

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

SPORTS AUTHORITY HOLDINGS, INC.,
et al.,¹

Debtors.

Chapter 11

Case No. 16-10527 (MFW)
Jointly Administered

Hearing Date (requested): March 29, 2016
at 1:00 p.m. (ET)
Objections Due (requested): March 28, 2016
at Noon (ET)

**REQUEST FOR ADEQUATE PROTECTION AND MOTION OF CERTAIN
LANDLORDS PURSUANT TO SECTIONS 361, 363(E), 503(B)(1) AND 105(A)
OF THE BANKRUPTCY CODE FOR ENTRY OF AN ORDER REQUIRING
THE DEBTORS TO IMMEDIATELY PAY MARCH 2016 STUB RENT FOR
CLOSING STORES AS ADEQUATE PROTECTION FOR THE POSTPETITION
USE OF THE LANDLORDS' PROPERTY, AND GRANTING SUCH OTHER
AND FURTHER RELIEF AS IS JUST AND PROPER**

DDR Corp., Equity One, Inc., Garden Commercial Properties, Inc., GGP Limited Partnership, National Realty Development Corp., Realty Income Corp., Regency Centers Corp., and Rouse Properties, Inc. (collectively, the "Landlords"), hereby submit their *Request For Adequate Protection and Motion Of Certain Landlords Pursuant To Sections 361, 363(E), 503(B)(1) and 105(A) Of The Bankruptcy Code For Entry Of An Order Requiring The Debtors To Immediately Pay March 2016 Stub Rent For Closing Stores As Adequate Protection For The Postpetition Use Of The Landlords' Property, and Granting Such Other And Further Relief As Is Just And Proper* (the "Motion"). In support of the Motion, the Landlords respectfully state as follows:

¹ The above-captioned debtors in these proceedings (collectively, the "Debtors") (including the last four digits of their respective taxpayer identification numbers) are: Sports Authority Holdings, Inc. (9008); Slap Shot Holdings Corp. (8209); The Sports Authority, Inc. (2802); TSA Stores, Inc. (1120); TSA Gift Card, Inc. (1918); TSA Ponce, Inc. (4817); TSA Caribe, Inc. (5664). The Debtors' corporate headquarters is located at 1050 West Hampden Avenue, Englewood, Colorado 80110.



JURISDICTION

1. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 §§ 1408 and 1409. The statutory predicates for the relief requested in the Motion are sections 105(a), 361, 363(e), and 503(b)(1) of the Bankruptcy Code.

RELIEF REQUESTED

2. By this Motion, the Landlords request adequate protection for the Debtors' continued use of the Landlords' property outside of the ordinary course of business as the Debtors conduct stores closing ("GOB") sales at certain locations (the "GOB Stores"), and liquidate their secured lenders' collateral. The Landlords move the Court pursuant to sections 105(a), 361 and 363(e) of the Bankruptcy Code for entry of an order substantially in the form attached hereto as Exhibit A (the "Proposed Order") (i) requiring the Debtors to immediately pay to the Landlords the prorated March 2016 rent (the "Stub Rent") reflected on Exhibit 1 to the Proposed Order owed to the Landlords for the Debtors' use and occupancy of the GOB Stores from March 2 – March 31 as adequate protection required by sections 363(e) and 361 of the Bankruptcy Code for the Debtors' postpetition use of property in which the Landlords have an interest, and (ii) granting such other and further relief as the Court deems just and proper.

BACKGROUND

3. The Landlords are the owners or managing agents for the owners of numerous shopping centers located throughout the United States. The Debtors lease retail space from the Landlords for the stores identified in the chart annexed to the Proposed Order as Exhibit 1.

4. At 5:33 a.m. (ET) on March 2, 2016, 33 minutes after midnight in Hawaii, where the Debtors' Western-most stores are located, the Debtors commenced these bankruptcy proceedings. The Debtors careful and deliberate timing when filing these cases forced their landlords to provide over \$20 million of non-consensual unsecured financing that, unless a landlord's lease is assigned, the Debtors apparently do not intend to repay.

