

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>In re:</b>	§	<b>Chapter 11</b>
	§	
<b>CBL &amp; ASSOCIATES</b>	§	
<b>PROPERTIES, INC., et al.,</b>	§	<b>Case No. 20-35226 (DRJ)</b>
	§	
<b>Debtors.<sup>1</sup></b>	§	<b>(Jointly Administered)</b>
	§	<b>(Related Docket No. 1373)</b>

**DECLARATION OF MARK A. RENZI IN SUPPORT OF  
CONFIRMATION OF THIRD AMENDED JOINT CHAPTER 11 PLAN OF  
CBL & ASSOCIATES PROPERTIES, INC. AND ITS AFFILIATED DEBTORS**

I, Mark A. Renzi, pursuant to section 1746 of title 28 of the United States Code, hereby declare under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Managing Director of Berkeley Research Group, LLC (“**BRG**”) in its Corporate Finance segment. BRG is a global consulting firm that helps leading organizations advance in three key areas: disputes and investigations, corporate finance, and performance improvement and advisory. BRG is the Court-authorized financial advisor to CBL & Associates Properties, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”).<sup>2</sup> I lead the BRG team on the engagement and am duly authorized to submit this declaration (this “**Declaration**”) on behalf of the Debtors in support of confirmation of the *Third Amended Joint Chapter 11 Plan of CBL & Associates Properties, Inc.*

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<sup>1</sup> A complete list of the Debtors in these Chapter 11 Cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://dm.epiq11.com/CBLProperties>. The Debtors’ service address for the purposes of these Chapter 11 Cases is 2030 Hamilton Place Blvd., Suite 500, Chattanooga, Tennessee 37421.

<sup>2</sup> See Order (I) Authorizing the Debtors to Employ and Retain Berkeley Research Group, LLC as Financial Advisors for the Debtors and Debtors in Possession Effective as of the Petition Date, and (II) Granting Related Relief (Docket No. 288).

*and Its Affiliated Debtors (With Technical Modifications)*, dated August 9, 2021 (Docket No. 1369) (as may be amended, modified, or supplemented in accordance with the terms thereof, the “**Plan**”).<sup>3</sup>

2. I am familiar with the Debtors’ day-to-day business operations, books and records, and restructuring efforts. I am also familiar with the terms and provisions of the Debtors’ Disclosure Statement (as defined below) and Plan. I participated directly in due diligence, discussions, and analysis related to the Disclosure Statement and Plan. I, along with the employees of BRG who report to me, prepared the Liquidation Analysis (as defined below) based upon information provided to BRG by the Debtors and reviewed by other professionals retained by the Debtors. Members of my team and I have also assisted the Debtors in reviewing the terms, conditions, and potential impact of the transactions contemplated by the Plan.

3. Except as otherwise indicated, all matters set forth in this Declaration are based upon (a) my personal knowledge, (b) my review of relevant documents, (c) reasonable inquiry of the Debtors and their advisors, and/or (d) my view, based upon my experience and knowledge of the Debtors’ business and financial condition, as well as information supplied to me by members of the Debtors’ management and the other professional advisors retained by the Debtors in connection with these chapter 11 cases. I am over 18 years of age and competent to testify on the matters herein. If I were called upon to testify, I could and would testify to the facts set forth herein. I am not being specifically compensated for this testimony other than through payments received by BRG as a professional retained by the Debtors. None of those payments are specifically payable to BRG on account of this testimony.

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<sup>3</sup> Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Plan or the Disclosure Statement, as applicable.

**Professional Background and Qualifications**

4. I lead the team of professionals from BRG serving as financial advisor to the Debtors. Together with the BRG team working under my direction, I have worked closely with the Debtors' senior management and other advisors over the past approximately thirteen (13) months.

5. I received a B.A. in Economics from Washington College and an M.S. in Finance from Boston College. I am a current member of the Association of Insolvency and Restructuring Advisors, as well as the Turnaround Management Association. I have more than twenty-five (25) years of business experience, with approximately twenty (20) years of financial consulting experience, including liquidity and capital structure assessment, debt and equity restructuring advice, and identification of reorganization alternatives. During the course of my career, I have provided restructuring services on more than thirty-five (35) engagements in both out-of-court workout situations and in-court reorganizations. My experience ranges across a broad range of industries, including, but not limited to, commercial real estate, retail and consumer products, and financial services. Further, I have served in interim management positions and advised distressed companies with day-to-day management activities, including development of pro forma financials, cash flow management, cost rationalization, and identification of liquidity enhancing activities. In addition to operational turnarounds, I have assisted in financial restructurings, including refinancings, recapitalizations, debt-for-equity swaps, and strategic mergers and acquisitions. I have also led teams in performing liquidation analyses in multiple restructuring cases, including: *In re Lucky Brand Dungarees, LLC, et. al.*, Case No. 20-11768 (CSS) (Bankr. D. Del. Oct. 05, 2020) (Docket No. 460-4); *In re Fred's Inc., et. al.*, Case No. 19-11984 (CSS) (Bankr. D. Del. Mar. 05, 2020) (Docket No. 896-2); *In re Residential Capital, LLC,*

