

Section 1: 8-K (FORM 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): September 23, 2019 (September 20, 2019)

SPIRIT MTA REIT
(Exact name of registrant as specified in its charter)

Maryland
(State of
Incorporation)

1-38414
(Commission
File Number)

82-6712510
(IRS Employer
Identification No.)

2727 North Harwood Street, Suite 300, Dallas, TX 75201
(Address of principal executive offices) (Zip Code)

(972) 476-1409
(Registrant's telephone number, including area code)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common shares of beneficial interest, par value \$0.01 per share	SMTA	New York Stock Exchange

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 1.02 Termination of a Material Definitive Agreement.

On September 20, 2019, all of the outstanding classes and series of Net Lease Mortgage Notes (the “Master Trust Notes”) issued and outstanding under that certain Second Amended and Restated Master Trust Indenture, dated as of May 20, 2014, as amended, supplemented or otherwise modified from time to time (the “Master Trust Indenture”), among Spirit Master Funding, LLC, Spirit Master Funding II, LLC, Spirit Master Funding III, LLC, Spirit Master Funding VI, LLC, and Spirit Master Funding VIII, LLC, as issuers, and Citibank, N.A., acting as trustee thereunder, were redeemed and all of the Company’s rights and obligations thereunder were terminated.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On September 20, 2019, the Company completed the transactions contemplated by each of the previously announced Equity Purchase Agreement, entered into on June 2, 2019 (the “Purchase Agreement”), by and among the Company, SMTA Financing JV, LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of the Company (“Seller”), Banner NewCo LLC, a Delaware limited liability company and wholly owned subsidiary of Seller (“Newco”), and Hospitality Properties Trust, a Maryland real estate investment trust (“Buyer”), pursuant to which the Company sold substantially all of its assets to Buyer (the “Purchase Agreement”) and the Real Estate Sale Contract, dated as of June 2, 2019, by and among Newco, a subsidiary of Spirit Realty Capital, Inc., and the Company’s Manager (the “Property Seller”), pursuant to which Buyer, through its ownership of Newco, acquired three travel center properties owned by the Property Seller (the “Real Estate Sale Contract”).

At the closing of the transactions contemplated by the Purchase Agreement and the Real Estate Contract, after taking into account the redemption of all preferred shares and termination payments, closing adjustments under the Purchase Agreement and Real Estate Contract, transfer and withholding taxes, and fees and other expenses associated with the sale, Seller received net proceeds of approximately \$241 million.

The foregoing descriptions of the (1) Purchase Agreement and (2) Real Estate Sale Contract are qualified in their entirety by the full text of each of the Purchase Agreement and the Real Estate Contract, as applicable, which were attached as Exhibit 2.1 and Exhibit 10.1, respectively, to the Company’s Current Report on Form 8-K filed with the SEC on June 3, 2019, and are incorporated herein by reference.

Item 8.01 Other Events.

On September 20, 2019, the Company issued a press release announcing, among other things, the closing of the transactions contemplated by the Purchase Agreement and the Real Estate Sale Contract. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
2.1	<u>Equity Purchase Agreement, dated as of June 2, 2019, by and among Spirit MTA REIT, SMTA Financing JV, LLC, Banner NewCo LLC and Hospitality Properties Trust (filed as Exhibit 2.1 to Spirit MTA REIT’s Current Report on Form 8-K, filed with the SEC on June 3, 2019, and incorporated herein by reference).</u>
10.1	<u>Real Estate Sale Contract, dated as of June 2, 2019, by and between Banner NewCo LLC and Spirit FJ SMF SPE, LLC (filed as Exhibit 10.1 to Spirit MTA REIT’s Current Report on Form 8-K, filed with the SEC on June 3, 2019, and incorporated herein by reference).</u>
99.1	<u>Press Release of Spirit MTA REIT, dated September 20, 2019.</u>
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL (included as Exhibit 101).

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.

SPIRIT MTA REIT

Date: September 23, 2019

By: /s/ Ricardo Rodriguez

Ricardo Rodriguez
Chief Executive Officer, President, Chief Financial Officer
and Treasurer

[\(Back To Top\)](#)

Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1



Spirit MTA REIT Announces Closing of Sale of Assets to Hospitality Properties Trust

- Terminates Previous Asset Management Agreement and Enters into Interim Asset Management Agreement at Meaningfully Reduced Annual Fee -

Dallas, TX, SEPTEMBER 20, 2019 — Spirit MTA REIT (NYSE: SMTA) (“SMTA” or the “Company”) announced today that the Company has completed its previously announced sale of assets to Hospitality Properties Trust (“HPT”) (NASDAQ: HPT). The Company also successfully recovered all amounts owed under the Shopko B-1 Term Loan, and on September 12, 2019, closed on the sale of its PwC property for net proceeds of \$1.9 million.

“We are very pleased to announce the completion of our transaction with HPT, the key step in our ongoing strategic process,” stated Ricardo Rodriguez, President and Chief Executive Officer of SMTA. “We will continue to market our remaining assets for sale, with the goal to maximize shareholder value promptly and in the most efficient manner. We look forward to completing the sale of our Academy asset soon, and thereafter in conjunction with our board will make distributions and begin our liquidation process.”

