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

IN RE:	§	
	§	
JMK5 MALL OF THE MAINLAND, LLC,	§	**CASE NO. 26-80397**
	§	
	§	
DEBTOR	§	

STIPULATION AND AGREED ORDER AUTHORIZING USE OF CASH COLLATERAL, MODIFYING THE AUTOMATIC STAY, AND GRANTING RELATED RELIEF

JMK5 Mall of the Mainland, LLC (the "Debtor") and Plains State Bank ("Bank") have reached an agreement to allow the Debtor to use cash collateral pursuant to the terms and conditions set forth in this Stipulation and Agreed Order Authorizing Use of Cash Collateral (this "Stipulation and Agreed Order"), in connection with which the Debtors and Bank submit to the Court the following stipulations:

A. The Court has constitutional authority to enter a final order with respect to this Stipulation and Agreed Order.

B. Based on several prepetition loans, Bank is a secured creditor of the Debtor's estate, holding security interests and liens in, among other things, the following real estate (including any and all improvements) owned by the Debtor: The real property located at 10000 Emmett Lowry Expressway, Texas City, Texas 77591 in Galveston County, Texas known as the "Mall of the Mainland" or "Mainland City Centre," as more fully described on the Deeds of Trust (the "Property"),[1] together with all rents related to such real estate, and all proceeds relating to any of the foregoing (collectively, the "Collateral").

[1] The "Deeds of Trust" refer to (a) that certain Deed of Trust and Security Agreement executed by Debtor on February 24, 2021 in favor of Bank, and recorded in the Official Public Records of Galveston County, Texas under Instrument Number 2021013946; (b) that certain Deed of Trust and Security Agreement executed by Debtor on April

C. The Collateral secures all indebtedness owed by the Debtor to Bank (the "Indebtedness"). The Indebtedness was mature as of the Petition Date, and the balance of such Indebtedness was not less than $8,660,203.58 as of June 2, 2026, the date of the filing of the voluntary chapter 11 petition (the "Petition Date").

D. The Indebtedness is valid, enforceable, and unavoidable. The Bank's liens and security interests in the Collateral are valid, perfected, enforceable, and unavoidable.

E. All cash proceeds of the Collateral, and all cash from the product, offspring, rents or profits from such Collateral, constitute cash collateral as defined in 11 U.S.C. § 363 (the "Cash Collateral").

F. On July 9, 2026, a representative of the Debtor picked up from the Bank the following rent checks (collectively, the "Rent Checks"), that were previously in possession of the Bank:

a. Rent checks from Baker Ripley, payable to the Debtor, in the total amount of $71,668.73, for April, May, June, and July 2026 rent; and

b. Rent checks from Odyssey Academy, payable to Plains State Bank, in the total amount of $155,117.71, for May and July[2] 2026 rent (less amounts paid towards Odyssey Academy's electricity bill at the Property).

G. The Debtor is currently unable to secure sufficient funds for purposes of paying its current expenses other than from Cash Collateral.

1, 2021 in favor of Bank, and recorded in the Official Public Records of Galveston County, Texas under Instrument Number 2021024418; and (c) that certain Deed of Trust and Security Agreement executed by Debtor on April 19, 2022 in favor of Bank, and recorded in the Official Public Records of Galveston County, Texas under Instrument Number 2022027341; all of which secure the Indebtedness.

[2] The check for June 2026 rent never cleared and was returned NSF.

H. The Bank will not be adequately protected, as defined in 11 U.S.C. §§ 361 and 363, without conditioning the Debtor's use of the Cash Collateral on the observance of the provisions of this Stipulation and Agreed Order.

I. The Bank has obtained insurance on the Property to cover its own risk of loss up to the amount of $9,200,000.00 (the "Force-Placed Insurance"), and paid an annual premium of $294,730.41 for such Force-Placed Insurance (the "FPI Premium").

The Court, having reviewed the foregoing stipulations and the parties' agreement, finds that the parties' agreement is reasonable and appropriate and that the stipulations and the parties' agreement should be approved by the entry of this Stipulation and Agreed Order.

IT IS THEREFORE ORDERED THAT:

1. To the extent not accomplished already, the Debtor shall forthwith deposit the Rent Checks into its debtor-in-possession account maintained at b1 Bank (the "DIP Account").

2. At all times, the Debtor shall maintain a DIP Account balance sufficient to reimburse the Bank $73,682.60 for the non-recoverable portion of the FPI Premium if the Force-Placed Insurance is canceled before October 3, 2026 (the "FPI Reimbursement Amount"). If the Bank cancels the Force-Placed Insurance by October 3, 2026, the Debtor shall pay the Bank the FPI Reimbursement Amount within five (5) days of the Bank's notice of same to the Debtor and to PACEWell 3 LLC ("PW3").