5. The Debtors' first day motions included a motion for approval of post-petition financing (D.I. 20) (the "DIP Financing Motion"), as well as a procedures and sale motion (D.I. 106) (the "Sale Motion") and GOB Sales motion (D.I. 15) (the "GOB Motion"). Attached to the DIP Financing Motion is a proposed budget (the "Budget") which contains no funds to pay either any Stub Rent owed to the Landlords or many other administrative claims.

6. In light of the Debtors' Budget, the Sale Motion and the GOB Motion, which plainly seek to obtain the benefits of Chapter 11 with no way to pay the administrative expenses the Debtors are incurring, the Landlords had no choice but to file this Motion requesting adequate protection and seeking immediate payment of the Stub Rent for the GOB Stores before all of the funds in the Debtors' estates are surrendered to the secured lenders, for whose benefit these cases are being run.

BASIS FOR RELIEF

I. THE DEBTORS ARE REQUIRED TO PROVIDE ADEQUATE PROTECTION TO THE LANDLORDS FOR THE POSTPETITION USE OF THE LANDLORDS' PROPERTY OUTSIDE OF THE ORDINARY COURSE OF BUSINESS

7. Section 363(e) of the Bankruptcy Code guarantees adequate protection to any party with an interest in property used by a debtor during the debtor's bankruptcy proceedings who makes a request for adequate protection:

“Notwithstanding any other provision of this section, at any time, on request of an entity that has an interest in property used, sold or

leased, or proposed to be used, sold, or leased, by the trustee, the court, with or without a hearing, shall prohibit or condition such use sale, or lease as is necessary to provide adequate protection of such interest.”

11 U.S.C. § 363(e).

8. Section 363(e) is straightforward and non-discretionary. If a creditor with an “interest” in property used by the Debtors makes a request for adequate protection, then the court “shall” prohibit or condition the use of such property on the provision of adequate protection. 11 U.S.C. § 363(e); *see Worldcom*, 304 B.R. 611; *see also In re Metromedia Fiber Network, Inc.*, 290 B.R. 487, 491 (Bankr. S.D.N.Y. 2003) (“Section 363(e) is not permissive or discretionary...”).

9. The U.S. Supreme Court has held that the term “interest” “is the most general term that can be employed to denote a right, claim, title, or legal share in something.” *Russello v. U.S.*, 464 U.S. 16, 21 (1983).

10. A landlord undeniably holds an interest in the property that it owns and leases to a debtor, as well as an interest in the lease itself, the rents due under that lease, and the proceeds of the lease. *See In re Ames Department Stores, Inc.*, 136 B.R. 357, 359 (Bankr. S.D.N.Y. 1992) (“Section 363(e) of the Bankruptcy Code reserves for bankruptcy courts the discretion to condition the time, place and manner of Store Closing Sales, thereby providing adequate safeguards to protect shopping center landlords and their other tenants, while allowing the Trustee to fulfill its fiduciary obligations”). A landlord’s interests in its lease and the premises it leases to a debtor are further evidenced by the allowance of landlords’ stub rent claims in this Court and the District Court pursuant to section 503(b) of the Bankruptcy Code. *See In re Goody’s Family Clothing Inc.*, 401 B.R. 656, 665 (D. Del. 2009) (affirming Judge Sontchi’s allowance of stub rent claims under section 503(b)(1) of the Bankruptcy Code). Thus,

with an interest in property being used by the Debtors, and the request made herein, the Landlords are entitled to receive adequate protection.