*et. al.*, Case No. 12-12020 (MG) (Bankr. S.D.N.Y. Aug. 23, 2013) (Docket No. 4819-1); and *In re CIT Group, Inc., et. al.*, Case No. 09-16565 (ALG) (Bankr. S.D.N.Y. Nov. 02, 2009) (Docket No. 19).

6. Prior to joining BRG, I was a Senior Managing Director at a global business advisory firm with a 15-year tenure. I also worked at a boutique money management firm in New York evaluating equity and commodity derivative portfolios, and held various positions in FP&A, business plan development, treasury, and global cash management.

### **Liquidation Analysis**

7. In consultation with the Debtors' management and retained professionals, I directly supervised BRG's preparation of the liquidation analysis, attached as Exhibit D to the *Disclosure Statement for Third Amended Joint Chapter 11 Plan of CBL & Associates Properties, Inc. and Its Affiliated Debtors* (Docket No. 1164) (the "**Disclosure Statement**") and incorporated herein by reference (the "**Liquidation Analysis**"). I am familiar with the Liquidation Analysis, the underlying financial and asset data, and the assumptions upon which the Liquidation Analysis is based, which are described in the Disclosure Statement.

8. For the reasons set forth herein, it is my opinion within a reasonable degree of certainty that the Liquidation Analysis (a) is reasonable as of the date such analysis was prepared, presented and/or proffered, (b) uses reasonable and appropriate methodologies and assumptions in light of the purpose for which it was prepared, and (c) establishes that distributions for holders of Claims and Interests in every Class under the Plan will receive a value equal to or greater than the amount such holders would be entitled to receive on account of such Allowed Claims if the Debtors were liquidated pursuant to chapter 7 of the Bankruptcy Code.

9. The Liquidation Analysis reflects the estimated Cash proceeds, net of liquidation related costs, that would likely be available to the Debtors' creditors if the Debtors' assets were to be disposed under the direction of a chapter 7 trustee ("**Chapter 7 Trustee**") in a hypothetical liquidation. The Liquidation Analysis was based on a variety of estimates and assumptions, which are set forth in greater detail in the Disclosure Statement. The Liquidation Analysis and the assumptions and conclusions set forth therein are fair and reasonable under the circumstances, and represent a reasonable conclusion with regard to the results of a hypothetical chapter 7 liquidation of the Debtors.

10. The Liquidation Analysis assumes, hypothetically, among other things, that (a) the chapter 11 cases are converted to chapter 7 cases on or about June 30, 2021 (the "**Conversion Date**"), which is consistent with the Valuation Analysis, and a chapter 7 trustee is appointed to monetize the Debtors' assets<sup>4</sup> over an approximately nine-month period, (b) non-Debtors subsidiaries would undertake parallel liquidations, (c) the values used in the Liquidation Analysis, which are based upon the Debtors' unaudited books and records as of February 28, 2021 with the exception of unrestricted cash, which has been rolled forward to the Conversion Date and through the duration of the nine-month liquidation period, are representative of the Debtors' assets and liabilities as of the Conversion Date, (d) the Chapter 7 Trustee would satisfy Claims and Interests on an entity-by-entity basis by selling the Debtors' assets, (e) the Chapter 7 Trustee's administration fees would total approximately three percent (3%) of the available liquidation proceeds realized, not including cash on hand, and (f) the cessation of the Debtors' businesses would likely trigger certain Claims that otherwise would not exist under the Plan, such as tax

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<sup>4</sup> The Liquidation Analysis only reflects Debtor entities that contain both assets and liabilities and does not reflect any Debtor entities where liabilities do not currently sit, including any "pass through" entities.

liability Claims, employee-related Claims, Claims related to rejection of executory contracts, superpriority adequate protection Claims, and litigation Claims.

