
Section 1: 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

December 13, 2017

Date of report (Date of earliest event reported)

Condor Hospitality Trust, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

1-34087
(Commission File Number)
4800 Montgomery Lane, Suite 220
Bethesda, MD
(Address of Principal Executive Offices)

52-1889548
(IRS Employer Identification No.)

20814
(Zip Code)

(402) 371-2520
(Registrant's Telephone Number, Including Area Code)

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On December 13, 2017, Condor Hospitality Limited Partnership (the "Operating Partnership"), the operating partnership of Condor Hospitality Trust, Inc. (the "Company"), entered into a Second Amendment to Credit Agreement among the Operating Partnership, as borrower, the Company and the subsidiary guarantors party thereto, as guarantors, KeyBank National Association and the other lenders party thereto, as lenders, and KeyBank National Association, as administrative agent (the "Second Amendment"). The Second Amendment amends the Credit Agreement dated as of March 1, 2017, as amended by the First Amendment dated as of May 11, 2017 (collectively, the "Credit Agreement"). The Credit Agreement is described in the Company's Current Reports on Form 8-K dated March 1, 2017 and May 11, 2017 and is incorporated herein by reference.

The Second Amendment amends the covenant which prohibits dividends and other distributions from exceeding 95% of funds available for distribution by requiring that the measurement be annualized as of the then current quarter until June 30, 2017 (at which time the measurement will be based on the prior four quarters).

Some of the lenders in the Credit Agreement and / or their affiliates have other business relationships with the Company involving the provision of financial and bank-related services, including cash management and treasury services, and have participated in the Company's prior debt financings and sales of securities.

The foregoing summary of the Second Amendment does not purport to be complete and is qualified in its entirety by reference to the Second Amendment, a copy of which is attached as Exhibit 10.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

10.1 Second Amendment to Credit Agreement dated as of December 13, 2017 among Condor Hospitality Limited Partnership, as Borrower, Condor Hospitality Trust, Inc. and the other subsidiary guarantors party thereto, as Guarantors, Keybank National Association and the other lenders party thereto, as Lenders, and Keybank National Association, as Administrative Agent.

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.

Condor Hospitality Trust, Inc.

Date: December 15, 2017

By: /s/ Jonathan Gantt
Name: Jonathan Gantt
Title: Chief Financial Officer

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Section 2: EX-10.1 (SECOND AMENDMENT TO CREDIT AGREEMENT)

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of December 13, 2017, effective as of September 30, 2017, by and among **CONDOR HOSPITALITY LIMITED PARTNERSHIP**, a Virginia limited partnership ("Borrower"), the undersigned parties to this Amendment executing as "Guarantors" (hereinafter referred to individually as "Guarantor" and collectively as "Guarantors"), **KEYBANK NATIONAL ASSOCIATION** ("KeyBank"), **THE HUNTINGTON NATIONAL BANK** ("Huntington"), **BMO HARRIS BANK N.A.** ("BMO"; KeyBank, Huntington and BMO collectively, the "Lenders"), and KeyBank as Agent for itself and the other Lenders from time to time a party to the Credit Agreement (as hereinafter defined) (KeyBank, in its capacity as Agent, is hereinafter referred to as "Agent").

WITNESSETH:

WHEREAS, the Borrower, Agent, KeyBank and the lenders party thereto are parties to that certain Credit Agreement dated as of March 1, 2017, as amended by that certain First Amendment to Credit Agreement and Other Loan Documents dated as of May 11, 2017 (the "First Amendment") (as such Credit Agreement, as amended by the First Amendment, may be further varied, extended, supplemented, consolidated, replaced, increased, renewed, modified or amended from time to time, the "Credit Agreement");

WHEREAS, certain of the Guarantors executed and delivered to Agent that certain Unconditional Guaranty of Payment and Performance dated as of March 1, 2017, as amended by the First Amendment (as such Guaranty, as amended by the First Amendment, may be further varied, extended, supplemented, consolidated, replaced, increased, renewed, modified or amended from time to time, the "Guaranty");

WHEREAS, Borrower and certain of the Guarantors executed and delivered to Agent that certain Cash Collateral Account Agreement dated as of March 1, 2017, as amended by that certain First Amendment to Cash Collateral Account Agreement dated as of March 24, 2017 (as the same may be further varied, extended, supplemented, consolidated, replaced, increased, renewed, modified or amended from time to time, the "Cash Collateral Agreement");