3. The Debtor is hereby authorized to use Cash Collateral, effective as of the Petition Date, only for the following expenditures, and only in full compliance with this Stipulation and Agreed Order:

a. Payment of insurance premium(s) covering the Property at a value not less than $20,000,000.00 for a minimum of one year, with hazard and liability coverage. Such

insurance shall contain a standard mortgage clause with each of the Bank and PW3 named as a loss payee and the U.S. Trustee named as a notice party;

b. Timely payment of post-petition utility bills and proper maintenance at the Property;

c. Timely payment of any post-petition *ad valorem* taxes that come due with respect to the Property;

d. Timely payment of U.S. Trustee fees;

e. Timely payment of the FPI Reimbursement Amount;

f. Other expenditures made in accordance with a Budget pre-approved in writing by the Bank within the Bank's reasonable discretion (each, a "Budget"), beginning with the Budget attached hereto as **Exhibit A**, which has been approved by the Bank. The Debtor shall provide an updated two-week Budget to Bank no later than 12:00 p.m. (central time) on the Thursday preceding the two-week period covered by such Budget. The Debtor shall be allowed a 10% cumulative variance from the amounts shown on Budget, provided that such expenditures are already identified in the Budget. The Budget shall include a specific line item for the FPI Reimbursement Amount.

The Debtor may not use Cash Collateral for any other purpose unless the Debtor obtains the prior written consent of the Bank.

4. The Debtor may not use Cash Collateral to investigate the Bank's liens or the Indebtedness or the lien (the "PACE Lien") of Galveston County, Texas (the "Local Government") securing the property assessed clean energy financing (the "PACE Financing"), and no Cash Collateral may be used to sue the Bank, PW3, or the Local Government or challenge or attack the Bank's liens or the Indebtedness. The Bank does not consent to the use of any Cash Collateral to

sue the Bank or challenge or attack the Bank's liens or the Bank's Indebtedness. The Debtor stipulates and covenants that the Bank's Indebtedness is matured and due and owing in full as of the Petition Date; that all of the Bank's liens and the PACE Lien are validly granted, perfected, and are non-avoidable; and that neither the Debtor nor the Debtor's estate shall challenge same in any court or in any non-judicial proceeding or other forum. This stipulation and covenant shall survive the termination of the Debtor's authority to use Cash Collateral, the conversion of this case to a case under chapter 7 of the Bankruptcy Code, the appointment of a chapter 11 trustee, or the dismissal of this case, and it shall be binding on the Debtor, any chapter 11 or chapter 7 trustee, and any other person or entity purporting to exercise any rights that are or were at any time property of the estate.

5. Notwithstanding the previous paragraph, an official committee of unsecured creditors or other non-Debtor party (unaffiliated with the Debtor or its principal) whom the Court has authorized (after notice and hearing on a motion seeking standing to assert such claims on behalf of the estate (a "Standing Motion")) may investigate and file an adversary proceeding or contested matter on behalf of the estate to challenge the extent and validity of the Bank's liens within 60 days of entry of this Stipulation and Agreed Order (the "Challenge Period"). Unless a party in interest timely files a Standing Motion and the Court grants standing to such party in interest, without further order of the Court: (a) the Debtor's stipulations and covenants contained in this Stipulation and Agreed Order shall be binding on all parties in interest; (b) the Indebtedness shall constitute allowed secured claims, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance, for all purposes in this case and any subsequent chapter 7 or chapter 11 case; (c) the Bank's liens on the Collateral shall be deemed to be, as of the Petition Date, legal, valid, binding, perfected, and not subject to defense, counterclaim, recharacterization,

subordination or avoidance; and (d) the Indebtedness, the Bank's liens on the Collateral, and the Bank (and its agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors) shall not be subject to any other or further challenge by any party in interest, and any party in interest shall be enjoined from seeking to exercise the rights of the Debtor's estate, including without limitation, any successor thereto (including, without limitation, any estate representative, examiner, or a trustee, whether such examiner or trustee is appointed or elected prior to or following the expiration of the Challenge Period). If any such adversary proceeding or contested matter is timely filed prior to the expiration of the Challenge Period, the stipulations and admissions contained in this Stipulation and Agreed Order shall nonetheless remain binding and preclusive on any other person, including any trustee, except as to any such stipulations and admissions that were challenged in such adversary proceeding or contested matter. Nothing in this Agreed Order vests or confers on any person or entity, including an official committee of unsecured creditors, standing or authority to pursue any cause of action belonging to the Debtor or the estate. In the event that there is a timely successful challenge brought pursuant to this paragraph, the Court shall retain jurisdiction to fashion an appropriate remedy.

