

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

In re:

SAKS GLOBAL ENTERPRISES LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 26-90103 (ARP)
)
) (Jointly Administered)
)

**MOTION OF SIMON PROPERTY GROUP, L.P. FOR
ENTRY OF AN ORDER (A) DECLARING THE AUTOMATIC
STAY DOES NOT APPLY, (B) IN THE ALTERNATIVE, GRANTING
RELIEF FROM THE AUTOMATIC STAY, AND (C) GRANTING RELATED RELIEF**

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within twenty-one days from the date this motion was filed. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within twenty-one days from the date this motion was filed. Otherwise, the Court may treat the pleading as unopposed and grant the relief requested.

A hearing will be conducted on this matter on February 13, 2026, at 9:00 a.m. (prevailing Central Time) in Courtroom 400, 4th floor, 515 Rusk Street, Houston, Texas 77002.

Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Pérez's conference room number is 282694. Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Pérez's home page. The meeting code is "Judge Pérez". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of both electronic and in-person hearings. To make your appearance, click the "Electronic Appearance" link on Judge Pérez's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' proposed claims and noticing agent at <https://cases.stretto.com/Saks>. The location of Debtor Saks Global Enterprises LLC's corporate headquarters and the Debtors' service address in these chapter 11 cases is 225 Liberty Street, 31st Floor, New York, NY 10281. Bradley Arant Boult Cummings LLP is proposed counsel for the following Debtors: Saks OFF 5TH Holdings LLC, Saks OFF 5TH LLC, Saks OFF 5TH Midco Partner Inc., and Luxury Outlets USA, LLC (collectively, the "SO5 Digital Debtors"). Haynes and Boone, LLP and Willkie Farr & Gallagher LLP are proposed counsel for the remaining Debtors (collectively, the "Global Debtors").

Simon Property Group, L.P. (together with, and on behalf of, certain of its affiliates, “Simon”), respectfully states as follows in support of this motion (this “Motion”):²

Relief Requested

1. By this Motion, Simon seeks entry of an order, pursuant to section 362(d) of title 11 of the United States Code (“Bankruptcy Code”), and Rules 4001(a) and 4001(d) of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”): (a) confirming that (i) that certain Lease, dated as of March 27, 1998, for certain premises located at Woodbury Common Premium Outlets, by and between Simon and Saks & Company, LLC (as amended, restated, amended and restated, modified or otherwise supplemented from time to time, the “Woodbury Lease”), a debtor in these chapter 11 cases (together, with all other debtors in these chapter 11 cases, the “Debtors,” and each, a “Debtor”), and that certain Lease, dated as of April 29, 1983, for certain premises located at Stanford Shopping Center, by and between Simon and Debtor NMG Term Loan PropCo LLC (as amended, restated, amended and restated, modified or otherwise supplemented from time to time, the “Stanford Lease,” and, together with the Woodbury Lease, the “Leases”), each was terminated by Simon effective on January 8, 2026, and any interests of the Debtors thereunder are not property of the Debtors’ bankruptcy estates, and (ii) the automatic stay does not prevent Simon from obtaining possession of the premises subject to the Leases (the “Leased Premises”); (b) in the alternative, granting Simon relief from the automatic stay under section 362(d)(1) to take such acts as are necessary to obtain possession of the Leased Premises; and (c) waiving the 14-day stay of any order granting this Motion pursuant to Bankruptcy Rule 4001(a)(4).

² In accordance with Rule 4001-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of Texas, Simon conducted a meet and confer with the Debtors on January 22, 2026, prior to filing this Motion. Simon and the Debtors were unable to resolve the subject matter of this Motion as part of that meet and confer session, necessitating the filing of this Motion.

Preliminary Statement

2. In December of 2024, Simon invested \$100 million to support the Debtors' acquisition of Neiman Marcus in exchange for preferred equity in the Debtors. Contemporaneously with that investment, Simon and the Debtors entered into the

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

³ Subscription Agreement is defined hereinafter in paragraph 13.

