
Section 1: 8-K (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**

Date of report (Date of earliest event reported): May 1, 2019

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 23185
(757) 229-5648

(Address, including Zip Code and Telephone Number, including Area Code, of Principal Executive Offices)

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 8.01. Other Events.

On May 1, 2019, pursuant to the terms of the Underwriting Agreement, dated April 11, 2019, by and among Sotherly Hotels Inc., a Maryland corporation (the “Company”), Sotherly Hotels LP, a Delaware limited partnership of which the Company is the sole general partner, and Sandler O’Neill & Partners, L.P., as representative of the several underwriters listed therein (the “Underwriters”), relating to the underwritten public offering of 1,080,000 shares of the Company’s 8.25% Series D cumulative redeemable perpetual preferred stock, par value \$0.01 (the “Series D Preferred Stock”), which closed on April 18, 2019, the Underwriters partially exercised their option to purchase additional shares of the Series D Preferred Stock (the “Option”) and purchased 120,000 shares of the Series D Preferred Stock from the Company (the “Over-Allotment Shares”) at a price of \$25.00 per share less the underwriting discount.

The legal opinion of Baker & McKenzie LLP relating to the legality of the Over-Allotment Shares purchased in connection with the Option is attached as Exhibit 5.1 to this Current Report.

Item 9.01. Financial Statements and Exhibits.

(a) Exhibits.

5.1 [Opinion of Baker & McKenzie LLP with respect to the legality of the Over-Allotment Shares.](#)

8.1 [Opinion of Baker & McKenzie LLP with respect to tax matters.](#)

23.1 Consent of Baker & McKenzie LLP (included in [Exhibits 5.1](#) and [8.1](#)).

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: May 1, 2019

SOTHERLY HOTELS INC.

By: /s/ David R. Folsom
David R. Folsom
Chief Operating Officer

SOTHERLY HOTELS LP

**by its General Partner,
SOTHERLY HOTELS INC.**

By: /s/ David R. Folsom
David R. Folsom
Chief Operating Officer

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Section 2: EX-5.1 (EX-5.1)

Exhibit 5.1

[Baker & McKenzie LLP Letterhead]

May 1, 2019

Sotherly Hotels Inc.
410 W. Francis Street
Williamsburg, Virginia 23185

RE: Offering of 120,000 Shares of 8.25% Series D Cumulative Redeemable Perpetual Preferred Stock

Ladies and Gentlemen:

We have acted as counsel for Sotherly Hotels Inc., a Maryland corporation (the "Company"), and Sotherly Hotels LP, a Delaware limited partnership of which the Company is the sole general partner (the "Operating Partnership"), in connection with the issuance and sale by the Company of 120,000 shares of its 8.25% Series D cumulative redeemable perpetual preferred stock, \$0.01 par value per share (the "Series D Preferred Stock"), pursuant to the exercise of the over-allotment option (the "Option") granted to the several underwriters named in Schedule I to the Underwriting Agreement, dated as of April 11, 2019 (the "Underwriting Agreement"). The Series D Preferred Stock is the subject of a prospectus included as part of a registration statement on Form S-3 (File Nos. 333-220369 and 333-220369-01), jointly filed on behalf of the Company and the Operating Partnership with the Securities and Exchange Commission (the "SEC") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), on September 7, 2017 and declared effective by the SEC on September 20, 2017 (which, together with the prospectus included therein shall hereinafter be referred to as the "Registration Statement"), as supplemented by a preliminary prospectus supplement filed on April 8, 2019 pursuant to Rule 424(b)(5) under the Securities Act (the "Prospectus Supplement") and a final prospectus supplement filed on April 12, 2019 pursuant to Rule 424(b)(5) (the "Final Prospectus").

The Series D Preferred Stock is to be issued and sold by the Company in connection with the exercise of the Option. Unless otherwise defined herein, each capitalized term used herein that is defined in the Underwriting Agreement has the meaning given such term in the Underwriting Agreement.

