Chatham Lodging Trust
Form 10-Q
May 01, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2019
OR
¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from __________ to __________
Commission File Number: 001-34693

CHATHAM LODGING TRUST
(Exact Name of Registrant as Specified in Its Charter)

Maryland	**27-1200777**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**
222 Lakeview Avenue, Suite 200	
West Palm Beach, Florida	**33401**
(Address of Principal Executive Offices)	**(Zip Code)**

(561) 802-4477
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ¨ No
Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). x Yes ¨ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	¨
Non-accelerated filer	¨	Smaller reporting company	¨
		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. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ¨ Yes x No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at May 1, 2019**
Common Shares of Beneficial Interest ($0.01 par value per share)	46,572,579

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

CHATHAM LODGING TRUST

Consolidated Balance Sheets

(In thousands, except share and per share data)

	March 31, 2019 (unaudited)		December 31, 2018	
Assets:				
Investment in hotel properties, net	$	1,372,077	$	1,373,773
Cash and cash equivalents	11,199		7,192	
Restricted cash	21,342		25,145	
Investment in unconsolidated real estate entities	20,857		21,545	
Right of use asset, net	22,936		—	
Hotel receivables (net of allowance for doubtful accounts of $281 and $264, respectively)	5,221		4,495	
Deferred costs, net	4,917		5,070	
Prepaid expenses and other assets	5,504		2,431	
Deferred tax asset, net	58		58	
Total assets	$	1,464,111	$	1,439,709
Liabilities and Equity:				
Mortgage debt, net	$	500,568	$	501,782
Revolving credit facility	97,000		81,500	
Accounts payable and accrued expenses	30,184		33,692	

Distributions and losses in excess of investments of unconsolidated real estate entities	10,086	9,650
Lease Liability, net	25,623	—
Distributions payable	5,733	5,667
Total liabilities	669,194	632,291
Commitments and contingencies (Note 13)		
Equity:		
Shareholders' Equity:		
Preferred shares, $0.01 par value, 100,000,000 shares authorized and unissued at March 31, 2019 and December 31, 2018	—	—
Common shares, $0.01 par value, 500,000,000 shares authorized; 46,571,005 and 46,525,652 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	466	465
Additional paid-in capital	897,161	896,286
Retained earnings (distributions in excess of retained earnings)	(113,039)	(99,285)

Total shareholders' equity	784,588		797,466	
Noncontrolling Interests:				
Noncontrolling interest in Operating Partnership	10,329		9,952	
Total equity	794,917		807,418	
Total liabilities and equity	$	1,464,111	$	1,439,709

The accompanying notes are an integral part of these consolidated financial statements.

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CHATHAM LODGING TRUST
Consolidated Statements of Operations
(In thousands, except share and per share data)
(unaudited)

	For the three months ended March 31, 2019		2018	
Revenue:				
Room	$	68,085	$	66,251
Food and beverage	2,427		2,098	
Other	3,676		3,027	
Cost reimbursements from unconsolidated real estate entities	1,491		1,539	
Total revenue	75,679		72,915	
Expenses:				
Hotel operating expenses:				
Room	15,570		14,553	
Food and beverage	2,009		1,740	
Telephone	433		459	
Other hotel operating	939		721	
General and administrative	6,167		6,033	
Franchise and marketing fees	5,932		5,525	
Advertising and promotions	1,533		1,565	
Utilities	2,750		2,699	
Repairs and maintenance	3,611		3,624	
Management fees	2,544		2,437	
Insurance	338		333	
Total hotel operating expenses	41,826		39,689	
Depreciation and amortization	12,772		12,036	
Property taxes, ground rent and insurance	6,166		5,775	
General and administrative	3,514		3,622	
Other charges	17		(14)	
Reimbursed costs from unconsolidated	1,491		1,539	

real estate entities				
Total operating expenses	65,786		62,647	
Operating income before loss on sale of hotel property	9,893		10,268	
Loss on sale of hotel property	—		(17)	
Operating Income	9,893		10,251	
Interest and other income	55		2	
Interest expense, including amortization of deferred fees	(7,197)		(6,631)	
Loss from unconsolidated real estate entities	(1,123)		(754)	
Income before income tax expense	1,628		2,868	
Income tax expense	—		—	
Net income	1,628		2,868	
Net income attributable to noncontrolling interests	(15)		(20)	
Net income attributable to common shareholders	$	1,613	$	2,848
Income per Common Share - Basic:				
Net income attributable to common shareholders (Note 10)	$	0.03	$	0.06
Income per Common Share - Diluted:				
Net income attributable to common shareholders (Note 10)	$	0.03	$	0.06
Weighted average number of common shares outstanding:				
Basic	46,556,710		45,753,792	
Diluted	46,734,958		46,022,690	

Distributions declared per common share:	$	0.33	$	0.33

The accompanying notes are an integral part of these consolidated financial statements.