[REDACTED]

[REDACTED]

[REDACTED]

3. On January 7, 2026, Simon notified the Company it had failed to pay rent and other charges when due under leases entered with Simon in the amount of \$7,047,943.92. Simon then terminated the Leases through notices hand delivered to the Debtors on January 8, 2026, and delivered via overnight delivery on January 9, 2026. Accordingly, under the unambiguous and clear terms of the Letter Agreement, the Leases terminated effective on January 8, 2026, and the Debtors were required to vacate the Leased Premises no later than January 18, 2026, without any further action by either Simon or the Debtors.

4. The Debtors attempted to dispute Simon's exercise of termination rights, as set forth in their letter response, dated January 9, 2026. In this response, the Debtors alleged, without presenting any proof, that some of the amounts asserted as owing had been paid, or were not yet due, and that asserted cure periods (even though there are none under the Letter Agreement) had not yet expired, rendering the notices void. Accordingly, the Debtors asserted (incorrectly) that Simon's exercise of its termination rights was improper. Simon responded by letter dated January 10, 2026, stating that the Debtors' assertions did not create a genuine dispute as to the effectiveness and enforceability of the termination notices, and that the Debtors' claim that a grace or cure period rendered the notices ineffective was wrong, because there is no right to cure.

5. Through this Motion, Simon seeks entry of an order confirming that the Leases have terminated and that the automatic stay under section 362 of the Bankruptcy Code does not

⁴ Unless otherwise stated, all references to Exhibits in this Motion are to Exhibits to the *Declaration of Jeffrey M. Clifton in Support of the Motion of Simon Property Group, L.P. for Entry of an Order (A) Declaring the Automatic Stay Does Not Apply, (B) in the Alternative, Granting Relief from the Automatic Stay, and (C) Granting Related Relief* (the "Simon Declaration"), filed contemporaneously herewith.

prevent Simon from exercising remedies to regain possession of the Leased Premises. In the alternative, the Court should find cause to grant relief from the stay to allow Simon to terminate the Leases and possess the Leased Premises.

Jurisdiction and Venue

6. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b).

7. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

8. The statutory bases for the relief requested herein are sections 105, 362, and 541 of the Bankruptcy Code, Rule 4001 of the Bankruptcy Rules, and Rules 4001-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

Background

9. On January 13, 2026 (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On January 14, 2026, the Court entered an order authorizing the joint administration and procedural consolidation of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b) and Bankruptcy Local Rule 1015-1. The Debtors are operating their businesses and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

10. No official committee has been appointed in these chapter 11 cases, and no request has been made for the appointment of a trustee or an examiner.

11. A description of the Debtors and their businesses, including the facts and circumstances giving rise to the Debtors’ chapter 11 cases, is set forth in the *Declaration of Mark*

Weinsten in Support of Chapter 11 Petitions and First Day Pleadings [Docket No. 17] (the “First Day Declaration”).

A. Simon and the Debtors

12. Simon is a real estate investment trust engaged in the ownership of premier shopping, dining, and entertainment mixed-use destinations and an S&P 100 company (Simon Property Group, NYSE: SPG). Simon’s properties across North America, Europe, and Asia provide community gathering places for millions of people every day and generate billions in annual sales. Simon’s history with, and support of the Debtors and their non-Debtor affiliates (collectively, the “Company”), is longstanding. Since at least the early 1970s, Simon (and its predecessors) has leased property to the Debtors, including the Leased Premises. As of the date hereof, Simon leases approximately 75 premises to the Company.

B. Simon’s Equity Investment in the Debtors and the Letter Agreement

13. The Debtors acquired Neiman Marcus in December of 2024 for a total enterprise value of \$2.7 billion. First Day Declaration, ¶ 36. To help finance that acquisition, the Debtors raised debt and equity capital, including pursuant to that certain Subscription Agreement, dated as of December 23, 2024, by and between HBC GP LLC (“HBC”), the ultimate parent of the Company (and a Debtor in these chapter 11 cases), Saks Global Investor L.P. (“Global Investor”), a directly owned subsidiary of HBC (and likewise a Debtor), and SPG-ALG IV, LLC, a Simon affiliate (“SPG”) (as amended, restated, amended and restated, modified or otherwise supplemented from time to time, the “Subscription Agreement”). Pursuant to the Subscription Agreement, HBC and Global Investor each issued preferred equity to SPG for the aggregate purchase price of \$100 million (the “Equity Investment”).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

C. The Company Fails to Perform and Fulfill Their Obligations to Simon, and Simon Terminates the Leases

16. On January 7, 2026, Simon sent three notices of default (the “Notices of Default,” attached to the Simon Declaration as **Exhibit B**) to the Company stating that it had failed to pay rent and other charges to Simon when due in the aggregate amount of \$7,047,943.92 (the “Delinquent Amounts”). Simon also sent the Company two notices terminating the Leases effective immediately (the “Termination Notices,” attached to the Simon Declaration as **Exhibit C** and, together with the Notices of Default, the “Notices”). Each of the Notices is summarized below.

