CHESAPEAKE ENERGY CORP
Form 8-K
May 17, 2012

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): May 17, 2012 (May 15, 2012)

CHESAPEAKE ENERGY CORPORATION

(Exact name of Registrant as specified in its Charter)

Oklahoma (State or other jurisdiction of incorporation)	1-13726 (Commission File No.)	73-1395733 (IRS Employer Identification No.)

6100 North Western Avenue, Oklahoma City, Oklahoma (Address of principal executive offices)	73118 (Zip Code)

(405) 848-8000
(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 (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))

Section 2 – Financial Information

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

On May 15, 2012, Chesapeake Energy Corporation (the “Company”) entered into an Amendment Agreement (the “Amendment”) to amend the Credit Agreement dated May 11, 2012 (as amended, the “Term Loan Credit Agreement”) among the Company, as Borrower, Goldman Sachs Bank USA, as Administrative Agent, and Jefferies Finance LLC, as Syndication Agent.

The Amendment provides for additional term loans in an aggregate principal amount of $1.0 billion, increasing the total term loans outstanding under the Term Loan Credit Agreement from $3.0 billion to $4.0 billion. The Amendment closed and the additional term loans thereunder were funded on May 15, 2012. The Company used the proceeds received to repay indebtedness outstanding under its corporate revolving bank credit facility and for general corporate purposes.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment filed as Exhibit 4.1 to this Current Report on Form 8-K.

Section 7 – Regulation FD

Item 7.01 Regulation FD Disclosure.

On May 15, 2012, the Company issued a press release announcing the additional term loans under the Term Loan Credit Agreement. A copy of this press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. See "Exhibit Index" attached to this Current Report on Form 8-K, which is incorporated by reference herein.

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.

CHESAPEAKE ENERGY CORPORATION

By: /s/ JENNIFER M. GRIGSBY
Jennifer M. Grigsby
Senior Vice President, Treasurer and Corporate Secretary

Date: May 17, 2012

EXHIBIT INDEX

Exhibit No.	Document Description
4.1	Amendment Agreement, dated May 15, 2012, among Chesapeake Energy Corporation, as Borrower, Goldman Sachs Bank USA, as Administrative Agent, and Jefferies Finance LLC, as Syndication Agent
99.1	Chesapeake Energy Corporation press release dated May 15, 2012

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	Covenant	**Actual**
Maximum leverage ratio	60%	28.8%
Minimum fixed charge coverage ratio	1.50x	3.88x
Minimum tangible net worth		

$1.913 billion	$2.545 billion
Secured Indebtedness	
Less than 45% of Total Asset Value	29.7%

The Credit Agreement requires the Company to maintain a specific pool of unencumbered properties. The unencumbered properties must be a minimum of seven properties with a value, as defined, of not less than $500 million.

The Credit Agreement contains representations, financial and other affirmative and negative covenants, events of default and remedies typical for this type of facility. Any failure to comply with the financial and operating covenants of the Credit Agreement would constitute a default, which could result in, among other things, the amounts outstanding, including all accrued interest and unpaid fees, becoming immediately due and payable.

As of May 6, 2016, the applicable interest rate under the Credit Agreement is LIBOR plus 1.50%.

The foregoing description of the Credit Agreement is qualified in its entirety by the full terms and conditions of the Credit Agreement which is filed as Exhibit 10.1 to this Current Report and incorporated herein by reference.

Term Loan

On May 3, 2016, the Company entered into a Term Loan Agreement (the Term Loan Agreement) among the Company, DiamondRock Hospitality Limited Partnership, KeyBank National Association, PNC Bank, National Association, Regions Bank and certain other lenders named therein. The Term Loan Agreement provides for a new $100 million unsecured term loan maturing on May 3, 2021 (the Term Loan). All outstanding principal and accrued but unpaid interest will be due and payable in full at maturity. The Term Loan may be paid prior to maturity in whole or in part at the Company s option without penalty or premium. The Company s operating partnership, DiamondRock Hospitality Limited Partnership, is the borrower under the Term Loan Agreement and certain of the Company s material subsidiaries guarantee its obligations under the Term Loan Agreement.

Interest is paid on the borrowings under the Term Loan Agreement at varying rates, based upon LIBOR plus an applicable margin. The applicable margin is based upon the Company s leverage ratio, as follows:

Level	Leverage Ratio	Applicable Margin
1	Less than or equal to 35%	1.45%
2	Greater than 35% but less than or equal to 45%	1.60%
3	Greater than 45% but less than or equal to 50%	1.75%
4	Greater than 50% but less than or equal to 55%	1.95%
5	Greater than 55%	2.20%

The Term Loan Agreement contains the same corporate financial covenants as those contained in the Credit Agreement. The Term Loan Agreement contains representations, financial and other affirmative and negative covenants, events of default, and remedies typical for this type of term loan. Any failure to comply with the financial and operating covenants of the Term Loan Agreement would constitute a default, which could result in, among other things, the amounts outstanding, including all accrued interest and unpaid fees, becoming immediately due and payable.

Upon closing of the Term Loan, the Company received proceeds of $50 million, which were used with corporate cash to repay $55 million of the $75 million in borrowings outstanding under the 2012 Credit Facility. The Company expects to receive the remaining $50 million of proceeds in the near term in connection with the repayment of the mortgage loan secured by the Courtyard Manhattan Fifth Avenue. As of May 6, 2016, the applicable interest rate under the Term Loan is LIBOR plus 1.45%.

The foregoing description of the Term Loan Agreement is qualified in its entirety by the full terms and conditions of the Term Loan Agreement which is filed as Exhibit 10.2 to this Current Report and incorporated herein by reference.

ITEM 2.02. Results of Operations and Financial Condition.

On May 6, 2016, the Company issued a press release announcing its financial results for the quarter ended March 31, 2016 . A copy of that press release is furnished as Exhibit 99.1 to this Current Report and is incorporated by reference herein (the Press Release).

The information contained in the Press Release shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Furthermore, the information contained in the Press Release shall not be deemed to be incorporated by reference in the filings of the registrant under the Securities Act of 1933, as amended.

ITEM 2.03. Creation Of A Direct Financial Obligation Or An Obligation Under An Off-Balance Sheet Arrangement Of A Registrant.

The information set forth under Item 1.01 of this Current Report hereby incorporated by reference into this Item 2.03. As of May 6, 2016, the Company had direct borrowings under the Credit Agreement and Term Loan Agreement of $20 million and $50 million, respectively.

ITEM 7.01. Regulation FD Disclosure.

On May 6, 2016, the Company announced the closing of the Credit Agreement and Term Loan Agreement in the Press Release. A copy of the Press Release is furnished as Exhibit 99.1 to this Current Report. The Press Release has also been posted in the investor relations/presentations section of the Company s website at www.drhc.com.

The information contained in the Press Release shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Furthermore, the information contained in the Press Release shall not be deemed to be incorporated by reference in the filings of the registrant under the Securities Act of 1933, as amended.

On May 6, 2016, during its previously announced conference call for investors and other interested parties, the Company communicated that its April 2016 RevPAR increased 1.2% from the comparable period in 2015.

ITEM 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

See Index to Exhibits attached hereto.

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.

	DIAMONDROCK HOSPITALITY COMPANY	
Date: May 6, 2016	By:	/s/ William J. Tennis William J. Tennis Executive Vice President, General Counsel and Corporate Secretary

EXHIBIT INDEX

Exhibit No.	Description
10.1	Fourth Amended and Restated Credit Agreement, dated as of May 3, 2016
10.2	Term Loan Agreement, dated as of May 3, 2016
99.1	Press Release dated May 6, 2016