

FOREST CITY ENTERPRISES, INC.
FIRST AMENDMENT TO THE AMENDED AND RESTATED CORPORATE
GOVERNANCE AND
NOMINATING COMMITTEE CHARTER

14166-1

Purpose of Committee

The Corporate Governance and Nominating Committee (the “Committee”) is appointed by the Board (1) to assist the Board by identifying individuals qualified to become Board members and consistent with criteria approved by the Board, and to recommend to the Board the director nominees for the next annual meeting of shareholders; (2) to recommend to the Board director nominees for each committee; (3) to serve in an advisory capacity to the Board and Co-Chairmen of the Board on matters of organizational and governance structure of the Company and in such capacity to develop and recommend to the Board the Corporate Governance Guidelines applicable to the Company; (4) to develop and recommend to the Board the Company’s Code of Legal and Ethical Conduct; (5) to lead the Board in its annual review of the Board’s performance; (6) to annually review and establish the compensation of the Board; (7) to ensure that appropriate procedures are developed for the succession planning for senior executive officer positions; (8) to ensure that appropriate procedures are developed to evaluate the performance of the Chief Executive Officer; and (9) to oversee the evaluation of the Board, its committees and management. The Committee shall report to the Board on a regular basis and not less than once a year.

Committee Membership

Size. The size of the Committee shall be determined by the Board, subject to any requirements or limitations in the Company’s Articles of Incorporation or Code of Regulations. The Board believes that the Committee should always have not less than three (3), but no more than five (5) members.

Qualifications. The members of the Committee may, but are not required due to the Company’s “controlled company” status, meet the independence qualification requirements of the New York Stock Exchange. Desirable qualifications for committee members include experience in corporate governance, business management, personnel or human resources management and organizational behavior.

Selection. The Board shall appoint the members of the Committee, considering the views of the Co-Chairmen of the Board and the Chief Executive Officer, as appropriate. The members of the Committee shall designate a Committee Chair. Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

Committee Duties and Responsibilities

A. In carrying out its nominating functions, the duties and responsibilities of the Committee are to:

1. identify individuals believed to be qualified to become Board members, and to recommend to the Board the nominees to stand for election as directors at the annual meeting of shareholders or, if applicable, at a special meeting of shareholders.

In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy.

In nominating candidates, the Committee shall take into consideration such factors as it deems appropriate consistent with the Company's Corporate governance guidelines. These factors may include judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The Committee may consider candidates proposed by the Co-Chairmen of the Board, Chief Executive Officer and other senior management. The Committee shall also review the qualifications of, and make recommendations to the Board regarding director nominations submitted to the Company in accordance with the Company's Code of Regulations or otherwise, and review and evaluate any shareholder proposals relating to the nomination by shareholders of any candidates to the Board or the right of any shareholder to do so.

2. have the sole authority to retain and terminate any search firm to be used to identify director candidates and shall have sole authority to approve the search firm's fees and other retention terms. The Corporate Governance and Nominating Committee shall also have authority to obtain, select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate.

3. make recommendations to the Board, from time to time, as to changes that the Committee believes to be desirable to the size of the Board or any committee thereof.

4. develop and recommend to the Board standards to be applied in making determinations as to the absence of material relationships between the Company and a director, in order for a director to meet the requirements of "independence".

5. identify Board members qualified to fill vacancies on any committee of the Board (including the Committee) and to recommend that the Board appoint the identified member or members to the respective committee. In nominating a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of the committee, if any, as well as any other factors it deems appropriate,

including without limitation, the consistency of the candidate's experience with the goals of the committee and the interplay of the candidate's experience with the experience of other committee members.

6. undertake any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the nomination of Board and committee members.

7. evaluate whether an incumbent director should be nominated for re-election to the Board upon expiration of such director's term. The Committee will use the same factors established for new director candidates to make its evaluation and will also take into account the incumbent director's performance as a Board member.

8. oversee the evaluation of the Board and management in accordance with the Company's corporate governance guidelines; and

9. ensure that the appropriate procedures are developed for the succession of senior executive officers.