In reaching the opinions set forth herein, we have reviewed copies of the Underwriting Agreement, the Registration Statement, including the exhibits thereto, the Prospectus Supplement and the Final Prospectus, and we have examined the originals, or photostatic or certified copies, of the minutes of the meetings and written resolutions of the Board of Directors of the Company, or its committees, as provided to us by the Company, of the Articles of Amendment and Restatement, as amended, the Articles Supplementary and by-laws of the Company, each as restated and/or amended to date, and of such other agreements, certificates of public officials and officers of the Company, records, documents and matters of law that we have deemed relevant and necessary as the basis of the opinions set forth below. In such review, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as photostatic or certified copies and the authenticity of the originals of such copies.

We have assumed that the Series D Preferred Stock will not be issued in violation of any restriction or limitation contained in Article VII of the Articles of Amendment and Restatement, as amended, and Section 9 of the Articles Supplementary.

Based upon and subject to the foregoing, we are of the opinion that the Series D Preferred Stock has been duly and validly authorized, and when issued and paid for in accordance with the terms of the Underwriting Agreement, will be validly issued, fully paid and nonassessable.

The opinions expressed above are limited to the laws of the State of Maryland (including all applicable provisions of the Maryland constitution and reported judicial decisions interpreting these laws), and the federal laws of the United States of America as in effect on the date hereof. We undertake no obligation to advise you as a result of developments occurring after the date hereof as a result of facts or circumstances brought to our attention after the date hereof.

This opinion letter is limited to the matters stated herein and no opinion is implied or may be inferred beyond the matters expressly stated. It is understood that this opinion is to be used only in connection with the offer and sale of the Series D Preferred Stock while the Registration Statement is in effect. We hereby consent to the filing of this opinion with the SEC as an exhibit to the Current Report on Form 8-K dated May 1, 2019, which is incorporated by reference into the Registration Statement and to the use of our name under the caption "Legal Matters" in the Registration Statement and the prospectus that forms a part of the Registration Statement. In giving this consent, we do not hereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the SEC promulgated thereunder or Item 509 of Regulation S-K.

Very truly yours,

/s/ Baker & McKenzie LLP

BAKER & MCKENZIE LLP

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Section 3: EX-8.1 (EX-8.1)

Exhibit 8.1

[Baker & McKenzie LLP Letterhead]

May 1, 2019

PRIVILEGED AND CONFIDENTIAL

Sotherly Hotels Inc. Sotherly Hotels LP
410 W. Francis Street
Williamsburg, Virginia 23185

Ladies and Gentlemen:

We have acted as United States tax counsel for Sotherly Hotels LP, a Delaware limited partnership (the "Operating Partnership"), and its sole general partner, Sotherly Hotels Inc., a Maryland corporation (the "Company") in connection with the offer and sale by the Company of 120,000 shares of the Company's 8.25% Series D Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, pursuant to the exercise of the option to purchase Option Securities (as defined in the Underwriting Agreement) granted to the Underwriters (defined below) pursuant to the terms of an underwriting agreement (the "Underwriting Agreement"), dated April 11, 2019, among the Company, the Operating Partnership, and Sandler O'Neill & Partners, L.P., as representative of the several underwriters named therein (the "Underwriters"). The offering is being conducted as a public offering pursuant to a registration statement on Form S-3 (File Nos. 333-220369 and 333-220369-01) (the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), jointly filed by the Company and the Operating Partnership with the Securities and Exchange Commission (the "SEC") on September 7, 2017 and declared effective by the SEC on September 20, 2017, as supplemented and amended by a prospectus supplement filed with the SEC on April 12, 2019 pursuant to Rule 424(b)(5) under the Act (collectively, the "Prospectus Supplement").

You have now requested our opinions regarding certain specific U.S. federal income tax matters regarding the Company. In rendering these opinions, we have examined and relied upon, with your consent: (a) the descriptions of the Company, its direct and indirect subsidiaries, and its investments, as well as its proposed investments, activities, operations, and governance, as set forth or incorporated in the Registration Statement; (b) that certain certificate dated as of the date hereof (the "Certificate") delivered to us by the Company which provides certain representations relevant to these opinions; and (c) such other documents, agreements and information as we have deemed necessary for purposes of rendering the opinions contained herein. For purposes of such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to authentic original documents of all documents submitted to us as copies, the legal capacity of natural persons executing such documents, the genuineness of all signatures on originals or copies and that all parties to such documents have acted, and will act, in accordance with the terms of such documents.