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CHATHAM LODGING TRUST
Consolidated Statements of Equity
(In thousands, except share and per share data)
(unaudited)

	Common Shares						
	Shares	Amount	Additional Paid - In Capital	Retained earnings (distributions in excess of retained earnings)	Total Shareholders' Equity	Noncontrolling Interest in Operating Partnership	Total Equity
Balance, January 1, 2018	45,375,266	$ 450	$ 871,730	$ (69,018)	$ 803,162	$ 6,618	$ 809,780
Issuance of shares pursuant to Equity Incentive Plan	21,670	—	500	—	500	—	500
Issuance of shares, net of offering costs of $225	472,664	9	10,273	—	10,282	—	10,282
Issuance of restricted time-based shares	5,000	—	—	—	—	—	—
Amortization of share based compensation	—	—	64	—	64	728	792
Dividends declared on common shares ($0.33 per share)	—	—	—	(15,141)	(15,141)	—	(15,141)
Distributions declared on LTIP units ($0.33 per unit)	—	—	—	—	—	(283)	(283)
	—	—	19	—	19	(19)	—

Reallocation of noncontrolling interest							
Net income	—	—	—	2,848	2,848	20	2,868
Balance, March 31, 2018	45,874,600	$ 459	$ 882,586	$ (81,311)	$ 801,734	$ 7,064	$ 808,798
Balance, January 1, 2019	46,525,652	$ 465	$ 896,286	$ (99,285)	$ 797,466	$ 9,952	$ 807,418
Issuance of shares pursuant to Equity Incentive Plan	27,870	—	500	—	500	—	500
Issuance of shares, net of offering costs of $26	17,483	1	92	—	93	—	93
Amortization of share based compensation	—	—	16	—	16	931	947
Dividends declared on common shares ($0.33 per share)	—	—	—	(15,367)	(15,367)	—	(15,367)
Distributions declared on LTIP units ($0.33 per unit)	—	—	—	—	—	(302)	(302)
Reallocation of noncontrolling interest	—	—	267	—	267	(267)	—
Net income	—	—	—	1,613	1,613	15	1,628

Balance, March 31, 2019	46,571,005	466	$	897,161	$	(113,039)	$	784,588	$	10,329	$	794,917

The accompanying notes are an integral part of these consolidated financial statements.

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CHATHAM LODGING TRUST
Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	For the three months ended March 31, 2019	2018
Cash flows from operating activities:		
Net income	$ 1,628	$ 2,868
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	12,710	11,978
Amortization of deferred franchise fees	62	58
Amortization of deferred financing fees included in interest expense	231	239
Share based compensation	1,059	918
Loss from unconsolidated real estate entities	1,123	754
Changes in assets and liabilities:		
Right of use assets	155	—
Hotel receivables	(723)	(1,244)
Deferred costs	—	(117)
Prepaid expenses and other assets	(3,082)	(3,041)
Accounts payable and accrued expenses	240	1,013
Lease liability	(92)	—
Net cash provided by operating activities	13,311	13,426
Cash flows from investing activities:		
Improvements and additions to hotel properties	(11,741)	(6,947)
Investment in unconsolidated real estate entities	—	1,019
Net cash used in investing activities	(11,741)	(5,928)
Cash flows from financing activities:		

Borrowings on revolving credit facility	25,500		53,000	
Repayments on revolving credit facility	(10,000)		(51,000)	
Payments on mortgage debt	(1,308)		(1,227)	
Payment of financing costs	(48)		(931)	
Payment of offering costs	(26)		(255)	
Proceeds from issuance of common shares	119		10,537	
Distributions-common shares/units	(15,603)		(15,320)	
Net cash used in financing activities	(1,366)		(5,196)	
Net change in cash, cash equivalents and restricted cash	204		2,302	
Cash, cash equivalents and restricted cash, beginning of period	32,337		36,499	
Cash, cash equivalents and restricted cash, end of period	$	32,541	$	38,801
Supplemental disclosure of cash flow information:				
Cash paid for interest	$	6,789	$	6,195
Cash paid for income taxes	$	8	$	2

