

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.
: :
GENERAL GROWTH : 09 – 11977 (ALG)
PROPERTIES, INC., et al., : :
: (Joint Administration)
Debtors. : :
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**INTERIM ORDER PURSUANT TO SECTIONS 361, 363, 503, AND 507
OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 4001
(I) AUTHORIZING USE OF CASH COLLATERAL, (II) GRANTING
ADEQUATE PROTECTION, (III) MODIFYING THE AUTOMATIC STAY,
AND (IV) SCHEDULING A FINAL HEARING ON USE OF CASH COLLATERAL**

Upon the motion, dated April 16, 2009 (the “**Motion**”)¹ of South Street Seaport Limited Partnership, its parent, General Growth Properties, Inc. (“**GGP**”), and their debtor affiliates, as debtors and debtors in possession (collectively, “**General Growth**” or the “**Debtors**”), (i) authorizing the Debtors’ use of “cash collateral” (as defined in section 363(a) of the Bankruptcy Code, the “**Cash Collateral**”); (ii) providing adequate protection to the Property Lenders for any diminution in value of their respective interests in the Cash Collateral; and (iii) scheduling a final hearing (the “**Final Hearing**”) to consider the relief requested in the Motion and the entry of a Final Order (as defined herein), and approving the form of notice with respect to the Final Hearing; all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and grant the requested relief in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under

¹ Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Motion.



Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion 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 the Debtors having provided notice of the Motion and Hearing (as defined below) to: (i) the Office of the United States Trustee for the Southern District of New York (Attn: Greg M. Zipes); (ii) the Securities and Exchange Commission; (iii) the Internal Revenue Service; (iv) EuroHypo AG, New York Branch, administrative agent for the lenders to certain of the Debtors under (a) the Second Amended and Restated Credit Agreement dated as of February 24, 2006 and (b) the Loan Agreement, dated as of July 11, 2008, as amended; (v) Deutsche Bank Trust Company Americas, as administrative agent for the lenders to certain of the Debtors under certain Loan Agreements, dated as of January 2, 2008 and February 29, 2009, respectively; (vi) Goldman Sachs Mortgage Company, as administrative agent for the lenders to certain of the Debtors under the Amended and Restated Credit Agreement, dated as of November 3, 2008; (vii) Wilmington Trust, FSB, as indenture trustee under (a) that certain Indenture, dated as of May 5, 2006, and (b) that certain Indenture, dated as of April 16, 2007; (viii) LaSalle Bank National Association and Wilmington Trust, FSB,² as indenture trustee under that certain Junior Subordinated Indenture, dated as of February 24, 2006; (ix) The Bank of New York Mellon Corporation, as indenture trustee under that certain Indenture, dated as of February 24, 1995; (x) those creditors holding the 100 largest unsecured claims against the Debtors' estates (on a consolidated basis); (xi) the Property Lenders and (xii) the servicers of the Property Loans

² Wilmington Trust, FSB recently entered into an agreement pursuant to which it will assume the indenture trustee assignments of LaSalle Bank National Association. As of the Commencement Date, the trustee assignment with respect to this indenture has not yet been transferred to Wilmington Trust, FSB; however, Wilmington Trust, FSB will succeed LaSalle Bank National Association as indenture trustee for this series of notes upon the transfer of the trustee assignment.

(collectively, the “**Notice Parties**”); and the Court having held a hearing to consider the requested relief (the “**Hearing**”); and upon the Declarations, the record of the Hearing, and all of the proceedings before the Court, the Court finds and determines that the requested relief is in the best interests of the Debtors, their estates, creditors, and all parties in interest; the Debtors have provided due and proper notice of the Motion and Hearing and no further notice is necessary; the legal and factual bases set forth in the Motion establish just and sufficient cause to grant the requested relief herein; and therefor,

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. **Commencement Date**: Commencing on April 16, 2009 (the “**Commencement Date**”) and continuing thereafter, each of the Debtors filed a voluntary petition under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) commencing these cases.

B. **Debtors in Possession**. The Debtors are continuing to manage and operate their business and properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.

C. **Jurisdiction and Venue**. The Court has jurisdiction, pursuant to 28 U.S.C. §§ 157 and 1334, over these proceedings, and over the persons and property affected hereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue for these cases appears proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

D. **Statutory Committee**. As of the date hereof, the United States Trustee for the Southern District of New York (the “**U. S. Trustee**”) has not yet appointed an official committee of unsecured creditors in these cases pursuant to section 1102 of the Bankruptcy

Code (a “**Statutory Committee**”).

E. **Parties with Interest in Cash Collateral.** The parties with interest in Cash Collateral (*i.e.*, the Property Lenders) are identified on **Exhibit “1”** annexed hereto; provided that, (i) nothing contained in **Exhibit “1”** shall be construed as an admission against the Debtors and (ii) to the extent an entity is incorrectly identified as a “Property Lender” on **Exhibit “1,”** such identification shall not confer any rights or benefits on such entity.

