

Hearing Date and Time: March 15, 2011 at 10:00 a.m. (ET)
Objection Deadline: March 8, 2011 at 4:00 p.m. (ET)

**FRIED, FRANK, HARRIS, SHRIVER
& JACOBSON LLP**

One New York Plaza
New York, NY 10004
Telephone: 212-859-8000
Facsimile: 212-859-4000
Brad Eric Scheler, Esq.
Bonnie Steingart, Esq.
Peter B. Siroka, Esq.

Counsel for GGP Limited Partnership, as Agent

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

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In re	:
	:
BORDERS GROUP, INC., <u>et al.</u> ,	: Chapter 11
	:
Debtors.	: Case No. 11-10614 (MG)
	:
	: (Jointly Administered)
	:
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**LIMITED OBJECTION OF GGP LIMITED PARTNERSHIP, AS AGENT, TO
DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) EXTENDING THE TIME
WITHIN WHICH THE DEBTORS MUST ASSUME OR REJECT UNEXPIRED
LEASES OF NONRESIDENTIAL REAL PROPERTY AND (II) AUTHORIZING THE
DEBTORS TO ENTER INTO STIPULATIONS FURTHER EXTENDING
THE TIME TO ASSUME OR REJECT UNEXPIRED LEASES OF
NONRESIDENTIAL REAL PROPERTY**

TO THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE:

GGP Limited Partnership ("GGP"), as Direct and Indirect Owner of Landlord and/or
Managing Agent for the GGP locations attached hereto as Exhibit A, hereby submits this limited
objection in connection with the Debtors' Motion For Entry of an Order (I) Extending the Time
Within Which the Debtors Must Assume or Reject Unexpired Leases of Nonresidential Real

Property and (II) Authorizing the Debtors to Enter Into Stipulations Further Extending the Time to Assume or Reject Unexpired Leases of Nonresidential Real Property (the “Extension Motion”), and respectfully represents as follows:

BACKGROUND

1. On February 16, 2011 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors 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. GGP is party to thirty-six (36) lease agreements with the Debtors for nonresidential real property, which include (i) thirty-two (32) going concern locations which the Debtors are operating as debtors-in-possession and (ii) four (4) closing locations (collectively, the “Leases”).

3. On March 1, 2011, the Debtors filed the Extension Motion [Docket No. 209], seeking to extend the time to assume or reject unexpired leases through September 14, 2011. Counsel to the Debtors has agreed to extend the deadline for GGP to file an objection to the Extension Motion to March 10, 2011.

LIMITED OBJECTION AND JOINDER

4. By the Extension Motion, the Debtors are seeking to extend the time to assume or reject unexpired leases pursuant to Section 365(d)(4) of the Bankruptcy Code through September 14, 2011. Any such extension should and must be conditioned upon the Debtors’ timely performance of all post petition obligations under the Leases pursuant to Section 365(d)(3) of the Bankruptcy Code. As of the date hereof, the Debtors are in default of their obligations under the Leases for failure to pay rent that relates to the period from the Petition Date to February 28, 2011 (“Stub Rent”). Consistent with the case law in this district, the Debtors are required to

timely pay Stub Rent as a post petition obligation under Section 365(d)(3) of the Bankruptcy Code. See, e.g., In re Stone Barn Manhattan LLC, 398 B.R. 359 (Bankr. S.D.N.Y. 2008). This Court should not extend the Debtors' time to assume or reject GGP's Leases absent the Debtors being current on all of their post petition obligations, including the payment of Stub Rent.

7. To the extent not inconsistent with the relief sought herein, GGP joins in any other opposition to the Extension Motion filed by the Debtors' landlords.

8. GGP hereby reserves any and all, rights, remedies and claims against the Debtors relating to any and all other obligations under the Leases, including the Stub Rent and the right to file a motion to compel the payment of Stub Rent.

WHEREFORE, GGP enters this limited objection to the Extension Motion and requests that the court enter an Order for such relief as the court deems just and proper.