WHEREAS, CDOR TLH Magnolia, LLC, TRS TLH Magnolia, LLC, CDOR LEX Lowry, LLC, TRS LEX Lowry, LLC, CDOR AUS Louis, LLC and TRS AUS Louis, LLC have become a party to the Guaranty and the Cash Collateral Agreement pursuant to that certain Joinder Agreement dated March 24, 2017; and

WHEREAS CDOR MCO Village, LLC and TRS MCO Village, LLC have become a party to the Guaranty and the Cash Collateral Agreement pursuant to that certain Joinder Agreement dated June 21, 2017; and

WHEREAS CDOR ELP Edge, LLC, TRS ELP Edge, LLC, CDOR AUS Casey, LLC and TRS AUS Casey, LLC have become a party to the Guaranty and the Cash Collateral Agreement pursuant to that certain Joinder Agreement dated August 31, 2017; and

WHEREAS, the Borrower and the Guarantors have requested that the Agent and the Lenders make certain modifications to the Credit Agreement and Agent and the undersigned Lenders have consented to such modifications, subject to the execution and delivery of this Amendment.

NOW, THEREFORE, for and in consideration of the sum of TEN and NO/100 DOLLARS (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. Definitions. Capitalized terms used in this Amendment, but which are not otherwise expressly defined in this Amendment, shall have the respective meanings given thereto in the Credit Agreement.

2. Modifications of the Credit Agreement. The Borrower, Agent and the Lenders do hereby modify and amend the Credit Agreement by deleting in its entirety §8.7(b) of the Credit Agreement, and inserting in lieu thereof the following:

"(b) On and after September 30, 2017, the Borrower, General Partner and REIT shall not pay any Distribution to their partners or shareholders, respectively, to the extent that the aggregate amount of such Distribution paid, when added to the aggregate amount of all other Distributions paid in any period of four (4) consecutive fiscal quarters, exceeds ninety-five percent (95%) of Funds Available for Distribution for such period); provided that the limitations contained in this §8.7(b) shall not preclude Distributions in an amount equal to the minimum distributions required under the Code to maintain the REIT Status of REIT, as evidenced by a certification of the principal financial or accounting officer of REIT containing calculations in detail reasonably satisfactory in form and substance to the Agent. For the purposes of calculating compliance with this §8.7(b), Funds Available For Distribution and Distributions shall be calculated (i) for the fiscal quarter ending September 30, 2017, by multiplying the Funds Available For Distribution and Distributions for the period from July 1, 2017 through and including September 30, 2017, by four (4), (ii) for the fiscal quarter ending December 31, 2017, by multiplying the Funds Available For Distribution and Distributions for the period from July 1, 2017 through and including December 31, 2017, by two (2), (iii) for the fiscal quarter ending March 31, 2018, by multiplying the Funds Available for Distribution and Distributions for the period from July 1, 2017 through and including March 31, 2018, by one and one-third (1.33), and (iv) for each calendar quarter thereafter, Funds Available For Distribution and Distributions shall be calculated for the prior four (4) consecutive fiscal quarters most recently ended. Nothing in this §8.7(b) shall prohibit Distributions by the Borrower to the General Partner and Distributions by the General Partner to the REIT to facilitate Distributions by the REIT otherwise permitted in this §8.7(b). In addition, Distributions from the Borrower to the General Partner and Distributions from the General Partner to the REIT shall not be counted in the ninety-five percent (95%) limitation set forth above."

3. References to Credit Agreement. All references in the Loan Documents to the Credit Agreement shall be deemed a reference to the Credit Agreement as modified and amended herein.

4. Consent of Guarantors. By execution of this Amendment, Guarantors hereby expressly consent to the modifications and amendments relating to the Credit Agreement as set forth herein and the execution and delivery of and any other agreements contemplated hereby, and Borrower and Guarantors hereby acknowledge, represent and agree that the Credit Agreement, as modified and amended herein, and the other Loan Documents, as the same may be modified in connection with this Amendment, remain in full force and effect and constitute the valid and legally binding obligation of Borrower and Guarantors, respectively, enforceable against such Persons in accordance with their respective terms, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and the effect of general principles of equity, and that the Guaranty extends to and applies to the foregoing documents as modified and amended.