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Supplemental disclosure of non-cash investing and financing information:

On January 16, 2019, the Company issued 27,870 shares to its independent trustees pursuant to the Company's Equity Incentive Plan as compensation for services performed in 2018. On January 16, 2018, the Company issued 21,670 shares to its independent trustees pursuant to the Company's Equity Incentive Plan as compensation for services performed in 2017.

As of March 31, 2019, the Company had accrued distributions payable of $5,733. These distributions were paid on April 26, 2019, except for $535 related to accrued but unpaid distributions on unvested performance based shares and LTIP units. As of March 31, 2018, the Company had accrued distributions payable of $5,950. These distributions were paid on April 27, 2018, except for $839 related to accrued but unpaid distributions on unvested performance based shares.

Accrued share based compensation of $113 and $125 is included in accounts payable and accrued expenses as of March 31, 2019 and 2018, respectively.

Accrued capital improvements of $1,671 and $1,828 are included in accounts payable and accrued expenses as of March 31, 2019 and 2018, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

CHATHAM LODGING TRUST
Notes to the Consolidated Financial Statements
(in thousands, except share and per share data, unless otherwise specified)
(unaudited)

1. Organization

Chatham Lodging Trust (“we,” “us” or the “Company”) was formed as a Maryland real estate investment trust (“REIT”) on October 26, 2009. The Company is internally-managed and invests primarily in upscale extended-stay and premium-branded select-service hotels.

In January 2014, the Company established an At the Market Equity Offering ("Prior ATM Plan") whereby, from time to time, we may publicly offer and sell our common shares having an aggregate maximum offering price of up to $50 million by means of ordinary brokers’ transactions on the New York Stock Exchange (the "NYSE"), in negotiated transactions or in transactions that are deemed to be “at the market” offerings as defined in Rule 415 under the Securities Act of 1933. The Company filed a $100 million registration statement for a new ATM program (the "ATM Plan" and together with the Prior ATM Plan, the "ATM Plans") on December 28, 2017 to replace the prior program. At the same time, the Company entered into sales agreements with Cantor Fitzgerald & Co. ("Cantor"), Barclays Capital Inc. (“Barclays”), Robert W. Baird & Co. Incorporated, ("Baird"), Citigroup Global Markets Inc. ("Citigroup"), Stifel, Nicolaus & Company, Incorporated ("Stifel") and Wells Fargo Securities, LLC ("Wells Fargo") as sales agents. During the three months ended March 31, 2019, we did not issue any shares under the ATM Plan. As of March 31, 2019, we had issued 2,498,670 shares under the ATM Plans at an average price of $21.83. As of March 31, 2019, there was approximately $92.4 million available for issuance under the ATM Plan.

In January 2014, the Company established a $25 million dividend reinvestment and stock purchase plan (the "Prior DRSPP"). We filed a new $50 million shelf registration statement for the dividend reinvestment and stock purchase plan (the "New DRSPP" and together with the Prior DRSPP, the "DRSPPs") on December 28, 2017 to replace the prior program. Under the DRSPPs, shareholders may purchase additional common shares by reinvesting some or all of the cash dividends received on the Company's common shares. Shareholders may also make optional cash purchases of the Company's common shares subject to certain limitations detailed in the prospectus for the DRSPPs. During the three months ended March 31, 2019, we issued 6,104 shares under the New DRSPP at a weighted average price of $19.48, which generated $0.1 million of proceeds. As of March 31, 2019, we had issued 1,514,150 shares under the DRSPPs at an average price of $21.54. As of March 31, 2019, there was approximately $33.0 million available for issuance under the New DRSPP.

net proceeds from any share offerings or issuances are contributed to Chatham Lodging, L.P., our operating partnership (the “Operating Partnership”), in exchange for partnership interests. Substantially all of the Company’s assets are held by, and all operations are conducted through, the Operating Partnership. Chatham Lodging Trust is the sole general partner of the Operating Partnership and owns 100.0% of the common units of limited partnership interest in the Operating Partnership. Certain of the Company’s executive officers hold vested and unvested long-term incentive plan units in the Operating Partnership ("LTIP units"), which are presented as non-controlling interests on our consolidated balance sheets.

