

FOREST CITY ENTERPRISES INC
Form 8-K
February 05, 2009

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):

January 30, 2009

Forest City Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Ohio

1-4372

34-0863886

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

Terminal Tower, 50 Public Square, Suite 1100,
Cleveland, Ohio

44113

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

216-621-6060

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:

- 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))

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Item 1.01 Entry into a Material Definitive Agreement.

Effective January 30, 2009, Forest City Enterprises, Inc (the "Company") and Forest City Rental Properties Corporation ("FCRPC"), a wholly owned subsidiary of the Company, entered into a Second Amendment to Amended and Restated Credit Agreement and Amended and Restated Guaranty of Payment of Debt ("Second Amendment") with KeyBank National Association ("KeyBank"), as Administrative Agent, National City Bank ("NCB"), as Syndication Agent, Bank of America, N.A. ("BOA"), as Documentation Agent, and the various banks party thereto (the "Banks"). The Second Amendment amends the Amended and Restated Credit Agreement, dated June 6, 2007, among FCRPC, KeyBank, NCB, BOA and the Banks, as amended by a First Amendment, dated September 10, 2008 (the "Credit Agreement"), and the Amended and Restated Guaranty of Payment of Debt, dated June 6, 2007, entered into by the Company for the benefit of KeyBank, NCB, BOA and the Banks, as amended by a First Amendment, dated September 10, 2008 (the "Guaranty") and was entered into in connection with a waiver of the Company's unintentional non-compliance with Section 9.13(b), a non-financial covenant, of the Guaranty with respect to certain purchases of its puttable equity-linked senior notes.

The Second Amendment increases the borrowing rate under the Credit Agreement to prime plus 1.5% or LIBOR plus 2.5% and modifies the definition of Base Rate. The Second Amendment further restricts the Company's ability to purchase, acquire, redeem or retire any of its capital stock and prohibits the Company from paying any dividends on its capital stock through the Termination Date. As of January 30, 2009, FCRPC has total borrowings under the Credit Agreement of \$365,500,000.

Certain of the lenders under the Second Amendment and their affiliates have performed, and may in the future perform, various commercial banking, investment banking and other financial advisory service for the Company and its subsidiaries for which they have received, and will receive, customary fees and expenses.

The Second Amendment is included as Exhibit 10.1. The foregoing discussion of the terms of the Second Amendment is qualified in its entirety by reference to the full text of that exhibit.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

10.1 Second Amendment to Amended and Restated Credit Agreement and Amended and Restated Guaranty of Payment of Debt, dated as of January 30, 2009 by and among Forest City Rental Properties Corporation, Forest City Enterprises, Inc., KeyBank National Association, as Administrative Agent, National City Bank, as Syndication Agent, Bank of America, N.A., as Documentation Agent, and the banks named therein.

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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.

Forest City Enterprises, Inc.

February 5, 2009

By: /s/ Robert G. O'Brien

Name: Robert G. O'Brien

Title: Executive Vice President and Chief Financial Officer

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| Exhibit No. | Description |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
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