5. Representations. Borrower and Guarantors represent and warrant to Agent and the Lenders as follows as of the date of this Amendment:

(a) Authorization. The execution, delivery and performance by the Borrower and the Guarantors of this Amendment and any other agreements contemplated hereby and the transactions contemplated hereby and thereby (i) are within the authority of Borrower and Guarantors, (ii) have been duly authorized by all necessary proceedings on the part of such Persons, (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which any of such Persons is subject or any judgment, order, writ, injunction, license or permit applicable to such Persons, (iv) do not and will not conflict with or constitute a default (whether with the passage of time or the giving of notice, or both) under any provision of the partnership agreement, operating agreement, articles of incorporation or other charter documents or bylaws of, or any agreement or other instrument binding upon, any of such Persons or any of its properties, (v) do not and will not result in or require the imposition of any lien or other encumbrance on any of the properties, assets or rights of such Persons other than the liens and encumbrances in favor of the Agent contemplated by this Amendment and the other Loan Documents, and (vi) do not require any approval or consent of any Person other than those already obtained and delivered to the Agent.

(b) Enforceability. This Amendment and each other document executed and delivered in connection with this Amendment are the valid and legally binding obligations of Borrower and Guarantors, enforceable in accordance with the respective terms and provisions hereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and the effect of general principles of equity.

(c) Approvals. The execution, delivery and performance by the Borrower and the Guarantors of this Amendment and any other agreements contemplated hereby and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing or registration with, or the giving of any notice to, any court, department, board, governmental agency or authority other than those already obtained.

(d) Reaffirmation. Each of the representations and warranties made by or on behalf of Borrower, Guarantors or any of their respective Subsidiaries contained in this Amendment, the Credit Agreement, the other Loan Documents or in any document or instrument delivered pursuant to or in connection with the Credit Agreement or this Amendment are true in all material respects as of the date as of which they were made and are true in all material respects as of the date hereof, with the same effect as if made at and as of that time, except to the extent of changes resulting from transactions permitted by the Loan Documents (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct only as of such specified date).

(e) No Default. By execution hereof, the Borrower and Guarantors certify that the Borrower and Guarantors are and will be in compliance with all covenants under the Loan Documents immediately after the execution and delivery of this Amendment and the other documents executed in connection herewith, and that no Default or Event of Default has occurred and is continuing.

6. Waiver of Claims. Borrower and Guarantors acknowledge, represent and agree that Borrower and Guarantors as of the date hereof have no defenses, setoffs, claims, counterclaims or causes of action of any kind or nature whatsoever with respect to the Loan Documents, the administration or funding of the Loans or Letters of Credit or with respect to any acts or omissions of Agent or any Lender, or any past or present officers, agents or employees of Agent or any Lender, and each of Borrower and Guarantors does hereby expressly waive, release and relinquish any and all such defenses, setoffs, claims, counterclaims and causes of action, if any.

7. Ratification. Except as hereinabove set forth, all terms, covenants and provisions of the Credit Agreement and the other Loan Documents remain unaltered and in full force and effect, and the parties hereto do hereby expressly ratify and confirm the Credit Agreement and the other Loan Documents. Nothing in this Amendment or any other document executed in connection herewith shall be deemed or construed to constitute, and there has not otherwise occurred, a novation, cancellation, satisfaction, release, extinguishment or substitution of the indebtedness evidenced by the Notes or the other obligations of Borrower and Guarantors under the Loan Documents (including without limitation the Guaranty). This Amendment shall constitute a Loan Document.

8. Counterparts. This Amendment may be executed in any number of counterparts which shall together constitute but one and the same agreement.

9. Miscellaneous. THIS AMENDMENT SHALL, PURSUANT TO NEW YORK GENERAL OBLIGATIONS LAW SECTION 5-1401, BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors, successors-in-title and assigns as provided in the Credit Agreement.

10. Amendments of Other Loan Documents. The Lenders authorized Agent to execute and deliver amendments to the other Loan Documents as Agent deems appropriate contemporaneously with the execution and delivery of this Amendment.

