

SECURITIES AND EXCHANGE COMMISSION

FORM DEF 14A

Definitive proxy statements

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FILER

CBL & ASSOCIATES PROPERTIES INC

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant Filed by a Party other than the Registrant Check
the appropriate box: Preliminary Proxy Statement Confidential, for Use
of the Commission Only (as permitted by
Rule 14a-6(e)(2))

- Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to 240.14a-11(c) or 240.14a-12

CBL & ASSOCIATES PROPERTIES, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 Fee computed on table below per Exchange Act Rules 14(a)-6(i)(4) and
0-11.

- 1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant
to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is
calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total Fee paid:

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 Check box if any part of the fee is offset as provided by Exchange Act
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number, or the Form or Schedule and the date of its filing.

- 1) Amounts Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

March 23, 1999

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders
which will be held at the Chattanooga Marriott at the Convention Center, 2
Carter Plaza, Chattanooga, Tennessee, on Thursday, April 29, 1999 at
4:00 p.m. (EDT).

The Notice and Proxy Statement on the following pages contain details
concerning the business to come before the meeting. Management will report on
current operations and there will be an opportunity for discussion concerning
the Company and its activities. Please sign and return your proxy card in the
enclosed envelope to ensure that your shares will be represented and voted at
the meeting even if you cannot attend. You are urged to sign and return the
enclosed proxy card even if you plan to attend the meeting.

I look forward to personally meeting all stockholders who are able to
attend.

Sincerely,

CHARLES B. LEBOVITZ
Chairman of the Board
and Chief Executive Officer

CBL & ASSOCIATES PROPERTIES, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
April 29, 1999

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of CBL & Associates Properties, Inc., a Delaware corporation (the "Company"), will be held at the Chattanooga Marriott at the Convention Center, 2 Carter Plaza, Chattanooga, Tennessee 37402, on Thursday, April 29, 1999 at 4:00 p.m. (EDT) for the following purposes:

1. To re-elect three directors to serve for a term of three years and until their respective successors are elected and qualified;
2. To act upon a proposal to ratify the selection of Arthur Andersen LLP as independent public accountants for the fiscal year ending December 31, 1999; and
3. To consider and act upon any other matters which may properly come before the meeting or any adjournment thereof.

In accordance with the provisions of the Company's Bylaws, the Board of Directors has fixed the close of business on March 2, 1999, as the record date for the determination of the holders of Common Stock entitled to notice of, and to vote at, the Annual Meeting.

Your attention is directed to the accompanying Proxy Statement.

Whether or not you plan to attend the meeting, we urge you to sign, date and return the enclosed Proxy promptly in order to ensure representation of your shares. An addressed envelope for which no postage is required if mailed in the United States is enclosed for that purpose. Returning your Proxy will not prevent you from voting your shares at the meeting if you desire to do so, as your Proxy is revocable at your option.

By Order of the Board of Directors

STEPHEN D. LEBOVITZ
Secretary

Chattanooga, Tennessee
March 23, 1999

PROXY STATEMENT

CBL & ASSOCIATES PROPERTIES, INC.
Suite 300
6148 Lee Highway
Chattanooga, Tennessee 37421

ANNUAL MEETING OF STOCKHOLDERS
April 29, 1999

PROXIES

The enclosed proxy is solicited by and on behalf of the Board of Directors of CBL & Associates Properties, Inc., a Delaware corporation (the "Company"), for use at the annual meeting of stockholders (the "Annual Meeting") of the Company to be held at the Chattanooga Marriott at the Convention Center, 2 Carter Plaza, Chattanooga, Tennessee, on Thursday, April 29, 1999, at 4:00 p.m. (EDT) and at any and all postponements or adjournments thereof. Any proxy given

may be revoked at any time before it is voted by filing with the Secretary of the Company an instrument revoking it or a duly executed proxy bearing a later date. All expenses of the solicitation of proxies for the Annual Meeting, including the cost of mailing, will be borne by the Company. In addition to solicitation by mail, officers and regular employees of the Company may solicit proxies from stockholders by telephone, telegram or personal interview and will not receive additional compensation for such services. In addition, the Company's investor relations firm, Corporate Communications, Inc., will, among other services performed for the Company, assist in the solicitation of proxies. The Company also intends to request persons holding stock in their name or custody, or in the name of nominees, to send proxy materials to their principals and request authority for the execution of the proxies. The Company will reimburse such persons for their expense in so doing.

The Company anticipates mailing proxy materials and the Annual Report for the fiscal year ended December 31, 1998, to stockholders of record as of March 2, 1999, on or about March 23, 1999.

VOTING SECURITIES

Only holders of record of the Company's Common Stock, par value \$.01 per share ("Common Stock"), at the close of business on March 2, 1999, are entitled to vote on the matters to be presented at the Annual Meeting. The number of shares of Common Stock outstanding on such date and entitled to vote was 24,610,934. Each such share is entitled to one vote with respect to such matters.

The presence in person or by proxy of holders of record of a majority of the outstanding shares of Common Stock is required for a quorum to transact business at the Annual Meeting, but if a quorum should not be present, the Annual Meeting may be adjourned from time to time until a quorum is obtained. The affirmative vote of the holders of a plurality of the shares of the Common Stock present or represented at the Annual Meeting is required for the election of directors. The affirmative vote of the holders of a majority of the shares of Common Stock present or represented at the Annual Meeting is required for the ratification of the selection of the independent public accountants.

Abstentions and broker non-votes (shares held by a broker or nominee which are represented at the Annual Meeting, but with respect to which such broker or nominee does not have discretionary authority to vote on a particular proposal)

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will be counted as present at the Annual Meeting for the purpose of determining whether or not a quorum exists. Abstentions and broker non-votes will generally not be counted for any other purpose, except that abstentions with respect to any proposal, other than the election of directors, will be treated as negative votes.

Unless contrary instructions are indicated on the accompanying proxy, the shares represented thereby will be voted in accordance with the recommendations of the Board of Directors.

ELECTION OF DIRECTORS

The Board of Directors currently consists of seven members divided into three classes (having three, two and two members, respectively) serving staggered three-year terms. Under the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and Amended and Restated Bylaws (the "Bylaws"), a majority of the directors must be unaffiliated ("Independent Directors") with the Company and CBL & Associates, Inc. and its affiliates ("CBL"). The Company succeeded to the business of CBL in November 1993. Each year the term of office of one class of directors expires.

The Board of Directors intends to present for action at the Annual Meeting the re-election of Charles B. Lebovitz, Claude M. Ballard and Leo Fields, whose present terms expire in 1999, to serve for a term of three years and until their successors are duly elected and shall qualify. Mr. Ballard and Mr. Fields are two of the Company's four Independent Directors.

Unless authority to vote for such directors is withheld, the enclosed proxy will be voted for such persons except that the persons designated as proxies reserve discretion to cast their votes for other persons in the unanticipated event that any of such nominees is unable or declines to serve.

Nominees

Set forth below is information with respect to the nominees for election:

Name	Age	Current Position(1)
Charles B. Lebovitz	62	Chairman of the Board of Directors and Chief Executive Officer
Claude M. Ballard	69	Director
Leo Fields	70	Director

(1) The position shown represents the individual's position with the Company and with CBL & Associates Management, Inc., a Delaware corporation (the "Management Company"), through which the Company's property management and development activities are conducted.

