
Section 1: 8-K (8-K)

**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): July 27, 2018

SOTHERLY HOTELS INC.

SOTHERLY HOTELS LP

(Exact name of Registrant as Specified in Its Charter)

**Maryland (Sotherly Hotels Inc.)
Delaware (Sotherly Hotels LP)**
(State or Other Jurisdiction
of Incorporation)

**001-32379 (Sotherly Hotels Inc.)
001-36091 (Sotherly Hotels LP)**

(Commission File Number)

**20-1531029 (Sotherly Hotels Inc.)
20-1965427 (Sotherly Hotels LP)**
(IRS Employer
Identification No.)

**410 W. Francis Street
Williamsburg, Virginia**
(Address of Principal Executive Offices)

23185
(Zip Code)

Registrant's Telephone Number, Including Area Code: (757) 229-5648

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:

- 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).

Sotherly Hotels Inc. **Sotherly Hotels LP**

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.

Sotherly Hotels Inc. **Sotherly Hotels LP**

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On July 27, 2018, affiliates of Sotherly Hotels Inc. (the “Company”), the sole general partner of Sotherly Hotels LP, entered into a promissory note and other loan documents to secure a \$18.3 million mortgage (the “Mortgage Loan”) on the DoubleTree by Hilton Raleigh Brownstone-University (the “Hotel”) with MetLife Commercial Mortgage Originator, LLC.

Pursuant to the loan documents, the Mortgage Loan:

- has an initial principal balance of \$18.3 million, with an additional \$5.2 million available upon the satisfaction of certain conditions;
- has an initial term of 4 years with a 1-year extension;
- bears a floating interest rate of the 1-month LIBOR rate plus 4.00%, with an interest rate cap of 7.25%;
- requires interest-only monthly payments; and
- following a 12-month lockout, can be prepaid with penalty in year 2 and without penalty thereafter.

The Company used a portion of the proceeds to repay the existing first mortgage on the Hotel and to pay closing costs, and will use the balance of the proceeds for general corporate purposes.

Item 7.01 Regulation FD Disclosure.

On July 31, 2018, the Company issued a press release announcing the transactions effected pursuant to the debt financing of the Hotel. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated by reference herein.

In accordance with General Instruction B.2 and B.6 of Form 8-K, the information included in this Item 7.01 (including Exhibit 99.1 hereto), shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	<u>Press Release of Sotherly Hotels Inc. dated July 31, 2018.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

Date: July 31, 2018

SOTHERLY HOTELS INC.

By: _____ /s/ Anthony E. Domalski
Anthony E. Domalski
Chief Financial Officer

SOTHERLY HOTELS LP

by its General Partner,
SOTHERLY HOTELS INC.

By: _____ /s/ Anthony E. Domalski
Anthony E. Domalski
Chief Financial Officer

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Section 2: EX-99.1 (EX-99.1)



Exhibit 99.1

FOR IMMEDIATE RELEASE
TUESDAY, JULY 31, 2018

SOTHERLY HOTELS INC. ANNOUNCES REFINANCING OF RALEIGH HOTEL

Williamsburg, Virginia – July 31, 2018 – Sotherly Hotels Inc. (**NASDAQ: SOHO**) (the “Company”) announced that it successfully closed an \$18.3 million secured loan collateralized by a first mortgage on the Doubletree by Hilton Raleigh Brownstone-University hotel in Raleigh, North Carolina. The loan carries a 4 - year term with a 1 – year extension option, a floating interest rate of the 1-month LIBOR rate plus 4.00% with the 1-month LIBOR rate capped at 3.25%, and is interest only. The loan also includes a future funding option for capital improvements of up to \$5.2 million, subject to the satisfaction of certain provisions. The proceeds from the loan were used to repay the existing first mortgage and for general corporate purposes.

About Sotherly Hotels Inc.

Sotherly Hotels Inc. is a self-managed and self-administered lodging REIT focused on the acquisition, renovation, upbranding and repositioning of upscale to upper-upscale full-service hotels in the Southern United States. Currently, the Company’s portfolio consists of investments in twelve hotel properties, comprising 3,156 rooms, and an interest in the Hyde Resort & Residences, a luxury condo hotel. The Company owns hotels that operate under the Hilton Worldwide, Hyatt Hotels Corporation, InterContinental Hotels Group and Marriott International, Inc. brands, as well as independent hotels. Sotherly Hotels Inc. was organized in 2004 and is headquartered in Williamsburg, Virginia. For more information, please visit www.sotherlyhotels.com.

Contact at the Company:

Scott Kucinski
Sotherly Hotels Inc.
410 West Francis Street
Williamsburg, Virginia 23185
(757) 229-5648



410 W. FRANCIS STREET, WILLIAMSBURG, VA 23185 SOTHERLYHOTELS.COM OFFICE › 757 : 229 5648 FAX › 757 : 564 8801

[NASDAQ : SHTO]

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