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AMREP CORP
Form 8-K
September 21, 2006

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 18, 2006

AMREP CORPORATION

(Exact Name of Registrant as Specified in Charter)

Oklahoma	1-4702	59-0936128
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

212 Carnegie Center, Suite 302, Princeton, New Jersey	08540
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(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (609) 716-8200

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.

As reported in Item 2.03 of this Current Report, on September 18, 2006 the Registrant's AMREP Southwest Inc. subsidiary entered into a Loan Agreement with

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and delivered its related Promissory Note (Revolving Line of Credit) to Compass Bank. A copy of the Loan Agreement is included as Exhibit 10.1 and a copy of the Promissory Note is included as Exhibit 10.2 to this Current Report on Form 8-K, and such Exhibits as well as their description included in Item 2.03 of this Current Report are incorporated into this Item 1.01 by reference.

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

On September 18, 2006, the Registrant's AMREP Southwest Inc. subsidiary (the "Borrower") entered into a Loan Agreement with and delivered its related Promissory Note (Revolving Line of Credit) to Compass Bank (said Agreement and Note, collectively, the "Credit Facility"). The Credit Facility provides the Borrower until September 17, 2008 with a \$25 million unsecured revolving line of credit. Up to \$5 million of the revolving credit is available to the Borrower for letters of credit. The Borrower has yet to draw on the revolving credit.

Under the Credit Facility, letters of credit bear a fee at the annual rate of 0.95% of face amount, and revolving borrowings bear annual interest at the Borrower's option at (i) a fluctuating rate per annum of 1.00% below the Wall Street Journal prime rate as in effect from time to time, or (ii) LIBOR for a borrowing period selected by Borrower of one, two or three months, adjusted for regulatory reserve requirements, plus 1.65% if the outstanding principal balance of the Note is less than \$10 million or 1.50% if the outstanding principal balance is \$10 million or above. An additional fee of 0.25% per annum on the unused portion of the revolving credit is also payable for any quarter during which outstanding borrowings and letters of credit average less than \$10 million.

The Credit Facility contains a number of restrictive covenants including one requiring the Borrower to maintain a minimum tangible net worth.

Under the Credit Facility it is an event of default if the Borrower fails to make the payments required of it or otherwise to fulfill the covenants applicable to it. In the case of events of default which are unremedied within allowable grace periods, the lender may terminate its revolving credit commitment and require immediate repayment of all outstanding borrowings.

A copy of the Credit Agreement is included as Exhibit 10.1 and a copy of the related Promissory Note is included as Exhibit 10.2 to this Current Report on Form 8-K, and such Exhibits are incorporated into this Item 2.03 by reference and any description of the Credit Facility in this Item 2.03 is qualified by such reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1. Loan Agreement dated September 18, 2006 between AMREP Southwest Inc. and Compass Bank.

Exhibit 10.2. \$25,000,000 Promissory Note (Revolving Line of Credit) dated September 18, 2006 of AMREP Southwest Inc. payable to the order of Compass Bank.

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.

AMREP CORPORATION

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(Registrant)

By: /s/ Peter M. Pizza

Peter M. Pizza
Vice President and
Chief Financial Officer

Date: September 21, 2006

EXHIBIT INDEX

Exhibit No. -----	Description -----
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10.2.	\$25,000,000 Promissory Note (Revolving Line of Credit) dated September 18, 2006 of AMREP Southwest Inc. payable to the order of Compass Bank.