- Notice of Default to The Neiman Marcus Group LLC – This notice asserted (i) Delinquent Amounts of \$2,412,220.87 under certain lease agreements between (a) The Neiman Marcus Group LLC and certain affiliates and (b) Simon, and (ii) that The Neiman Marcus Group was in default as a result thereof.
- Notice of Default to Lord & Taylor LLC – This notice asserted (i) Delinquent Amounts of \$466,441.34 under certain lease agreements between (a) Lord & Taylor LLC and certain affiliates and (b) Simon, and (ii) that Lord & Taylor LLC was in default as a result thereof.
- Notice of Default to Saks Global Holdings LLC – This notice asserted (i) Delinquent Amounts of \$4,169,281.71 under certain lease agreements between (a) Saks Global Holdings LLC and certain affiliates and (b) Simon, and (ii) that Saks Global Holdings LLC was in default as a result thereof.
- Notice of Termination to HBC, Saks Global Holdings LLC, and Saks & Company LLC – This notice terminated the Woodbury Lease [REDACTED]
- Notice of Termination to HBC, Saks Global Holdings LLC, and NMG Term Loan PropCo LLC – This notice terminated the Stanford Lease [REDACTED]

The Notices were delivered via hand delivery on January 8, 2026, and via UPS overnight courier on January 9, 2026. Ex. E (Reply Letter), at 1.

17. On January 9, 2026, the Company sent Simon a letter, attached to the Simon Declaration as **Exhibit D**, asserting that (i) no defaults had occurred, and (ii) Simon’s attempts to terminate the Leases were improper, ineffective and void, such that Simon had no basis to attempt to exercise the asserted termination right. By reply letter dated January 10, 2026, (the

“Reply Letter”) attached to the Simon Declaration as **Exhibit E**, Simon (x) reiterated that the Company’s failure to perform or fulfill its obligations was unequivocal as of January 7, 2026, (y) affirmed that Simon has properly and effectively exercised its right to terminate the Leases under the Letter Agreement immediately by delivering the Notices, and (z) advised that the Company was required to vacate the Leased Premises by no later than January 18, 2026. The Reply Letter further advised that \$5,795,302.76 remained outstanding and owing to Simon as of January 10, 2026 after accounting for certain payments made on January 8, 2026 and January 9, 2026, and that the Company remained in default and had failed to perform or fulfill its obligations, covenants, and agreements under the subject leases. Ex. E (Reply Letter), at 1.

Basis for Relief

18. Simon terminated the Leases effective on January 8, 2026, and the Debtors were required to vacate the Leased Premises no later than January 18, 2026. Following termination, the Debtors’ interests under the Leases or Leased Premises, if any, are not property of the Debtors’ estates under section 541(a) of the Bankruptcy Code, nor are they protected by the automatic stay. Accordingly, the Court should enter an order confirming that Simon may retake possession and exercise any other remedies with respect to the Leases and the Leased Premises.

19. If, however, the Court determines that the Debtors’ improper holdover in the Leased Premises is subject to the automatic stay, cause exists to grant relief from the stay to allow Simon to pursue state law remedies against the Debtors to regain possession of the Leased Premises.

I. The Automatic Stay Does Not Prevent Simon from Exercising Remedies With Respect to the Terminated Leases and the Leased Premises

20. Following the Company's failure to pay rent when due under numerous leases with Simon, Simon delivered the Termination Notices in accordance with the Letter Agreement. The Termination Notices terminated the Leases, effective immediately, on January 8, 2026.

