

HOST HOTELS & RESORTS, INC.

Form 8-K

October 14, 2015

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) October 8, 2015

HOST HOTELS & RESORTS, INC.

HOST HOTELS & RESORTS, L.P.

(Exact name of registrant as specified in its charter)

**Maryland (Host Hotels &
Resorts, Inc.)**

001-14625

53-0085950

0-25087

52-2095412

**Delaware (Host Hotels &
Resorts, L.P.)**
(State or other jurisdiction

(Commission

(IRS Employer

of incorporation)

File Number)

Identification No.)

6903 Rockledge Drive, Suite 1500

Bethesda, Maryland 20817

(Address of principal executive offices) (Zip Code)

(240) 744-1000

Registrant's telephone number, including area code

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 (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))

Item 1.01. Entry into a Material Definitive Agreement.

On October 8, 2015, Host Hotels & Resorts, L.P. (Host L.P.), for whom Host Hotels & Resorts, Inc. acts as sole general partner, entered into an underwriting agreement (the Underwriting Agreement) with Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC.

Under the Underwriting Agreement, Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC agreed to serve as representatives of the several underwriters named in the Underwriting Agreement in connection with the public offering by Host L.P. of \$400 million aggregate principal amount of its 4.500% Senior Notes due 2026 (the Series F senior notes).

The foregoing description of the Underwriting Agreement does not purport to be complete and is qualified in its entirety by the full text of the Underwriting Agreement, which is being filed as Exhibit 1.1 to this Current Report on Form 8-K and is incorporated herein by reference.

With respect to the direct financial obligation created in connection with the entry into the Underwriting Agreement, the information required by this item is included in Item 2.03 below and is incorporated herein by reference.

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

On October 14, 2015, Host L.P. completed its underwritten public offering of the Series F senior notes.

The offering of the Series F senior notes was made pursuant to an effective shelf registration statement filed with the Securities and Exchange Commission on March 31, 2015, as amended (Registration No. 333-203127) (the Registration Statement), a base prospectus, dated April 23, 2015, included as part of the registration statement, and a prospectus supplement, dated October 8, 2015, filed with the Securities and Exchange Commission pursuant to Rule 424(b) under the Securities Act of 1933, as amended. In connection with the filing of the prospectus supplement, we are filing as Exhibit 5.1 to this Current Report on Form 8-K an opinion of our counsel, Latham & Watkins LLP, regarding the validity of the securities being registered.

The notes were issued pursuant to the second supplemental indenture, dated October 14, 2015 (the Supplemental Indenture), between Host L.P. and The Bank of New York Mellon, as trustee (the Trustee), which supplements the indenture, dated May 15, 2015 (the Base Indenture and, as supplemented to date, the Indenture) between Host L.P. and the Trustee. The notes pay interest semi-annually in arrears.

Optional Redemption Provisions

At any time, upon not less than 15 nor more than 60 days notice, the Series F senior notes will be redeemable at Host L.P.'s option, in whole or in part, at a price equal to 100% of their principal amount, plus a make-whole premium as set forth in the Indenture, plus accrued and unpaid interest to, but excluding, the applicable redemption date.

Host L.P. may also redeem the Series F senior notes within the period beginning 90 days prior to the February 1, 2026 maturity date, in whole or in part, upon not less than 15 nor more than 60 days notice, at a redemption price equal to 100% of the principal amount of the Series F senior notes to be redeemed, plus accrued and unpaid interest to, but excluding, the applicable date of redemption.

Restrictive Covenants

Under the terms of the Indenture, Host L.P.'s ability to incur indebtedness is subject to restrictions and the satisfaction of various conditions, including the achievement of an EBITDA-to-interest coverage ratio of at least 1.5x by Host L.P. This ratio is calculated in accordance with the Indenture and excludes from interest expense items such as call premiums and deferred financing charges that are included in interest expense on Host L.P.'s consolidated statement of operations. In addition, the calculation is based on Host L.P.'s pro forma results for the four prior fiscal quarters giving effect to certain transactions, such as acquisitions, dispositions and financings, as if they occurred at the beginning of the period. Other covenants limiting Host L.P.'s ability to incur indebtedness include maintaining total indebtedness of less than 65% of adjusted total assets (using undepreciated real estate values) and maintaining secured indebtedness of less than 40% of adjusted total assets. In addition, Host L.P. will at all times be required to maintain total unencumbered assets of at least 150% of the aggregate principal amount of outstanding unsecured indebtedness of Host L.P. and its subsidiaries. So long as Host L.P. maintains the required level of interest coverage and satisfies these and other conditions in the Indenture, it may incur additional debt under the Indenture.