11. According to the Liquidation Analysis, the total gross proceeds of the hypothetical chapter 7 liquidation are estimated to be between \$1,780,000,000 and \$1,963,000,000. After taking into account the net wind-down, priority expenses, administrative expenses, Chapter 7 Trustee fees, Chapter 7 Trustee professionals' fees, and the chapter 11 professional fees carve-out into consideration, the Liquidation Analysis provides that the net proceeds available for distribution to creditors are estimated to be between \$1,473,000,000 and \$1,651,000,000. Of this amount, the Liquidation Analysis provides that the net proceeds available for distribution to: (a) secured claims of the First Lien Credit Facility are estimated to be between \$625,000,000 and \$700,000,000; and (b) unsecured claims are estimated to be between \$848,000,000 and \$951,000,000.

12. I understand that the Plan contemplates that each holder of (a) an Allowed Administrative Expense Claim, including Fee Claims and Restructuring Expenses, aside from those representing liabilities incurred in the ordinary course of business by the Debtors, (b) an Allowed Priority Tax Claim, and (c) an Allowed Other Priority Claim will be paid in full, unless such holder agrees otherwise. Additionally, I understand that the Plan contemplates providing the following approximate percentage recoveries to the following classes of Claims and Interests, in each instance in full and final satisfaction of such Claims and Interests:

<b>Class</b>	<b>Class</b>	<b>Liquidation Recovery</b>	<b>Plan Recovery</b>
1	Other Priority Claims	100%	100%
2	Other Secured Claims	100%	100%
3	First Lien Credit Facility Claims	85.0–95.2%	100%

Class	Class	Liquidation Recovery	Plan Recovery
4	Consenting Crossholder Claims	85.0–95.2% <sup>5</sup>	96%
5	Ongoing Trade Claims	39.3–41.8% (on a consolidated basis)	100%
6	Property-Level Guarantee Settlement Claims	N/A	100%
7	Unsecured Claims	26.5–29.8% (on a consolidated basis)	54–56%
8	Intercompany Claims	100%	100%
9	Existing LP Preferred Units	0%	0%
10	Existing LP Common Units	0%	Up to 5.5% of New Common Stock (or equivalent New LP Units) shared with holders of Existing REIT Common Stock
11	Existing REIT Preferred Stock	0%	Up to 5.5% of New Common Stock
12	Existing REIT Common Stock	0%	Up to 5.5% of New Common Stock shared with holders of Existing LP Common Units
13	Intercompany Interests	N/A	100%
14	Section 510(b) Claims	0%	New Common Stock on a Pro Rata basis shared with holders of Existing LP Common Units, Existing REIT Preferred Stock, and Existing REIT Common Stock

13. Additionally, the Liquidation Analysis demonstrates that there are holders of Unsecured Claims at certain Debtors that would receive a 100% recovery if the particular Debtor were to liquidate under chapter 7 of the Bankruptcy Code. I understand that Section 4.7 of the Plan provides that if the Debtors determine that a holder of an Unsecured Claim would be entitled to a greater recovery if the particular Debtor were to liquidate under chapter 7 of the Bankruptcy Code, then such holder shall receive Cash in an amount necessary to satisfy section 1129(a)(7)(ii).

<sup>5</sup> “Consenting Crossholder Claims” are defined in the Plan to only include those Claims arising from the First Lien Credit Facility Documents, and, thus, this approximate percentage recovery is only on account of such Claims. The Consenting Crossholders’ approximate percentage recovery on account of such holders’ Senior Unsecured Notes is included in the Class 7 Unsecured Claims approximate percentage recovery.

14. I understand that (a) there are objections relating to Cure Amounts arising from the Debtors' assumption of executory contracts or unexpired leases, and (b) pursuant to Section 8.2(c) of the Plan, disputed Cure Amounts can be resolved following the Confirmation Hearing and the occurrence of the Effective Date. My understanding is that the relevant parties with remaining Cure Objections have agreed to adjourn such Cure Objections until after the Confirmation Hearing.

**Conclusion**

15. In light of the foregoing, it is my opinion within a reasonable degree of certainty that a liquidation under chapter 7 of the Bankruptcy Code would result in materially reduced proceeds, increased expenses, and the prospect of additional Claims that were not asserted in the chapter 11 cases. Moreover, based on the Liquidation Analysis, it is also my conclusion within a reasonable degree of certainty that the Plan will provide all holders of Allowed Claims and Interests with a recovery that is not less than what they would otherwise receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

16. I declare under the penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: August 9, 2021  
Boston, Massachusetts

By: /s/ Mark A. Renzi  
Name: Mark A. Renzi  
Title: Managing Director  
Berkeley Research Group, LLC



**Certificate of Service**

I hereby certify that on August 9, 2021, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

*/s/ Alfredo R. Pérez*

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Alfredo R. Pérez