

Objection Deadline: June 15, 2009
Hearing Date: June 25, 2009

FRASER TREBILCOCK DAVIS & DUNLAP, PC
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ATTORNEYS FOR THE CITY OF LANSING, MICHIGAN

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

In re:

GENERAL MOTORS CORPORATION, *et al.*,

Debtors

Chapter 11
Case No. 09-50026 (REG)
Jointly Administered

LIMITED OBJECTION OF THE CITY OF LANSING, MICHIGAN TO THE DEBTORS' MOTION FOR ENTRY OF ORDERS PURSUANT TO 11 U.S.C. §§361, 362, 363 and 364: (i) AUTHORIZING THE DEBTORS TO OBTAIN POST-PETITION FINANCING, INCLUDING ON AN IMMEDIATE, INTERIM BASIS; (ii) GRANTING SUPER PRIORITY CLAIMS AND LIENS; (iii) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL; (iv) GRANTING ADEQUATE PROTECTION TO CERTAIN PRE-PETITION SECURED PARTIES; (v) AUTHORIZING THE DEBTORS TO PREPAY CERTAIN SECURED OBLIGATIONS IN FULL WITHIN 45 DAYS; AND (vi) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001

The City of Lansing, Michigan, by its attorneys, Fraser Trebilcock Davis & Dunlap, P.C. objects to:

A. Motion of Debtors for Entry of Orders Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364 (i) authorizing the Debtors to obtain post-petition financing, including on an immediate, interim basis; (ii) granting super priority claims and liens; (iii) authorizing the debtors to use cash collateral; (iv) granting adequate protection to certain pre-petition secured parties; (v) authoring the Debtors to prepay certain secured obligations in full within 45 days; (vi) scheduling a final hearing pursuant to bankruptcy rule 4001 (“Motion”). Docket No. 64:

B. Interim Order Pursuant to bankruptcy code §§ 105a, 361, 362, 363, 364 and 507 and bankruptcy rules 2001, 4001, 6004 (A) approving a DIP credit facility and authorizing debtors to obtain post-petition financing pursuant thereto, (B) granting related liens and super priority status, (C) authorizing the use of cash collateral, (D) granting adequate protection to certain pre-petition secured parties and (E) scheduling a final hearing (the “Interim Order”). Docket No. 292.

The City of Lansing’s limited objection is based on the following:

1. The City of Lansing is a tax collecting unit of government in the State of Michigan for both real and personal property taxes.

2. Debtor, General Motors Corporation, has both real and personal property within the City of Lansing, which is subject to ad valorem tax pursuant to MCL §211.1 et seq.

3. Pursuant to affidavits filed with the Ingham County, Michigan, Register of Deeds on June 4, 2009 pursuant to MCL §211.40a, the ad valorem taxes on the real and personal property of Debtor, General Motors Corporation, which will be billed July 1, 2009 and

December 1, 2009, became a lien as of December 31, 2008. A copy of the affidavits are attached as Exhibit A.

4. Debtor, General Motors Corporation, also has real property in the City of Lansing which is subject to infrastructure improvement tax pursuant to MCL §207.551 et seq.

5. Pursuant to an affidavit filed with the Ingham County, Michigan, Register of Deeds on June 4, 2009 pursuant to MCL §207.563, the infrastructure improvement taxes on the real property of Debtor, General Motors Corporation, which will be billed July 1, 2009 and December 1, 2009, became a lien as of December 31, 2008. A copy of the affidavit is attached as Exhibit B.

6. Pursuant to MCL §211.1 et seq., ad valorem real and personal property taxes are a first lien on the property for which the taxes are imposed.

7. Pursuant to MCL §207.551 et seq., infrastructure improvement taxes are a first lien on the property for which the taxes are imposed.

8. The Motion and Interim Order, among other relief, seek to grant super priority claims and liens to the DIP Lenders pursuant to Bankruptcy Code § 364 on pre-petition property.

