

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

In re:)	
)	Chapter 11
)	
CBL & ASSOCIATES PROPERTIES, INC., <i>et al.</i> ,)	Case No. 20-35226 (DRJ)
)	
Debtors. ¹)	(Jointly Administered)
)	

**JOINDER AND STATEMENT OF THE AD HOC NOTEHOLDER GROUP IN SUPPORT
OF CONFIRMATION OF THE THIRD AMENDED JOINT CHAPTER 11 PLAN OF
CBL & ASSOCIATES PROPERTIES, INC. AND ITS AFFILIATED DEBTORS
(Related Docket No. 1373)**

The Ad Hoc Noteholder Group,² by and through its undersigned counsel, hereby files this statement in support (the “Statement”) of the *Third Amended Joint Chapter 11 Plan of CBL & Associates Properties, Inc. and its Affiliated Debtors (With Technical Modifications)* [Docket No. 1369] (the “Plan”), and joins in and adopts the arguments submitted by the Debtors in the *Debtors’ Memorandum of Law in Support of Confirmation of Third Amended Joint Chapter 11 Plan of CBL & Associates Properties, Inc. and its Affiliated Debtors* [Docket No. 1373] (the “Debtors’ Confirmation Brief”). In support of this Statement, the Ad Hoc Noteholder Group states as follows:

¹ 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.

² The “Ad Hoc Noteholder Group” means the informal group of certain holders, or investment managers, advisers or sub-advisers acting on behalf of funds and/or accounts or their respective subsidiaries that are holders (each a “Noteholder”) of (i) 5.25% Senior Notes due 2023 (the “2023 Notes”), issued pursuant to that certain Indenture, dated as of November 26, 2013, among CBL & Associates Limited Partnership, as issuer, CBL & Associates Properties, Inc., as limited guarantor, and Delaware Trust Company, as successor trustee, as amended, modified or supplemented from time to time (the “Indenture”), (ii) 4.60% Senior Notes due 2024 (the “2024 Notes”), issued pursuant to the Indenture, and (iii) 5.95% Senior Notes due 2026 (the “2026 Notes” and collectively with the 2023 Notes and the 2024 Notes, the “Senior Notes”), issued pursuant to the Indenture.

1. The Ad Hoc Noteholder Group fully supports confirmation of the Plan because, among other reasons, implementation of the Plan will enable the Debtors to emerge from chapter 11 with a significantly deleveraged balance sheet and on the best possible footing to succeed, even against the ever-changing backdrop of the global pandemic. The Plan has the overwhelming support of all classes of creditors *and* interest holders entitled to vote, including over 99% of unsecured claims (including Senior Note claims) by voting amount, 95% of holders preferred equity interests, and 97% of holders of common equity interests. As the Court is now well aware, the road to such near-unanimous consensus has been protracted and, at times, litigious. Indeed, the Ad Hoc Noteholder Group began negotiations with the Debtors over the terms of a potential restructuring nearly 18 months ago, and this initial round of negotiations formed the basis of the first Restructuring Support Agreement executed approximately one year ago in August 2020. It is a testament to the hard work and dedication of all parties involved that the Debtors are now before the Court seeking confirmation of a Plan that has the near unanimous support of all of the Debtors' constituencies.

2. In connection with confirmation and in consultation with the Ad Hoc Noteholder Group, the Debtors have successfully resolved substantially all of the Objections filed to the Plan. The only substantive Objections that have yet to be resolved were filed by individual preferred shareholders, who continue to object to the proposed allocation of New Common Stock as between holders of existing preferred shares on the one hand and existing common shares on the other. These objecting preferred holders contend that the Plan's proposed ratable distribution of New Common Stock to existing preferred and common holders violates the absolute priority rule. However, as the Debtors' Liquidation and Valuation Analyses demonstrate, holders of equity interests—whether preferred or common—are not entitled to any distribution as a matter of law.

Nonetheless, the Plan provides that existing equity holders will receive 11% of the equity in the reorganized Debtors and such treatment ensures a substantial recovery to an indisputably out-of-the-money class, at the expense (but with the agreement) of senior creditors who are receiving less (indeed, hundreds of millions of dollars less) than a full recovery on their claims. Thus, the objections of the preferred shareholders should be overruled, and the Plan should be confirmed.

3. The Ad Hoc Noteholder Group believes that all other confirmation-related Objections have either been resolved or addressed fully and adequately in the Debtors' Confirmation Brief. Moreover, the Ad Hoc Noteholder Group agrees with the Debtors that the Plan satisfies all requirements for confirmation as set forth in Bankruptcy Code section 1129, and that confirmation of the Plan is in the best interests of the Debtors' creditors and estates. For these and the other reasons set forth in the Debtors' Confirmation Brief, the Ad Hoc Noteholder Group files this Statement and respectfully requests that the Court overrule the Objections and confirm the Plan.

4. The Ad Hoc Noteholder Group expressly reserves all rights with respect to the Plan and Objections thereto, including the right to amend or supplement this Statement, submit additional briefing, or be heard at the confirmation hearing. Nothing herein shall constitute a waiver of the rights or remedies of the Ad Hoc Noteholder Group, each of which is expressly reserved.

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WHEREFORE, the Ad Hoc Noteholder Group respectfully requests that the Court overrule the Objections, confirm the Plan and grant such other relief as the Court deems just, proper and equitable.

Dated: August 10, 2021

Respectfully Submitted,

AKIN GUMP STRAUSS HAUER & FELD LLP

/s/ Marty L. Brimmage, Jr.

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Counsel to the Ad Hoc Noteholder Group

CERTIFICATE OF SERVICE

I hereby certify that, on August 10, 2021, a true and correct copy of the foregoing document was served via email through the Bankruptcy Court's Electronic Case Filing System on the parties that have consented to such service.

/s/ Marty L. Brimmage, Jr.

Marty L. Brimmage, Jr.