

BERKSHIRE INCOME REALTY INC
Form 8-K
February 24, 2011

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) February 17, 2011

Berkshire Income Realty, Inc
(Exact name of Registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation)

001-31659
(Commission File Number)

32-0024337
(IRS Employer Identification No.)

One Beacon Street, Boston, Massachusetts
(Address of principal executive offices)

02108
(Zip Code)

Registrants telephone number, including area code (617) 523-7722

N/A
(Former name or former address, if changes 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))

SECTION 1 – REGISTRANT’S BUSINESS AND OPERATIONS

ITEM 1.01 - ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On February 17, 2011, the operating partnership of the Registrant, Berkshire Income Realty – OP, L.P. (“BIR-OP”), executed an amendment (the “Amendment No. 2”) to its revolving credit agreement, as amended by that certain Amendment No. 1 to Revolving Credit Agreement dated as of May 31, 2007 (the “Agreement”) with Krupp Capital Associates (the “Lender”). The Lender is owned directly or indirectly by Douglas Krupp, Chairman of the Board of Directors of the Registrant, his brother George Krupp, trusts for the benefit of their immediate families and certain other family members.

The Agreement is a revolving credit facility in the amount of \$20,000,000 and provides for monthly payments of interest on borrowings at a rate of 5% above the 30 day LIBOR, as announced by Mellon Financial Corporation, fees based on borrowings under the facility and various operational and financial covenants, including a maximum leverage ratio and a maximum debt service ratio.

Amendment No. 2 provides for a temporary modification of certain provisions of the Agreement during a period commencing with the date of execution, February 17, 2011, and ending on July 31, 2012 (the “Amendment Period”), subject to extension. During the Amendment Period certain provisions of the Agreement are modified and include: an increase in the amount of the Commitment from \$20,000,000 to \$40,000,000; elimination of the Leverage Ratio covenant and Clean-Up Requirement (each as defined in the Agreement) and computation and payment of interest on a quarterly basis. At the conclusion of the Amendment Period, including extensions, the provisions modified pursuant to Amendment No.2 will revert back to the provisions of the Agreement prior to the Amendment Period.

SECTION 9 – FINANCIAL STATEMENTS AND EXHIBITS

ITEM 9.01 – FINANCIAL STATEMENTS AND EXHIBITS

| Exhibit # | Description |
|-----------|---|
| 10.1 | Amendment No. 2, dated February 17, 2011, to Revolving Credit Agreement dated as of June 30, 2005, as amended by that certain Amendment No. 1 to Revolving Credit Agreement dated as of May 31, 2007 among Berkshire Income Realty- OP, L.P., the Borrower, Berkshire Income Realty, Inc., the Guarantor, Krupp Capital Associates, in its capacity as administrative agent, the Agent, for itself and the Lenders (as defined in the Agreement), and each of the Lenders party hereto. |

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Berkshire Income Realty, Inc.

Date: February 24, 2011

Name: Christopher M. Nichols

By: /s/ Christopher M. Nichols

Title: Principal Financial Officer