Charles B. Lebovitz has served as Chairman of the Board and Chief Executive Officer since the inception of the Company and is a member of the Executive Committee of the Board of Directors. Mr. Lebovitz served as President of the Company until February 1, 1999. Prior to the Company's formation, he served in a similar capacity with CBL. Mr. Lebovitz has been involved in shopping center development since 1961 when he joined his family's development business. In 1970, he became affiliated with Arlen Realty & Development Corp. ("Arlen") where he served as President of Arlen's shopping center division, and, in 1978, he founded CBL together with his associates (the "Associates"), James Wolford, John N. Foy, Jay Wiston, and Ben S. Landress. In addition to Mr. Lebovitz, Messrs. Foy and Landress currently serve as executive officers of the Company. Mr. Lebovitz is an advisory director of First Tennessee Bank, N.A., Chattanooga, Tennessee and a National Vice Chairman of the United Jewish Appeal. Mr. Lebovitz has previously served as a trustee, Vice President (Southern Division) and Chairman of the International Council of Shopping Centers ("ICSC").

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Claude M. Ballard, CRE, M.A.I. was elected as a Director of the Company upon the completion of the Company's initial public offering in November 1993 and is Chairman of the Compensation Committee and a member of the Audit Committee of the Board of Directors. Mr. Ballard joined Goldman, Sachs & Co. in 1981 as a general partner and as of December 1988 became a limited partner and senior consultant. Prior to joining Goldman, Sachs & Co., Mr. Ballard was a Senior Vice President in the real estate division of the Prudential Insurance Company of America. He is currently a director of Bedford Property Investors, The MONY Group (formerly, Mutual Life Insurance Company of New York), Taubman Centers, Inc., a shopping center real estate investment trust, Greater New York Council, Boy Scouts of America and Horizon Hotel Corp. Mr. Ballard also served as Chairman of the Board of Rockefeller Center Properties, Inc., a mortgage real estate investment trust, until December 1994, and as a director of American Building Maintenance Industries until October 1994. Mr. Ballard currently serves as Chairman of the Board of Directors of Merit Equity Partners, Inc.

Leo Fields was elected as a Director of the Company upon the completion of the Company's initial public offering in November 1993 and is a member of the Compensation Committee and Chairman of the Audit Committee of the Board of Directors. Mr. Fields is Co-Chairman of Weisberg & Fields, Inc., an investment advisory firm he started in 1991. From 1984 through 1991, Mr. Fields directed Leo Fields Interests, a private investment firm. He was affiliated with Zale Corporation from 1947 until his retirement in 1984, serving, from 1981 to 1984, as Vice Chairman and a member of Zale's Executive Committee. He is Vice Chairman of the Institute for Social & Economic Policy in the Middle East at the John F. Kennedy School of Government at Harvard University, President of the Dallas Home for the Jewish Aged Endowment Foundation and a trustee of the M. B. and Edna Zale Foundation.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE "FOR" THE ELECTION OF THE
THREE DIRECTORS NAMED ABOVE

DIRECTORS AND EXECUTIVE OFFICERS

Set forth below is information with respect to the directors (in addition to Charles B. Lebovitz, Claude M. Ballard and Leo Fields) and executive officers (in addition to Charles B. Lebovitz) of the Company:

Name	Term Expires*	Age	Current Position(1)
Stephen D. Lebovitz	2001	38	Director, President and Secretary
John N. Foy	2000	55	Director, Vice Chairman of the Board of Directors, Chief Financial Officer and Treasurer
William J. Poorvu	2000	63	Director
Winston W. Walker	2001	55	Director
Ben S. Landress		71	Executive Vice President Management
Ronald L. Fullam		56	Senior Vice President Development
Ronald S. Gimple		59	Senior Vice President and General Counsel
Michael I. Lebovitz		35	Senior Vice President Mall Projects
Jerry L. Sink		48	Senior Vice President Mall Management
Eric P. Snyder		49	Senior Vice President and Director of Corporate Leasing
Augustus N. Stephas		56	Senior Vice President Accounting and Controller

* Indicates expiration of term as a director.

(1) The position shown represents the individual's position with the Company and with the Management Company.

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Stephen D. Lebovitz has served as a Director and Executive Vice President Development/Acquisitions since January 1, 1998. Prior to that time, Mr. Lebovitz served as Director and Executive Vice President -Development and Treasurer beginning on January 1, 1997, Director and Senior Vice President New England Office and Treasurer of the Company beginning in September 1993 and as Senior Vice President -- Community Center Development beginning in May 1994. Effective February 1, 1999, Mr. Lebovitz was promoted to the position of President and

Secretary of the Company. Mr. Lebovitz joined CBL in 1988 as Vice President responsible for establishing and directing CBL's New England office. Prior to that time, Mr. Lebovitz was affiliated with Goldman, Sachs & Co. from 1984 to 1986. He is a Vice President of the Boston Jewish Family and Children's Services, and a member of the United Jewish Appeal Young Leadership Cabinet and a former state director for the New England states (Maine, Massachusetts, New Hampshire, Rhode Island and Vermont) of the ICSC. Stephen D. Lebovitz is a son of Charles B. Lebovitz and a brother of Michael I. Lebovitz.

John N. Foy has served as a Director and Executive Vice President -- Finance, Chief Financial Officer and Secretary of the Company since its inception and is a member of the Executive Committee of the Board of Directors. Effective February 1, 1999, Mr. Foy was promoted to Vice Chairman of the Board of Directors and Treasurer of the Company. Prior to the Company's formation, he served in similar executive capacities with CBL. Mr. Foy has been involved in the shopping center industry since 1969 when he joined the Lebovitz family's shopping center development business. In 1970, he became affiliated with the shopping center division of Arlen, and, in 1978, joined Charles B. Lebovitz as an Associate in establishing CBL. Mr. Foy served as Chairman of the Board of

First Fidelity Savings Bank in Crossville, Tennessee from December 1985 until April 1994. Since April 1994, Mr. Foy has served as a member of the Advisory Board of the First American National Bank of Chattanooga, Tennessee and he currently serves as a Director of the Chattanooga Airport Authority.

William J. Poorvu was initially elected as a Director of the Company upon the completion of the Company's initial public offering in November 1993 and is a member of the Compensation and Audit Committees of the Board of Directors. Mr. Poorvu has, since 1981, been a professor at Harvard Business School specializing in real estate courses. Mr. Poorvu is also managing partner in several private real estate companies and has previously consulted for a number of real estate concerns. He is Chairman of the Board of Advisors of Baupost Group, L.L.C. and a trustee/director of mutual funds in the Massachusetts Financial Services Group of Funds.

Winston W. Walker was elected as a Director of the Company upon the completion of the Company's initial public offering in November 1993 and is a member of the Executive and Compensation Committees of the Board of Directors. Mr. Walker served as President and Chief Executive Officer of Provident Life and Accident Insurance Company of America ("Provident") from 1987 until October 1, 1993, and served in various other capacities with Provident from 1974 to 1987. Mr. Walker is a director of SunTrust Bank, Chattanooga, N.A. (formerly American National Bank) and Olan Mills, Inc. of Chattanooga, Tennessee.

Ben S. Landress has served as Executive Vice President -- Management of the Company since January 1, 1997. Prior to that time, Mr. Landress served as Senior Vice President Management of the Company and prior thereto, he served in a similar capacity with CBL. Mr. Landress directs the day-to-day management of the Company's properties and is responsible for general corporate administration. Mr. Landress has been involved in the shopping center business since 1961 when he joined the Lebovitz family's development business. In 1970, he became affiliated with Arlen's shopping center division, and, in 1978, joined Mr. Lebovitz as an Associate in establishing CBL.

