

Exhibit A – Responses to Lease Sales Bidding Procedures Objections

Issue No.	Issue	Objection Party(ies) ¹	Response
1	It is not clear who will pay for any lease obligations that are currently undetermined and will be calculated as part of a year-end reconciliation.	Cole BD Rapid City SD, LLC [Docket No. 1412], ¶¶ 7-8; Winter Park Town Center, Ltd. [Docket No. 1422], ¶¶ 6-10; Mid-America Asset Management, Inc. as agent for Rice Lake Square, L.P., State/Randolph, L.L.C. [Docket No. 1424], at 9-10; Salmon Run Shopping Center, L.L.C., <i>et. al.</i> [Docket No. 1427], ¶¶ 9-10; Inland US Management, LLC, <i>et. al.</i> [Docket No. 1430], ¶ 11; Macerich Company, <i>et. al.</i> [Docket No. 1431], ¶¶ 15- 17, 24; Mid-America Asset Management, Inc. as agent for Rice Lake Square, L.P., State/Randolph, L.L.C. [Docket No. 1446], at 3-4	<p>The form of Assignment and Assumption of Lease Agreement annexed to the Bidding Procedures as Exhibit 3 clearly provides that the assignee, if any, will pay any such amounts. <i>See</i> ¶ 3 (“Assignee shall be responsible for any reconciliations of such charges that may be payable to the Landlord, whether such reconciliations apply to periods before or after the Delivery Date.”)</p> <p>Moreover, the Bidding Procedures in ¶ 10(a) have been modified to clarify that all bidders (other than landlords bidding on their own leases) must agree that “any obligations that are undetermined as of the effective date that arise from or in connection with year-end or other adjustments of rent or other charges due to the Lessor pursuant to the terms of the Lease (including, without limitation, any such obligations related to the period prior to the effective date of the assignment) shall be assumed by and be the sole responsibility of the Bidder.”</p>
2	Any proposed assignee of a lease must assume all obligations, including any indemnification liabilities set forth in the lease.	Cole BD Rapid City SD, LLC [Docket No. 1412], ¶ 10; Winter Park Town Center, Ltd. [Docket No. 1422], ¶¶ 6-7; Mid-America Asset Management, Inc. as agent for Rice Lake Square, L.P., State/Randolph, L.L.C. [Docket No. 1424], at 9-10; Salmon Run Shopping Center, L.L.C., <i>et. al.</i> [Docket No. 1427], ¶¶ 7-8; Inland US Management, LLC, <i>et. al.</i> [Docket No. 1430], ¶ 11; Macerich Company, <i>et. al.</i> [Docket No. 1431], ¶¶ 10-14	As an initial matter, these are objections to the sales, not to the Bidding Procedures and, therefore, are premature at this juncture. Moreover, the form of Assignment and Assumption of Lease Agreement (Bidding Procedures, Ex. 3 ¶ 4 (“Assignee hereby assumes all of the terms, covenant, and conditions of the Lease...”)) clearly provides that landlords will assume <u>all</u> of the Debtors’ obligations under the leases.

¹ This column of objecting party(ies) does not include references to parties that filed joinders, where the joinder merely incorporates by reference other objections already listed in this chart. Capitalized terms used herein but not defined are ascribed the definitions in the Sale Motion.

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3	Landlords will have insufficient time before the applicable sale objection deadlines to review and consider information regarding adequate assurance of future performance.	Cole BD Rapid City SD, LLC [Docket No. 1412], ¶ 11; DCT/SPF Borders General Partnership [Docket No. 1421], ¶¶ 6-7; Mid-America Asset Management, Inc. as agent for Rice Lake Square, L.P., State/Randolph, L.L.C. [Docket No. 1424], at 3-8; The Westfield Landlords [Docket No. 1426], ¶¶ 6-9; Inland US Management, LLC, <i>et. al.</i> [Docket No. 1430], ¶¶ 6-10; Macerich Company, <i>et. al.</i> [Docket No. 1431], ¶¶ 5-9; Centro Properties Group, <i>et. al.</i> [Docket No. 1433], ¶¶ 5-6; Port of Seattle [Docket No. 1435], at 3-4; S.R. Weiner & Associates, New England Development and Edens & Avant [Docket No. 1437], ¶¶ 7-10; Macy’s Retail Holdings, Inc., <i>et. al.</i> [Docket No. 1440], ¶¶ 11-17; Diversified Realty Corp., <i>et. al.</i> [Docket No. 1465], ¶ 2	<p>The Debtors will work to ensure that landlords and their counsel receive adequate assurance information as soon as practicable after the Debtors select the applicable successful bidder. Any landlord that feels it is prejudiced by the timing of receipt of such information will have the right to object to the sale by applicable objection deadlines. In any event, this issue now is premature and potentially moot because any lease (i) may never be assumed and assigned or (ii) the landlord could be the successful bidder.</p> <p>Nonetheless, the Debtors have agreed to the following revisions to the Bidding Procedures to help alleviate some of the landlords’ concerns: (a) moving the First Auction’s objection deadline from September 2, 2011, to September 6, 2011, and the Second Auction’s objection deadline from September 15, 2011 to September 16, 2011 and (b) providing that in addition to sending the landlords the adequate assurance information via overnight delivery, the Debtors will also email the information to counsel of record immediately following selection of the winning bidder.</p>
4	<p>The bidding requirements applicable to landlords should be revised to provide:</p> <p>(1) landlords are automatically deemed Qualified Bidders;</p> <p>(2) landlords should not be required to pay \$10,000 cash consideration above the cure amount;</p>	DCT/SPF Borders General Partnership [Docket No. 1421], ¶ 5; The Westfield Landlords [Docket No. 1426], ¶ 15; Centro Properties Group, <i>et. al.</i> [Docket No. 1433], ¶¶ 9-11; Macy’s Retail Holdings, Inc., <i>et. al.</i> [Docket No. 1440], ¶¶ 19-20; Developers Diversified Realty Corp., <i>et. al.</i> [Docket No. 1465], ¶ 2	The Debtors, in consultation with their advisors, including DJM, and with the Committee, have developed bidding procedures, which they believe will maximize value for the leases by, among other things, setting a threshold for each transaction to ensure that the consideration is sufficient to cover all related expenses. The Bidding Procedures are a sound exercise of the Debtors’ business judgment. <i>See Committee of Equity Sec. Holders v. Lionel Corp.</i> , 722 F.2d 1063, 1071 (2d Cir. 1983); <i>Comm. of Asbestos-Related Litigants v. Johns-Manville Corp.</i> , 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (“Where the debtor articulates a