6. The Bank is hereby granted replacement liens and security interests on all assets of the Debtor and its estate, whether now existing or hereafter acquired, and the proceeds, income and profits and offspring of any of the foregoing, to secure the Debtor's use of Cash Collateral and as adequate protection against any diminution in value of the Collateral. Such replacement liens and security interests (i) are subordinate only to any prior existing, validly perfected, and non-avoidable liens and security interest in such assets, (ii) are automatically perfected, and (iii) such replacement liens and security interests retain the extent, validity, and priority as the Bank's prepetition liens.

7. Pursuant to 11 U.S.C. § 507(b), in addition to the liens and security interests granted to the Bank herein, and in the event the value of the post-petition replacement collateral proves insufficient to enable the Bank to collect the aggregate amount of the Cash Collateral used by the Debtor pursuant to this Stipulation and Agreed Order or otherwise, or in the event the value of the Bank's pre-petition collateral diminishes during this proceeding, the Bank shall be entitled to the benefits of 11 U.S.C. § 507(b).

8. The Debtor shall timely deposit all post-petition taxes (whether federal, state or local) with the appropriate taxing authorities and timely file appropriate tax returns.

9. The Debtor shall timely pay all U.S. Trustee fees.

10. The Debtor shall provide the Bank and PW3 with (i) copies of the Debtor's check registers for every two-week period commencing on the Petition Date, not later than the Monday following each two-week period, via email using the following email addresses: bruzinsky@jw.com, vargeroplos@jw.com, christopher.pappas@nuveen.com, and tara.crotty@nuveen.com (ii) by the fifth (5th) day of each month, the Debtor's rent roll for the previous month, in each case showing the Debtor's rent collections since the Petition Date; and (iii) any other financial information reasonably requested by Bank to be provided within 3 days of receipt by Debtor or its counsel of a written request for same. The Debtor shall certify in writing that items (i) – (iii) are true and correct.

11. By August 7, 2026, the Debtor shall engage a licensed and qualified real estate broker to market and sell the Property, subject to the Bank's and PW3's reasonable approval of the broker and the terms of the broker's engagement. The Debtor shall be excused from hiring a broker only if the Debtor obtains, by August 7, 2026, a Qualified Earnest Money Contract (defined below) with a prospective purchaser that satisfies the conditions of paragraph 19 of this Stipulation

and Agreed Order. Nothing in this paragraph relieves the Debtor from obtaining approval from the Court to retain or compensate any broker pursuant to sections 327, 330 or 363 of the Bankruptcy Code.

12. This Stipulation and Agreed Order shall become a final order on the 15th day after it is entered; provided, if an objection to this Stipulation and Agreed Order ("Objection") is filed prior to the 15th day after this Stipulation and Agreed Order is entered, this Stipulation and Agreed Order shall become final only after a hearing on the Objection. In the event the Objection is sustained, the terms and conditions and the respective rights and obligations of the parties set forth herein shall nevertheless remain binding, valid and in full force and effect for the period prior to entry of a Court order sustaining such objection.

13. The Debtor's right to use Cash Collateral shall expire the earlier of (a) 11:59:59 p.m. (central time) on September 2, 2026, unless extended or modified by further order of the Court or the written agreement of Bank and Debtor, (b) appointment of a Chapter 11 trustee, (c) conversion of this case to a case under chapter 7, (d) lifting of the automatic stay to allow Bank or any other secured creditor to foreclose its liens on any of the Collateral, or (e) Debtor's failure to timely provide the Bank or PW3 with any of the reports, information or payments required by this Stipulation and Agreed Order, *provided that* in the case of a default under (e), the Debtor shall have three (3) days after notice of such default to cure such default before its right to use Cash Collateral expires under this paragraph.

14. If at any time the Bank believes that its Collateral position has been adversely affected, the Bank may withdraw its consent to the Debtor's use of Cash Collateral by providing notice of same to Debtor and Debtor's counsel. The Debtor shall then have 7 days in which to obtain Court approval for the Debtor's continued use of Cash Collateral, and the Court will hold a

hearing within such 7 days (subject to Court availability). If no such Court approval is obtained by the end of that 7-day period, then Debtor shall cease use of Cash Collateral at that time unless and until the Court orders otherwise. Nothing in this paragraph changes in any way the Debtor's continued obligation to comply with the terms of this Stipulation and Agreed Order unless and until modified or extended by the Court.

15. All Cash Collateral shall be deposited into the DIP Account. The DIP Account shall contain only Cash Collateral and shall not be co-mingled with any other funds.

