

M I HOMES INC
Form 8-K
December 02, 2015

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): December 1, 2015

M/I HOMES, INC.

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction

of incorporation)

1-12434
(Commission

File Number)

31-1210837
(I.R.S. Employer

Identification No.)

3 Easton Oval, Suite 500, Columbus, Ohio
(Address of principal executive offices)

43219
(Zip Code)

(614) 418-8000

(Registrant's telephone number, including area code)

N/A

(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 December 1, 2015, M/I Homes, Inc. (*M/I Homes*), completed its offering of \$300 million aggregate principal amount of its 6.75% Senior Notes due 2021 (the *New Senior Notes*). The *New Senior Notes* were sold only to qualified institutional buyers in the United States pursuant to Rule 144A under the Securities Act of 1933, as amended (the *Securities Act*), and certain investors pursuant to Regulation S under the Securities Act.

The offering was consummated pursuant to the terms of a purchase agreement, dated as of November 23, 2015, by and among M/I Homes, as issuer, certain subsidiaries of M/I Homes, as guarantors (the *Guarantors*), and Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Wells Fargo Securities, LLC, as representatives of the initial purchasers of the *New Senior Notes*.

M/I Homes intends to use a portion of the net proceeds from the offering of the *New Senior Notes* to redeem its outstanding 8.625% Senior Notes due 2018 (the *Existing Senior Notes*), and intends to use the remaining net proceeds to repay borrowings under its \$400 million unsecured revolving credit facility (the *Credit Facility*).

The *New Senior Notes* have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and applicable state securities laws.

Indenture

The *New Senior Notes* were issued under an indenture, dated as of December 1, 2015 (the *Indenture*), by and among M/I Homes, the *Guarantors* and U.S. Bank National Association, as trustee (the *Trustee*). The *New Senior Notes* are fully and unconditionally guaranteed on a senior unsecured basis by all of M/I Homes' subsidiaries that, as of the date of issuance of the *New Senior Notes*, are guarantors under the *Credit Facility*. The *New Senior Notes* are senior unsecured obligations of M/I Homes. The *New Senior Notes* will bear interest at a rate of 6.75% per year, payable semiannually in arrears on January 15 and July 15 each year, beginning on July 15, 2016. The *New Senior Notes* will mature on January 15, 2021.

M/I Homes may redeem some or all of the *New Senior Notes* at any time prior to January 15, 2018 at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, plus a *make-whole* amount set forth in the *Indenture*. On or after January 15, 2018, M/I Homes may redeem some or all of the *New Senior Notes* at the redemption prices set forth in the *Indenture*. In addition, prior to January 15, 2018, M/I Homes may redeem up to 40% of the *New Senior Notes* from the net cash proceeds of one or more qualified equity offerings at a redemption price equal to 106.750% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, provided that at least 60% of the aggregate principal amount of the *New Senior Notes* remains outstanding after the redemption and such redemption occurs within 90 days of the date of closing of such qualified equity offering. If M/I Homes experiences specific kinds of changes of control described in the *Indenture*, M/I Homes will be required to make an offer to purchase all of the *New Senior Notes* at a purchase price of 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of repurchase.

The *Indenture* contains covenants that limit the ability of M/I Homes and the *Restricted Subsidiaries* (as defined in the *Indenture*) to, among other things: (1) incur additional indebtedness or liens; (2) pay dividends or make other distributions or repurchase or redeem M/I Homes' stock or other equity interests; (3) make investments; (4) sell assets; (5) create or permit restrictions on the ability of the *Restricted Subsidiaries* to pay dividends or make other distributions to M/I Homes; (6) engage in transactions with affiliates; and (7) consolidate or merge with or into other companies, liquidate or sell all or substantially all of M/I Homes' assets. These covenants are subject to important exceptions and qualifications as described in the *Indenture*. If the *New Senior Notes* receive an investment grade rating from both Standard & Poor's Rating Group and Moody's Investors Service, Inc., certain of these covenants will no longer apply.

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The New Senior Notes and the Indenture contain customary events of default, including, without limitation: (1) failure to pay interest on the New Senior Notes for 30 days after becoming due; (2) failure to pay

principal on the New Senior Notes when due; (3) failure to comply with certain agreements, covenants or obligations contained in the Indenture for a period of 60 days; (4) failure to comply with any other agreement or covenant in the Indenture and continuance of this failure for 60 days after notice of the failure has been given to the Issuer by the Trustee or by the holders of at least 25% of the aggregate principal amount of the New Senior Notes then outstanding; (5) certain defaults under other mortgages, indentures, instruments or agreements involving indebtedness of at least \$25 million; (6) certain judgments in excess of \$25 million that have not been satisfied, stayed, annulled or rescinded within 60 days of being entered; (7) certain bankruptcy events; and (8) any guarantee of a significant subsidiary ceases to be in full force and effect or is declared null and void and unenforceable or found to be invalid, or any Guarantor denies its liability under its guarantee, in each case, other than in accordance with the terms of the Indenture and such guarantee.