F. **Necessity of Relief Requested.** The Debtors do not have sufficient available sources of working capital and financing to operate their business in the ordinary course of business or to maintain their property without the use of Cash Collateral. Without Cash Collateral, the continued operation of the Debtors’ business would not be possible and immediate and irreparable harm will result to the Debtors, their estates and creditors, and the possibility for a successful chapter 11 case. The relief requested in the Motion is, therefore, necessary, essential, and appropriate for the continued operation of the Debtors’ business, and the management and preservation of their property. Entry of this Interim Order is in the best interests of the Debtors, their estates and their creditors.

G. **Final Hearing.** At the Final Hearing (defined herein), the Debtors will seek approval of the relief requested in the Motion for the proposed use of Cash Collateral arrangements on a final basis pursuant to a final order (the “**Final DIP Order**”), notice of which Final Hearing will be provided in accordance with this Interim Order.

H. **Notice.** The Debtors have made reasonable efforts to afford the best notice possible notice of the Interim Hearing and the emergency relief requested in the Motion to the Notice Parties, and under the circumstances, such notice provided to the Notice Parties is good and sufficient to permit the interim relief set forth in this Interim Order, and no other or further

notice is or shall be required.

Based upon the foregoing findings and conclusions, the Motion and the record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED that:

1. Motion Granted. The Motion is granted, and the use of Cash Collateral on an interim basis is authorized, subject to the terms and conditions set forth in this Interim Order.

2. Objections Overruled. All objections to the Motion to the extent not withdrawn or resolved are hereby overruled.

3. Authorization to Use Cash Collateral. The Debtors are authorized to use Cash Collateral for the period (the "**Specified Period**") from the Commencement Date through **May 8, 2009**, ~~the date on which the Final DIP Order is entered~~. Except as otherwise expressly provided herein, Cash Collateral may be used by the Debtors during the Specified Period. This authorization includes using Cash Collateral to (a) maintain their operations and provide funding to affiliates (whether Debtors or non-Debtors), consistent with prepetition practices as set forth in the Cash Management Motion, (b) pay certain prepetition obligations as further described in the Debtors' "first day" motions filed substantially contemporaneously herewith and authorized pursuant to the "first day" orders approving the same, and (c) pay disbursements more fully described in the 13-Week Projection.

4. Termination. The authorization for the Debtors to use Cash Collateral shall terminate at the expiration of the Specified Period. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any Debtor's use of any Cash Collateral or other proceeds resulting therefrom, except as permitted in this Interim Order or another "First Day" order of the Court, with the prior written consent of the Property Lender whose collateral is sought to be used by

the Debtors.

5. Adequate Protection.

- a. **As a condition for the use of Cash Collateral**, each Property Lender with an interest in Cash Collateral, and as adequate protection to the extent of the diminution in value of such interest, shall receive (i) continuing, valid, binding, enforceable, and automatically perfected first priority postpetition security interests in, and liens on, the Intercompany Claims that its respective Debtor has in the net cash that flows into the Debtors' centralized Cash Management System (the "**Adequate Protection Liens**" and the collateral securing such Adequate Protection Liens, the "**Replacement Collateral**"), and (ii) to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code, an allowed administrative claim in such Debtor's chapter 11 case (the "**Adequate Protection Claim**"), in each case subject to paragraphs 6 and 7 below. The Adequate Protection Liens of holders of mechanics', materialmen's, repairmen's or similar Liens created under any contract or existing under any applicable law and affecting any Property (collectively, "**M&M Liens**") shall secure only **such parties' property** interests that may accrue under applicable law on account of the Claims secured by such M&M Liens.
- b. The Debtors shall continue to operate and maintain their business and the Shopping Center Properties, which maintenance constitutes adequate protection with respect to the Property Lenders pursuant to the Property Loans.
- c. The Debtors shall pay ~~prepetition~~ and postpetition property taxes with respect to the Shopping Center Properties.

d. The Debtors **timely** shall pay each Property Lender postpetition, non-default interest (whether attributable to interest owed prepetition or postpetition), **to be paid when due** in accordance with the contract rate set forth in its respective Property Loan, provided however, that if it is subsequently determined that the Property Lender is undersecured or unsecured any postpetition interest made to such Property Lender in accordance with this paragraph 5(d) shall be applied to the outstanding principal balance on the applicable Property Loan.

6. Priority of Adequate Protection Liens. The Adequate Protection Liens shall be senior to all other security interests in, liens on, or claims against any of the Replacement Collateral; provided, however, the Adequate Protection Liens shall be junior pursuant to section 364(c)(3) to (i) any existing, valid, senior, enforceable and unavoidable prior perfected liens and (ii) any valid, senior, enforceable lien granted to the Lenders in connection with any postpetition financing extended by such lender on account of such financing or as may be determined in any further Court proceedings. The Adequate Protection Liens shall be enforceable against the Debtors, their estates and any successors thereto, including without limitation, any trustee or other estate representative appointed in these cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of these cases, or in any other proceedings superseding or related to any of the foregoing.