Our opinions set forth herein are also based on the above assumptions, as well as the assumption that (i) the Company has a valid legal existence under the laws of the state in which it was formed and has operated in accordance with the laws of such state, (ii) the Company is operated, and will continue to be operated, in the manner described in the Certificate, (iii) the facts contained in the Registration Statement are true, correct and complete in

all material respects, (iv) all representations of fact contained in the Certificate are true, correct and complete in all material respects, and (v) any representation of fact in the

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Certificate that is made “to the knowledge” or similarly qualified is correct without such qualification. We have not undertaken any independent inquiry into or verification of these facts either in the course of our representation of the Company or for the purpose of rendering our opinions set forth herein. While we have reviewed all representations made to us to determine their reasonableness and are not aware of any facts inconsistent with such representations, we have no assurance that such representations are or will ultimately prove to be accurate. To the extent that the facts differ from those represented to or assumed by us herein, our opinions set forth herein should not be relied upon.

We also note that the tax consequences addressed herein depend upon the actual occurrence of events in the future, which events may or may not be consistent with any representations made to us for purposes of our opinions set forth herein. In particular, the Company’s qualification and taxation as a REIT for U.S. federal income tax purposes depend upon the Company’s ability to meet, on a continuing basis, through actual annual operating and other results, the various requirements under the Internal Revenue Code of 1986, as amended (the “Code”) and described in the Registration Statement with regard to, among other things, the sources and types of its gross income, the composition of its assets, the level of its distributions to stockholders, and the diversity of its stock ownership. We undertake no responsibility to, and will not, review the Company’s compliance with these requirements on a continuing basis. Accordingly, no assurance can be given that the actual results of the Company’s operations for any particular taxable year will satisfy the requirements under the Code for qualification and taxation of the Company as a REIT. We undertake no obligation to update the opinions set forth herein, or to ascertain after the date hereof whether circumstances occurring after such date may affect the conclusions set forth herein. We express no opinion as to matters governed by any laws other than the Code and the regulations promulgated thereunder by the United States Treasury Department (the “Treasury Regulations”), published administrative announcements and rulings of the Internal Revenue Service (“IRS”) and court decisions.

Our opinions set forth herein are based upon the current provisions of the Code, the Treasury Regulations, published administrative announcements and rulings of the IRS, court decisions, and other applicable authorities, all as in effect on the date hereof. All of the foregoing authorities are subject to change or new interpretation, both prospectively and retroactively, and such changes or interpretation, as well as changes in the facts as they have been represented to us or assumed by us, could affect our opinions set forth herein. Our opinions set forth herein are rendered only as of the date hereof and we undertake no responsibility to update these opinions after this date. Our opinions set forth herein do not foreclose the possibility of a contrary determination by the IRS or by a court of competent jurisdiction, or of a contrary position by the IRS or the United States Treasury Department in regulations or rulings issued in the future.

Based on the foregoing and the next paragraph below, and subject to the limitations, qualifications and exceptions set forth herein, we are of the opinion that:

- a) the Company has been organized and has operated in conformity with the requirements for qualification and taxation as a REIT for the period commencing with its taxable year ended December 31, 2004 and continuing through its taxable year ended December 31, 2018, and its current organization and method of operation will enable it to continue to meet the requirements for qualification and taxation as a REIT for its taxable year ending December 31, 2019, and in the future; and
- b) the discussions in the Registration Statement under the headings “Material U.S. Federal Income Tax Considerations,” as supplemented and amended by the discussion in the Prospectus Supplement under the heading “Supplemental Material U.S. Federal Income Tax Considerations,” to the extent they pertain to matters of law or legal conclusion, are accurate in all material respects.

Other than as expressly stated above, we express no opinion on any issue relating to the Company, or any of its direct or indirect subsidiaries or any of its investments.

We hereby consent to the filing of this opinion as an exhibit to Form 8-K to be filed with the SEC on or about the date hereof. In giving this consent, we do not acknowledge that we are in the category of persons whose consent is required by Section 7 of the Securities Act or the rules and regulations promulgated thereunder by the SEC.

Very truly yours,

/s/ Baker & McKenzie LLP

Baker & McKenzie LLP

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