

ASHFORD HOSPITALITY TRUST INC

Form 8-K

October 19, 2005

Table of Contents

**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): October 13, 2005
ASHFORD HOSPITALITY TRUST, INC.
(Exact name of registrant as specified in its charter)**

MARYLAND
(State of Incorporation)

001-31775
(Commission File Number)

86-1062192
(I.R.S. Employer
Identification
Number)

14185 Dallas Parkway, Suite 1100
Dallas, Texas
(Address of principal executive offices)

75254
(Zip code)

Registrant's telephone number, including area code: (972) 490-9600

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- 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))
-

TABLE OF CONTENTS

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

ITEM 2.03 MATERIAL FINANCIAL OBLIGATION

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

SIGNATURE

Commitment Letter

Early Rate Lock Agreement

Amended/Restated Loan Agreement

Amended/Restated Cross-Collateralization and Cooperation Agreement

Loan Agreement

Cross-Collateralization and Cooperation Agreement

Amended/Restated Loan Agreement

Amended/Restated Cross-Collateralization and Cooperation Agreement

Amended/Restated Loan Agreement

Amended/Restated Cross-Collateralization and Cooperation Agreement

Table of Contents

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On October 13, 2005, wholly-owned subsidiaries of Ashford Hospitality Trust, Inc. (the Company) amended and restated three existing cross-collateralized loan agreements with Merrill Lynch Mortgage Lending, Inc. (Merrill Lynch) and entered into one additional cross-collateralized loan agreement with Merrill Lynch. The material agreements related to this transaction are:

Amended and Restated Loan Agreement, dated as of October 13, 2005, by and among Ashford Orlando Sea World Limited Partnership, Ashford Salt Lake Limited Partnership, Ashford Ruby Palm Desert I Limited Partnership, Ashford Charlotte Limited Partnership, Ashford Overland Park Limited Park Limited Partnership, and Ashford Raleigh Limited Partnership (collectively, the Original Pool 1 Borrowers); Ashford Orlando Sea World Limited Partnership, Ashford Salt Lake Limited Partnership, Ashford Ruby Palm Desert I Limited Partnership, Ashford Charlotte Limited Partnership, Ashford Overland Park Limited Park Limited Partnership, Ashford Raleigh Limited Partnership, Key West Florida Hotel Limited Partnership, Minnetonka Minnesota Hotel Limited Partnership, and Annapolis Maryland Hotel Limited Partnership, (collectively, the Pool 1 Borrowers), and Merrill Lynch;

Amended and Restated Cross-Collateralization and Cooperation Agreement, dated October 13, 2005, between the Pool 1 Original Borrowers, the Pool 1 Borrowers, and Merrill Lynch;

Loan Agreement, dated as of October 13, 2005, by and among Ashford Crystal City Limited Partnership, New Clear Lake Hotel Limited Partnership, and New Indianapolis Downtown Hotel Limited Partnership (collectively, the Pool 2 Borrowers) and Merrill Lynch;

Cross-Collateralization and Cooperation Agreement, dated October 13, 2005, between the Pool 1 Borrowers and Merrill Lynch;

Amended and Restated Loan Agreement, dated as of October 13, 2005, by and among Ashford Ft. Lauderdale Weston I LLC, Ashford Ft. Lauderdale Weston II LLC, Ashford Ft. Lauderdale Weston III LLC, Ashford Centerville Limited Partnership, Ashford Crystal City Limited Partnership, Ashford Overland Park Limited Partnership, and Ashford Alpharetta Limited Partnership (collectively, the Original Pool 3 Borrowers); Ashford Ft. Lauderdale Weston I LLC, Ashford Ft. Lauderdale Weston II LLC, Ashford Ft. Lauderdale Weston III LLC, Ashford Centerville Limited Partnership, Ashford Gaithersburg Limited Partnership, New Beverly Hills Hotel Limited Partnership, New Fort