11. Section 361 of the Bankruptcy Code is clear that adequate protection may take one of three forms: a debtor may (i) tender an upfront cash payment or periodic cash payments, (ii) grant replacement liens, or (iii) grant other related relief (other than an administrative claim under section 503(b)(1) of the Bankruptcy Code) amounting to the indubitable equivalent of the protected party's interest in the property. *Section 361(3) is also clear that adequate protection may not take the form of a deferred administrative claim.* Under section 361 of the Bankruptcy Code, only a contemporaneous transfer of value satisfies the requirements of adequate protection.

12. The Debtors have already announced their intention to sell substantially all of their assets, and deliver all of those sale proceeds (other than payments allowed in a DIP Financing budget) to only their secured lenders. Facing the complete depletion of the Debtors' estates by their secured lenders, adequate protection for the Debtors' use of the Landlords' property outside of the ordinary course of business to liquidate their secured lenders' collateral requires the immediate payment of the Stub Rent for the GOB Stores to the Landlords before any sale proceeds are distributed to the Debtors' secured lenders.²

² To the extent the Debtors claim they are unable to pay the Stub Rent due to constraints of their DIP Financing, per their contemporaneously filed objection to the DIP Financing Motion (D.I. 702), the Landlords request that the Court require amendment of the DIP Financing Budget to provide for immediate payment of Stub Rent, and/or deny the secured lenders' request for a waiver of Sections 506(c) and 552(b) of the Bankruptcy Code, and compel the Debtors to surcharge the secured lenders' collateral so as to be able to immediately pay the GOB Stub Rent to the Landlords.

WHEREFORE, the Landlords respectfully request that the Court enter an Order (i) requiring the Debtors to immediately pay to the Landlords the Stub Rent for the GOB Stores as adequate protection required by sections 363(e) and 361 of the Bankruptcy Code for the Debtors' postpetition use of the Landlords' property, and (ii) granting such other and further relief as the Court deems just and proper.

Dated: March 22, 2016
New York, New York

KELLEY DRYE & WARREN LLP

/s/ Gilbert R. Saydah Jr.

Robert L. LeHane
Gilbert R. Saydah Jr. (DE Bar No. 4304)
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Counsel for DDR Corp., Equity One, Inc., Garden
Commercial Properties, Inc., GGP Limited
Partnership, National Realty Development Corp.,
Realty Income Corp., Regency Centers Corp., and
Rouse Properties, Inc.

EXHIBIT A

PROPOSED ORDER

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SPORTS AUTHORITY HOLDINGS, INC.,
et al.,³

Debtors.

Chapter 11

Case No. 16-10527 (MFW)
Jointly Administered

Re: D.I. _____

**ORDER GRANTING REQUEST FOR ADEQUATE PROTECTION AND MOTION FOR
IMMEDIATE PAYMENT OF MARCH 2016 STUB RENT FOR CLOSING STORES**

Upon consideration of the *Request For Adequate Protection And Motion Of Certain Landlords Pursuant To Sections 361, 363(E), 503(B)(1) and 105(A) Of The Bankruptcy Code For Entry Of An Order Requiring The Debtors To Immediately Pay March 2016 Stub Rent For Closing Stores As Adequate Protection For The Postpetition Use Of The Landlords' Property, and Granting Such Other And Further Relief As Is Just And Proper* (D.I. ___) (the "Motion")⁴ and this Court having found that it has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of Debtors' estates, their creditors, and other parties in interest; and notice of the Motion and the opportunity for a hearing on the Motion was proper and appropriate under the particular circumstances; and this Court having reviewed the Motion and having considered the statements in support of the relief

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⁴ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

requested therein; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion and request for adequate protection is GRANTED.
2. Pursuant to sections 105(a), 361, 363(e), and 503(b)(1) of the Bankruptcy Code, the Debtors are directed to immediately (in no case later than one business day following entry of this Order) pay to the Landlords the Stub Rent shown on Exhibit 1 hereto. The Debtors shall not make any payments of any type to their secured creditors (or any affiliates), or make any payments on account of any secured debt, until they have paid all of the Stub Rent to the Landlords (via wire transfer or by check with such funds having cleared their bank).
3. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: March ____, 2016
Wilmington, Delaware