Ronald L. Fullam has served as Senior Vice President -- Development of the Company since January 1, 1997. Prior to that time, Mr. Fullam served as Vice President -- Development of the Company. Mr. Fullam joined Arlen's shopping center development division as a project manager in August 1977 and CBL as a Vice President upon its formation in 1978.

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Ronald S. Gimple has served as Senior Vice President and General Counsel of the Company since January 1, 1997. Mr. Gimple joined the Company in 1994 as Vice President Development. Prior to joining the Company, Mr. Gimple served as a Vice President of The Edward J. DeBartolo Corporation, from 1987 to 1994, and, prior to 1987, he served as General Counsel of Petrie Store Corporation, Vice President and Real Estate Counsel of BATUS Retail Group and Vice President and General Counsel of General Growth Company.

Michael I. Lebovitz has served as Senior Vice President -- Mall Projects of the Company since January 1, 1997. Prior to that time, Mr. Lebovitz served as Vice President -- Development and as a project manager for the Company. Mr. Lebovitz joined CBL in 1988 as a project manager for CoolSprings Galleria in Nashville, Tennessee and was promoted to Vice President in 1993. Prior to joining CBL, he was affiliated with Goldman, Sachs & Co. from 1986 to 1988. He is Vice President of the Jewish Community Federation of Greater Chattanooga. Michael I. Lebovitz is a son of Charles B. Lebovitz and a brother of Stephen D. Lebovitz.

Jerry L. Sink, C.S.M. has served as Senior Vice President -- Mall Management for the Company since February 5, 1998. Prior to that time, Mr. Sink served as Vice President -- Mall Management. Prior to joining the Company, Mr. Sink served as Vice President of Retail Management of Equitable Real Estate, Chicago, Illinois, from January 1988 to June 1993 and prior to June 1993, he was affiliated with General Growth Companies, Inc. as Vice President of Management.

Eric P. Snyder has served as Senior Vice President and Director of Corporate Leasing for the Company since January 1, 1997. Prior to that time, Mr. Snyder served as the Company's Vice President and Director of Corporate Leasing. Mr. Snyder joined CBL as a project manager in 1978 and was promoted to Vice President in 1984 and to Director of Corporate Leasing in 1992. From 1974 to 1978, Mr. Snyder was a leasing agent and project manager in Arlen's shopping center division.

Augustus N. Stephas has served as Senior Vice President -- Accounting and Controller for the Company since January 1, 1997. Prior to that time, Mr.

Stephas served as the Company's Vice President -- Accounting and Controller. He joined CBL in July 1978 as Controller and was promoted to Vice President in 1984. From 1970 to 1978, Mr. Stephas was affiliated with the shopping center division of Arlen, first as Accountant and later as Assistant Controller.

BOARD OF DIRECTORS' MEETINGS AND COMMITTEES

The Board of Directors has established standing Executive, Audit and Compensation Committees. The Board of Directors has no standing Nominating Committee. The Board of Directors met 9 times and took action by unanimous written consent 3 times during 1998. Each director attended more than 75% of the total number of Board meetings and meetings of Board committees on which the director served during fiscal year 1998.

Executive Committee. The Executive Committee is composed of Charles B. Lebovitz (Chairman), John N. Foy and Winston W. Walker, who is an Independent Director. The Executive Committee may exercise all the powers and authority of the Board of Directors of the Company in the management of the business and affairs of the Company as permitted by law except with respect to (i) the declaration of dividends, (ii) issuance of stock, (iii) amendment to the Company's Certificate of Incorporation or Bylaws, (iv) filling vacancies on the Board of Directors, (v) approval of borrowings in excess of \$40 million per transaction or series of related transactions, (vi) hiring executive officers, (vii) approval of acquisitions or dispositions of property or assets in excess of \$40 million per transaction and (viii) certain transactions between the Company and its directors and officers and certain sales of real estate and reductions of debt that produce disproportionate tax allocations to CBL pursuant to the Company's Bylaws. The Executive Committee met 3 times and took action by unanimous written consent 7 times during 1998.

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Audit Committee. The Audit Committee is composed of Leo Fields (Chairman), Claude M. Ballard and William J. Poorvu, all of whom are Independent Directors. The Audit Committee makes recommendations concerning the engagement of independent public accountants and the plans and results of the audit engagement, approves professional services provided by the independent public accountants, considers the range of audit and non-audit fees and reviews the adequacy of the Company's internal accounting controls. The Audit Committee met 2 times during 1998.

Compensation Committee. The Compensation Committee is composed of the four Independent Directors, with Claude M. Ballard serving as Chairman. The Compensation Committee reviews and approves compensation programs generally and, specifically, salaries, bonuses, stock awards and stock options for officers of the Company of the level of vice president or higher. The Compensation Committee met 2 times and took action by unanimous written consent 1 time during 1998.

COMPENSATION OF DIRECTORS

During 1998, each Independent Director received from the Company an annual fee of \$18,000. In addition to the annual fee, each Independent Director received a meeting fee of \$1,000 for each Board or Committee meeting attended (excluding telephonic meetings) and reimbursement of expenses incurred in attending meetings. Each Independent Director serving as a member of the Executive Committee received from the Company a monthly fee of \$500 in lieu of meeting fees for each Executive Committee meeting.

Effective on January 1, 1999, each Independent Director shall receive from the Company an annual fee of \$20,000 and a meeting fee of \$1,000 and \$500 for each non-telephonic and telephonic Board meeting attended, respectively.

Each Independent Director, on December 31 of each fiscal year of the Company, automatically receives an annual grant of options to purchase 500 shares of Common Stock having an exercise price equal to 100% of the fair market value of the shares of Common Stock on the date of grant of such option. The options granted to the Independent Directors on December 31, 1998 have an exercise price equal to \$25.594 per share (based upon the average of the high and low sales prices of the Common Stock on the New York Stock Exchange ("NYSE") Composite Tape on December 31, 1998). Each holder of a director option granted pursuant to this arrangement also has the same rights as other holders of options in the event of a change in control. By Resolution dated April 30, 1996, the Compensation Committee adopted certain additional terms for options granted to the Independent Directors. Pursuant to the Resolution, options granted to the Independent Directors (i) shall have a term of 10 years from date of grant, (ii) are 100% vested upon grant, (iii) are nonforfeitable except upon the Independent Director's conviction for any criminal activity involving the Company or, if

non-exercised, within one year following the date the Independent Director ceases to be a director of the Company, and (iv) are non-transferrable. In addition, any person who becomes an Independent Director will receive an initial grant of 500 shares of Common Stock upon joining the Board of Directors. The transfer of such shares is restricted during the Independent Director's term and for one year thereafter pursuant to the CBL & Associates Properties, Inc. 1993 Stock Incentive Plan (the "Stock Incentive Plan").

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information available to the Company as of March 2, 1999, with respect to the ownership of Common Stock by (i) each person known to the Company to be the beneficial owner of more than 5% of the outstanding Common Stock, (ii) each director of the Company, (iii) each named executive officer of the Company, as defined below, and (iv) all directors and executive officers as a group. Except as otherwise indicated, each person named below has sole investment and voting power with respect to the securities shown. Except as otherwise indicated, the address of each person is the Company's address.