Table of Contents

Tower I Hotel Limited Partnership, and New Fort Tower II Hotel Limited Partnership (collectively, the Pool 3 Borrowers); and Merrill Lynch;
Amended and Restated Cross-Collateralization and Cooperation Agreement, dated October 13, 2005, between the Original Pool 3 Borrowers, the Pool 3 Borrowers, and Merrill Lynch;
Amended and Restated Loan Agreement, dated as of October 13, 2005, by and among Ashford Falls Church Limited Partnership, Ashford Gaithersburg Limited Partnership, Ashford Mira Mesa Limited Partnership, Ashford Irvine Spectrum Foothill Ranch Limited Partnership, and Ashford Raleigh Limited Partnership (collectively, the Original Pool 4 Borrowers); Ashford Irvine Spectrum Foothill Ranch Limited Partnership, Ashford Mira Mesa Limited Partnership, Ashford Falls Church Limited Partnership, Ashford Alpharetta Limited Partnership, and New Houston Hotel Limited Partnership (collectively, the Pool 4 Borrowers) and Merrill Lynch; and
Amended and Restated Cross-Collateralization and Cooperation Agreement, dated October 13, 2005, between the Original Pool 4 Borrowers, the Pool 4 Borrowers, and Merrill Lynch
The information set forth in Item 2.03 is incorporated herein by reference.

ITEM 2.03 MATERIAL FINANCIAL OBLIGATION

On October 13, 2005, the Company completed or amended four cross-collateralized, ten-year mortgage loans totaling \$210.8 million from Merrill Lynch. This \$210.8 million loan portfolio was combined with the Company's six cross-collateralized, ten-year mortgage loans with Merrill Lynch totaling \$370.0 million, which were completed June 17, 2005 in conjunction with the Company's closing on an acquisition of a 30-hotel portfolio. The primary terms of the new \$210.8 million mortgage loan portfolio are as follows:

- a) The loans, together with the existing \$370.0 million loans, bear interest and mature as follows:
-

Table of Contents

| | Principal | Interest Rate | Maturity |
|----|-------------|------------------|------------------|
| \$ | 50,200,000 | 5.32% | July 1, 2015 |
| | 43,490,000 | 5.32% | July 1, 2015 |
| | 160,490,000 | 5.22% | July 1, 2015 |
| | 31,995,000 | 5.32% | July 1, 2015 |
| | 115,120,000 | 5.53% | February 1, 2016 |
| | 96,180,000 | 5.53% | February 1, 2016 |
| | 83,325,000 | 5.53% | February 1, 2016 |

\$ 580,800,000

- b) The loans are secured by 10 additional hotel properties.
- c) The loans require monthly interest-only payments for approximately five years through June 2010 and require monthly interest and principal payments thereafter based on a twenty-five year amortization schedule.
- d) The loans prohibit prepayment but allow defeasement.
- e) The loans are subject to acceleration upon the occurrence of certain events of default by the borrowers (including default by other borrowers under the applicable Cross-Collateralization Agreements).

Related to the new \$210.8 million mortgage loan portfolio, the Company received proceeds of approximately \$172.7 million on October 13, 2005 with the remaining \$38.1 million expected to be received in mid-December 2005. The Company will use the proceeds to extinguish approximately \$129.9 million of existing securitized debt, which has an average interest rate of 6.82%. With the proceeds already received on October 13, 2005, the Company extinguished approximately \$99.9 million of the \$129.9 million debt.

Table of Contents

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(b) Exhibits

- 10.24.8 Commitment Letter, dated October 5, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
 - 10.24.9 Early Rate Lock Agreement, dated October 5, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
 - 10.24.10 Amended and Restated Loan Agreement, dated as of October 13, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
 - 10.24.10.1 Amended and Restated Cross-Collateralization and Cooperation Agreement, dated October 13, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
 - 10.24.11 Loan Agreement, dated as of October 13, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
 - 10.24.11.1 Cross-Collateralization and Cooperation Agreement, dated October 13, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
 - 10.24.12 Amended and Restated Loan Agreement, dated as of October 13, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
 - 10.24.12.1 Amended and Restated Cross-Collateralization and Cooperation Agreement, dated October 13, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
 - 10.24.13 Amended and Restated Loan Agreement, dated as of October 13, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
 - 10.24.13.1 Amended and Restated Cross-Collateralization and Cooperation Agreement, dated October 13, 2005, between the Registrant and Merrill Lynch Mortgage Lending, Inc.
-

Table of Contents

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 19, 2005

ASHFORD HOSPITALITY TRUST, INC.

By: /s/ DAVID A. BROOKS

David A. Brooks
Chief Legal Officer