7. Priority of Adequate Protection Claims. Each Adequate Protection Claim shall be accorded administrative expense priority in accordance with sections 503(b) and 507(b) of the Bankruptcy Code; provided, however, that the Adequate Protection Claims shall be junior to any superpriority claim granted to the Lenders and authorized by this Court in connection with any postpetition financing extended on account of such financing.

8. Modification of Automatic Stay. The automatic stay under Bankruptcy Code section 362(a) is hereby modified as necessary to effectuate all of the terms and provisions of this Interim Order, including, without limitation, to: (a) permit the Debtors to grant the Adequate Protection Liens and Adequate Protection Claims; (b) permit the Debtors to perform such acts as the Property Lenders each may request in its sole discretion to assure the perfection and priority of the liens granted herein; (c) permit the Debtors to incur all liabilities and obligations to the Property Lenders under the terms of this Interim Order; and (d) authorize the Debtors to pay, the Property Lenders to retain and apply, payments made in accordance with the terms of this Interim Order.

9. Perfection of Adequate Protection Liens. This Interim Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the Adequate Protection Liens without the necessity of filing or recording any financing statement or other instrument or document which may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement) to validate or perfect (in accordance with applicable non-bankruptcy law) the Adequate Protection Liens, or to entitle the Property Lenders to the priorities granted herein. Notwithstanding the foregoing, each Property Lender is authorized to file, as it deems necessary in its sole discretion, such financing statements, mortgages, notices of liens and other similar documents to perfect in accordance with applicable non-bankruptcy law or to otherwise evidence the applicable Adequate Protection Liens and all such financing statements, mortgages, notices and other documents shall be deemed to have been filed or recorded as of the Commencement Date; provided, however, that no such filing or recordation shall be necessary or required to create or perfect the Adequate Protection

Liens. The Debtors are authorized and directed to execute and deliver promptly upon demand to the Property Lenders all such financing statements, mortgages, notices and other documents as any of the Property Lenders may reasonably request. Each of the Property Lenders, each in its sole discretion, may file a photocopy of this Interim Order as a financing statement with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, notices of lien or similar instrument.

10. No Third Party Rights. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, or incidental beneficiary.

11. Binding Effect of Interim Order. Immediately upon entry by the Court (notwithstanding any applicable law or rule to the contrary), the terms and provisions of this Interim Order shall become valid and binding upon and inure to the benefit of the Debtors, the Property Lenders, all other creditors of any of the Debtors, any committee appointed in these cases, and all other parties in interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in any of these cases, or upon dismissal of any of these cases. In the event of any inconsistency between the provisions of this Interim Order and any other order (including any “First Day” order), the provisions of this Interim Order shall govern and control. Any payments to be made under any order (including any “First Day” order) shall be made in accordance with this Interim Order and the 13-Week Projection.

12. Amendments. **Exhibit “1”** may be amended, provided that **Exhibit “1”**, as so amended, shall be served within two (2) business days therefrom on (a) the U.S. Trustee, (b) the Property Lenders, (c) the Statutory Committee if then-appointed, and (d) the Debtors’

proposed DIP Lender.

13. Final Hearing. The Final Hearing is scheduled for **May 8, 2009 at 11:30 a.m.** (Eastern Time) before the Honorable Allan L. Gropper, United States Bankruptcy Judge, Courtroom 617 at the United States Bankruptcy Court for the Southern District of New York. On or before **April 17, 2009**, the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Interim Order and of the Final Hearing (the “**Final Hearing Notice**”), together with a copy of this Interim Order and the Motion, on: (a) the Notice Parties; (b) any party which has filed prior to such date a request for notices with the Court; and (c) counsel for any Statutory Committee. The Final Hearing Notice shall state that any party in interest objecting to the relief requested in the Motion on a final basis shall file written objections with the Clerk of the Court no later than on **May 1, 2009 at 12:00 noon** (Eastern Time), which objections shall be served so as to be received on or before such date by: (i) counsel to the Debtors, attn: Marcia L. Goldstein, Esq., Gary T. Holtzer, Esq., Adam P. Stochak, Esq., Stephen A. Youngman, Esq. and Sylvia A. Mayer, Esq., Weil, Gotshal & Manges LLP, 767 Fifth, Avenue, New York, NY 10153; (ii) counsel to any Statutory Committee; ~~(iii) the Property Lenders at the addresses for notices listed on **Exhibit “1”** hereto;~~ ~~and (iv)~~ **and (iii)** the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, NY 10004, Attn: Greg M. Zipes.

14. Effect of this Interim Order. This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable *nunc pro tunc* to the Commencement Date immediately upon execution thereof.

15. Retention of Jurisdiction. This Court hereby retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: April 16, 2009
New York, New York

/s/ Allan L. Gropper
UNITED STATES BANKRUPTCY JUDGE