21. Alternatively, if the Debtors argue the Leases did not terminate upon delivery of the Termination Notices, they surely terminated after ten days' notice on January 18, 2026. Such terminations would not have been stayed by section 362(a) of the Bankruptcy Code, because the Termination Notices were self-effectuating and required no further action from Simon once delivered.

22. Whether the Leases terminated on January 8, 2026 or January 18, 2026, the result is the same: upon termination, the Leases may no longer be assumed or assumed and assigned, and the Debtors were required to vacate the Leased Premises no later than January 18, 2026. At that point, the Debtors' lack any interests in the Leases or Leased Premises, and Simon may exercise remedies with respect thereto.

A. Simon Terminated the Leases Pre-Petition, on January 8, 2026, in Accordance With the Terms of the Letter Agreement

23. When Simon delivered the Termination Notices, numerous failures to fulfill and perform obligations existed under the Letter Agreement, including, without limitation, the failure to pay rent under leases between the Company and Simon. Thus, Simon was entitled to exercise the Termination Right in its sole and absolute discretion, and such termination could not be cured or otherwise reversed by the Company.⁵

⁵ [REDACTED] "In Indiana, a commercial lease is to be construed in the same manner as any other contract," and the "[d]etermination of whether a lease has been terminated is made on a case by case basis." *Felix Investments, Inc.*, 2011 WL 3799776, at *6 (Bankr. S.D. Ind. Aug.

24. Specifically, upon the Company's failure to pay the Delinquent Amounts when due

[REDACTED]

[REDACTED] On January 8, 2026, the Company received proper notice of Simon's exercise of the Termination Right,⁶ resulting in the termination of the Leases effective immediately.

25. Even if the termination date of the Leases is determined to be January 18, 2026 as opposed to January 8, 2026, it does not alter the result that as of the date of this Motion the Debtors no longer maintain any interests in the Leases. Section 362(a) of the Bankruptcy Code does not operate to stay the termination of a lease when that termination occurs automatically and without further action by the non-debtor counterparty. As numerous courts have emphasized, the automatic stay prohibits acts by counterparties against the debtor or its estate after the filing of the debtor's case, but does not extend the date upon which a contract will terminate. *See Moody v. Amoco*, 734 F.2d 1200, 1212–13 (7th Cir. 1984) ((termination notices with no cure rights sent pre-petition were effective post-petition and did not violate the automatic stay) (citing *Trigg v. United States*, 630 F.2d 1370, 1372 (10th Cir. 1980) (stay did not prevent the automatic termination of the debtor's leases after failure to pay rent)); *In re Margulis*, 323 B.R. 130, 132 (Bankr. S.D.N.Y. 2005) (stay does not prevent the termination of a contract by its terms if it requires no post-petition

26, 2011). Indiana law permits the "termination of a lease and a tenant's right to possession prior to judicial determination." *Id.*

⁶ [REDACTED]

act); *In re Prado*, 340 B.R. 574, 582 (Bankr. S.D. Tex. 2006) (explaining that, in the context of statutory redemption periods, “[i]t would be a stretch to conclude that the mere passing of time is an act or proceeding against the debtor intended to be stayed by § 362(a)”); *see also Schokbeton Indus. Inc. v. Schokbeton Prods. Corp.*, 466 F.2d 171, 175–76 (5th Cir. 1972) (finding that debtor’s rights under licensing agreement terminated upon receipt of written notice of termination and that neither the filing of an arrangement petition nor the entry of an order purporting to extend the grace period for cure could effect their reconversion).

26. To determine if a nonresidential lease terminated automatically and without requiring any further actions by the landlord, courts look to whether the contract contains a “condition subsequent” where “termination remains reversible or in the discretion of the counterparty” or whether termination is “automatic upon the occurrence of [a] specific event”. *In re Portofindough LLC*, 655 B.R. 694, 699 (Bankr. S.D.N.Y. 2023). Indiana law also recognizes the distinction between conditional limitations and conditions subsequent. *See Fall Creek Tp. of Madison Cnty. v. Shuman*, 103 N.E. 677, 678 (Ind. App. 1913).