<S>	<C> Number of Shares (1) -----	<C> Rule 13d-3 Percentage (1) -----	<C> Fully-Diluted Percentage (2) -----
FMR Corp. (3) 82 Devonshire Street Boston, Massachusetts 02019	2,855,900	11.60%	7.82%
AMVESCAP PLC (4) 11 Devonshire Square London, England EC2M4YR	1,314,553	5.34	3.60
CBL & Associates, Inc. (5)	8,782,597	27.58	20.07
Charles B. Lebovitz (6)	9,638,161	29.42	21.58
John N. Foy (7)	334,744	1.34	*
Stephen D. Lebovitz (8)	380,631	1.53	1.03
Eric P. Snyder (9)	107,166	*	*
Augustus N. Stephas (10)	63,892	*	*
Claude M. Ballard (11) c/o Goldman, Sachs & Co. 85 Broad Street New York, NY 10004	9,000	*	*
William J. Poorvu (11) c/o Investment Resource Group 44 Brattle Street Cambridge, Massachusetts 02138	3,152	*	*
Winston W. Walker (11) 1069 Constitution Drive Chattanooga, Tennessee 37405	26,250	*	*
Leo Fields (12) c/o Weisberg & Fields, Inc. Preston Commons East 8115 Preston Road Dallas, Texas 75225	61,500	*	*
All executive officers and directors as a group (14 persons)	11,003,501	32.55	24.08

* Less than 1%

- (1) The Company conducts all of its business activities through CBL & Associates Limited Partnership, a Delaware limited partnership (the "Operating Partnership"). Pursuant to the second amended and restated partnership agreement of the Operating Partnership (the "Partnership Agreement"), each of the limited partners of the Operating Partnership, which include, among others, CBL and certain of the executive officers named in this Proxy Statement, has the right ("CBL Rights") to (i) exchange all or a portion of its partnership interest in the Operating Partnership for shares of Common Stock (on a one-for-one basis) until it owns up to the applicable ownership limit ("Ownership Limit") as prescribed in the Company's Certificate of Incorporation and (ii) sell to the Company part or all of its remaining partnership interest in the Operating Partnership in exchange for shares of Common Stock or their cash equivalent (based on the trading price of the Common Stock), at the Company's election. See "Certain Relationships and Related Transactions." Under the terms of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), shares of Common Stock that may be acquired within 60 days are deemed outstanding for purposes of computing the percentage of Common Stock owned by a stockholder. Therefore, percentage ownership of the Common Stock is computed based on the sum of (i) 24,610,934 shares of Common Stock actually outstanding as of March 2, 1999, (ii) shares of Common Stock that may be acquired upon exercise of CBL Rights by the individual or entity whose percentage of share ownership is being computed (but not taking account of the exercise of CBL Rights by any other person or entity) and (iii) shares of Common Stock that may be acquired within 60 days of March 2, 1999 upon the exercise of outstanding options. Amounts shown were determined without regard to applicable Ownership Limits.
- (2) Calculated based on 24,610,934 shares of Common Stock outstanding and assuming full exercise of all CBL Rights by all limited partners of the Operating Partnership (without regard to applicable Ownership Limits) for an aggregate of 36,512,560 shares of Common Stock. Calculation does not include 1,957,250 shares of Common Stock subject to outstanding stock options other than, with respect to each person whose fully-diluted percentage is being computed, shares which may be acquired within 60 days upon the exercise of outstanding options.
- (3) In a Schedule 13G/A filed on February 12, 1999 by FMR, Corp. ("FMR"), FMR reported that as of December 31, 1998 it beneficially owned 2,855,900 shares of Common Stock, or 11.60% of the total shares outstanding as of March 2, 1999. FMR reported that it possesses (i) sole dispositive power with respect to 2,855,900 shares of Common Stock and (ii) sole voting power with respect to 264,400 shares of Common Stock. The Schedule 13G/A also states that FMR has not acquired the Company's shares for the purpose of changing or influencing the control of the Company.
- (4) In a Schedule 13G filed on February 11, 1999 by AMVESCAP PLC and certain of its affiliates ("AIM Entities"), the AIM Entities reported that as of December 31, 1998 they collectively beneficially owned 1,314,553 shares of Common Stock, or 5.34% of the total shares outstanding as of March 2, 1999. The AIM Entities reported that they possess (i) shared dispositive power with respect to 1,314,553 shares of Common Stock and (ii) shared voting power with respect to 1,314,553 shares of Common Stock. The Schedule 13G also states that the AIM Entities have not acquired the Company's shares for the purpose of changing or influencing the control of the Company.
- (5) Includes (i) 1,448,744 shares of Common Stock owned directly, (ii) 7,236,487 shares of Common Stock which may be acquired upon the exercise of CBL Rights and (iii) 97,366 shares of Common Stock which may be acquired by four entities controlled by CBL & Associates, Inc. (CBL Employees Partnership/Conway, Foothills Plaza Partnership, Girvin Road Partnership and Warehouse Partnership) upon the exercise of CBL Rights.
- (6) Includes (i) 24,400 shares of Common Stock owned directly, (ii) 2,610 shares owned by Mr. Lebovitz' wife, 10,857 shares held in trusts for the benefit of his step-daughter and grandchildren (of which Mr. Lebovitz disclaims beneficial ownership) and 101,600 shares which may be acquired upon the exercise of CBL Rights and held in trusts for the benefit of

Mr. Lebovitz and his sister, (iii) 352,903 shares of Common Stock which may be acquired upon the exercise of CBL Rights, (iv) 114,000 shares of Common Stock subject to options granted under the Stock Incentive Plan (as defined herein) which are currently exercisable with respect to such shares, (v) 21,000 shares of Common Stock subject to options granted under the Stock Incentive Plan which become exercisable with respect to such shares within sixty days of March 2, 1999, (vi) 8,782,597 shares of Common Stock beneficially owned by CBL, which Mr. Lebovitz may be deemed to beneficially own by virtue of his control of CBL, and (vii) 228,194 shares of Common Stock that may be acquired by College Station Associates, an entity controlled by Mr. Lebovitz, upon the exercise of CBL Rights.

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- (7) Includes (i) 48,503 shares of Common Stock owned directly, (ii) 189,241 shares of Common Stock which may be acquired upon the exercise of CBL Rights, (iii) 85,800 shares of Common Stock subject to options granted under the Stock Incentive Plan which are currently exercisable with respect to such shares, and (iv) 11,200 shares of Common Stock subject to options granted under the Stock Incentive Plan which become exercisable with respect to such shares within sixty days of March 2, 1999.
- (8) Includes (i) 36,695 shares owned directly, (ii) 238,936 shares of Common Stock which may be acquired upon the exercise of CBL Rights, (iii) 89,000 shares of Common Stock subject to options granted under the Stock Incentive Plan which are currently exercisable with respect to such shares, and (iv) 16,000 shares of Common Stock subject to options granted under the Stock Incentive Plan which become exercisable with respect to such shares within sixty days of March 2, 1999.
- (9) Includes (i) 4,122 shares of Common Stock owned directly, (ii) 5,755 shares of Common Stock owned by Mr. Snyder's wife and 3,850 shares of Common Stock owned by Mr. Snyder's children, (iii) 48,439 shares of Common Stock which may be acquired upon the exercise of CBL Rights, (iv) 36,000 shares of Common Stock subject to options granted under the Stock Incentive Plan which are currently exercisable with respect to such shares, and (v) 9,000 shares of Common Stock subject to options granted under the Stock Incentive Plan which become exercisable with respect to such shares within sixty days of March 2, 1999.
- (10) Includes (i) 1,991 shares of Common Stock owned directly, (ii) 31 shares of Common Stock owned by Mr. Stephas' wife, (iii) 27,670 shares of Common Stock which may be acquired upon the exercise of CBL Rights, (iv) 25,200 shares of Common Stock subject to options granted under the Stock Incentive Plan which are currently exercisable with respect to such shares, and (v) 9,000 shares of Common Stock subject to options granted under the Stock Incentive Plan which become exercisable with respect to such shares within sixty days of March 2, 1999.
- (11) Includes 2,500 shares of Common Stock subject to immediately exercisable stock options granted to each Independent Director on December 31 of each of 1994, 1995, 1996, 1997 and 1998, in the amounts of 500 stock options per grant pursuant to the Stock Incentive Plan.
- (12) Includes (i) 20,500 shares of Common Stock owned by a family limited partnership created by Mr. Fields and his wife on January 1, 1997 and in which Mr. Fields serves as a general partner, (ii) 39,500 shares of Common Stock held by members of Mr. Fields' family, with respect to which Mr. Fields acts as investment adviser and of which Mr. Fields disclaims beneficial ownership, and (iii) 1,500 shares of Common Stock subject to immediately exercisable stock options granted under the Stock Incentive Plan.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who own more than ten percent of a registered class of the Company's equity securities to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in beneficial ownership of Common Stock and other equity securities of the Company. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) reports they file.

