

Kennedy-Wilson Holdings, Inc.
Form 8-K
October 20, 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): October 20, 2017
KENNEDY-WILSON HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

00133824	26-0508760
(Commission	(IRS
File State or Other Jurisdiction of Incorporation)	Employer
Number)	Identification
	No.)

151	
S.	
El	
Camino	90212
Drive,	
Beverly	
Hills,	
California	
(Address	
of	
principal	(Zip Code)
executive	
offices)	

(310) 887-6400
(Registrant's telephone number, including area code)

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:

Item 1.01 Entry into a Material Definitive Agreement.

As previously disclosed, on October 3, 2017, Kennedy-Wilson, Inc. (the “Borrower”), a wholly-owned subsidiary of Kennedy-Wilson Holdings, Inc. (“KWH”), KWH and certain subsidiaries of KWH (the “Subsidiary Guarantors”) entered into an escrow agreement with a syndicate of lenders, Bank of America, N.A., as administrative agent and joint lead arranger and joint bookrunner and JPMorgan Chase Bank, N.A., as joint lead arranger and joint bookrunner, pursuant to which the parties delivered executed signature pages to a \$700 million unsecured credit facility (the “A&R Facility”), which is intended to amend and restate the Borrower’s existing unsecured revolving credit facility. On October 20, 2017, the conditions set forth in Article IV of the A&R Facility were waived and/or satisfied and the A&R Facility became effective.

The A&R Facility is comprised of a \$500 million revolving line of credit and a \$200 million term loan facility. Loans under the revolving line of credit bear interest at a rate equal to LIBOR plus between 1.75% and 2.75%, depending on the consolidated leverage ratio as of the applicable measurement date. Loans under the term loan facility bear interest at a rate equal to LIBOR plus between 1.65% and 2.65%, depending on the consolidated leverage ratio as of the applicable measurement date. The A&R Facility has a maturity date of March 31, 2021. Subject to certain conditions precedent and at the Borrower’s option, the maturity date of the A&R Facility may be extended by one year.

The A&R Facility contains certain covenants that, among other things, limit KWH and certain of its subsidiaries’ ability to incur additional indebtedness, repurchase capital stock or debt, sell assets or subsidiary stock, create or permit liens on assets, engage in transactions with affiliates, enter into sale/leaseback transactions, issue subsidiary equity and enter into consolidations or mergers.

The credit agreement that governs the A&R Facility requires KWH to maintain (i) a maximum consolidated leverage ratio (as defined in the credit agreement) of not greater than 65%, measured as of the last day of each fiscal quarter, (ii) a minimum fixed charge coverage ratio (as defined in the credit agreement) of not less than 1.70 to 1.00, measured as of the last day of each fiscal quarter for the period of four full fiscal quarters then ended, (iii) a minimum consolidated tangible net worth equal to or greater than the sum of 70% of consolidated tangible net worth as of the date of the most recent financial statements available as of the effective date of the A&R Facility plus an amount equal to fifty percent (50%) of net equity proceeds received by KWH after the date of the most recent financial statements that are available as of the effective date of the A&R Facility, measured as of the last day of each fiscal quarter, (iv) a maximum recourse leverage ratio (as defined in the credit agreement) of not greater than an amount equal to consolidated tangible net worth as of the measurement date multiplied by 1.5, measured as of the last day of each fiscal quarter, (v) a maximum secured recourse leverage ratio (as defined in the credit agreement) of not greater than 3.5% of consolidated total asset value and 3.5% of consolidated total asset value as of the effective date of the A&R Facility, measured as of the last day of each fiscal quarter, (vi) a maximum adjusted secured leverage ratio (as defined in the credit agreement) of not greater than 55%, measured as of the last day of each fiscal quarter, and (vii) liquidity (as defined in the credit agreement) of at least \$75 million. The A&R Facility has customary events of default the occurrence of which may accelerate the outstanding balance under the A&R Facility.

The obligations of the Borrower pursuant to the A&R Facility are guaranteed by KWH and the Subsidiary Guarantors. The above description of the A&R Facility is a summary. Please refer to the terms of the A&R Facility, which is filed as Exhibit 10.1 to this Current Report.

Item 1.02 Termination of a Material Definitive Agreement.

On October 20, 2017, substantially concurrently with the effectiveness of the A&R Facility and KWH’s acquisition of all outstanding shares (other than shares owned by KWH or its subsidiaries or held in treasury) of KWE by means of a court sanctioned scheme of arrangement under Article 125 of the Companies (Jersey) Law, KWH terminated the existing multicurrency revolving credit facility agreement dated August 29, 2014, among Kennedy Wilson Europe Real Estate plc, a public limited company registered in Jersey (“KWE”), as borrower, Bank

of America Merrill Lynch International Limited, as administrative agent, and the lenders and other entities party thereto.

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

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

Item 9.01 Financial Statements and Exhibits.

(a) Exhibits.

Exhibit No.	Description
10.1	Amended and Restated Credit Agreement, dated October 20, 2017, among Kennedy-Wilson, Inc., as borrower, Kennedy-Wilson Holdings, Inc. and certain subsidiaries of Kennedy-Wilson Holdings, Inc. from time to time party thereto as guarantors, the lenders from time to time party thereto, Bank of America, N.A., as administrative agent and Bank of America, N.A. and JPMorgan Chase Bank, N.A., as letter of credit issuers.

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.

KENNEDY-WILSON HOLDINGS, INC.

By: /s/ Justin Enbody

Name: Justin Enbody

Title: Chief Financial Officer

Date: October 20, 2017

EXHIBIT INDEX

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