As of March 31, 2019, the Company wholly owned 42 hotels with an aggregate of 6,283 rooms located in 15 states and the District of Columbia. As of March 31, 2019, the Company also (i) held a 10.3% noncontrolling interest in a joint venture (the “NewINK JV”) with affiliates of Colony Capital, Inc. ("CLNY"), which owns 47 hotels acquired from a joint venture (the "Innkeepers JV") between the Company and Cerberus Capital Management ("Cerberus"), comprising 6,098 rooms and (ii) held a 10.0% noncontrolling interest in a separate joint venture (the "Inland JV") with CLNY, which owns 48 hotels acquired from Inland American Real Estate Trust, Inc. ("Inland"), comprising an aggregate of 6,402 rooms. We sometimes use the term "JVs", which refers collectively to the NewINK JV and Inland JV.

To qualify as a REIT, the Company cannot operate the hotels. Therefore, the Operating Partnership and its subsidiaries lease the Company's wholly owned hotels to taxable REIT subsidiary lessees (“TRS Lessees”), which are wholly owned by the Company’s taxable REIT subsidiary (“TRS”) holding company. The Company indirectly (i) owns its 10.3% interest in the 47 NewINK JV hotels and (ii) owns its 10.0% interest in the 48 Inland JV hotels through the Operating Partnership. All of the NewINK JV hotels and Inland JV hotels are leased to TRS Lessees, in which the Company indirectly owns noncontrolling interests through its TRS holding company. Each hotel is leased to a TRS Lessee under a percentage lease that provides for rental payments equal to the greater of (i) a fixed base rent amount or (ii) a percentage rent based on hotel revenue. The initial term of each of the TRS leases is 5 years. Lease revenue from each TRS Lessee is eliminated in consolidation.

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The TRS Lessees have entered into management agreements with third-party management companies that provide day-to-day management for the hotels. As of March 31, 2019, Island Hospitality Management LLC (“IHM”), which is 51% owned by Jeffrey H. Fisher, the Company's Chairman, President and Chief Executive Officer, managed all 42 of the Company’s wholly owned hotels. As of March 31, 2019, all of the NewINK JV hotels were managed by IHM. As of March 31, 2019, 34 of the Inland JV hotels were managed by IHM and 14 of the Inland JV hotels were managed by Marriott International, Inc. ("Marriott").

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim consolidated financial statements and related notes have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and in conformity with the rules and regulations of the Securities and Exchange Commission (“SEC”) applicable to interim financial information. These unaudited consolidated financial statements, in the opinion of management, include all adjustments consisting of normal, recurring adjustments which are considered necessary for a fair statement of the consolidated balance sheets, consolidated statements of operations, consolidated statements of equity, and consolidated statements of cash flows for the periods presented. Interim results are not necessarily indicative of full year performance due to seasonal and other factors, including the timing of the acquisition of hotels.

The consolidated financial statements include all of the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions are eliminated in consolidation. The accompanying unaudited consolidated financial statements should be read in conjunction with the audited financial statements prepared in accordance with GAAP, and the related notes thereto as of December 31, 2018, which are included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Reclassifications

Certain prior period revenue and expense amounts in the consolidated financial statements have been reclassified to be comparable to the current period presentations. The reclassification did not have any impact on net income. In addition, in accordance with the SEC’s Disclosure Update and Simplification release, dated August 18, 2018, the Company moved the Gain (loss) on sale of hotel property line on the Company’s Consolidated Statements of Operations within Operating income for all periods presented.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Recently Adopted Accounting Policies

2016-02 (“ASU 2016-02”), *Leases*, which relates to the accounting for leasing transactions. the FASB issued updated accounting guidance which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new accounting guidance requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on whether or not the lease is effectively a financed purchase by the lessee. The classification of the lease will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases. We have adopted the new accounting guidance on January 1, 2019 and applied it based on the optional transition method provided for, which allows entities to recognize a cumulative-effect adjustment to the balance sheet on the adoption date. Upon adoption, we applied the package of practical expedients made available under the new accounting guidance and also make an accounting policy election to not recognize right-of-use assets or lease liabilities for leases with terms of 12 months or less. For our ground lease agreements and corporate office lease agreement, all of which are currently accounted for as operating leases, we are recognizing lease liabilities of $25.7 million with corresponding right-of use assets