27. Accordingly, if the Court finds the termination of the Leases was not effective when the Termination Notices were delivered to the Company, they terminated after the ten days’ notice period expired. This argument is supported by the Fifth Circuit’s holding in *DuVal Wiedmann, LLC v. InfoRocket.com, Inc.*, 620 F.3d 496, 501–02 (5th Cir. 2010). The language in the contract at issue in *DuVal* provided that “InfoRocket will have the right to terminate the Agreement on sixty (60) days prior written notice to DuVal.” *Id.* at 498–99. The court held that this language

caused the termination notice to be self-effectuating sixty days after DuVal received actual notice. *DuVal*, 620 F.3d at 501.

28. The court in *DuVal* further held that the termination notices, which provided that the terminating party “hereby provides you with notice of its termination of the License Agreement,” unequivocally terminated the agreement upon the expiration of the notice period. *Id.* at 502. Likewise, the Termination Notices here unequivocally provide that Simon “hereby elects to terminate” the Leases. Ex. C (Termination Notices). In both instances, notice was not provided of an upcoming intent to terminate; instead, notice was provided of the termination itself, despite the existence of a remaining notice period. *See also VNO 100 W. 33rd St. LLC v. Square One of Manhattan, Inc.*, 874 N.Y.S.2d 683, 687 (N.Y. City Civ. Ct. 2008) (“The landlord has ‘the right to terminate this lease,’ and the right to send a ‘Notice of Termination.’ Clearly, if the right exists and the notice is sent, the lease terminates. Why would this only create a ‘right to terminate?’”). Any interpretation that leaves open whether the tenant is required to vacate after the notice period expires would be prejudicial to the tenant, who would be left to wonder if the obligation to vacate would arise on a moment’s notice (or not), in the sole discretion of the landlord.

29. Courts consistently hold that leases may “automatically terminate postpetition despite the automatic stay.” *See In re C.W. Mining Co.*, 422 B.R. 746, 756 (B.A.P. 10th Cir. 2010), *aff’d*, 641 F.3d 1235 (10th Cir. 2011);⁷ *In re Tudor Motor Lodge Assocs., Ltd. P’ship*, 102 B.R. 936, 948–49, 951 (Bankr. D.N.J. 1989) (automatic termination is not affected by the stay, but contract was not automatically terminated because counterparty’s decision to enter into a workout agreement with debtor and rescind previous termination effectively created ongoing cure right);

⁷ That court ultimately held that the lease at issue was not automatically terminated, in part because of contractual cure rights that had not yet expired at the time of the petition date. *Id.* at 758–59.

see also *In re Prado*, 340 B.R. at 582 (holding that section 362(a) does not toll the running of statutory redemption periods under section 108(b)).

30. Unlike the contracts at issue in *C.W. Mining* and *Tudor Motor Lodge*, there are no

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Accordingly, when Simon did not receive rent when due, it was entitled to exercise the Termination Right and terminate the Leases. And any subsequent cure periods (of which there are none) or rent payments would not negate such right or preclude the effectiveness of such terminations. Therefore, once issued, the Termination Notices were self-effectuating and automatic, subject merely to the passage of time.

B. The Debtors' Interests Under the Terminated Leases, If Any, No Longer Constitute Property of the Debtors' Estates and Are Not Protected by the Automatic Stay

31. As Simon terminated the Leases effective on January 8, 2026, any interests thereunder expired on January 18, 2026. Bankruptcy courts have long “recognized that if a lease is validly terminated prior to the commencement of a bankruptcy case, the lease ‘is not resurrected by the filing of the petition in bankruptcy, and cannot therefore be included among the debtor’s assets.’” *In re Tate*, 2021 WL 4467604, at *3 (Bankr. W.D. Tex. Sept. 29, 2021) (citing *Kopelman v. Halvajian (In re Triangle Labs., Inc.)*, 663 F.2d 463, 467–68 (3rd Cir. 1981)). Accordingly, the Leases are not protected by the automatic stay. See *Edge Petroleum Operating Co. v. GPR Holdings, L.L.C. (In re TXNB Internal Case)*, 483 F.3d 292, 301 (5th Cir. 2007) (section 362(a) of the Bankruptcy Code “operates to stay only actions against bankruptcy petitioners and their

property,” and “does not apply . . . to actions not directed against the debtor or property of the debtor.”).

