

CALLAWAY GOLF CO /CA  
Form 8-K  
January 27, 2006

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**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): January 23, 2006

**CALLAWAY GOLF COMPANY**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or Other Jurisdiction  
of Incorporation)

**1-10962**  
(Commission  
File Number)

**95-3797580**  
(IRS Employer  
Identification No.)

**2180 Rutherford Road, Carlsbad, California**  
(Address of principal executive offices)

**92008-7328**  
(Zip Code)

Registrant's telephone number, including area code: (760) 931-1771

**NOT APPLICABLE**

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

## Edgar Filing: CALLAWAY GOLF CO /CA - 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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## SECTION 1 REGISTRANT'S BUSINESS AND OPERATIONS

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

As of January 23, 2006, Callaway Golf Company (the Company), Bank of America, N.A. (as Administrative Agent, Swing Line Lender and L/C Issuer), and certain other lenders party to the Company's November 5, 2004 Amended and Restated Credit Agreement (as amended, the Credit Agreement), entered into a Second Amendment to Amended and Restated Credit Agreement (the Second Amendment). Capitalized terms used and not otherwise defined herein have the meanings set forth in the Credit Agreement.

The material terms of the Second Amendment are as follows:

The Second Amendment reduces the commitment fee margins and interest rate margins applicable to Loans outstanding under the Credit Agreement.

The Second Amendment extends the Maturity Date of the Credit Agreement to January 23, 2011.

The Second Amendment makes less restrictive the following covenants: (i) the covenant limiting the ability of the Company and its Material Subsidiaries to dispose of assets outside the ordinary course of business, (ii) the covenant limiting the ability of the Company and its Material Subsidiaries to pay dividends, repurchase stock and make other Restricted Payments and (iii) the covenant limiting the ability of the Company and its Material Subsidiaries to make Capital Expenditures.

The Second Amendment eliminates the Consolidated Asset Coverage Ratio, Consolidated Capitalization Ratio, and Minimum Consolidated EBITDA financial covenants set forth in the Credit Agreement, and adds a new financial covenant requiring the Company to maintain certain minimum levels of Consolidated Tangible Net Worth.

The Credit Agreement provides for revolving loans of up to \$250.0 million, although actual borrowing availability is effectively limited by the financial covenants contained therein. At January 27, 2006, the maximum amount that could be borrowed under the Credit Agreement was approximately \$180.0 million and approximately \$25.0 million of that amount was then outstanding, including \$1.7 million of issued Letters of Credit.

The description of the terms of the Second Amendment is qualified in its entirety by reference to the Second Amendment which is attached hereto as Exhibit 10.60 and incorporated in this Item 1.01 by reference.

## SECTION 9 FINANCIAL STATEMENTS AND EXHIBITS

### Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

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The following exhibits are being filed or furnished herewith:

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 10.60              | Second Amendment to Amended and Restated Credit Agreement dated as of January 23, 2006 by and among Callaway Golf Company, Bank of America, N.A. (as Administrative Agent, Swing Line Lender and L/C Issuer), and certain other lenders named therein. |

**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.

**CALLAWAY GOLF COMPANY**

Dated: January 27, 2006

**By: /s/ Bradley J. Holiday**  
Name: Bradley J. Holiday  
Title: Senior Executive Vice President and  
Chief Financial Officer

**EXHIBIT INDEX**

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