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1 TO PROPOSED ORDER**DDR CORP.**

Mall Name	Location	Stub Rent
Shoppers World	Framingham, MA	\$98,504.03
Nature Coast Commons	Spring Hill, FL	\$55,799.15
Tuscon Spectrum	Tuscon, AZ	\$47,37.52

EQUITY ONE

Address	Location	Stub Rent
171 West 230 th Street	Bronx, NY	\$94,213.47
950 Old Country Road	Garden City, NY	\$96,308.24
1675 Olympic Boulevard	Walnut Creek, CA	\$57,426.30

GARDEN COMMERCIAL PROPERTIES

Mall Name	Location	Stub Rent
Centennial Square	Piscataway, NJ	Pending

GGP LIMITED PARTNERSHIP

Mall Name	Location	Stub Rent
Water Tower Place	Chicago, IL	\$81,172.24
Northbrook Court	Northbrook, IL	\$63,989.55
The Mall in Columbia	Columbia, MD	\$51,532.96
Newgate Mall	Ogden, UT	\$37,812.87

NATIONAL REALTY DEVELOPMENT CORP.

Mall Name	Location	Stub Rent
North Haven Pavilion	North Haven, CT	\$88,022.94

REALTY INCOME CORP.

Address	Location	Stub Rent
1750 Evans Road	Melbourne, FL	\$54,420.73
7500 W. Colonial Drive	Orlando, FL	\$40,446.69
1910 W. International Speedway	Daytona Beach, FL	\$31,325.32
2317 Colonial Boulevard	Fort Myers, FL	\$39,930.00
801 Sunland Park Drive	El Paso, TX	\$34,348.38

1461 Carl D. Silver Parkway	Fredericksburg, VA	\$52,810.65
1777 S. Randall Road	Geneva, IL	\$42,076.77

REGENCY CENTERS

Mall Name	Location	Stub Rent
Lower Nazareth Commons	Township of Lower Nazareth, PA	\$72,231.08

ROUSE PROPERTIES

Mall Name	Location	Stub Rent
Lakeland Square	Lakeland, FL	\$38,081.10

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SPORTS AUTHORITY HOLDINGS, INC.,
et al.,

Debtors.

Chapter 11

Case No. 16-10296 (BLS)
(Jointly Administered)

CERTIFICATE OF SERVICE

I, Scott L. Fleischer, hereby certify that on March 22, 2016, in addition to the notice and service provided through the Court's CM/ECF system, I served true and correct copies of the foregoing document upon the parties listed in the attached Exhibit A in the manner indicated.

/s/ Scott L. Fleischer

Scott L. Fleischer, Esq.
KELLEY DRYE & WARREN LLP
101 Park Avenue
New York, New York 10178
Telephone: (212) 808-7800
Facsimile: (212) 808-7897

EXHIBIT A**SERVICE LIST****Parties Served by Hand/Overnight Delivery**

<p>The Honorable Mary F. Walrath U.S. Bankruptcy Court District of Delaware 824 North Market St., 6th Floor Wilmington, DE 19801</p>	<p>Attn: Hannah McCollum, Esq. Office of the United States Trustee 844 King Street, Suite 2207 Wilmington, DE 19801</p>
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Parties Served By Hand/Overnight Delivery and Email