9. Inasmuch as the liens established by the City of Lansing effective December 31, 2008 pursuant to the provisions of MCL §211.40a and §207.551 for the 2009 ad valorem taxes on real and personal property owned by Debtor, General Motors Corporation, and the 2009 infrastructure improvement taxes on real property owned by Debtor, General Motors Corporation precede the filing of the petition of Debtor, General Motors Corporation, the liens are not affected by the Motion and Interim Order.

10. Alternatively, to the extent the liens established by the City of Lansing effective December 31, 2008 are within the ambit of the Motion and Order, the City of Lansing objects to

the Motion and Interim Order for the reason that the City of Lansing and other governmental units for which it collects taxes are obligated as a matter of Michigan law to provide certain services to taxpayers within the City of Lansing, including Debtor, General Motors Corporation.

11. The *quid pro quo* for the obligation of the City of Lansing and the other governmental units for which it collects taxes to provide services is the assurance granted by the Michigan legislature that the taxes required to fund these services will be a first lien on the real and personal property of each taxpayer.

12. Should the liens and claims proposed by the Motion and Interim Order be imposed, and should any subordinate lien of the City of Lansing for the 2009 and later ad valorem and infrastructure improvement taxes be insufficient to secure payment of those taxes, the City of Lansing and the other governmental units providing these services will be left without revenue to pay for the services. Therefore, the Orders must assure adequate protection for the City of Lansing for 2009 and later taxes.

WHEREFORE, the City of Lansing objects to entry of any order in these proceedings which would have the effect of granting a lien on any pre-petition property of Debtor, General Motors Corporation, which would be superior to the liens of the City of Lansing for 2009 and later ad valorem and infrastructure improvements taxes owed by Debtor, General Motors Corporation without adequate protection for 2009 and later taxes.

Dated: June 15, 2009

Fraser Trebilcock Davis & Dunlap, P.C.

Attorneys for the City of Lansing

/s/ G. Alan Wallace

G. Alan Wallace (P-69333)

Fraser Trebilcock Davis & Dunlap, P.C.

124 W. Allegan Street, Suite 1000

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EXHIBIT A

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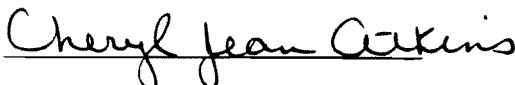
AFFIDAVIT OF CITY OF LANSING TREASURER

1. I am the Treasurer of the City of Lansing, Michigan, a Michigan municipal corporation, whose address is 124 W. Michigan Avenue, Lansing, MI 48933.
2. General Motors Corporation, whose address is 300 Renaissance Center, Detroit, Michigan 48265-3000 is the owner of personal property, as identified on the tax rolls, which is subject to assessment and tax in the City of Lansing.
3. General Motors Corporation filed a bankruptcy petition under the federal bankruptcy code, title 11 of the United States Code, 11 USC §101 to §1330 on June 1, 2009.
4. The tax identification numbers of the personal property referenced in paragraph 2 are stated on Exhibit A attached.
5. This affidavit is given pursuant to MCL 211.40a, for the purpose of designating December 31, 2008 as the date on which taxes for the personal property referenced on Exhibit A become a lien on that property.
6. The taxes due were levied for 2009.
7. The taxes were assessed December 31, 2008.



Antonia Kraus

Subscribed and sworn to before me by Antonia Kraus on June 2, 2009.