Dated: March 10, 2011
New York, New York

Respectfully submitted,

FRIED, FRANK, HARRIS, SHRIVER
& JACOBSON LLP

By: /s/ Bonnie Steingart
Brad Eric Scheler, Esq.
Bonnie Steingart, Esq.
Peter B. Siroka, Esq.
One New York Plaza
New York, NY 10004
Telephone: 212-859-8000
Facsimile: 212-859-4000
Email:
brad.eric.scheler@friedfrank.com
bonnie.steingart@friedfrank.com
peter.siroka@friedfrank.com

*Counsel for GGP Limited Partnership,
as Agent*

Exhibit A

Property	Tenant Name
Alderwood	BORDERS BOOKS & MUSIC
Bayshore Mall	BORDERS BOOKS & MUSIC
Boise Towne Square	BORDERS BOOKS & MUSIC
Chapel Hills Mall	BORDERS BOOKS & MUSIC
Mall of Louisiana	BORDERS BOOKS & MUSIC
Northridge Fashion Center	BORDERS BOOKS & MUSIC
Park City Center	BORDERS BOOKS & MUSIC
Park Meadows	BORDERS BOOKS & MUSIC
Park Place	BORDERS BOOKS & MUSIC
Pinnacle Hills Promenade	BORDERS BOOKS & MUSIC
Providence Place	BORDERS BOOKS & MUSIC
Southland Center MI	BORDERS BOOKS & MUSIC
Southwest Plaza	BORDERS BOOKS & MUSIC
Stonestown Galleria	BORDERS BOOKS & MUSIC
Village of Merrick Park	BORDERS BOOKS & MUSIC
West Oaks Mall	BORDERS BOOKS & MUSIC
Salem Center	BORDERS EXPRESS
Silver City Galleria	BORDERS EXPRESS
Staten Island Mall Phase I	BORDERS EXPRESS
Steeplegate Mall	BORDERS EXPRESS
The Mall in Columbia	BORDERS EXPRESS
Three Rivers Mall	BORDERS EXPRESS
Valley Plaza Mall CA	BORDERS EXPRESS
White Marsh Mall	BORDERS EXPRESS
Chapel Hills Mall	BORDERS, INC
Pine Ridge Mall	BORDERS, INC
The Boulevard Mall	BORDERS, INC
The Boulevard Mall	BORDERS, INC
Colony Square Mall	WALDENBOOKS
Eastridge Mall WY	WALDENBOOKS
Lakeside Mall	WALDENBOOKS
Oxmoor Center	WALDENBOOKS
Pine Ridge Mall	WALDENBOOKS
Washington Park Mall	WALDENBOOKS
Westwood Mall	WALDENBOOKS
Woodbridge Center	WALDENBOOKS

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BORDERS GROUP, INC., et al. : Chapter 11
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CERTIFICATE OF SERVICE

Meryl Yang certifies as follows:

On March 10, 2011, I caused copies of the Limited Objection of GGP Limited Partnership, as Agent, to Debtors' Motion For Entry Of An Order (I) Extending The Time Within Which the Debtors Must Assume or Reject Unexpired Leases of Nonresidential Real Property and (II) Authorizing the Debtors to Enter Into Stipulations Further Extending the Time to Assume or Reject Unexpired Leases of Nonresidential Real Property to be served by United States mail, first-class postage prepaid, upon (1) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Tracy Davis, Esq. and Linda Riffkin, Esq.); (2) the Debtors, c/o Borders Group, Inc., 100 Phoenix Drive, Ann Arbor, Michigan 48108 (Attn: Matthew A. Chosid, Esq.); (3) Kasowitz,

Benson, Torres & Friedman LLP, attorneys for the Debtors, 1633 Broadway, New York, New York 10019 (Attn: David M. Friedman, Esq., Andrew K. Glenn, Esq. and Jeffrey R. Gleit, Esq.); (4) Lowenstein Sandler PC, proposed counsel for the official committee of unsecured creditors (Attn: Kenneth A. Rosen, Esq., Bruce D. Buechler, Esq., Bruce S. Nathan, Esq., and Paul Kizel, Esq.); (5) counsel for the DIP Agents: (x) Morgan, Lewis & Bockius LLP (Attn: Wendy Walker, Esq. and Sandra Vrejan, Esq.), counsel for the Working Capital Agent, (y) Riemer & Braunstein LLP (Attn: Donald E. Rothman, Esq.), counsel for GA Capital LLC; (6) Kelley Drye & Warren LLP, attorneys for certain landlords (Attn: James S. Carr, Esq., Robert L. LeHane, Esq., and Benjamin D. Feder, Esq.); (7) Bingham McCutchen LLP, attorneys for Bank of America, N.A. (Attn: Julia Frost-Davies, Esq., and Andrew Gallo, Esq.); (8) the Securities Exchange Commission, Northeast Region, The Woolworth Building, 233 Broadway – John Murray, New York, NY 10279; and (9) the Internal Revenue Service, 2970 Market Street, Mail Stop 5-Q30.133, Philadelphia, PA 19104. I further certify that on March 10, 2011, I caused copies of this Limited Objection to be served via the Bankruptcy Court’s CM/ECF filing system.

Date: March 10, 2011
New York, New York

/s/ Meryl Yang
Meryl Yang