of 2026 Notes), which is attached as Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 31, 2016, and is incorporated herein by reference.

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

The disclosure required by this item is included in Item 1.01 and is incorporated herein by reference.

#### **ITEM 8.01 OTHER EVENTS**

The Notes were sold in a public offering pursuant to a Registration Statement on Form S-3 (File No. 333-207309) (the Registration Statement) and a related prospectus and prospectus supplement filed with the Securities and Exchange Commission.

On March 30, 2017, the Company entered into an underwriting agreement (the Underwriting Agreement), by and among the Company, the Guarantors and Mizuho Securities USA Inc., as underwriter (the Underwriter), relating to the sale by the Company of the Notes.

The foregoing description of the Underwriting Agreement is qualified in its entirety by reference to the full text of the Underwriting Agreement, which is attached hereto as Exhibit 1.1 and incorporated herein by reference.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

Attached hereto as exhibits are agreements and other information relating to the offering of the Notes pursuant to the Registration Statement. The exhibits are expressly incorporated by reference into the Registration Statement.

Exhibit

No.	Description of Exhibit
1.1	Underwriting Agreement, dated as of March 30, 2017, by and among the Company, the Guarantors and Mizuho Securities USA Inc., relating to the offer and sale of the Notes.
4.1	Twenty-First Supplemental Indenture, dated as of November 6, 2014, by and among the Company, the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 6, 2014.
4.2	Twenty-Fifth Supplemental Indenture, dated as of October 1, 2015, by and among the Company, the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., incorporated by reference to Exhibit 4.12 to the Company's Current Report on Form 8-K, filed with the SEC on October 5, 2015.
4.3	Twenty-Seventh Supplemental Indenture, dated as of May 31, 2016, by and among the Company, the Guarantors and The Bank of New York Mellon Trust Company, N.A., incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 31, 2016.
5.1	Opinion of Smith, Gambrell & Russell, LLP.
5.2	Opinion of Gibson, Dunn & Crutcher LLP regarding the validity of the Notes.
12.1	Statement re: Computation of Ratio of Earnings to Fixed Charges.
23.1	Consent of Smith, Gambrell & Russell, LLP (included as part of Exhibit 5.1).
23.2	Consent of Gibson, Dunn & Crutcher LLP (included as part of Exhibit 5.2).

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 4, 2017

**CALATLANTIC GROUP, INC.**

By: /s/ JEFFREY J. MCCALL

Name: Jeffrey J. McCall

Title: Executive Vice President & Chief  
Financial Officer



## EXHIBIT INDEX

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