

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11
: :
GENERAL GROWTH : Case No. 09-11977 (ALG)
PROPERTIES, INC., et al., : :
: (Jointly Administered)
Debtors. :
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ORDER UNDER 11 U.S.C. §§ 328(a) AND 1103, FED. R. BANKR. P. 2014 AND 2016, AND S.D.N.Y. LBR 2014-1 AUTHORIZING EMPLOYMENT AND RETENTION OF HOULIHAN LOKEY HOWARD & ZUKIN CAPITAL, INC., AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF GENERAL GROWTH PROPERTIES, INC., ET AL., NUNC PRO TUNC TO APRIL 27, 2009

Upon the application, dated June 9, 2009 (the “Application”), of the Official Committee of Unsecured Creditors (the “Committee”) appointed in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) of General Growth Properties, Inc. (“GGP”) and its affiliated debtors (collectively, the “Debtors”) for an order, pursuant to sections 328(a) and 1103 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and rule 2014-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”), authorizing the Committee to retain and employ Houlihan Lokey Howard & Zukin Capital, Inc. (“Houlihan”) as financial advisor and investment banker for the Committee, *nunc pro tunc* to April 27, 2009, pursuant to the terms of the engagement letter between the Committee and Houlihan, dated as of April 27, 2009 (the “Engagement Letter”); and the Court having jurisdiction to consider the Application and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy

Judges of the United States District Court for the Southern District of New York (Ward, Acting C.J.), dated July 10, 1984; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Application and determined that the employment of Houlihan by the Committee is necessary and in the best interest of the Debtors' estates, creditors, and other parties in interest and that the terms of compensation being sought by the Application as set forth in the Engagement Letter are reasonable; and the Court having considered the Declaration of Matthew R. Niemann, sworn to June 9, 2009 (the "Niemann Declaration") and the Supplemental Declaration of Matthew R. Niemann, sworn to July 27, 2009 (the "Niemann Supplemental Declaration"), which were each filed in support of the Application; and the Court being satisfied based on the representations in the Application, the Niemann Declaration and the Niemann Supplemental Declaration that Houlihan does not represent any other entity having an adverse interest in connection with the case; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and on July 20, 2009, General Trust Company having filed a limited objection to the Application; and on July 24, 2009, the Office of the United States Trustee for Region 2 (the "United States Trustee") having filed an objection to the Application; and the Court having considered the Supplemental Declaration of Matthew R. Niemann in Support of the Application filed on July 27, 2009; and upon all of the proceedings had before the Court, and after due deliberation and

sufficient cause appearing therefore, it is hereby:

ORDERED that the Application is granted as provided herein; and it is further

ORDERED that in accordance with sections 328(a) and 1103 of the Bankruptcy Code, the Committee is authorized to employ and retain Houlihan *nunc pro tunc* to April 27, 2009 as its financial advisor and investment banker in the above-captioned bankruptcy cases on the terms set forth in the Application and the Engagement Letter, as modified by this Order; and it is further

ORDERED that the Engagement Letter is deemed modified in each of the following respects:

- (a) each Monthly Fee shall be \$275,000;
- (b) the Deferred Fee shall be \$11,000,000, with such Deferred Fee earned and payable upon the effective date of any Plan (as defined in the Engagement Letter);
- (c) the third sentence of paragraph 9 of the Engagement Letter shall be deleted; and it is further

ORDERED that the Houlihan shall be compensated and reimbursed in accordance with the terms of the Engagement Letter and this Order, and all compensation and reimbursement of expenses to be paid to Houlihan, including without limitation the Monthly Fees and Deferred Fee shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code, and not subject to any other standard of review, including under section 330 of the Bankruptcy Code; and it is further

ORDERED that notwithstanding the preceding paragraph, the United States Trustee retains all rights to object to Houlihan's interim and final fee applications (including expense reimbursement) on all grounds, including but not limited to the reasonableness standard provided for in section 330 of the Bankruptcy Code; and it is further