11. Effective Date. This Amendment shall be deemed effective and in full force and effect (the "Effective Date") upon confirmation by the Agent of the satisfaction of the following conditions:

- (a) the execution and delivery of this Amendment by Borrower, Guarantors, Agent, and the Required Lenders;
- (b) receipt by Agent of such other resolutions, certificates, documents, instruments and agreements as the Agent may reasonably request; and
- (c) the Borrower shall have paid the reasonable fees and expenses of Agent in connection with this Amendment and the transactions contemplated hereby.

[CONTINUED ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto, acting by and through their respective duly authorized officers and/or other representatives, have duly executed this Amendment under seal as of the day and year first above written.

BORROWER:

CONDOR HOSPITALITY LIMITED PARTNERSHIP, a Virginia limited partnership
By: Condor Hospitality REIT Trust, a Maryland real estate investment trust, its general partner

By: /s/ Jonathan J. Gantt
Name: Jonathan J. Gantt
Title: Vice President

GUARANTORS:

CONDOR HOSPITALITY REIT TRUST, a Maryland real estate investment trust

By: /s/ Jonathan J. Gantt
Name: Jonathan J. Gantt
Title: Vice President

CONDOR HOSPITALITY TRUST, INC., a Maryland corporation

By: /s/ Jonathan J. Gantt
Name: Jonathan J. Gantt
Title: Senior Vice President & Chief Financial Officer

TRS LEASING, INC., a Virginia corporation

By: /s/ Jonathan J. Gantt
Name: Jonathan J. Gantt
Title: Vice President

SPPR-SOUTH BEND, LLC, a Delaware limited liability company

By: Condor Hospitality Limited Partnership, a Virginia limited partnership, its manager

By: Condor Hospitality REIT Trust, a Maryland real estate investment trust, its general partner

By: /s/ Jonathan J. Gantt
Name: Jonathan J. Gantt
Title: Vice President

SPPR-DOWELL, LLC, a Delaware limited liability company

By: SPPR-Dowell Holdings, Inc., a Delaware corporation, its manager

By: /s/ Jonathan J. Gantt
Name: Jonathan J. Gantt
Title: Vice President

SPPR-DOWELL HOLDINGS, INC., a Delaware corporation

By: /s/ Jonathan J. Gantt
Name: Jonathan J. Gantt
Title: Vice President

SPPR-DOWELL TRS SUBSIDIARY, LLC, a Delaware limited liability company

By: Condor Hospitality REIT Trust, a Maryland real estate investment trust, its manager

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

SOLOMONS BEACON INN LIMITED PARTNERSHIP, a Maryland limited partnership

By: Solomons GP, LLC, a Delaware limited liability company, its general partner

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

SOLOMONS GP, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

TRS SUBSIDIARY, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

SPPR-HOTELS, LLC, a Delaware limited liability company

By: SPPR Holdings, Inc., a Delaware corporation, its manager

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

SPPR HOLDINGS, INC., a Delaware corporation

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

(Signatures Continued On Next Page)

Signature Page to Second Amendment to Credit Agreement - KeyBank/Condor

SPPR TRS SUBSIDIARY, LLC, a Delaware limited liability company

By: TRS Leasing, Inc., a Virginia corporation, its manager

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

CDOR AUS LOUIS, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

CDOR LEX LOWRY, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

CDOR TLH MAGNOLIA, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

TRS AUS LOUIS, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

TRS LEX LOWRY, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

TRS TLH MAGNOLIA, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

CDOR MCO VILLAGE, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

TRS MCO VILLAGE, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

CDOR ELP EDGE, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

TRS ELP EDGE, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

CDOR AUS CASEY, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

TRS AUS CASEY, LLC, a Delaware limited liability company

By: /s/ Jonathan J. Gantt

Name: Jonathan J. Gantt

Title: Vice President

(Signatures Continued On Next Page)

Signature Page to Second Amendment to Credit Agreement - KeyBank/Condor

LENDERS:

KEYBANK NATIONAL ASSOCIATION, individually and as Agent

By: /s/ Daniel Stegemoeller

Name: Daniel Stegemoeller

Title: Sr. Vice President

THE HUNTINGTON NATIONAL BANK

By: /s/ Lisa M. Mahoney

Name: Lisa M. Mahoney

Title: Assistant Vice President

BMO HARRIS BANK N.A.

By: /s/ Gwendolyn Gatz

Name: Gwendolyn Gatz

Title: Vice President

Signature Page to Second Amendment to Credit Agreement - KeyBank/Condor

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