B. In carrying out its corporate governance functions, the duties and responsibilities of the Committee are to:

1. report to the Board, following the end of each fiscal year, an assessment of the Board's performance based upon comments from all Board members.

2. establish procedures for the Committee to evaluate annually, or more often as appropriate, the directors who are members, and the structure and performance of the committees of the Board, and make recommendations to the Board as appropriate.

3. review and approve amendments to the Charters for each Board Committee and oversee the Compliance of each charter.

4. review and reassess annually the adequacy of the Guidelines and to make recommendations to the Board. The Committee shall consider any requests for waivers from the Company's Corporate Governance Guidelines, and the Company shall make disclosures of such waivers to the New York Stock Exchange and the Securities and Exchange Commission, as applicable.

5. review and reassess the Company's Code of Legal and Ethical Conduct. The Committee shall consider possible conflicts of interest of Board members and management and make recommendations to prevent, minimize, or eliminate such conflicts of interest. Consistent with the New York Stock Exchange listing the requirements and the Company's Code of Legal and Ethical Conduct, the Board will cause the Company to promptly disclose any waiver of the Company's Code of Legal and Ethical Conduct and any waiver of the conflict of interest policy for a director or executive officer.

6. review other practices and policies pertaining to the Board and make recommendations to the Board.
7. have the independent directors meet without the presence of management in regular executive sessions.
8. prepare and issue the evaluation required under “Performance Evaluation” below.
9. recommend to the Board criteria relating to tenure as a director, including retirement age and continuation of a director in an honorary or similar capacity.
10. develop appropriate procedures for the succession planning for senior executive officer positions.
11. undertake any other duties or responsibilities expressly delegated to the Committee by the Board from time to time, relating to the corporate governance functions of the Committee.
12. report to the Board on at least an annual basis, with respect to succession planning, which shall include appropriate contingencies in case the Chairman of the Board or the CEO retires, resigns or is incapacitated. The Committee shall assist the Board in evaluation of potential successors to the Chairman of the Board and the CEO; and
13. recommend the appropriate size of the Board and effectiveness of the Board in fulfilling its obligations to the Company and its stockholders. The Committee shall evaluate and recommend the processes and practices which the Board shall conduct its business, including (a) the structure, charter and membership of committees of the Board; and (b) committee membership qualifications, appointment and removal.

Meetings

The Committee shall meet a minimum of four times a year, at each quarterly and annual Board/Shareholders’ meeting, and more frequently if the Committee members deem it necessary to carry out their responsibilities under this Charter. The Committee Chair shall, in consultation with the other members of the Committee and appropriate officer of the Company, establish the agenda for each Committee meeting. Each Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Committee Chair or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the number of Committee members selected by the Board shall constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance shall be the act of the Committee, unless a greater number is required by law, the Company’s Articles of Incorporation or its Code of Regulations. The Committee Chair shall

supervise the conduct of the meetings and shall have other responsibilities which the Committee may designate from time to time.

The Committee may request any officer of the Company, or any representative of the Company's advisors, to attend a meeting or to meet with any members or representatives of the Committee.

Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Resources and Authority

The Committee shall have appropriate resources and authority to discharge its responsibilities, including appropriate funding in such amount as the Committee deems necessary, to compensate any consultants and any independent advisors retained by the Committee. The Committee shall have the sole authority to retain and terminate any search firm to assist in the identification of director candidates and the sole authority to set the fees and other retention terms of such search firms. The Committee may also retain independent counsel and other independent advisors to assist it in carrying out its responsibilities.

Board Reports

At least annually, the Committee shall report its activities to the Board and in such manner and at such times as the Committee or the Board deems appropriate. This report shall include the Committee's assessment of the Board's performance and procedures.

Performance Evaluation

The Committee shall produce and provide to the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

Consistent with the New York Stock Exchange listing requirements, this Charter will be included on the Company's website and will be made available upon request sent to the Company's Secretary. The Company's Annual Report on Form 10-K will state that this Charter is available on the Company's website and will be available upon request sent to the Company's Secretary. This Charter will also be periodically published in the proxy statement relating to the Company's annual meeting of shareholders.

Effective: March 24, 2005