Mr. Rodriguez continued, “We thank the entire team at Spirit Realty Capital for their tireless effort along with that of our board of trustees and advisors who provided sage advice, which contributed to the successful transaction. We thank the team at HPT for a well-coordinated and collaborative effort. Importantly, we thank our investors who supported us with their capital along the way, and who approved this course of action for our company. We will continue communicating important milestones as they are reached in this ongoing process.”

In connection with the closing, all of the then-outstanding notes collateralized by the assets of the Company’s Master Trust 2014 were redeemed in full. In addition, we repurchased the \$150 million of the Company’s preferred shares held by a subsidiary of Spirit Realty Capital, Inc. (“Spirit”). The Company also terminated and paid the contractual termination fee of approximately \$48.2 million under the Company’s existing asset management agreement with a subsidiary of Spirit. The Company has also called for redemption of all of the outstanding preferred shares of its SubREIT subsidiary. After taking into account the redemption of all preferred shares and termination payments, closing adjustments relating to the transaction with HPT, transfer and withholding taxes, and fees and other associated expenses with the sale, the Company received net proceeds of approximately \$241 million from the HPT transaction.

Going forward, the Company (or the liquidating trust expected to be established) will receive management services in connection with its wind down from a subsidiary of Spirit under an interim asset management agreement. Under this agreement, SMTA will pay a significantly reduced annual fee of \$1 million during an initial one-year term (increasing to \$4 million for any annual renewal period thereafter), plus certain cost reimbursements. This agreement will be terminable at any time by SMTA (or the liquidating trust) and after the initial one year by Spirit, in each case without payment of a termination fee.



The Company anticipates that in early October the Board of Trustees will declare a cash distribution for payment in late October to shareholders of the Company. At some point thereafter, as determined by the Board of Trustees, in accordance with the Plan of Voluntary Liquidation previously approved by the Board of Trustees and shareholders, the Company will terminate its existence and transfer all of its remaining assets (including remaining cash) to a liquidating trust, which will assume all of the Company's remaining obligations and liabilities.

In connection with the establishment of a liquidating trust, the Company's outstanding shares will be cancelled (and will no longer be transferrable) and each shareholder will receive one share of a common beneficial interest in the liquidating trust for each share of the Company that shareholder owned immediately prior to the Company's termination. Remaining net proceeds received from the sale of the Company's assets (after paying costs and expenses and satisfying remaining liabilities and obligations) will be distributed by the liquidating trust to the holders of shares of common beneficial interests in the liquidating trust. The shares of common beneficial interest in the liquidating trust shall not be transferable (except by will, intestate succession or operation of law). The amount and timing of the expected cash distribution and the timing of the termination of the Company's existence is subject to approval by the Board of Trustees in its sole discretion. The Company intends to provide shareholders with further information regarding the foregoing, including the expected date of the Company's termination, in due course.

ABOUT SPIRIT MTA REIT

Spirit MTA REIT (NYSE:SMTA) is a net-lease REIT headquartered in Dallas, Texas. SMTA is managed by a wholly-owned subsidiary of Spirit Realty Capital, Inc. (NYSE:SRC), one of the largest publicly traded triple net-lease REITs.

More information about Spirit MTA REIT can be found on the investor relations page of the Company's website at www.spiritmastertrust.com.

Investor Contact:

Spirit MTA REIT

(972) 476-1409

smtainvestorrelations@spiritrealty.com

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements can be identified by the use of words such as "expect," "plan," "will," "estimate," "project," "intend," "believe," "guidance," "approximately," "anticipate," "may," "should," "seek" or the negative of these words and phrases or similar words or phrases that are predictions of or indicate future events or trends and that do not relate to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions of management. These forward-looking statements are subject to known and unknown risks and uncertainties that you should not rely on as predictions of future events. Forward-looking statements depend on assumptions, data and/or methods which may be incorrect or imprecise and we may not be able



to realize them. The following risks and uncertainties, among others, could cause actual results to differ materially from those currently anticipated due to a number of factors, which include, but are not limited to: industry and economic conditions; Spirit MTA REIT's ability or our counterparties' ability to satisfy conditions to closing, including obtaining required third party consents, and complete the proposed transactions; Spirit MTA REIT's dependence on its external manager, a subsidiary of Spirit Realty Capital, Inc., to conduct its business and achieve its investment objectives; unknown liabilities acquired in connection with acquired properties or interests in real-estate related entities; general risks affecting the real estate industry and local real estate markets (including, without limitation, the market value of Spirit MTA REIT's properties, potential illiquidity of Spirit MTA REIT's remaining real estate investments not included in the sale to HPT, and uncertainty related to the timing, amount, interest and market value of such remaining investments, condemnations and potential damage from natural disasters); the financial performance of Spirit MTA REIT's tenants; the impact of any financial, accounting, legal or regulatory issues or litigation that may affect Spirit MTA REIT or its major tenants; volatility and uncertainty in the financial markets, including potential fluctuations in the consumer price index; risks associated with its failure or unwillingness to maintain Spirit MTA REIT's status as a REIT under the Internal Revenue Code of 1986, as amended; and other additional risks discussed in Spirit MTA REIT's recent reports on Form 8-K, Form 10-Q and/or Form 10-K and the definitive proxy statement filed by Spirit MTA REIT with the SEC on August 5, 2019. Spirit MTA REIT expressly disclaims any responsibility to update or revise forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.