32. Section 541(b)(2) of the Bankruptcy Code, which was added to the Bankruptcy Code in 1984 (along with section 362(b)(10), discussed below), excludes not just leases but any interest of the debtor as a lessee under a nonresidential lease from “property of the estate” when that lease has terminated at the expiration of the stated term of the lease before or during the case. 11 U.S.C. § 541(b)(2). Consistent therewith, section 362(b)(10) of the Bankruptcy Code makes clear that the stay does not apply to acts by the lessor under a terminated lease to obtain possession of the subject property. 11 U.S.C. § 362(b)(10). By their terms, both sections 541(b)(2) and 362(b)(10) apply irrespective of whether the lease terminated pre or post-petition.

33. Termination by the “expiration of the stated term of the lease” includes termination by a counterparty and is not “limited simply to instances where the calendar date specified as the end of the lease term passed. Rather, the exception has been held to apply in instances where a lease has been effectively terminated under applicable nonbankruptcy law prior to the expiration of its stated term.” *In re Lakes Region Donuts, LLC*, 2014 WL 1281507, *4 (Bankr. D.N.H. Mar. 27, 2014) (internal citations omitted) (finding section 362(b)(10) applies to terminations caused by the landlord’s acceleration of the lease term); *In re Southcoast Express Inc.*, 337 B.R. 739, 742 (Bankr. D. Mass. 2006) (explaining that under section 362(b)(10), a lease could have terminated under the lease terms and not solely by the expiration of the stated term of the lease); *In re Policy Realty Corp.*, 242 B.R. 121, 128 (S.D.N.Y. 1999), *aff’d*, 213 F.3d 626 (2d Cir. 2000) (holding that under section 362(b)(10) and section 541(b)(2), landlord’s termination of a lease meant that “the Net Lease and [debtor’s] sublease are not property of the estate and are not protected by the automatic stay”); *In re Foote*, 277 B.R. 393, 396 (Bankr. E.D. Ark. 2002) (holding that under

sections 362(b)(10) and 541(b)(2), as “the debtor has no interest in a validly terminated lease, the automatic stay does not preclude a lessor from taking possession of property leased to a debtor under a terminated nonresidential real property lease”).

34. Even if section 362(b)(10) of the Bankruptcy Code did not apply (which, again, it does), the Debtors’ only remaining interest would be a holdover tenancy. *See, e.g., In re Truong*, 557 B.R. 326, 333 (Bankr. D.N.J. 2016) (citations omitted). The Leases would still not be subject to assumption. *See In re Neville*, 118 B.R. 14, 18 (Bankr. E.D.N.Y. 1990) (“Once a lease has been terminated, the Bankruptcy Court does not have the power to revive it even through its equitable powers.”) (internal citations omitted); *see also Moody*, 734 F.2d at 1212 (holding contract that terminated pre-petition, with termination effective post-petition, is not subject to assumption); *In re Truong*, 557 B.R. at 334 (“The debtor’s mere ‘possession’ of the premises gave rise to no right which could be protected under the Code.”) (internal citations omitted). Therefore, because the Debtors have no valid interest in the Leases or the Leased Premises, neither of which are a part of these bankruptcy estates, the Court should enter an order confirming that the automatic stay does not apply and that Simon is free to exercise its contractual and state law remedies in connection therewith.

II. In the Alternative, Cause Exists to Grant Simon Relief From the Automatic Stay Under Section 362(d)(1) of the Bankruptcy Code to Exercise State Law Remedies With Respect to the Leased Premises

35. Neither Lease provides for any “holdover” period in the event it is terminated early, absent Simon’s consent (which has not been provided). Nonetheless, if this Court holds that the Debtors’ improper holdover in the Leased Premises is protected by the automatic stay, the Court should grant Simon relief from the automatic stay under section 362(d)(1) of the Bankruptcy Code to permit Simon to regain possession of the Leased Premises.

36. “Cause” under section 362(d)(1) is flexible and assessed case-by-case. *See Reitnauer v. Texas Exotic Feline Found., Inc. (In re Reitnauer)*, 152 F.3d 341, 343 n.4 (5th Cir. 1998). Bankruptcy courts in Texas consider whether stay relief will prejudice the debtor or the estate and whether hardship to the movant outweighs hardship to the debtor, including where the movant seeks to proceed solely against non-estate property. *See In re Samshi Homes, LLC*, 2011 WL 3903054, at *3 (Bankr. S.D. Tex. Sept. 6, 2011); *In re Fowler*, 259 B.R. 856, 858 (Bankr. N.D. Tex. 2001).