Affiliates of one or more of the initial purchasers of the New Senior Notes serve as agents and/or lenders under the Credit Facility, M/I Homes homebuilding letter of credit facilities and/or M/I Financial LLC's \$110 million secured mortgage warehousing agreement.

Registration Rights Agreement

In connection with the completion of the offering of the New Senior Notes, M/I Homes and the Guarantors entered into a registration rights agreement, dated as of December 1, 2015, with the initial purchasers of the New Senior Notes (the Registration Rights Agreement). The Registration Rights Agreement requires M/I Homes and the Guarantors to: (1) file with the Securities and Exchange Commission a registration statement within 120 days after the issue date of the New Senior Notes enabling holders to exchange the New Senior Notes for publicly registered notes with identical terms; (2) use their commercially reasonable efforts to cause such registration statement to become effective under the Securities Act within 210 days after the issue date of the New Senior Notes; (3) keep the exchange offer open for not less than 20, nor more than 30, business days (or longer if required by applicable law), after the date notice of the exchange offer is mailed to the holders of the New Senior Notes; and (4) use their commercially reasonable efforts to file a shelf registration statement for the resale of the New Senior Notes if they cannot complete an exchange offer within 240 days after the issue date of the New Senior Notes and in certain other circumstances.

If M/I Homes and the Guarantors do not comply with the foregoing obligations, M/I Homes will be required to pay liquidated damages to the holders of the New Senior Notes in the form of higher interest rates. Upon the occurrence of a registration default, the interest rate of the New Senior Notes will be increased by 0.25% per annum and will continue to increase by 0.25% per annum for each 90-day period that the registration default remains uncured, up to a maximum of 1.00% per annum. After M/I Homes cures the registration default, the accrual of liquidated damages will stop and the interest rate will revert to its original rate.

The above descriptions of the New Senior Notes, the guarantees of the New Senior Notes, the Indenture and the Registration Rights Agreement do not purport to be complete descriptions of the parties' rights and obligations under the Indenture or the Registration Rights Agreement. The above descriptions are qualified in their entirety by reference to the Indenture (which includes the form of the New Senior Notes and the notation of guarantees) and the Registration Rights Agreement, copies of which are attached to this Current Report on Form 8-K as Exhibit 4.1 and Exhibit 4.3, respectively, and are incorporated herein by reference.

Item 1.02 Termination of a Material Definitive Agreement.

The information set forth under Item 8.01 below is incorporated by reference into this Item 1.02.

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 above is incorporated into this Item 2.03 by reference.

Item 8.01 Other Events

On December 1, 2015, in connection with its issuance of the New Senior Notes, M/I Homes delivered a notice of redemption (the Redemption Notice) to the holders of the Existing Senior Notes, deposited the Redemption Price (as defined below) with the trustee of the Existing Senior Notes and satisfied and discharged its obligations in respect of the Existing Senior Notes in accordance with the terms of the indenture governing the Existing Senior Notes. The Redemption Notice provides for M/I Homes redemption of all \$230 million aggregate principal amount of its outstanding Existing Senior Notes on December 31, 2015 (the Redemption Date) at a redemption price of 102.156% of the aggregate principal amount of the Existing Senior Notes, plus accrued and unpaid interest to, but not including, the Redemption Date (the Redemption Price). No Existing Senior Notes will remain outstanding after the Redemption Date.

Certain of the initial purchasers or their affiliates are holders of the Existing Senior Notes and, as such, will receive a portion of the net proceeds from the offering of the New Senior Notes that are used to redeem the Existing Senior Notes.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibit
4.1	Indenture, dated as of December 1, 2015, by and among M/I Homes, Inc., the guarantors named therein and U.S. Bank National Association, as trustee (filed herewith).
4.2	Form of 6.75% Senior Notes due 2021 (included in Exhibit 4.1).
4.3	Registration Rights Agreement, dated as of December 1, 2015, by and among M/I Homes, Inc., the guarantors named therein and the initial purchasers named therein (filed herewith).

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: December 1, 2015

M/I Homes, Inc.

By: /s/ Ann Marie W. Hunker
Ann Marie W. Hunker
Vice President, Controller and Chief
Accounting Officer

EXHIBIT INDEX

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