

FOR IMMEDIATE RELEASE

Wednesday, December 5, 2018

PANAMA CITY MALL CLOSES ITS DOORS AND LOOKS TO FUTURE

HURRICANE MICHAEL CAUSES CATASTROPHIC DAMAGE TO BUILDING

ATLANTA, GEORGIA – In the aftermath of Hurricane Michael and devastating impact the storm had on the Panama City area, Panama City Mall management has been working diligently with all impacted parties, individuals, tenants, insurance companies, lenders, and the community at-large.

While certain spaces in the Mall were damaged less than other portions, most of the Mall including the Common Areas, sustained significant storm and wind damage. Above all, water damage throughout was catastrophic.

Immediately after the storm, third party experts, engineers, and consultants were retained to assist with stabilizing the Mall, assessing integrity of structural and mechanical systems, and testing moisture infiltration. In the weeks since, the vast majority of tenants have removed inventory and fixtures from their leased premises providing an opportunity for Mall Management to assess the full extent of damage.

"It is with a heavy heart we announce our decision to keep Panama City Mall closed for the foreseeable future. This decision is an extremely difficult one for us because we know it impacts the community and our dedicated on-site employees. Unfortunately, the order of magnitude to rebuild comes at too great a cost. It is economically unfeasible to rebuild as the cost far exceeds the repaired value of the mall" said Charlie Hendon, President of Hendon Properties. "We've been fortunate to serve customers here for the last 42 years and are humbled by the meaningful relationships fostered in that time."

The closure of Panama City Mall does not include the adjacent Shoppes at Panama City or the Starbucks/Vitamin Shoppe Outparcel. New York's Famous Pizza reopened on Black Friday and Moe's Southwest Grill reopened this past Saturday. Construction is well underway in Best Buy, America's Best Contacts & Eyeglasses, Palm Beach Tan, Wayback Burger, and Lisa's Nails. Re-opening dates will be announced shortly.

Mall Ownership has entered into preliminary discussions with Planet Fitness and Bed Bath & Beyond to identify options to operate as outside tenants through the transition and to engage their support for a future redevelopment of the site. "Our customers have expressed time and again the need for a relevant, experiential shopping destination in Panama City, east of the Hathaway Bridge." said Charlie Hendon. "This community deserves all options be explored." Any redevelopment plan will also require Mall Ownership to reach agreements with Dillard's, JCPenney, and Sears (Sertiage) who own their respective buildings and parcels. Dillard's has expressed intentions to remain open and JCPenney plans to rebuild and reopen next year. A timeline for building demolition is not yet determined.

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About Panama City Mall

Panama City Mall is located a short drive north of Downtown Panama City, Florida at the corners of Highway 231, 77 and 23rd Street. Originally developed by Robert B. Aikens & Associates, LLC, Panama City Mall opened to the public in 1976. The 608,339 sq. ft. enclosed mall is anchored by JCPenney and Dillard's. In August 2013, Hendon Properties acquired Panama City Mall, the adjacent Shoppes at Panama City, and Starbucks/Vitamin Shoppe Outparcel from real estate developer CBL Properties of Chattanooga, Tennessee.

About The Shoppes at Panama City

The Shoppes at Panama City is a 55,721 sq. ft. retail center located adjacent to Panama City Mall. Originally developed by CBL Properties, The Shoppes at Panama City opened to the public in 2004. Anchored by Best Buy, the center also includes national retailers America's Best Contacts & Eyeglasses, Moe's Southwest Grill, and Coldstone Creamery.

About Hendon Properties

Hendon Properties is a full-service development, brokerage, and management organization with a specific focus on community and regional shopping centers as well as credit tenant build-to-suit developments. The Hendon team is actively involved in all aspects of retail real estate, including: site selection, project budgeting, due diligence, engineering, architecture, construction and leasing. The Hendon Portfolio includes approximately 6 million sq. ft. of Gross Leasable Area (GLA) within the states of Georgia, South Carolina, North Carolina, Tennessee, Kentucky, and Florida.

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