Notary Public
Ingham County, Michigan
My commission expires:
02.28.2015

CHERYL JEAN ATKINS
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF INGHAM
My Commission Expires Feb. 28, 2016
Acting in the County of Ingham

This instrument prepared by
Douglas J. Austin
Fraser Trebilcock Davis & Dunlap, P.C.
124 W. Allegan Street
Suite 1000
Lansing, Michigan 48933
517-377-0838

EXHIBIT A

(Personal property tax identification numbers)

90-23-50-85-105-000

90-33-01-24-839-000

90-33-01-24-888-000

90-33-01-24-905-000

90-33-01-24-907-000

90-33-01-24-914-000

90-33-01-24-915-000


90-33-01-24-925-000

90-33-01-65-169-000

~~CONFIDENTIAL~~

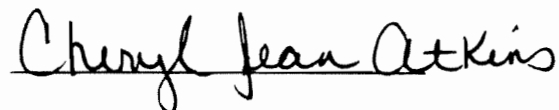
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3. General Motors Corporation filed a bankruptcy petition under the federal bankruptcy code, title 11 of the United States Code, 11 USC §101 to §1330 on June 1, 2009.
4. The tax identification numbers of the real property referenced in paragraph 2 are stated on Exhibit A attached.
5. This affidavit is given pursuant to MCL 211.40a, for the purpose of designating December 31, 2008 as the date on which taxes for the real property referenced on Exhibit A become a lien on that property.
6. The taxes due were levied for 2009.
7. The taxes were assessed December 31, 2008.



Antonia Kraus

Subscribed and sworn to before me by Antonia Kraus on June 2, 2009.



Notary Public
Ingham County, Michigan

My commission expires:

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CHERYL JEAN ATKINS
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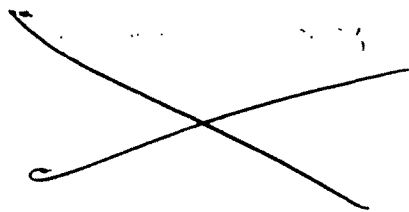
This instrument prepared by
Douglas J. Austin
Fraser Trebilcock Davis & Dunlap, P.C.
124 W. Allegan Street
Suite 1000
Lansing, Michigan 48933
517-377-0838

EXHIBIT A

(Real property tax identification numbers)

23-50-40-28-301-001
23-50-40-32-250-001
23-50-40-33-101-002
33-01-01-17-101-023
33-01-01-17-176-001
33-01-01-20-135-141
33-01-01-20-136-122
33-01-01-20-203-121
33-01-01-20-204-014
33-01-01-20-205-066
33-01-01-20-206-002
33-01-01-20-208-005
33-01-01-20-209-083
33-01-01-20-209-085
33-01-01-20-210-006
33-01-01-20-211-001
33-01-01-20-211-042
33-01-01-20-228-003
33-01-01-20-129-001
33-01-01-21-131-012
33-01-01-21-151-006

EXHIBIT B



AFFIDAVIT OF CITY OF LANSING TREASURER

1. I am the Treasurer of the City of Lansing, Michigan, a Michigan municipal corporation, whose address is 124 W. Michigan Avenue, Lansing, MI 48933.

2. General Motors Corporation, whose address is 300 Renaissance Center, Detroit, Michigan 48265-3000 is the owner of real property, as identified on the tax rolls, which is subject to assessment and industrial facilities tax in the City of Lansing.

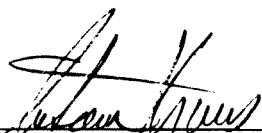
3. General Motors Corporation filed a bankruptcy petition under the federal bankruptcy code, title 11 of the United States Code, 11 USC §101 to §1330 on June 1, 2009.

4. The tax identification numbers of the real property referenced in paragraph 2 are stated on Exhibit A attached.

5. This affidavit is given pursuant to MCL 207.563, for the purpose of designating December 31, 2008 as the date on which the industrial facilities taxes for the real property referenced on Exhibit A become a lien on that property.

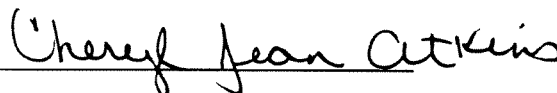
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517-377-0838

EXHIBIT A

(Real property industrial facilities tax identification numbers)

95-23-50-32-250-001

95-23-50-33-101-001

95-33-01-21-151-006

95-33-01-80-286-000

95-33-01-80-287-000