

Hearing Date and Time: June 24, 2009 at 11:00 a.m. (prevailing Eastern Time)
Objection Deadline: June 19, 2009 at 4:00 p.m. (prevailing Eastern Time)

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ATTORNEYS FOR A&K ENDOWMENT, INC.

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

In re:

GENERAL GROWTH PROPERTIES, INC., *et al.*,

Debtors.

Chapter 11

Case No. 09-11977 (ALG)

(Jointly Administered)

**LIMITED OBJECTION OF A&K ENDOWMENT, INC.
TO DEBTORS' MOTION FOR ENTRY OF AN ORDER PURSUANT TO
SECTIONS 105 AND 363 OF THE BANKRUPTCY CODE
AUTHORIZING CERTAIN ORDINARY COURSE SALES AND CONVEYANCES OF
ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES
WITHOUT FURTHER NOTICE OR ORDER FROM THE COURT**

A&K Endowment, Inc. ("A&K"), by and through its undersigned attorneys, hereby submits its limited objection to the Debtors' Motion for Entry of an Order Pursuant to Sections 105 and 363 of the Bankruptcy Code Authorizing Certain Ordinary Course Sales and Conveyances of Assets Free and Clear of All Liens, Claims, and Encumbrances Without Further Notice or Order from the Court (the "Motion"), filed in the above-captioned bankruptcy cases on June 1, 2009 [document no. 656] (the "Limited Objection"). In support thereof, A&K states as follows:



BACKGROUND

1. Commencing on April 16, 2009 and continuing thereafter, General Growth Properties, Inc. (“GGP”) and its debtor affiliates (collectively, the “Debtors”) each commenced a voluntary case under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On April 24, 2009, the United States Trustee for the Southern District of New York appointed an official committee of unsecured creditors (the “Committee”).

THE SUMMERLIN PROPERTY

3. On or about January 1, 1996, The Rouse Company, a Maryland corporation, acquired all of the remaining assets of the Estate of Howard R. Hughes, Jr., which consisted principally of developed and undeveloped properties, including the so-called “Summerlin” land located in and around Las Vegas, Nevada (the “Summerlin Property”). In order to effectuate the acquisition, The Rouse Company, TRC Acquisition Company I (a newly-formed Delaware corporation and wholly-owned subsidiary of The Rouse Company)(“Newco”), and The Hughes Corporation, a Delaware corporation (“THC”), entered into an Agreement and Plan of Merger dated as of February 22, 1996 (the “Hughes Merger Agreement”), which provided, among other things, for the merger of THC with and into Newco (the “Hughes Merger”).

4. All of the consideration deliverable by The Rouse Company subsequent to the effectiveness of the Hughes Merger was not susceptible of being ascertained as of the time of the Hughes Merger because of the uncertainty as to the value of certain assets (the “Hughes Assets”). Accordingly, the amount of consideration was to be determined as provided in a

certain CSA Agreement (the “CSA”) based upon the future economic performance of the Business Units (as defined in the Hughes Merger Agreement) and related Hughes Assets.

5. A&K is one of the Holders under the CSA, which was executed by The Rouse Company in favor and for the benefit of the Holders and the Representatives (as named and as such terms are defined in the CSA). A&K files this Limited Objection in its capacity as a Holder under the CSA.

6. GGP acquired The Rouse Company in November 2004, at which time it assumed the obligation to perform all of The Rouse Company’s obligations under the CSA. The acquisition was effected pursuant to an Agreement and Plan of Merger dated as of August 19, 2004 (“GGP Merger Agreement”) by and among GGP, a wholly-owned subsidiary of GGP and Rouse. Under the GGP Merger Agreement, The Rouse Company was merged with and into a subsidiary of GGP and The Rouse Company became the surviving corporation. Its corporate existence continued in accordance with the laws of the State of Maryland as a wholly-owned subsidiary of GGP.

7. Pursuant to Section 6.12 of the Merger Agreement, GGP expressly assumed and agreed “to perform the CSA, as successor to [Rouse], in the same manner and to the same extent that [Rouse] would be required to perform it if no such succession had taken place.”

8. The CSA provides, among other things, that The Rouse Company, and by extension GGP, shall not transfer portions of the Summerlin Property above certain acreage amounts without the written consent of the majority of members of the Review Committee (as defined in the CSA).

RELIEF REQUESTED

9. In the Motion, the Debtors seek the authority to implement certain sale and conveyance transactions and other transfers with respect to real and personal property without

further notice or order from this Court. The types of properties that would be subject to the relief requested by the Debtors include

sales of unimproved and improved land and easement grants in master planned communities (“MPC Sales”);...sales of condominiums and related easement grants,...(“Residential Unit Sales”);...and...sales of real and personal property not otherwise described in subsections (i)-(vii) above for a gross purchase price (measured on a per transaction basis) that does not exceed \$5 million (“Other De Minimis Assets”).

(Motion, ¶5.)