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3. Acquisition of Hotel Properties

Hotel Purchase Price Allocation

We acquired the Residence Inn Summerville ("RI Summerville") hotel in Summerville, SC for $20.8 million on August 27, 2018 and the Dallas Downtown Courtyard ("Dallas DT") hotel in Dallas, TX for $49.0 million on December 5, 2018. The allocation of the purchase price of each hotel acquired by the Company in 2018, based on the fair value on the date of its acquisition, was (in thousands):

	RI Summerville		Dallas DT	
Acquisition date	8/27/2018		12/5/2018	
Number of Rooms	96		167	
Land	$	2,300	$	2,900
Building and improvements	17,060		42,760	
Furniture, fixtures and equipment	1,234		3,340	
Cash	—		5	
Accounts receivable	—		8	
Prepaid expenses and other assets	—		68	
Accounts payable and accrued expenses	(9)		(33)	
Net assets acquired, net of cash	$	20,585	$	49,043

The value of the assets acquired was primarily based on a sales comparison approach (for land) and a depreciated replacement cost approach (for building and improvements and furniture, fixtures and equipment). The sales comparison approach uses inputs of recent land sales in the respective hotel markets. The depreciated replacement cost approach uses inputs of both direct and indirect replacement costs using a nationally recognized authority on replacement cost information as well as the age, square footage and number of rooms of the respective assets. Property acquisition costs of $0.0 million and $0.2 million, respectively were capitalized in 2019 and 2018.

The amount of revenue and operating income from the hotels acquired in 2019 and 2018 from their respective dates of acquisition through March 31, 2019 is as follows (in thousands):

		For the three months ended March 31,					
		2019				2018	
	Acquisition Date	Revenue	Operating Income		Revenue	Operating Income	
Residence Inn Summerville, SC	08/27/2018	$ 800	$	254	$ —	$	—

Courtyard Dallas Downtown, TX	12/5/2018	$ 2,001	$ 797	—	—
Total		**$ 2,801**	**$ 1,051**	**$ —**	**$ —**

4. Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts at a level believed to be adequate to absorb estimated probable losses. That estimate is based on past loss experience, current economic and market conditions and other relevant factors. The allowance for doubtful accounts was $0.3 million and $0.3 million as of March 31, 2019 and December 31, 2018, respectively.

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5. Investment in Hotel Properties

Investment in hotel properties as of March 31, 2019 and December 31, 2018 consisted of the following (in thousands):

	March 31, 2019		December 31, 2018	
Land and improvements	$	296,260	$	296,253
Building and improvements	1,222,728		1,214,780	
Furniture, fixtures and equipment	78,237		73,411	
Renovations in progress	23,594		25,370	
	1,620,819		1,609,814	
Less: accumulated depreciation	(248,742)		(236,041)	
Investment in hotel properties, net	**$**	**1,372,077**	**$**	**1,373,773**

6. Investment in Unconsolidated Entities

On June 9, 2014, the Company acquired a 10.3% interest in the NewINK JV, a joint venture between affiliates of NorthStar Realty Finance Corp. ("NorthStar") and the Operating Partnership. The Company accounts for this investment under the equity method. NorthStar merged with Colony Capital, Inc. ("Colony") on January 10, 2017 to form a new company, CLNY, which owns a 89.7% interest in the NewINK JV. The value of NewINK JV assets and liabilities were adjusted to reflect estimated fair market value at the time Colony merged with NorthStar. As of March 31, 2019 and 2018, the Company's share of partners' capital in the NewINK JV was approximately $46.7 million and $50.6 million, respectively, and the total difference between the carrying amount of investment and the Company's share of partners' capital was approximately $56.8 million and $58.1 million, respectively, (for which the basis difference related to amortizing assets is being recognized over the life of the related assets as a basis difference adjustment). The Company serves as managing member of the NewINK JV. During the three months ended March 31, 2019 and 2018, the Company received cash distributions from the NewINK JV as follows (in thousands):

	For the three months ended March 31,			
	2019		2018	
Cash generated from other activities and excess cash	$	—	$	719
Total	**$**	**—**	**$**	**719**