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Based solely upon the Company's review of copies of such reports furnished to it through the date hereof, or written representations that no reports were required to be filed, the Company believes that during the fiscal year ended December 31, 1998 there was full compliance with all filing requirements applicable to its officers, directors and ten percent stockholders except that one executive officer failed to timely report an acquisition of Preferred Stock of the Company on June 22, 1998. This filing was subsequently made.

EXECUTIVE COMPENSATION

The following table sets forth information regarding the compensation of the Company's Chief Executive Officer and its next four most highly compensated executive officers (these four and Charles B. Lebovitz being herein referred to as the "named executive officers") for the fiscal year ended December 31, 1998 and for the fiscal years ending December 31, 1997 and 1996:

<TABLE>

Summary Compensation Table(1)

<S>	Long Term Compensation							
	Annual Compensation		Awards		Payouts			<C>
	<C>	<C>	<C>	<C>	<C>	<C>	<C>	
Name and Principal Position(2)	Year	Salary(\$)	Bonus(\$)	Other Annual Compensation (\$)	Restricted Stock Award(s) (\$)(3)	Securities Underlying Options (#)	LTIP Payouts (\$)	
Charles B. Lebovitz, Chairman of the Board and Chief Executive Officer	1998	441,122	508	--	100,000	15,000	--	8,124 (4)
	1997	428,274	--	--	75,000	30,000	--	7,659 (5)
	1996	415,800	--	--	75,000	60,000	--	7,434 (6)
John N. Foy, Director, Vice Chairman of the Board, Chief Financial Officer and Treasurer	1998	296,320	508	--	225,000	8,000	--	8,124 (4)
	1997	276,320	--	--	100,026	16,000	--	7,659 (5)
	1996	268,272	--	--	75,000	32,000	--	7,434 (6)
Stephen D. Lebovitz Director, President and Secretary	1998	212,223	254	--	200,000	16,000	--	7,957 (7)
	1997	192,223	--	--	155,082	32,000	--	7,659 (5)
	1996	186,624	50,000	--	100,009	32,000	--	4,452 (8)
Eric P. Snyder Senior Vice President and Director of Corporate Leasing	1998	271,000	508	100,000(9)	--	9,000	--	7,957 (7)
	1997	251,005	--	55,000(9)	--	18,000	--	5,798 (10)
	1996	236,933	--	40,446(11)	--	18,000	--	5,730 (12)
Augustus N. Stephas Senior Vice President Accounting and Controller	1998	294,100	50,508	--	--	9,000	--	7,957 (7)
	1997	274,100	25,000	--	--	18,000	--	5,798 (10)
	1996	254,225	25,000	--	--	18,000	--	5,730 (12)

</TABLE>

- (1) All amounts shown represent compensation paid to the named executive officers by the Management Company.
- (2) The position shown represents the individual's position with the Company and the Management Company.
- (3) Amounts shown are based upon the closing price of the Common Stock on the NYSE as of the date of grant of the restricted stock awards. As of December 31, 1996, 10,276 shares of restricted stock with a value as of December 31, 1998 of

\$265,249 were outstanding and were held as follows: (i) Charles Lebovitz - 3,125 shares with a value of \$80,664; (ii) John Foy - 3,062 shares with a value of \$79,038; and (iii) Stephen Lebovitz - 4,089 shares with a value of \$105,547. The additional 10,276 shares of restricted stock held by the above stated executive officers as of December 31, 1996 vested on January 1, 1999, except for 442 of the shares held by Stephen Lebovitz which vested on June 26, 1998. As of December 31, 1997, 13,541 shares of restricted stock with a value as of December 31, 1998 of \$349,528 were outstanding and held as follows: (i) Charles Lebovitz - 3,085 shares with a value of \$79,632; (ii) John Foy - 4,081 shares with a value of \$105,341; and (iii) Stephen Lebovitz - 6,375 shares with a value of \$164,555. The additional 13,541 shares of restricted stock held by the above stated executive officers as of December 31, 1997 will vest in 1999 as follows: Charles Lebovitz' 3,085 shares will vest on October 29, 1999, John Foy's 4,081 shares vested on January 2, 1999 and Stephen Lebovitz' shares will vest 2,973 on April 1, 1999, 1,257 on April 25, 1999 and 2,145 on November 14, 1999. As of December 31, 1998, 20,917 shares of restricted stock with a value as of December 31, 1998 of \$539,920 were outstanding and held as follows: (i) Charles Lebovitz - 3,792 shares with a value of \$97,881; (ii) John Foy - 9,095 shares with a value of \$234,765; and (iii) Stephen Lebovitz - 8,030 shares with a value of

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\$207,274. The additional 20,917 shares of restricted stock held by the above stated executive officers as of December 31, 1998 will vest as follows: Charles Lebovitz's 3,792 shares will vest on October 28, 2002, John Foy's 9,095 shares vested in January, 1999, and Stephen Lebovitz's shares will vest 1,050 on April 23, 2000, 1,031 on June 26, 2000, 2,047 on July 1, 2000, 988 on July 15, 2000, 1,966 on August 27, 2003 and 948 on October 28, 2003. During the vesting period, dividends will be paid on all outstanding shares of restricted stock. All of the shares of restricted stock were issued pursuant to the Stock Incentive Plan.

- (4) For fiscal year 1998, amount shown represents term life insurance premiums paid by the Management Company in the amount of \$4,124 and matching contributions by the Management Company under the CBL & Associates Management, Inc. 401(k) Profit Sharing Plan and Trust (the "401(k) Plan") in the amount of \$4,000.
- (5) For fiscal year 1997, amount shown represents term life insurance premiums paid by the Management Company in the amount of \$3,909 and matching contributions by the Management Company under the CBL & Associates Management, Inc. 401(k) Profit Sharing Plan and Trust (the "401(k) Plan") in the amount of \$3,750.
- (6) For fiscal year 1996, amount shown represents term life insurance premiums paid by the Management Company in the amount of \$3,684 and matching contributions by the Management Company under the Management Company's 401(k) Plan in the amount of \$3,750.
- (7) For fiscal year 1998, amount shown represents term life insurance premiums paid by the Management Company in the amount of \$3,957 and matching contributions by the Management Company under the CBL & Associates Management, Inc. 401(k) Profit Sharing Plan and Trust (the "401(k) Plan") in the amount of \$4,000.
- (8) For fiscal year 1996, amount shown represents term life insurance premiums paid by the Management Company in the amount of \$702 and matching contributions by the Management Company under the Management Company's 401(k) Profit Sharing Plan in the amount of \$3,750.
- (9) Represents amount deferred at Mr. Snyder's election pursuant to a deferred compensation arrangement between Mr. Snyder and the Company.
- (10) For fiscal year 1997, amount shown represents term life

insurance premiums paid by the Management Company in the amount of \$2,048 and matching contributions by the Management Company under the Management Company's 401(k) Profit Sharing Plan in the amount of \$3,750.