10. The Summerlin Property is a master planned community. As such, it is property that would be subject to the relief requested in the Motion. Additionally, sales of one or more parcels comprising the Summerlin Property may fall under the category of Residential Unit Sales or Other De Minimis Assets.

11. As set forth in the Motion, the types of conveyances that would not require notice or an order from the Court include: (1) any individual MPC Sale that is not (a) in excess of twenty (20) acres or (b) for a gross sales price in excess of \$5 million, (2) any Residential Unit Sale for a gross sales price that is not in excess of \$1.5 million (each, a “Non-Noticed Asset Conveyance”), and (3) any sale of Other De Minimis Assets. (Motion, ¶¶ 10, 12.) Non-Noticed Asset Conveyances would be reported in the monthly operating reports filed with the Court, and the conveyance of Other De Minimis Assets are subject to notice of the conveyance to the Notice Parties, as defined in the Motion. (Motion, ¶ 11, 13.)

12. A&K does not object to the authority to sell, transfer or otherwise convey assets as requested by the Debtors in the Motion. However, A&K respectfully requests that any Order issued by the Court granting the relief requested in the Motion include a provision that A&K be

deemed a Notice Party with respect to any proposed sale, transfer or conveyance of the Summerlin Property or a portion thereof.¹

13. A&K, as a party-in-interest in the Summerlin Property, merely seeks (a) to accurately track sales, conveyances and transfers related to, and the development and management of, the Summerlin Property, and (b) to be in a position to timely obtain relief from the Court that A&K deems necessary to protect the interests of the Holders in the Summerlin Property.

14. A&K does not object to the authority of the Debtors to enter into Price Participation Agreements or Price Participation Amendments with respect to the Summerlin Property, as requested in the Motion.

15. It is submitted that the relief requested by A&K pursuant to this Limited Objection is consistent with this Court's statement at the hearing held on May 13, 2009 on the Debtor's Motion to approve DIP financing, in response to A&K's objection, that it was "certain that [A&K and other creditors with interest in the Summerlin Property] will get adequate notice of any issues relating to their properties...." (Transcript of May 13, 2009, at p.154, ll. 12-14, the excerpt of which is attached hereto as Exhibit "A.")

16. Furthermore, the Debtors cannot reasonably argue that providing the requested notice to A&K would cause any undue burden or hardship to the Debtors or their counsel.

CONCLUSION AND RESERVATION OF RIGHTS

WHEREFORE, A&K respectfully requests that this Court:

- (a) Include in any Order granting the relief requested in the Motion a provision that:
 - (i) A&K be deemed a Notice Party with respect to any property that the Debtors sell, transfer or convey out of the Summerlin Property, and

¹ Upon receipt of notice, A&K would agree to be subject to the same obligations of the Notice Parties as set forth in paragraph 13 of the Motion.

(ii) Directs the Debtors to provide to the undersigned attorneys for A&K a summary of any sale, transfer or conveyance of any parcel of the Summerlin Property in the same form as to be provided to other Notice Parties with respect to the sale of any Other De Minimis Asset; and

(b) Grant such other and further relief as this Court deems just and proper.

A&K hereby reserves the right to raise any other and further objections regarding the Motion as may be appropriate under the circumstances.

Dated: June 19, 2009
Florham Park, NJ

DAY PITNEY LLP

By: /s/ Richard M. Meth

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ATTORNEYS FOR A&K ENDOWMENT, INC.

Exhibit A

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 09-11977

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In the Matter of:

GENERAL GROWTH PROPERTIES, INC., et al.

Debtors.

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United States Bankruptcy Court
One Bowling Green
New York, New York

May 13, 2009

11:26 AM

B E F O R E:

HON. ALLAN L. GROPPER

U.S. BANKRUPTCY JUDGE

1 cash equivalent to interest with a determination at a later
2 date as to the application, maintenance of the properties, and
3 a replacement lien. On this record there is no need and no
4 desire on the part of the debtors to deal with the question
5 whether some of the lenders or all of them, other than
6 Citibank, are over-secured.

7 As to the position of those creditors who are
8 interested in the Summerlin properties, obviously they do not
9 have a security interest. They are not entitled to adequate
10 protection per se, and their interests are not being adversely
11 affected in the bankruptcy sense by the lien being granted to
12 the DIP lender. On the other hand, I am certain that they will
13 get adequate notice of any issues relating to their properties
14 and I'm not hearing any of those issues today.

15 I will therefore sign the DIP order and the cash
16 collateral order.

17 As to the cash management order, there hasn't been
18 much discussion of the terms of it today. I signed an interim
19 order. I do not recall whether the order stated that the
20 debtors were merely rolling over their pre-petition cash
21 management program. I do not view that as a required finding
22 for purposes of finding a final cash management order. I do
23 think that I need not find today the precise issues relating to
24 the Palazzo and other Fashion Show lenders and the pre-petition
25 situation in terms of cash management because the debtors'