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	<p>(3) landlords should have the right to credit bid only a portion of their claims;</p> <p>(4) landlords should not need to provide a deposit; and</p> <p>(5) landlords should not need to provide adequate assurance of future performance information.</p>		<p>reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.”). The Debtors cannot agree to requests (1), (2) or (3) as they will lower the initial thresholds for bids and will be deleterious to the process.</p> <p>Request (4) is already addressed in the Bidding Procedures in the manner the landlords have requested. <i>See</i> ¶ 10(d) (“provided, however, that a Lessor bidding on its own Lease is exempt from this requirement.”).</p> <p>The Debtors have clarified the Bidding Procedures to address Request (5) by excluding landlords from the bid requirements in ¶ 10(a).</p>
5	<p>Landlords should not be required to file new cure objections unless and until one or more of their leases are designated for assumption and assignment, and should be allowed to amend cure claims even after the Cure Objection Deadline.</p>	<p>Salmon Run Shopping Center, L.L.C., <i>et. al.</i> [Docket No. 1427], ¶ 11; Centro Properties Group, <i>et. al.</i> [Docket No. 1433], ¶¶ 7-8; Developers Diversified Realty Corp., <i>et. al.</i> [Docket No. 1465], ¶ 2</p>	<p>The Debtors are mindful that several landlords recently filed cure objections in connection with the prior sale process. In preparing the Cure Amount schedule and the form assumption notices, the Debtors’ advisors reviewed and considered each prior objection and, to the extent sufficient back-up documentation was provided by the landlord and the Debtors agreed with same, accounted for necessary adjustments. To resolve any remaining disputes, landlords should be required to file new cure objections. Moreover, to give bidders predictability and understanding for the required consideration, those objections need to be received early in the bidding process. Finally, recognizing that the asserted cure amounts may change by the time of assumption, the Debtors have included in the following language in the proposed bidding procedures order:</p>

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			<p>“To the extent that a Lessor fails to object or otherwise respond to the Proposed Cure Amount (a “<u>Cure Objection</u>”) on or before the Cure Objection Deadline, the Proposed Cure Amount shall constitute the sole amount necessary under sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code to cure all defaults and pay all actual pecuniary losses under the Lease (the “<u>Cure Amount</u>”) and the Lessor is forever barred and enjoined from asserting a cure amount different from that set forth on the applicable Cure Schedule <u>(except for any amounts accruing from the date of the Cure Schedule through the date of assignment of the Lease).</u>” ¶ 7 (emphasis added).</p>
6	<p>Landlords may be deprived of an opportunity to object to the assumption and assignment or to bid on leases if the Debtors elect to consider any Second Round Lease at the First Auction.</p>	<p>Inland US Management, LLC, <i>et. al.</i> [Docket No. 1430], ¶ 10; Macy’s Retail Holdings, Inc., <i>et. al.</i> [Docket No. 1440], ¶¶ 7-10</p>	<p>The proposed Bidding Procedures will be revised as follows: “The Debtors reserve the right, in consultation with counsel for the statutory committee of unsecured creditors (the “<u>Committee</u>”), to elect to auction and to sell Leases that are listed as Second Round Leases in the First Auction (as defined below) if necessary to permit the sale(s) of more than one (1) Lease to a single bidder; <u>provided, however, that the Debtors shall notify any affected Lessor(s) of any such election as soon as practicable, but in no event later than August 29, 2011 and that the affected Lessor(s)’ First Round Bid Deadline (as defined below) for any such leases shall be extended through commencement of the First Auction.</u>” (emphasis added).</p>
7	<p>Any attempt to assign a Lease “free and clear” of the “use clause” of the Lease (or any of the other terms, covenants and conditions of the Lease to be satisfied or performed by the</p>	<p>Port of Seattle [Docket No. 1435], at 3-4</p>	<p>As an initial matter, these are objections to potential sales, not to the Bidding Procedures and, therefore, are premature at this juncture. Moreover, the form of Assignment and Assumption of Lease Agreement (Bidding Procedures, Ex. 3 ¶ 4 (“Assignee hereby</p>

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	tenant under the Lease) pursuant to section 363(f) of the Bankruptcy Code.		assumes all of the terms, covenant, and conditions of the Lease...”)) clearly provides that landlords will assume <u>all</u> of the Debtors’ obligations under the leases.