- (11) Represents awards of 898 and 834 shares of unrestricted Common Stock granted to Mr. Snyder during fiscal year 1996 but actual date of receipt was January 1, 1997. Amount shown is based upon the closing price of the Common Stock on the NYSE as of the date of grant.
- (12) For fiscal year 1996, amount shown represents term life insurance premiums paid by the Management Company in the amount of \$1,980 and matching contributions by the Management Company under the Management Company's 401(k) Profit Sharing Plan in the amount of \$3,750.

The following table sets forth information regarding grants of stock options made during fiscal year 1998 to each of the named executive officers:

Option Grants in Last Fiscal Year

Individual Grants ----- Name	Number of Securities Underlying Options Granted (#) (1)	% of Total Options Granted to Employees in Fiscal Year(2)	Exercise or Base Price (\$/Sh) (3)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term(4)	
					5%	10%
Charles B. Lebovitz	15,000	4.76	24.094	4/29/08	\$227,289	\$575,994
John N. Foy	8,000	2.54	24.094	4/29/08	121,221	307,197
Stephen D. Lebovitz	16,000	5.08	24.094	4/29/08	242,441	614,394
Eric P. Snyder	9,000	2.86	24.094	4/29/08	136,373	345,597
Augustus N. Stephas	9,000	2.86	24.094	4/29/08	136,373	345,597

(1) All options granted to the named executive officers were granted pursuant to the Stock Incentive Plan on April 29, 1998 and become exercisable in five equal annual installments beginning April 29, 1999.

(2) Percentages listed are based on options to purchase a total of 315,000 shares of Common Stock granted by the Company to certain of its officers and employees during fiscal year 1998. Calculations do not include options to purchase an aggregate of 2,000 shares of Common Stock granted to the Independent Directors in fiscal year 1998 pursuant to the Stock Incentive Plan.

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(3) The exercise price is generally payable in cash or, in certain circumstances by the surrender, at the fair market value on the date on which the option is exercised, of shares of Common Stock.

(4) Potential realizable value is calculated based on an assumption that the fair market value of the Common Stock appreciates at the annual rates shown (5% and 10%), compounded annually, from the date of grant until the end of the option term (10 years). The 5% and 10% assumed rates are mandated by the Securities and Exchange Commission for purposes of calculating realizable value and do not represent the Company's estimate or projection of future stock prices.

Aggregated 1998 Year-End Option Values

The following table provides information regarding the number and value of options held by each of the named executive officers at December 31, 1998. No options were exercised by any named executive officer during fiscal year 1998:

<S> Name	<C> Shares Acquired on Exercise(#)	<C> Value Realized (\$)	<C> Number of Securities Underlying Unexercised Options at December 31, 1998		<C> Value of Unexercised In-the-Money Options at December 31, 1998	
			Exercisable	Unexercisable	Exercisable	Unexercisable(1)
Charles B. Lebovitz	-0-	-0-	114,000	111,000	\$663,375	\$493,028
John N. Foy	-0-	-0-	60,800	59,200	353,800	262,948
Stephen D. Lebovitz	-0-	-0-	64,000	80,000	360,800	304,696
Eric P. Snyder	-0-	-0-	36,000	45,000	202,950	171,392
Augustus N. Stephas	-0-	-0-	25,200	45,000	135,675	171,392

(1) Amounts listed are based upon the \$25.8125 closing price for the Common Stock on the NYSE on December 31, 1998 (last trading day in 1998).

Employment Contracts and Termination of Employment Arrangements

Upon completion of the Company's initial public offering in November 1993, Charles B. Lebovitz, John N. Foy and Stephen D. Lebovitz entered into employment agreements (an "Employment Agreement" and collectively, the "Employment Agreements") with the Company and the Management Company (collectively, the "Employer") expiring on November 2, 1996. Pursuant to the Employment Agreements, Charles B. Lebovitz, John N. Foy and Stephen D. Lebovitz held corresponding positions with the Management Company. Upon the expiration of the Employment Agreements on November 2, 1996, these three executive officers continued to hold corresponding positions with the Management Company.

Upon the commencement of their terms in 1993, the Employment Agreements provided for the following annual base salaries, which were paid by the Management Company: (i) Charles B. Lebovitz -- \$385,000; (ii) John N. Foy -- \$230,000; and (iii) Stephen D. Lebovitz -- \$160,000. The base salaries are subject to review annually for increase at the discretion of the Compensation Committee of the Board of Directors and, since 1993, the base salaries referenced above have been increased to the levels set forth on the Summary Compensation Table on page 11.

Additionally, pursuant to the Employment Agreements, Charles B. Lebovitz, John N. Foy and Stephen D. Lebovitz were eligible for participation in bonus programs and incentive compensation and stock incentive programs as generally provided to executive officers commensurate with such officers' performance, all at the discretion of the Compensation Committee.

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These benefits have continued following the expiration of the Employment Agreements. The Employment Agreements also provided for certain other benefits, including life insurance, health, disability and major-medical insurance and other benefit plans maintained from time to time for the benefit of all employees of the Employer and these benefits have continued following the expiration of the Employment Agreements.

Charles B. Lebovitz has agreed to refrain from competing with the Employer until the later of (i) November 3, 2003 or (ii) two years from the date of termination of his employment. If his employment is terminated without cause, the restrictive covenant will expire two years from the date of termination. Each of John N. Foy and Stephen D. Lebovitz have agreed to refrain from competing with the Employer, until the later of (i) November 3, 1996 or (ii) two years from the date of termination of his employment. Prohibited competition includes any participation in the development, improvement or construction of

any shopping center project, acquiring any interest in a shopping center project or acquiring vacant land for development as a shopping center project. Charles B. Lebovitz, John N. Foy and Stephen D. Lebovitz are, however, permitted to hold certain investments which they owned prior to signing the Employment Agreements.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee of the Board of Directors consists of the Independent Directors, Claude M. Ballard, Leo Fields, William J. Poorvu and Winston W. Walker with Mr. Ballard serving as Chairman. None of the members of the Compensation Committee are or have been officers or employees of the Company.

Winston Walker is currently a member of the Board of Directors of SunTrust Bank, Chattanooga, N.A. (formerly, American National Bank) ("SunTrust"). The Company is currently maintaining a \$10,000,000 line of credit from SunTrust that matures in 2000. In the future, the Company or the Operating Partnership may, in the ordinary course of business, engage in other transactions with such bank on competitive terms.

Claude Ballard is a limited partner of Goldman, Sachs & Co., which has served as an underwriter in public offerings from the Company and which performs investment banking services for the Company from time to time.

No executive officer of the Company served on any board of directors or compensation committee of any entity (other than the Company) with which any member of the Compensation Committee is affiliated.

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

General. The Company is a self-managed, self-administered, fully-integrated real estate company which is engaged in the ownership, marketing, management, leasing, expansion, development, redevelopment, acquisition and financing of regional malls and community and neighborhood centers.