<p>Attn: Robert A. Klyman, Esq. Attn: Matthew J. Williams, Esq. Attn: Jeremy L. Graves, Esq. Attn: Sabina Jacobs, Esq. Gibson, Dunn & Crutcher LLP 333 South Grand Avenue Los Angeles, CA 90071-1512 T: (213) 229-7000 F: (213) 229-7520 Email: rklyman@gibsondunn.com, mwilliams@gibsondunn.com, jgraves@gibsondunn.com, sjacobs@gibsondunn.com <i>Proposed Counsel for the Debtors and Debtors in Possession</i></p>	<p>Attn: Michael R. Nestor, Esq. Attn: Kenneth J. Enos, Esq. Attn: Andrew L. Magaziner, Esq. Richards, Layton & Finger, P.A. Young Conaway Stargatt & Taylor, LLP Rodney Square 1000 North King Street Wilmington, DE 19801 T: (302) 571-6600 F: (302) 571-1253 Email: mnestor@ycst.com, kenos@ycst.com, amagaziner@ycst.com <i>Proposed Counsel for the Debtors and Debtors in Possession</i></p>
<p>Attn: Bradford J. Sandler, Esq. Attn: Colin R. Robinson, Esq. Pachulski Stang Ziehl & Jones LLP 191 North Market Street, 17th Floor PO Box 8705 Wilmington, DE 19899-8705 Email: bsandler@pszjlaw.com, crobinson@pszjlaw.com <i>Proposed Counsel to Official Committee of Unsecured Creditors</i></p>	<p>Attn: Robert J. Feinstein, Esq. Pachulski Stang Ziehl & Jones LL 780 Third Avenue, 36th Floor New York, NY 10017 Email: rfeinstein@pszj.com <i>Proposed Counsel to Official Committee of Unsecured Creditors</i></p>

<p>Attn: Donald E. Rothman, Esq. Attn: Marjorie S. Crider, Esq. Riemer & Braunstein LLP Three Center Plaza, Suite 600 Boston, Massachusetts 02108 Tel: (617) 523-9000 Fax: (617) 880-3456 Email: DRothman@riemerlaw.com, MCrider@riemerlaw.com <i>Counsel to Bank of America, N.A. and certain DIP Lenders</i></p>	<p>Attn: Gregory A. Taylor, Esq. Attn: Benjamin W. Keenan, Esq. Ashby & Geddes, P.A. 500 Delaware Avenue, 8th Floor P.O. Box 1150 Wilmington, DE 19899-1150 Tel: (302) 654-1888 Fax: (302) 654-2067 Email: gtaylor@ashby-geddes.com, bkeenan@ashby-geddes.com <i>Counsel to Bank of America, N.A. and certain DIP Lenders</i></p>
<p>Attn: Robert J. Stark, Esq. Attn: Bennett S. Silverberg, Esq. Brown Rudnick LLP Seven Times Square New York, NY 10036 Tel: 212-209-4800 Fax: 212-209-4801 Email: rstark@brownrudnick.com, bsilverberg@brownrudnick.com <i>Counsel to Wilmington Savings Fund Society, FSB and certain Term Lenders</i></p>	<p>Attn: Steven B. Levine, Esq. Brown Rudnick LLP One Financial Center Boston, MA 02111 Tel: 617-856-8200 Fax: 617-856-8201 Email: slevine@brownrudnick.com <i>Counsel to Wilmington Savings Fund Society, FSB and certain Term Lenders</i></p>
<p>Attn: Robert J. Dehney, Esq. Attn: Gregory W. Werkheiser, Esq. Attn: Tamara K. Minott 1201 N. Market St., 16th Floor P.O. Box 1347 Wilmington, DE 19899-1347 Tel: 302-658-9200 Fax: 302-658-3989 Email: rdehney@mnat.com, gwerkheiser@mnat.com, tminott@mnat.com <i>Counsel to Wilmington Savings Fund Society, FSB and certain Term Lenders</i></p>	<p>Attn: Kevin J. Simard, Esq. Choate, Hall & Stewart LLP Two International Place Boston, MA 02110 Email: ksimard@choate.com <i>Counsel to Wells Fargo Bank, National Association and certain DIP Lenders</i></p>
<p>Attn: John J. Rapisardi, Esq. O'Melveny & Myers LLP Times Square Tower 7 Times Square New York, NY 10036 Email: jrapisardi@omm.com <i>Counsel to Certain Noteholders</i></p>	