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

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: **Chapter 11 Case No.**
: **09-11977 (ALG)**
: **(Jointly Administered)**
: **Debtors.**
: **09-11977 (ALG)**
: **(Jointly Administered)**
-----X

**RESPONSE OF GENERAL GROWTH PROPERTIES, INC. TO MOTION OF
GOLDMAN SACHS MORTGAGE COMPANY AND BROOKFIELD FINANCIAL,
LLC AND CERTAIN AFFILIATES FOR ALLOWANCE AND PAYMENT OF A
CHAPTER 11 ADMINISTRATIVE EXPENSE CLAIM AGAINST THE ESTATES
PURSUANT TO BANKRUPTCY CODE SECTIONS 503(b)(3)(D) AND 503(b)(4)**

[Re: Docket No. 661]

TO THE HONORABLE ALLAN L. GROPPER
UNITED STATES BANKRUPTCY JUDGE:

South Street Seaport Limited Partnership, its ultimate parent, General Growth
Properties, Inc. (“**GGP**”), and their debtor affiliates, as debtors and debtors in possession
(collectively, “**General Growth**” or the “**Debtors**”),¹ respond and submit this statement in

¹ A list of the Debtors, along with the last four digits of each Debtor’s federal tax identification number, is filed with the Court at Docket No. 593 and is also available for free online at www.kccllc.net/GeneralGrowth.



response to the *Motion of Goldman Sachs Mortgage Company and Brookfield Financial, LLC and Certain Affiliates for Allowance and Payment of a Chapter 11 Administrative Expense Claim Against the Estates Pursuant to Bankruptcy Code Sections 503(b)(3)(D) and 503(b)(4)* (the “**Motion**”) and respectfully represent as follows:

BACKGROUND AND RESPONSIVE STATEMENT

1. On or about June 1, 2009, Goldman Sachs Mortgage Company (“**Goldman**”) and Brookfield Financial, LLC (“**Brookfield**”) filed their Motion pursuant to which they sought payment of an administrative expense from the Debtors in the combined cumulative amount of \$5,779,030.09 (the “**Administrative Expense Request**”) comprised of fees and out of pocket expenses. The Administrative Expense Request is comprised of fees and expenses Goldman and Brookfield assert they incurred in connection with the Debtors’ DIP financing. Pursuant to the Motion, Goldman and Brookfield state that they each and collectively made a “substantial contribution” to the Debtors’ estates by providing a DIP financing structure and terms that the Debtors were able to leverage so as to obtain a DIP financing package that improved upon that offered by Goldman and Brookfield as well as other DIP lenders whose offers the Debtors considered.

2. The Debtors have reviewed and considered the Motion and have agreed to settle the relief requested in the Motion for, and are supportive of, an administrative expense by Goldman and Brookfield against the Debtors’ estates in the amount of \$2,750,000 (the “**Settlement Amount**”) to be split as Goldman and Brookfield may determine between themselves and to be paid within 10 days after the entry of an order approving the Stipulation (defined below).

3. The Debtors, Goldman and Brookfield are currently in the process of negotiating the terms of a stipulation resolving the Motion for the Settlement Amount (the “**Stipulation**”) and hope to file such Stipulation in advance of the hearing on the Motion.

Dated: June 17, 2009
New York, New York

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