37. A tenant remaining in possession of a property following the termination of their lease has, at best, a “possessory interest, without any accompanying legal or contractual interest” in the property. *See In re Flabeg Solar US Corp.*, 499 B.R. 475, 482–83 (Bankr. W.D. Pa. 2013). Where the tenant no longer has a valid interest in the leased premises, as is the case here, courts frequently grant relief from the stay to enable the landlord to regain possession. “Having concluded that the Lease terminated, along with Felix’s rights thereunder, the Court further concludes that ‘cause’ exists to lift the automatic stay under § 362(d)(1).” *Felix Investments*, 2011 WL 3799776, at *6 (Bankr. S.D. Ind. Aug. 26, 2011); *see also In re Syndicom Corp.*, 268 B.R. 26, 44–47 (Bankr. S.D.N.Y. 2001) (finding that a pre-petition eviction notice, which ended the tenancy under New York law, constituted “cause” to lift the stay); *In re Johnson*, 2015 WL 1508460, at *6 (Bankr. S.D. Miss. Mar. 27, 2015) (holding that termination of a lease before commencement of bankruptcy case left the debtor with no interest in the lease, and therefore relief from the stay should be granted); *In re Norwood Aviation, Inc.*, 47 B.R. 155, 157–59 (Bankr. D. Mass. 1985); *aff’d*, 63 B.R. 68 (D. Mass. 1986) (granting relief from automatic stay because landlord had validly terminated debtor’s lease pre-petition).

38. Today, the Debtors have no legal right to remain in the Leased Premises. Even if the Debtors remain as holdover tenants, such tenancy cannot last beyond the conclusion of these chapter 11 cases. *See In re Trang*, 58 B.R. 183, 189 (Bankr. S.D. Tex. 1985) (“[T]he fact that the automatic stay gives limited and temporary protection to a holdover tenant-debtor, based solely on naked possession, does not mean that there is a viable executory contract which the debtor may assume.”) (*quoting In re Maxwell*, 40 B.R. 231, 237 (N.D. Ill. 1984)); *In re Nasir*, 217 B.R. 995, 997 (Bankr. E.D. Va. 1997) (“[A] debtor cannot rely on the automatic stay to prevent termination of a short term [holdover] tenancy.”). During that time, Simon is prejudiced by, among other things, being indefinitely delayed from finding replacement tenants for the Leased Premises. *See In re Unidigital Inc.*, 2000 WL 33712306, *3 (Bankr. D. Del. Dec. 8, 2000) (finding cause to grant relief from the stay with respect to a holdover tenancy that precluded landlord’s ability to relet the property at higher market prices).

39. Therefore, even if this Court holds that the automatic stay applies with respect to the Debtors’ improper holdover in the Leased Premises, “cause” exists under section 362(d)(1) of the Bankruptcy Code to grant Simon relief from the stay for the purpose of regaining possession thereof.

III. If the Automatic Stay is Modified, Waiver of Bankruptcy Rule 4001(a)(4) is Warranted

40. Pursuant to Bankruptcy Rule 4001(a)(4), Simon requests that the Court direct that, to the extent the order granting this Motion modifies the automatic stay, such order is immediately enforceable and not subject to the 14-day stay. The Debtors do not have a property interest in the Leased Premises protected by the automatic stay and have been a holdover tenant of the Leased

Premises since January 19, 2026. If this request is denied, Simon will be further delayed from finding replacement tenants for the Leased Premises.⁸

Notice

41. Notice of this Motion will be served on any party entitled to notice pursuant to Bankruptcy Rule 2002 and any other party entitled to notice pursuant to Bankruptcy Local Rule 9013-1(d). In light of the nature of the relief requested herein, Simon submits that no other or further notice is necessary.

[Remainder of page intentionally left blank]

⁸ Simon reserves all rights with respect to the Leases and the Leased Premises, including to assert administrative claims against the Debtors in connection with the holdover tenancies.