The Company operates through its two wholly-owned subsidiaries, CBL Holdings I, Inc., a Delaware corporation ("CBL Holdings I"), and CBL Holdings II, Inc., a Delaware corporation ("CBL Holdings II"). By transfers dated April 1, 1997, the Company assigned its interests in the Operating Partnership to CBL Holdings I and CBL Holdings II, which resulted in CBL Holdings I becoming the 2.8% sole general partner of the Operating Partnership and CBL Holdings II becoming a 69% limited partner of the Operating Partnership. The Company conducts substantially all of its business through the Operating Partnership. To comply with certain technical requirements of the Code applicable to REITs, the Operating Partnership carries out the Company's property management and development activities through the Management Company.

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Neither the Company nor the Operating Partnership has any paid employees. Although Charles B. Lebovitz and the other executive officers named in this Proxy Statement are executive officers of the Company, their compensation is in the form of a base salary and bonus paid entirely by the Management Company.

The Compensation Committee determines all matters related to the compensation of all officers of the Company of the level of vice president or higher and administers the Stock Incentive Plan.

Philosophy. It is the philosophy of the Company to ensure that executive compensation be directly linked to financial objectives that the Company believes are primary determinates of stockholder value over time. The Compensation Committee's objectives in administering the Company's executive compensation plan are to ensure that pay levels and incentive compensation are (i) competitive in attracting and retaining the best personnel, (ii) properly linked to the Company's performance, and (iii) simple in design. To fulfill these objectives, the compensation plan for executives includes base salary, performance based discretionary bonuses and periodic grants of stock awards and stock options pursuant to the Stock Incentive Plan. Non-executive employees of the Company are also eligible to participate in the Stock Incentive Plan.

The Company believes that the ability to use the Stock Incentive Plan to attract and retain key personnel has substantial value and will be essential to the growth of the Company. The stock option and stock award elements of compensation are designed to encourage and create ownership and retention of the

</TABLE>

The NAREIT Equity REIT Total Return Index is published monthly, based on the last closing prices of the preceding month.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

MANAGEMENT AGREEMENT

The Company is party to a management agreement with the Management Company pursuant to which the Management Company renders management and administrative services with respect to the Company's properties. The Company, through the Operating Partnership, owns 100% of the preferred stock and 5% of the common stock of the Management Company and Charles B. Lebovitz, his family and the Associates own 95% of the common stock of the Management Company. Through the ownership of 100% of the preferred stock of the Management Company, the Company enjoys substantially all of the economic benefits of the Management Company's business. The Management Company also provides management services for certain properties owned by CBL and certain other third parties for which the Management Company is paid a management fee. See "Retained Property Interests."

PARTNERSHIP AGREEMENT; CBL RIGHTS

The Company entered into the Partnership Agreement with CBL. The Company, through CBL Holdings I and II, currently owns a 2.57% general partner interest and a 65.16% limited partner interest in the Operating Partnership and CBL owns a 20.07% limited partner interest in the Operating Partnership.

Pursuant to the Partnership Agreement, CBL was granted CBL Rights, consisting of the rights to: (i) exchange all or a portion of its partnership interest in the Operating Partnership for shares of Common Stock (on a one-for-one basis) until it owns up to the applicable share Ownership Limit; and (ii) sell to the Company part or all of its remaining partnership interest in the Operating Partnership in exchange for shares of Common Stock or their cash equivalent (based on the trading price of the Common Stock), at the Company's election. The Company, however, may not pay in shares of Common Stock to the extent that this would result in CBL beneficially or constructively owning in the aggregate more than the applicable Ownership Limit or otherwise jeopardize, in the opinion of counsel to the Company, the Company's qualification as a real estate investment trust for tax purposes.

The number of shares of Common Stock and/or cash received by the limited partners of the Operating Partnership upon exercise of CBL Rights will be based upon the equivalent number of partnership units owned by the limited partners on a one-for-one basis and the amount of cash received by the limited partners upon such exercise, if the Company elects to pay cash, will be based upon the trading price of the shares of Common Stock at the time of exercise. If the CBL Rights are satisfied in cash and the Company raises such funds through a public offering of its securities, by borrowing or otherwise, the purchase price otherwise payable for the offered interests will be reduced by the amount equal to the transaction expenses incurred by the Company in so raising such funds (but not exceeding 5% of the Purchase Price computed without regard to such expenses).

By notice dated March 10, 1998, James Wolford notified the Company of his intent to convert a portion of his limited partner's interest (a .3637% interest) to 122,009 shares of Common Stock via the CBL Rights. On July 10, 1998, the Company opted to acquire the .3637% interest for a cash price of \$3,012,097 which was equal to the fair market value of the Common Stock on the date of Wolford's exercise of the CBL Rights (\$24.6875 per share).

CBL Rights will expire in November 2043 if not exercised prior to that date. Charles B. Lebovitz, James Wolford and their respective affiliates (as defined under the attribution rules of the Code) may not transfer rights to acquire more than 6% of the outstanding shares of Common Stock to any single

RETAINED PROPERTY INTERESTS

CBL owns certain interests in the following properties (the "Outparcels"):

- (i) Outparcels at certain of the Company's properties, which are being offered for sale through the Management Company, and a minority interest in one mall;
- (ii) three long-term mortgages on single-user properties; and
- (iii) an interest in a vacant anchor store (a former Hills Department Store) at an associated center which the Company has an option to acquire. These properties were not transferred to the Operating Partnership at the time of the Company's initial public offering because their cash flow or capital structure was inconsistent with the Company's investment objectives. The aggregate gross leasable area ("GLA") of the one vacant anchor store subject to option is approximately 80,000 square feet, which, if included in the Company's properties, would represent approximately 0.3% of the total GLA.

The Company's acquisition option is a ten-year option to acquire each property subject to option for a fixed acquisition price. The option exercise price is payable in shares of Common Stock (valued at their market price) or in cash, solely at the Company's election. If the Company elects to pay in shares, CBL may elect to receive such payment in the form of limited partner interests in the Operating Partnership which would be convertible into shares of Common Stock. The aggregate option exercise price for the remaining one vacant anchor store subject to option is \$3.8 million, which amount did not exceed 10 times the annual base rent paid at the time of the Company's initial public offering under an existing lease by a tenant in place. At the time entered into, management believed that the option exercise price for each property subject to option was greater than its current fair market value. Such exercise price, however, was determined without obtaining a real estate appraisal with respect to such property. The option exercise price will be reduced by the amount of the then existing mortgage indebtedness and any other known liabilities affecting such property. The option will expire upon its sale to any non-CBL affiliate. The option may be exercised only by a majority vote of the Independent Directors. The option will enable the Company to obtain any appreciation in the value of the property over the option exercise price.

The Company has an option to purchase any Outparcel if CBL enters into a binding agreement to enter into a lease for such Outparcel with an unaffiliated third party under which CBL agrees to construct improvements on the Outparcel at the direction and for use by the tenant. CBL

intends to sell the Outparcels, and the Management Company will receive a commission of 5% of the net sales proceeds for serving as CBL's agent with respect to such sales.

During 1998, the Company exercised its option to acquire four tracts of land each adjacent to one of the Company's properties. The Company acquired the parcels from an entity comprised of CBL and a certain executive officer of the Company (namely, Charles B. Lebovitz). The acquisition price was an aggregate \$1,608,157 for the four tracts and the Company acquired the parcels in return for limited partner interests in the Operating Partnership. CBL received an aggregate .154% limited partner's interest in return for the parcels.

Aside from the properties retained by CBL, certain members of Charles B. Lebovitz' family and his father's estate continue to own four community and neighborhood centers and two tracts of vacant land. The Company has agreed that it will not acquire any of the four community and neighborhood centers.

