

ENTERED

September 13, 2021

Nathan Ochsner, Clerk

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

In re:	§	Chapter 11
	§	
CBL & ASSOCIATES	§	
PROPERTIES, INC., et al.,	§	Case No. 20-35226 (DRJ)
	§	
Debtors.¹	§	(Jointly Administered)
	§	(Docket No. 1422)

**STIPULATION AND ORDER GRANTING
LIMITED RELIEF FROM THE AUTOMATIC STAY
REGARDING THE EXCHANGE OF CERTAIN SECURITIES**

This stipulation and order (the “**Stipulation**”) is entered into by and among the debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) and Schostak Laurel Park Retail Holding LLC (the “**Schostak Partner**” together, the Debtors and the Schostak Partner are collectively referred to as the “**Parties**,” and, each, as a “**Party**”). The Parties hereby stipulate and agree as follows:

RECITALS

A. WHEREAS, beginning on November 1, 2021 (the “**Petition Date**”), the Debtors commenced the above-captioned voluntary cases under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”).

B. WHEREAS, the Parties have agreed, subject to the approval of the Bankruptcy Court to the extent necessary, to modify the automatic stay pursuant to section 362 of the Bankruptcy Code for the limited purpose and subject to the terms and conditions set forth below.

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.

C. WHEREAS, pursuant to that certain Fourth Amended and Restated Agreement of Limited Partnership of CBL & Associates Limited Partnership (the “**OP Agreement**”)² to and for the benefit of Debtor CBL & Associates Limited Partnership (the “**OP**”) by and among the CBL Holdings I, Inc. (the “**General Partner**”) and various Limited Partners (as defined in the OP Agreement), (including the Schostak Partner), the Schostak Partner currently holds 1,193,978 outstanding Common Units (as defined in the OP Agreement) issued by the OP.

D. WHEREAS, under Article XI of the OP Agreement, each Limited Partner has the Right (as defined in Section 11.1 of the OP Agreement) to require CBL & Associates Properties, Inc. (the “**REIT**”) and the General Partner to exchange the Limited Partnership’s Common Units for shares of Common Stock (as defined in the OP Agreement) or their cash equivalent, at the election of the REIT, subject to the conditions and restrictions contained in Exhibit D of the OP Agreement. The Rights may be exercised upon delivery to the REIT of an Exchange Notice (as defined in Section 11.1 of the OP Agreement). Pursuant to Section 6 of Exhibit D of the OP Agreement, within thirty (30) days after receipt by the REIT of the Exchange Notice from an Exercising Partner (as defined in Section 2 of Exhibit D of the OP Agreement), the REIT is required to deliver to the Exercising Partner a notice (the “**Election Notice**”) of the REIT’s election to settle the exchange by issuance of shares of Common Stock or their cash equivalent.

E. WHEREAS, on July 28, 2021, the Schostak Partner provided an Exchange Notice by which the Schostak Partner elected to exercise its Rights (as defined in Section 11.1 of the OP Agreement) to exchange all its Common Units for shares of Common Stock of the REIT or their cash equivalent, at the REIT’s election (the “**Schostak Exchange**”).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the OP Agreement.

F. WHEREAS, the REIT desires to elect to settle the Schostak Exchange by delivering shares of Common Stock of the REIT with such shares contributed to CBL Holdings II, Inc. (“**Holdings II**”) immediately prior to the Schostak Exchange for use in the exchange, and, after the exchange, Holdings II will hold the Common Units previously held by the Schostak Partner.

G. WHEREAS, section 4.10(a) of the Plan expressly preserves the Schostak Partner’s Rights to exchange its Common Units on terms consistent with the OP Agreement. Accordingly, the Schostak Exchange will not impact the ultimate treatment of the Schostak Partner’s interests under or otherwise alter the terms of the Plan. Rather, the Schostak Exchange merely affects the timing of an exchange of Common Units contemplated thereunder.

H. WHEREAS, the OP, REIT, and General Partner desire to consent to the Schostak Exchange but, out of an abundance of caution, now seek relief from the automatic stay to consent to and to deliver or cause to be delivered 1,193,978 shares of Common Stock of the REIT to the Schostak Partner to settle the Schostak Exchange.

It is hereby **ORDERED** that the automatic stay pursuant to section 362 of the Bankruptcy Code is modified as follows:

1. This Stipulation shall have no force or effect unless and until approved by the Bankruptcy Court (the “**Entered Date**”).

2. Upon the Entered Date, the automatic stay shall be modified solely to the extent necessary to permit the Parties to execute the Schostak Exchange and allow the REIT, the General Partner, and Holdings II to deliver or cause to be delivered 1,193,978 shares of Common Stock of the REIT to settle the Schostak Exchange.

3. Except as set forth herein, the Debtors, the Reorganized Debtors, and their respective estates shall not be obligated to pay any amounts owed or awarded in connection with

the Schostak Exchange, including, but not limited to, any monetary damages or attorneys' fees and expenses.

4. Nothing contained herein shall be construed as a waiver by the Debtors of their right to object to any and all proofs of claim filed by the Schostak Partner or otherwise related to the Schostak Exchange or any other pending prepetition action to which one or more of the Debtors are a party that may be filed by the Schostak Partner or any other party in the Debtors' chapter 11 cases.

5. The limited relief set forth herein shall not be construed as an admission of liability by the Debtors regarding any claim or cause of action.

6. This Stipulation shall constitute the entire agreement and understanding of the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings relating to the subject matter hereof.

7. The undersigned who executes this Stipulation by or on behalf of each respective Party represents and warrants that he or she has been duly authorized and empowered to execute and deliver this Stipulation on behalf of such Party.

8. This Stipulation shall not be modified, altered, amended, or vacated without the written consent of all Parties hereto or by further order of the Bankruptcy Court.

9. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversies arising from this Stipulation.

Signed: September 10, 2021.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

IN WITNESS WHEREOF, this Stipulation has been executed and delivered as of the day
and year first below written.

Dated: August 26, 2021

By: /s/ **Richard S. Soble**
Richard S. Soble
Michigan Bar No. P32716
HONIGMAN LLP
39400 Woodward Avenue, Suite 101
Bloomfield Hills, MI 48304
Telephone: (248) 566-8488
Fax: (248) 566-8489
Email: RSoble@honigman.com

ATTORNEY FOR THE SCHOSTAK PARTNER

Dated: August 26, 2021

By: /s/ **Alfredo R. Pérez**
Alfredo R. Pérez
Texas Bar No. 15776275
WEIL, GOTSHAL & MANGES LLP
700 Louisiana Street, Suite 1700
Houston, TX 77002
Telephone: (713) 546-5040
Fax: (713) 224-9511
Email: Alfredo.Perez@weil.com

ATTORNEY FOR THE DEBTORS