

Primoris Services Corp  
Form 8-K  
December 14, 2011

# 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 23, 2011**

## PRIMORIS SERVICES CORPORATION

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-34145**  
(Commission  
File Number)

**20-4743916**  
(IRS Employer  
Identification No.)

**2100 McKinney Avenue, Suite 1500, Dallas, TX 75201**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(214) 740-5600**

**Not Applicable**

(Former name or former address, if changed since last report)

## Edgar Filing: Primoris Services Corp - Form 8-K

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))
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As used in this Current Report on Form 8-K, the terms we, us, our and the Company mean Primoris Services Corporation, a Delaware corporation, and our consolidated subsidiaries, taken together as a whole.

### **Item 1.01 Entry into a Material Definitive Agreement**

#### **Letter of Credit Agreement with Bank of the West**

On September 23, 2011, we entered into a credit agreement ( Credit Agreement ) with Bank of the West for purposes of issuing commercial letters of credit for an amount of up to \$8 million. The credit facility expires on August 31, 2012 and is attached as Exhibit #10.1 to this Current Report on Form 8-K. The Company will maintain a cash balance at the bank in an amount equal to the full amount of any issued letters of credit.

#### **Fifth Amendment to Loan and Security Agreement with PrivateBank and Trust Company**

On November 28, 2011, we entered into a Fifth Amendment (the Fifth Amendment ) to our Loan and Security Agreement (the Agreement ), dated October 28, 2009, with The PrivateBank and Trust Company. A copy of the Fifth Amendment is attached as Exhibit #10.2 to the Current Report on Form 8-K. The Fifth Amendment provides that total debt for capital expenditures, including previously financed capital expenditures, may not exceed \$85 million and additionally, investments in WesPac Energy LLC may not exceed \$20 million. Other than as described above, the Agreement remains unchanged. For a complete copy of the Agreement, please refer to our Current Report on Form 8-K/A (Amendment No. 1), filed on August 3, 2010.

#### **Amendment No. 3 to Master Loan and Security Agreement and Promissory Note with Fifth Third Bank**

On November 30, 2011, Stellaris, JCG and ARB, Inc., wholly owned subsidiaries of the Company entered into Amendment No. 3 to the Master Loan and Security Agreement, dated as of August 31, 2009 for the financing of equipment up to \$10.5 million, pursuant to an equipment note. The Promissory Note, dated November 30, 2011 with Fifth Third Bank for \$10.5 million, was funded on December 2, 2011, with proceeds used primarily for payoff of certain secured notes with higher rates of interest averaging approximately 5.6%. The Promissory Note is secured by certain construction equipment as outlined in the Promissory Note Schedule A. The Promissory Note is payable in equal monthly installments over a five year period. The principal amount of the Promissory Note bears interest at 2.63% per annum and may prepay the note in whole after the first year, subject to a prepayment premium. Certain of our subsidiaries have agreed to be obligated as co-borrowers for all amounts borrowed under the Amendment No. 3 and the Promissory Note. A copy of Amendment No. 3 is attached as Exhibit #10.3 and the Promissory Note as Exhibit #10.4 to the Current Report on Form 8-K.

#### **Loan and Security Agreement with JPMorgan Chase Bank, N.A.**

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On November 30, 2011, Stellaris, LLC ( Stellaris ) and James Construction Group, LLC ( JCG ), wholly owned subsidiaries of the Company, entered into a Loan and Security Agreement (the Chase Agreement ) with JP Morgan Chase Bank (the Bank ) for financing of equipment up to \$16 million, pursuant to an equipment note. The Business Purpose Promissory Note, (the Note ), dated November 30, 2011, with the Bank for \$16 million, was funded on December 5, 2011. The Note is secured by certain construction equipment as outlined in Schedule A-1 (filed as Exhibit #10.7 of this Form 8-K). The Note is payable in equal monthly installments over a five year period. The principal amount of the Note bears interest at 2.14% per annum and may be prepaid, subject to certain prepayment breakage fees. In connection with the transaction, we entered into a Guaranty Agreement, dated November 22, 2011 with the Bank, whereby we guaranteed the obligations of Stellaris and JCG under the Chase Agreement. A copy of Chase Agreement is attached as Exhibit #10.5 and the Note as Exhibit #10.6 to the Current Report on Form 8-K.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

| <b>Exh. No.</b> | <b>Description</b>   |
|-----------------|--|
| 10.1            | Credit Agreement, dated September 23, 2011, by and among Primoris Services Corporation and Bank of the West.   |
| 10.2            | Fifth Amendment to Loan and Security Agreement, dated November 28, 2011, by and among Primoris Services Corporation and The PrivateBank and Trust Company.   |
| 10.3            | Amendment No. 3 to the Master Loan and Security Agreement Loan and Security Agreement, dated November 30, 2011, by and among James Construction Group LLC, Stellaris LLC, ARB Inc. and Fifth Third Bank. |
| 10.4            | Promissory Note, dated November 30, 2011, by and among James Construction Group LLC, Stellaris LLC, ARB Inc. and Fifth Third Bank.   |
| 10.5            | Loan and Security Agreement, dated November 30, 2011, by and among Stellaris LLC, James Construction Group LLC and JPMorgan Chase Bank, N.A.   |
| 10.6            | Business Purpose Promissory Note, dated November 30, 2011, by and among Stellaris LLC, James Construction Group LLC and JPMorgan Chase Bank, N.A.  |
| 10.7            | Schedule A-1 Equipment Collateral, dated November 30, 2011, by and between Stellaris LLC, James Construction Group LLC and JPMorgan Chase Bank, N.A.   |

**SIGNATURE**

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.

**PRIMORIS SERVICES CORPORATION**

Date: December 14, 2011

|     |                       |   |
|-----|-----------------------|---|
| By: | /s/ Peter J. Moerbeek |   |
|     | Name:                 | Peter J. Moerbeek                                 |
|     | Title:                | Executive Vice President, Chief Financial Officer |

**EXHIBIT INDEX**

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