On November 17, 2014, the Company acquired a 10.0% interest in the Inland JV, a joint venture between affiliates of NorthStar and the Operating Partnership. The Company accounts for this investment under the equity method. NorthStar merged with Colony Capital, Inc. ("Colony") on January 10, 2017 to form a new company, CLNY, which owns a 90% interest in the Inland JV. The value of Inland JV assets and liabilities were adjusted to reflect estimated fair market value at the time Colony merged with NorthStar. As of March 31, 2019 and 2018, the Company's share of partners' capital in the Inland JV was approximately $31.5 million and $34.4 million, respectively, and the total difference between the carrying amount of the investment and the Company's share of partners' capital was approximately $10.6 million and $10.9 million, respectively (for which the basis difference related to amortizing assets is being recognized over the life of the related assets as a basis difference adjustment). The Company serves as managing member of the Inland JV. During the three months ended March 31, 2019 and 2018, the Company received cash distributions from the Inland JV as follows (in thousands):

	For the three months ended March 31,	
	2019	2018
Cash generated from other activities and excess cash	$ —	$ 300
Total	**$ —**	**$ 300**

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On May 9, 2017, the NewINK JV refinanced the $840.0 million loan collateralized by the 47 hotels with a new $850.0 million The new non-recourse loan is

On June 9, 2017, the Inland JV refinanced the $817.0 million loan collateralized by the 48 hotels with a new $780.0 million

The Company’s ownership interests in the JVs are subject to change in the event that either the Company or CLNY calls for additional capital contributions to the respective JVs necessary for the conduct of business, including contributions to fund costs and expenses related to capital expenditures. In connection with (i) the non-recourse mortgage loan secured by the NewINK JV properties and the related non-recourse mezzanine loan secured by the membership interests in the owners of the NewINK JV properties and (ii) the non-recourse mortgage loan secured by the Inland JV properties, the Operating Partnership provided the applicable lenders with customary environmental indemnities, as well as guarantees of certain customary non-recourse carve-out provisions such as fraud, material and intentional misrepresentations and misapplication of funds. In some circumstances, such as the bankruptcy of the applicable borrowers, the guarantees are for the full amount of the outstanding debt, but in most circumstances, the guarantees are capped at 15% of the debt outstanding at the time in question (in the case of the NewINK JV loans) or 20% of the debt outstanding at the time in question (in the case of the Inland JV loans). In connection with each of the NewINK JV and Inland JV loans, the Operating Partnership has entered into a contribution agreement with its JV partner whereby the JV partner is, in most cases, responsible to cover such JV partner’s pro rata share of any amounts due by the Operating Partnership under the applicable guarantees and environmental indemnities. The Company manages the JVs and will receive a promote interest in each applicable JV if it meets certain return thresholds for such JV. CLNY may also approve certain actions by the JVs without the Company’s consent, including certain property dispositions conducted at arm’s length, certain actions related to the restructuring of the applicable JV and removal of the Company as managing member in the event the Company fails to fulfill its material obligations under the applicable joint venture agreement.

The Company's investments in the NewINK JV and the Inland JV were $(10.1) million and $20.9 million, respectively, at March 31, 2019. The following table sets forth the combined components of net income, including the Company’s share, related to all JVs for the three months ended March 31, 2019 and 2018 (in thousands):

	For the three months ended March 31,			
	2019		2018	
Revenue	$	112,120	$	110,174
Total hotel operating expenses	78,554		78,024	
Operating income	$	33,566	$	32,150
Net income (loss) from continuing operations	$	(15,019)	$	(11,401)
Net income (loss)	$	(15,019)	$	(11,401)
Income (loss) allocable to the Company	$	(1,522)	$	(1,153)

Basis difference adjustment	399		399	
Total income from unconsolidated real estate entities attributable to the Company	**$**	**(1,123)**	**$**	**(754)**

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7. Debt

The Company's mortgage loans are collateralized by first-mortgage liens on certain of the Company's properties. The mortgage loans are non-recourse except for instances of fraud or misapplication of funds. Mortgage and senior unsecured revolving credit facility debt consisted of the following (dollars in thousands):

Collateral	Interest Rate	Maturity Date	3/31/19 Property Carrying Value	Balance Outstanding on Loan as of	
				March 31, 2019	December 31, 2018
Senior Unsecured Revolving Credit Facility (1)	4.56%	March 8, 2022	$ —	$ 97,000	$ 81,500