

Edgar Filing: Ares Commercial Real Estate Corp - Form 8-K

Ares Commercial Real Estate Corp  
Form 8-K  
December 29, 2017

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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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): December 22, 2017

Ares Commercial Real Estate Corporation  
(Exact name of registrant as specified in its charter)

Maryland                      001-35517      45-3148087  
(State or Other Jurisdiction) (Commission   (IRS Employer  
of Incorporation)      File Number) Identification No.)

245 Park Avenue, 42<sup>nd</sup> Floor, New York, NY      10167  
(Address of Principal Executive Offices)      (Zip Code)

Registrant's telephone number, including area code (212) 750-7300

N/A  
(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 22, 2017, Ares Commercial Real Estate Corporation (the “Company”), as borrower, and ACRC Holdings LLC, ACRC Mezz Holdings LLC, ACRC CP Investor LLC and ACRC Warehouse Holdings LLC, wholly-owned subsidiaries of the Company, as guarantors (collectively, the “Guarantors”), entered into an amendment to the Credit and Guaranty Agreement (the “Secured Term Loan”) with the lenders referred to therein and Cortland Capital Market Services LLC, as the administrative agent and collateral agent for the lenders.

The purpose of the amendment to the Secured Term Loan was to, among other things, (1) decrease the spread on advances under the Secured Term Loan to one, two, three or six month LIBOR plus 5.0% per annum (with no LIBOR floor), (2) extend the initial maturity date of the Secured Term Loan to December 22, 2020 and (3) in connection with a voluntary prepayment by the Company, decrease the facility amount of the Secured Term Loan to \$110.0 million. The initial maturity date of the Secured Term Loan is subject to a one-year extension which may be exercised at the Company’s option, provided there are no existing events of default under the Secured Term Loan. During the extension period, the spread on advances under the Secured Term Loan increases every three months by 0.125%, 0.375% and 0.75% per annum, respectively, beginning after the third-month of the extension period. Certain prepayments of principal amounts which are made by the Company prior to the 33-month anniversary of the date of the amendment of the Secured Term Loan will be subject to prepayment premiums.

The obligations of the Company under the Secured Term Loan continue to be guaranteed by the Guarantors.

The foregoing description is only a summary of certain material provisions of the amendment to the Secured Term Loan, and is qualified in its entirety by reference to a copy of such agreement, which is filed herewith as Exhibit 10.1 and by this reference incorporated herein.

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

The information required by Item 2.03 contained in 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 Number	Exhibit Description
10.1	First Amendment to Credit and Guaranty Agreement dated as of December 22, 2017 and is entered into by and among, Wilmington Trust, National Association, as grantor trust trustee, as lender, Cortland Capital Market Services LLC, as the administrative agent and the collateral agent for the lenders, and Ares Commercial Real Estate Corporation, as borrower and ACRC Holdings LLC, ACRC Mezz Holdings LLC, ACRC CP Investor LLC and ACRC Warehouse Holdings LLC, as guarantors.

SIGNATURE

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.

Date: December 29, 2017

ARES COMMERCIAL REAL  
ESTATE CORPORATION

By: /s/ Anton Feingold

Name: Anton Feingold

Title: Vice President and Secretary

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