16. Representatives of the Bank and PW3 and their designees shall have full access to the Property to perform an appraisal, an inspection, or for any other purpose the Bank, PW3, or their designees reasonably deem necessary.

17. Beginning July 24, 2026, and continuing every two-week period thereafter until the Closing of a sale of the Property, the Debtor shall pay to Bank $33,747.75 in immediately available funds as partial adequate protection, provided that the Debtor's first adequate protection payment hereunder shall be due July 29, 2026.

18. Beginning July 24, 2026, and continuing every two-week period thereafter until the Closing of a sale of the Property, the Debtor shall pay to PW3 $7,930.61 in immediately available funds as partial adequate protection, provided that the Debtor's first adequate protection payment hereunder shall be due July 29, 2026.

19. This case shall automatically convert to a case under chapter 7 of the Bankruptcy Code unless one of the following conditions occurs by September 2, 2026:

a. The Debtor obtains a Qualified Earnest Money Contract executed by a prospective purchaser for the Property. A "Qualified Earnest Money Contract" means a bona fide earnest money contract for the sale of the entire Property that includes (i) a cash

purchase price sufficient to pay all taxes, all secured claims against the Property, all priority claims, all allowed administrative expenses, and at least $100,000 for allowed general unsecured claims, in any event for a purchase price not less than $13,000,000.00, exclusive of any broker's commission and all reasonable closing costs, (ii) initial cash earnest money of at least 2.5% of the purchase price, in any event not less than $325,000.00, (iii) such earnest money becomes non-refundable on or before September 2, 2026, (iv) the closing of such sale is not subject to any contingencies, including but not limited to the obtaining or the sufficiency of financing, any internal approvals, or on the outcome or review of due diligence, (v) the closing of such sale shall occur no later than November 6, 2026, and (vi) the Debtor has provided proof of such prospective purchaser's financial ability in a form and substance reasonably satisfactory to the Bank and PW3;

b. The Debtor obtains a bona fide binding commitment, in writing and signed by a reputable proposed lender, for a refinancing of the Property in an amount sufficient to pay all taxes, all secured claims against the Property, all allowed administrative expenses, and at least $100,000 for allowed general unsecured claims, in any event for an amount not less than $13,000,000.00, exclusive of any fees and closing costs (a "Qualified Refinance Commitment").

20. If the Debtor obtains a Qualified Earnest Money Contract or a Qualified Refinance Commitment by September 2, 2026, but no closing of a sale or refinancing in accordance with paragraph 19 above occurs with the Bank and PW3 being paid in full by November 6, 2026, then the automatic stay under 11 U.S.C. § 362 shall immediately lift and terminate to allow the Bank to foreclose and exercise any other of its rights and remedies, including but not limited to timely posting the Property for foreclosure at any time, such that the foreclosure may occur as early as

December 1, 2026, and the Debtor, any person or entity acting on behalf of the Debtor or the bankruptcy estate, or any other person or entity purporting to exercise any rights that are or were at any time property of the estate shall not delay or interfere with the Bank's foreclosure posting, the foreclosure of the Bank's liens in the Collateral, or any other rights or remedies of the Bank. The lifting and termination of the automatic stay and the Bank's right to post, foreclose, and exercise any other of its rights and remedies under this paragraph 20 shall remain enforceable notwithstanding the appointment of a chapter 11 trustee, the conversion of this case to a case under chapter 7, the appointment of a chapter 7 trustee, or the appointment of an examiner or other fiduciary.

21. If the automatic stay is lifted and terminated for the Bank per paragraph 20 above, then the automatic stay shall also lift and terminate for PW3 and Local Government to allow PW3 and Local Government to exercise their rights and remedies in and to the Property.

22. Upon this Stipulation and Agreed Order becoming final, all rights to surcharge the Cash Collateral or the Property under section 506(c) of the Bankruptcy Code are waived, and such waiver is binding upon the Debtor the Debtor's estate, and any successor or estate fiduciary.

23. This Stipulation and Agreed Order shall be binding on and inure to the benefit of the successors and assigns of the parties hereto, including any Trustee appointed by the Court under chapter 11 or chapter 7 of the Bankruptcy Code, and all parties in interest.

24. The Debtor and its agents and representatives, and any subsequently appointed trustee, examiner, or other fiduciary, shall not take any action, nor shall they assist or participate directly or indirectly with any other party or party in interest in any actions, which would knowingly contravene any provision of this Stipulation and Agreed Order, or delay or interfere

with the enforcement of any of the Bank's or PW3's rights granted or otherwise recognized by this Stipulation and Agreed Order.

SIGNED: _____

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ALFREDO R. PEREZ
U.S. BANKRUPTCY JUDGE

AGREED AND ACCEPTED:

JACKSON WALKER LLP

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