WHEREFORE, Simon respectfully requests that the Court enter the proposed order granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Houston, Texas

Dated: January 22, 2026

/s/ Jeri Leigh Miller

SIDLEY AUSTIN LLP

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CERTIFICATE OF ACCURACY

Pursuant to Local Rule 9013-1(i), I certify that I have reviewed this Motion and, to the best of my knowledge, information, and belief, the factual statements contained herein are true and correct.

/s/ Jeri Leigh Miller

Jeri Leigh Miller

CERTIFICATE OF SERVICE

I hereby certify that, on January 22, 2026, 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/ Jeri Leigh Miller

Jeri Leigh Miller

CERTIFICATE OF CONFERENCE

Pursuant to Local Bankruptcy Rule 4001-1, counsel for Simon conferred with Debtors' counsel to discuss the Motion and attempt to reach an agreement on the requested relief on January 22, 2026, and the Debtors are opposed to the relief sought in this motion.

/s/ Jeri Leigh Miller

Jeri Leigh Miller

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

In re:

SAKS GLOBAL ENTERPRISES LLC, *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 26-90103 (ARP)
)
) (Jointly Administered)
)
) **Re Docket No.:** ____
)

**ORDER (A) DECLARING THE AUTOMATIC STAY DOES NOT APPLY,
(B) IN THE ALTERNATIVE, GRANTING RELIEF FROM
THE AUTOMATIC STAY, AND (C) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of Simon for entry of an order (this “Order”)
(a) confirming that (i) Simon terminated the Leases effective on January 8, 2026, and any interests of the Debtors thereunder are not property of the Debtors’ bankruptcy estates, and (ii) the automatic stay does not prevent Simon from obtaining possession of the Leased Premises; (b) in the alternative, granting Simon relief from the automatic stay under section 362(d)(1) to take such acts as are necessary to obtain possession of the Leased Premises; and (c) waiving the 14-day stay of this Order pursuant to Bankruptcy Rule 4001(a)(4) as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution;

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://cases.stretto.com/Saks>. The location of Debtor Saks Global Enterprises LLC’s corporate headquarters and the Debtors’ service address in these chapter 11 cases is 225 Liberty Street, 31st Floor, New York, NY 10281. Bradley Arant Boult Cummings LLP is proposed counsel for the following Debtors: Saks OFF 5TH Holdings LLC, Saks OFF 5TH LLC, Saks OFF 5TH Midco Partner Inc., and Luxury Outlets USA, LLC (collectively, the “SO5 Digital Debtors”). Haynes and Boone, LLP and Willkie Farr & Gallagher LLP are proposed counsel for the remaining Debtors (collectively, the “Global Debtors”).

² Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Motion.

and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that Simon's notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and the Simon Declaration and having heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor:

IT IS HEREBY FOUND AND ORDERED THAT:

1. The Motion is granted.
2. All objections to the Motion or the relief requested therein, if any, that have not been withdrawn, waived, or settled, and all reservations of rights included therein are overruled with prejudice.
3. Simon terminated the Leases effective on January 8, 2026 and the Debtors were required to vacate the Leased Premises no later than January 18, 2026.
4. Neither the Leases nor the Leased Premises constitute property of the Debtors' estates under section 541(a) of the Bankruptcy Code.
5. The automatic stay under section 362(a) of the Bankruptcy Code does not apply to Simon obtaining possession of the Leased Premises.
6. In the alternative, to the extent the automatic stay is determined to apply, the stay is modified under section 362(d) of the Bankruptcy Code to permit Simon to exercise state law remedies to regain possession of the Leased Premises.

7. The 14-day stay provided by Bankruptcy Rule 4001(a)(4), to the extent applicable, is waived.

8. The terms and provisions of this Order shall be binding in all respects upon all parties in the chapter 11 cases, the Debtors, their estates, and all successors and assigns thereof, including any chapter 7 trustee or chapter 11 trustee appointed in any of these cases or after conversion of any of these cases to cases under chapter 7 of the Bankruptcy Code.

9. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

10. Notice of the Motion as provided therein is hereby deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 4001(a) and the Local Bankruptcy Rules are satisfied by such notice.

11. Simon and the Debtors are authorized and directed to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

12. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Houston, Texas

Dated: _____, 2026

ALFREDO R. PÉREZ
UNITED STATES BANKRUPTCY JUDGE