ORDERED that Houlihan shall file fee applications for monthly, interim and final allowance of compensation and reimbursement of expenses pursuant to the procedures set forth in Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of the Court; provided, however, that (except as provided in the previous paragraph) Houlihan shall be compensated and reimbursed pursuant to Bankruptcy Code section 328(a) and that Houlihan's fees and expenses shall not be evaluated under the standard set forth in Bankruptcy Code section 330 and shall not constitute a "bonus" under applicable law; and it is further

ORDERED that the Debtors are authorized to pay Houlihan's fees and to reimburse Houlihan for its costs and expenses as provided in the Engagement Letter in accordance with the monthly, interim and final fee application process approved by this Court; and it is further

ORDERED that all Houlihan financial restructuring personnel employed in domestic U.S. offices of Houlihan who provide services to or on behalf of the Committee as authorized hereby shall keep contemporaneous records of the work performed by them in hourly increments; and it is further

ORDERED that upon submission of the foregoing time records to the United States Trustee, Houlihan shall also provide the United States Trustee with schedules of the Houlihan personnel who provided services to or on behalf of the Committee; provided, however, that Houlihan shall not be required to maintain either time records or summaries of work performed by Houlihan personnel for services rendered to or on behalf of the Committee through and including the date on which this Order is entered; and it is further

ORDERED that the time records submitted by Houlihan shall designate the applicable focus areas as set forth on Exhibit 1 to the Niemann Supplemental Declaration; and it is further

ORDERED that in the event Houlihan seeks reimbursement for attorneys' fees pursuant to the terms of the Engagement Letter, the invoices and supporting time records from such attorneys shall be included in Houlihan's own application and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy Court under the standards of sections 330 and 331 of the Bankruptcy Code; and it is further

ORDERED that the Debtors will be bound by the indemnification, contribution and exculpation provisions of the Engagement Letter and will indemnify and hold harmless Houlihan and its affiliates, and its and their respective directors, officers, members, agents, employees and controlling persons, and each of their respective successors and assigns (collectively, the "Indemnified Persons"), pursuant to the indemnification, exculpation and contribution provisions of the Engagement Letter and during the pendency of these Chapter 11 cases, subject to the following conditions:

- a. All requests of Indemnified Persons for payment of indemnity, contribution or otherwise pursuant to the indemnification provisions of the Engagement Letter shall be made by means of an interim or final fee application and shall be subject to the approval of, and review by, the Court to ensure that such payment conforms to the terms of the Engagement Letter, the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and the orders of this Court and is reasonable based upon the circumstances of the litigation or settlement in respect of which indemnity is sought; provided, however, that in no event shall an Indemnified Person be indemnified or receive contribution to the extent that any claim or expense has resulted from the bad-faith, self-dealing, gross negligence, breach of fiduciary duty (if any), or willful misconduct on the part of that or any other Indemnified Person.
- b. In no event shall an Indemnified Person be indemnified or receive contribution or other payment under the indemnification provisions of the Engagement Letter if the Debtors, their estates, or the official committee of unsecured creditors assert a claim for, and the Court determines by final order that such claim arose out of, such Indemnified Person's bad-faith, self-dealing, gross negligence, breach of fiduciary duty (if any), or willful misconduct.
- c. In the event an Indemnified Person seeks reimbursement for attorneys' fees from the Debtors pursuant to the Engagement Letter, the invoices and supporting time records from such attorneys shall be annexed to Houlihan's own interim and final fee applications, and such invoices and time records shall be subject to the United States Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Bankruptcy Court under the standards of section 330 of the Bankruptcy Code without regard to whether such attorney has been retained under section 1103 of the Bankruptcy Code; and it is further

ORDERED that Houlihan waives any claim in connection with their retention by the Ad Hoc Committee (as defined in the Niemann Declaration); and it is further

ORDERED that to the extent this Order is inconsistent with the Engagement Letter or the Application, this Order shall govern; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising or related to the implementation of this order; and it is further

Dated: New York, New York
_____, 2009

HONORABLE ALLAN L. GROPPER
UNITED STATES BANKRUPTCY JUDGE