The properties retained by CBL and the properties owned by the Lebovitz family are managed by the Management Company for a management fee of 3% to 5% per annum of such properties' annual rents. The Management Company is also paid a leasing commission of 5% per annum of annual rental payments for new leases and 3% per annum of annual rental payments for extensions or renewals of existing leases at the properties retained by CBL and the properties owned by the Lebovitz family. During fiscal year 1998, CBL and the Lebovitz family paid the Management Company approximately \$74,000 under such management arrangements.

AFFILIATED ENTITIES

The stockholders of CBL own interests in a number of entities that have provided services to CBL in the past, some of which currently continue to provide services to the Operating Partnership. Such services are provided at competitive rates. The Independent Directors have, subsequent to the Company's initial public offering, ratified each of the following arrangements pursuant to which such services are provided.

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CBL has a non-controlling interest in a major national construction company that has been engaged by CBL in the building of substantially all of the properties and is currently being engaged by the Company for building and construction of the Company's construction properties. Charles B. Lebovitz is also a director of the construction company. The majority interest in the construction company is held by the members of its senior management, none of whom are affiliated with CBL or the Company. As of December 31, 1998, the Company had 10 active contracts (including contracts in respect of each of the construction properties) with such construction company having aggregate value of approximately \$136 million. During fiscal year 1998, the Company paid approximately \$71 million to this construction company.

The construction company and CBL own all of the interests of a partnership that owns two aircraft used by the personnel of the Company and the construction company. Each partner

contributes equally to fixed costs and shares variable costs through an hourly charge based on usage. The Company reimburses the partnership for costs on an hourly basis associated with use of the aircraft relating to the business of the Company. During fiscal year 1998, the Company paid approximately \$990,000 as reimbursement for operating expenses pursuant to such arrangement.

The Bylaws provide that any contract or transaction between the Company or the Operating Partnership and one or more directors or officers of the Company or between the Company or the Operating Partnership and any other entity in which one or more of its directors or officers are directors or officers, or have a financial interest, must be approved by disinterested directors or stockholders after the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to them.

CERTAIN LEASES

The executive officers named in this Proxy Statement and certain CBL employees are partners in partnerships that lease 21 spaces representing approximately 33,387 square feet in 12 of the Company's malls as tenants. Such spaces are operated as food service and entertainment establishments. Management believes that, at the time these leases were entered into, they provided for rental payments at market rates and terms.

Shumacker & Thompson, P.C., local counsel to the Company and CBL, leases 2,536 square feet of office space at the Company's office building. The construction company, a significant minority interest of which is owned by CBL, leases 9,386 square feet of office space at the Company's office building. Management believes that, at the time these leases were entered into, they provided for rental payments at market rates and terms.

Renewals of any of the foregoing leases will provide for rental payments at market rates and terms at the time such renewal leases are entered into.

OTHER

A member of the family of an executive officer of the Company (namely, John N. Foy) owns an approximately 5,000 square foot store in Hamilton Collection, a retail condominium center adjacent to Hamilton Place, one of the Company's malls located in Chattanooga, Tennessee.

Charles B. Lebovitz, certain members of his family, certain of the Associates, a partnership consisting of certain of the Associates and a certain executive officer of the Company (namely, Eric P. Snyder), have personally guaranteed an aggregate of \$12.99 million of the debt of the Operating Partnership. Such guarantee is payable only if, and to the extent that, proceeds from a foreclosure sale of all assets of the Operating Partnership are not in

excess of the guarantee.

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Certain members of Shumacker & Thompson, P.C., local counsel to the Company and CBL, are assistant secretaries of the Company. Shumacker & Thompson, P.C. has also provided legal services to CBL in the past and currently continues to provide such services.

The Company has retained the law firm of Finkel Goldstein Berzow & Rosenbloom to represent the Company in connection with the bankruptcy of Caldor Corporation, with whom the Company had entered into some pre-development leases, which have been subsequently terminated prior to the commencement of any construction. The fee arrangement is a contingent arrangement providing for the firm to receive 25% of the first \$1 million of recoveries from the tenant, 15% of any additional recoveries and reimbursement of all out-of-pocket expenses. Harvey L. Goldstein, Esq., a member of the firm, is the father-in-law of Stephen D. Lebovitz.

Charles B. Lebovitz is currently an advisory director of First Tennessee Bank, N.A., Chattanooga, Tennessee ("1st Tennessee"). The Company is currently maintaining an \$80 million line of credit from 1st Tennessee that matures in 2000. There was approximately \$27.3 million outstanding on this line of credit at December 31, 1998. In the future, the Company or the Operating Partnership may, in the ordinary course of business, engage in other transactions with such bank on competitive terms.

See also the transactions described above under "Executive Compensation -- Compensation Committee Interlocks and Insider Participation".

RATIFICATION OF THE SELECTION OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors proposes and recommends that the stockholders ratify the selection of the firm of Arthur Andersen LLP to serve as independent public accountants of the Company for the year ending December 31, 1999. Arthur Andersen LLP served as the Company's independent public accountants from the Company's inception in July 1993 to the present. Unless otherwise directed by the stockholders, proxies will be voted for approval of the selection of Arthur Andersen LLP to audit the Company's consolidated financial statements for the 1999 fiscal year. A representative of Arthur Andersen LLP will attend the Annual Meeting, and will have an opportunity to make a statement and to respond to appropriate questions.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE
"FOR" THE RATIFICATION OF THE SELECTION OF
ARTHUR ANDERSEN LLP AS THE COMPANY'S
INDEPENDENT PUBLIC ACCOUNTANTS FOR 1999

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DATE FOR SUBMISSION OF STOCKHOLDER PROPOSALS

In accordance with the rules established by the Securities and Exchange Commission, stockholder proposals to be included in the Company's proxy statement with respect to the 2000 Annual Meeting of Stockholders must be received by the Company at its executive offices located at Suite 300, 6148 Lee Highway, Chattanooga, Tennessee 37421 no later than December 1, 1999.

In addition, the Company's Bylaws provide that any stockholder of record desiring to nominate a director or have a stockholder proposal considered at an annual meeting must provide written notice of such nomination or proposal and appropriate supporting documentation, as set forth in the Bylaws, to the Company at its principal executive offices not less than 60 days nor more than 90 days prior to the anniversary date of the prior year's annual meeting (the "Anniversary Date"); provided, however, that stockholders will have additional time to deliver the required notice in the event the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the Anniversary Date.

OTHER BUSINESS OF THE MEETING

Management is not aware of any matters to come before the Annual Meeting other than those stated in this Proxy Statement. However, inasmuch as matters of which the management is not now aware may come before the meeting or any

adjournment, the proxies confer discretionary authority with respect to acting thereon, and the persons named in such proxies intend to vote, act and consent in accordance with their best judgment with respect thereto. Upon receipt of such proxies (in the form enclosed and properly signed) in time for voting, the shares represented thereby will be voted as indicated thereon and in this Proxy Statement.

By Order of the Board of Directors
STEPHEN D. LEBOVITZ
Secretary

Chattanooga, Tennessee
March 23, 1999

COPIES OF THE COMPANY'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1998 MAY BE OBTAINED WITHOUT CHARGE BY ANY STOCKHOLDER TO WHOM THIS PROXY STATEMENT IS SENT, UPON WRITTEN REQUEST TO INVESTOR RELATIONS, CBL & ASSOCIATES PROPERTIES, INC., SUITE 300, 6148 LEE HIGHWAY, CHATTANOOGA, TENNESSEE 37421-6511.

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