

STRATEGIC HOTELS & RESORTS, INC
Form 8-K
January 26, 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 21, 2009

Strategic Hotels & Resorts, Inc.
(Exact name of registrant as specified in its charter)

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| Maryland (State or other Jurisdiction of Incorporation) | 001-32223 (Commission File Number) | 33-1082757 (IRS Employer Identification No.) |
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200 West Madison Street, Suite 1700, Chicago, Illinois 60606
(Address of Principal Executive Offices) (Zip Code)
Registrant's telephone number, including area code: **(312) 658-5000**

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))

Item 1.01 Entry into a Material Definitive Agreement.

On January 21, 2009, SHR St. Francis, L.L.C. (the St Francis Borrower), an indirect wholly owned subsidiary of Strategic Hotel Funding, L.L.C. (SH Funding), the operating company of Strategic Hotels & Resorts, Inc. (the Company), entered into an amendment (the St. Francis Loan Amendment) to its mortgage loan (the St. Francis Loan) with Metropolitan Life Insurance Company (the Lender), in the original principal amount of \$220,000,000.00, as evidenced by a Promissory Note, dated as of July 6, 2006, by SHR St. Francis, LLC in favor of Lender (the St. Francis Promissory Note). The St. Francis Loan is secured by, among other things, the Westin St. Francis San Francisco hotel.

Also on January 21, 2009, SHC Columbus Drive, LLC (the Fairmont Borrower), a wholly owned subsidiary of SH Funding, entered into an amendment (the Fairmont Loan Amendment, and together with the St. Francis Loan Amendment, the Amendments) to its mortgage loan (the Fairmont Loan) with the Lender, in the original principal amount of \$123,750,000.00, as evidenced by a Promissory Note, dated as of March 9, 2007, made by SHC Columbus Drive, LLC in favor of Lender (the Fairmont Promissory Note and together with the St. Francis Promissory Note, the Notes). The Fairmont Loan is secured by, among other things, the Fairmont Chicago hotel.

Each Amendment, among other things, replaced an existing covenant in the Deed of Trust, Security Agreement and Fixture Filing, dated as of July 6, 2006, by the St. Francis Borrower to the Lender, in the case of the St. Francis Loan, and the Mortgage, Security Agreement and Fixture Filing, dated as of March 9, 2007, by the Fairmont Borrower to the Lender, in the case of the Fairmont Loan, in each case, requiring the Company to maintain a \$1 billion market capitalization with a covenant requiring the Company to maintain a Consolidated Tangible Net Worth (as defined in the Modification of Promissory Note, Deed of Trust, Security Agreement and Fixture Filing, Assignment of Leases and Other Loan Documents for the St. Francis Loan Amendment and the Modification of Promissory Note, Mortgage, Security Agreement and Fixture Filing, Assignment of Leases and Other Loan Documents for the Fairmont Loan Amendment (collectively, the Modification Documents)) of not less than \$946,830,750.00 plus seventy-five percent (75%) of the proceeds to the Company of any new issuances of common Capital Stock, as defined in the Modification Documents.

The foregoing description of the Amendments is qualified in its entirety by reference to the Modification Documents, which will be attached as exhibits to the Form 10-K which the Company intends to file in March 2009.

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.

January 26, 2009

STRATEGIC HOTELS & RESORTS, INC.

By: /s/ Paula C. Maggio

Name: Paula C. Maggio

Title: Senior Vice President, Secretary and General
Counsel