

GOLF TRUST OF AMERICA INC
Form 8-K
June 26, 2007

**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**

Date of report (Date of earliest event reported): **June 25, 2007**

Golf Trust of America, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction
of Incorporation)

000-22091
(Commission
File Number)

33-0724736
(IRS Employer
Identification Number)

10 North Adger s Wharf, Charleston, SC 29401
(Address of Principal Executive Offices) (Zip Code)

(843) 723-4653
(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 (see General Instruction A.2. below):

- o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- o 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.

Asset Purchase Agreement for the Disposition of Innisbrook Resort and Golf Club

On June 25, 2007, Golf Trust of America, Inc. (the Company), the Company's operating partnership, Golf Trust of America, L.P. (the Parent), and the Parent's subsidiaries GTA-IB, LLC (the Seller), GTA-IB Golf Resort, LLC (the Holding Company), GTA-IB Condominium, LLC (the Condo Owner) and GTA-IB Management, LLC (the Management Company) and, collectively with the Company, the Parent, the Seller, the Holding Company and the Condo Owner, the Seller Entities) entered into an Asset Purchase Agreement (the Agreement) with Salamander Innisbrook Securities, LLC (SIS), Salamander Innisbrook Condominium, LLC (SIC), and Salamander Innisbrook, LLC (SI) and together with SIS and SIC, Buyer). The Agreement, among other things, provides for the acquisition by the Buyer of the business (the Business) of the Innisbrook Resort and Golf Club (the Resort), certain related assets and liabilities and the Holding Company's equity interest in Golf Host Securities, Inc. In addition to the assumption of certain liabilities relating to the Resort and the Business, the Agreement provides that the Buyer will pay to the Seller upon the closing of the transactions contemplated by the Agreement (the Closing) \$35 million in cash, subject to certain adjustments (the Purchase Price). Upon execution of the Agreement, the Buyer deposited in escrow with Stewart Title Guaranty Company cash in the amount of \$3 million as a deposit against the Purchase Price, which is non-refundable to the Buyer except as otherwise expressly provided in the Agreement. The Closing is subject to customary closing conditions and is expected to occur on or about July 16, 2007.

A copy of the Agreement is included as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference. The description of the Agreement is qualified in its entirety by the contents thereof.

AEW Option Agreement

On June 25, 2007, the Company and AEW Targeted Securities Fund, L.P. (AEW) entered into an Option Agreement (the Option Agreement) relating to 800,000 shares of the Company's Series A Cumulative Convertible Redeemable Preferred Stock (the Preferred Stock) held by AEW. The Option Agreement, among other things:

- grants the Company the option (the Option), exercisable by the Company in its sole discretion, to purchase, on or before August 1, 2007 (the Option Termination Date), all 800,000 shares of the Preferred Stock held by AEW including, without limitation, all of AEW's rights to Liquidation Preferences (as defined in the Company's Articles Supplementary, including, without limitation, Liquidation Preferences in respect of any accrued and unpaid dividends) payable in respect of such shares as of the Company's exercise of the Option for a price of \$17.5 million (the Exercise Price), subject to upward adjustment; provided, however, that the Option shall only be exercisable by the Company in the event that the Business of the Resort is purchased pursuant to the essential terms and conditions, including purchase price, of the Agreement, as described in Item 1.01(a) above; and
- provides that at such time as the Company exercises the Option and pays the Exercise Price in accordance with the provisions of the Option Agreement, all rights of AEW pursuant to any agreements between AEW and the Company, the Company's Articles Supplementary or otherwise shall terminate, and the Preferred Stock purchased shall be authorized and unissued shares of Preferred Stock to which AEW shall no longer have any ownership rights.

A copy of the Agreement is included as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated herein by reference. The description of the Agreement is qualified in its entirety by the contents thereof.

On June 25, 2007, the Company issued a press release relating to these matters, which is included as Exhibit 99.1 to this filing.

Item 3.03. Material Modification to Rights of Security Holders.

The information under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit

No.	Description
10.1	Asset Purchase Agreement by and among Golf Trust of America, Inc., Golf Trust of America, L.P., GTA-IB, LLC, GTA-IB Golf Resort, LLC, GTA-IB Condominium, LLC, GTA-IB Management, LLC and Salamander Innisbrook Securities, LLC, Salamander Innisbrook Condominium, LLC and Salamander Innisbrook, LLC dated as of June 25, 2007.
10.2	Option Agreement, dated June 25, 2007, by and between Golf Trust of America, Inc. and AEW Targeted Securities Fund, L.P.
99.1	Press Release of Golf Trust of America, Inc.

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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.

GOLF TRUST OF AMERICA, INC.
(Registrant)

June 26, 2007

By: /s/ W. Bradley Blair, II
W. Bradley Blair, II
President and Chief Executive Officer

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EXHIBIT INDEX

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