Use of Proceeds

Host L.P. intends to use the net proceeds from the sale of the Series F senior notes, together with cash on hand and an additional \$100 million draw under its term loan facility, to redeem all of Host L.P.'s \$500 million aggregate principal amount of 6% Series V senior notes due 2020 (the Series V senior notes) at an aggregate redemption price of \$515 million, as further described below.

The foregoing description of the Supplemental Indenture does not purport to be complete, and is qualified in its entirety by reference to the full text of such document, which is filed herewith as Exhibit 4.1 and is incorporated herein by reference.

Item 8.01. Other Events

On October 14, 2015, Host L.P. gave notice that it intends to redeem the remaining \$250 million aggregate principal amount of the Series V senior notes. The redemption date for the Series V senior notes is November 13, 2015 pursuant to an irrevocable notice delivered by the trustee on Host L.P.'s behalf on October 14, 2015. The October 14, 2015 notice followed an earlier similar notice by Host L.P. that it intends to redeem \$250 million of Series V senior notes on November 2, 2015. The net effect of the two notices is that all \$500 million of Series V senior notes will be redeemed. The Series V senior notes were issued pursuant to a supplement to Host L.P.'s Amended and Restated Indenture, dated August 5, 1998, originally among HMH Properties, Inc. (now Host L.P.), the subsidiary guarantors named therein, and HSBC Bank USA f/k/a Marine Midland Bank (now succeeded by The Bank of New York Mellon), as trustee. Under the terms of the Series V senior notes, the redemption price will be 103.000% of the principal amount thereof, together with accrued and unpaid interest thereon to the redemption date.

The Series V senior notes are being redeemed with the net proceeds from Host L.P.'s issuance of the Series F senior notes, together with cash on hand and an additional \$100 million draw under its term loan facility.

Forward-Looking Statements

In this Current Report on Form 8-K, we make forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are identified by their use of terms and phrases such as anticipate, believe, could, expect, may, intend, predict, project, plan, will, estimate and other phrases. Forward-looking statements are based on management's current expectations and assumptions, are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors which may cause our actual results to differ materially from those anticipated at the time the forward-looking statements are made. These risks and uncertainties include our ability to deploy the proceeds of the Series F senior notes as currently planned, those risk factors discussed in our Annual Report on Form 10-K for the year ended December 31, 2014, and in other filings with the Securities and Exchange Commission. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that we will attain these expectations or that any deviations will not be material. Except as otherwise required by the federal securities laws, we disclaim any obligations or undertaking to publicly release updates to any forward-looking statement contained in this report to conform the statement to actual results or changes in our expectations.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
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- 1.1 Underwriting Agreement, dated October 8, 2015, among Host Hotels & Resorts, L.P., Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as representatives of the several underwriters named therein.
- 4.1 Second Supplemental Indenture, dated October 14, 2015, by and between Host Hotels & Resorts, L.P. and The Bank of New York Mellon, as trustee, to the Indenture dated May 15, 2015.
- 5.1 Opinion of Latham & Watkins LLP regarding the validity of the Series F senior notes.

SIGNATURES

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.

HOST HOTELS & RESORTS, INC.
(Registrant)

Date: October 14, 2015

By: /s/ Brian G. Macnamara
Brian G. Macnamara
Senior Vice President and Corporate Controller

SIGNATURES

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.

HOST HOTELS & RESORTS, L.P.
(Registrant)

By: HOST HOTELS & RESORTS, INC.
Its General Partner

Date: October 14, 2015

By: /s/ Brian G. Macnamara
Brian G. Macnamara
Senior Vice President and Corporate Controller

EXHIBIT INDEX

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