

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

Ares Commercial Real Estate Corp
Form 8-K
December 14, 2018

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): December 13, 2018

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, 42nd 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 13, 2018, ACRC Lender C LLC (“ACRC Lender C”), a subsidiary of Ares Commercial Real Estate Corporation (the “Company”), entered into an amendment to its Master Repurchase Agreement (the “Citi Facility”) with Citibank, N.A. The purpose of the amendment was to, among other things, increase the commitment size of the facility from \$250.0 million to \$325.0 million, decrease the interest rate on advances under the Citi Facility to a rate of one-month LIBOR plus a variable rate based on the underlying property type and debt yield and extend the initial maturity date of the facility to December 13, 2021. The maturity date of the facility is subject to two one-year extension options (the first extension option extending the maturity date to December 13, 2022 and the second extension option extending the maturity date to December 13, 2023), each of which may be exercised at ACRC Lender C’s option, subject to the satisfaction of certain conditions and applicable extension fees being paid. In connection with the amendment to the Citi Facility, the Company entered into an amendment and restatement of its Guaranty in favor of Citibank, N.A.

The foregoing description is only a summary of certain material provisions of the amendment documents related to the Citi Facility and is qualified in its entirety by reference to a copy of such agreements, which are filed herewith as Exhibits 10.1 and 10.2.

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 |
|----------------|--|
| <u>10.1</u> | Amended and Restated Fourth Amendment to Master Repurchase Agreement dated as of December 13, 2018, among ACRC Lender C LLC, as seller, Ares Commercial Real Estate Corporation, as guarantor, and Citibank, N.A., as buyer. |
| <u>10.2</u> | Second Amended and Restated Substitute Guaranty Agreement, dated as of December 13, 2018, by Ares Commercial Real Estate Corporation in favor of Citibank, N.A. |

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 14, 2018

ARES COMMERCIAL REAL
ESTATE CORPORATION

By: /s/ Anton Feingold

Name: Anton Feingold

Title: Vice President and Secretary