



PO2000052806

ACCOUNT NO. : 072100000032

REFERENCE : 576663 7165768

AUTHORIZATION :

Patricia Pigato

COST LIMIT : \$ 87.50

2002 MAY 13 PM 4: 53
SECRETARY OF STATE
TALLAHASSEE FLORIDA

FILED

ORDER DATE : May 13, 2002

ORDER TIME : 11:06 AM

ORDER NO. : 576663-005

CUSTOMER NO: 7165768

CUSTOMER: Ms. Jill Price
Shumacker & Thompson

Suite 210
2030 Hamilton Place Boulevard
Chattanooga, TN 37421

RECEIVED
02 MAY 13 PM 12: 16
DEPARTMENT OF REVENUE
DIVISION OF TAXATION
TALLAHASSEE, FLORIDA

DOMESTIC FILING

NAME: CBL PANAMA CITY, INC.

EFFECTIVE DATE:

500005506625--7

XX ARTICLES OF INCORPORATION

PLEASE RETURN THE FOLLOWING AS PROOF OF FILING:

XX CERTIFIED COPY

XX CERTIFICATE OF GOOD STANDING

CONTACT PERSON: Darlene Ward - EXT. 1135

EXAMINER'S INITIALS:

JS/13/02

ARTICLES OF INCORPORATION

In compliance with Chapter 607 and/or Chapter 621, F.S. (Profit)

ARTICLE I NAME

The name of the corporation shall be:

CBL Panama City, Inc.

ARTICLE II PRINCIPAL OFFICE

The principal place of business/mailling address is:

Suite 500, 2030 Hamilton Place Boulevard
Chattanooga, Tennessee 37421

ARTICLE III PURPOSE

The purpose for which the corporation is organized is:

See Addendum attached hereto.

ARTICLE IV SHARES

The number of shares of stock is:

2,000 shares of no par Common

ARTICLE V INITIAL OFFICERS/DIRECTORS (optional)

The name(s) and address(es):

ARTICLE VI REGISTERED AGENT

The name and Florida street address of the registered agent is:

C T Corporation System

1200 South Pine Island Road, Plantation, Florida 33324

ARTICLE VII INCORPORATOR

The name and address of the Incorporator is:

Jeffery V. Curry
Suite 103, One Park Place
Chattanooga, TN 37421

Having been named as registered agent to accept service of process for the above stated corporation at the place designated in this certificate, I am familiar with and accept the appointment as registered agent and agree to act in this capacity

C T Corporation System

By:

Signature/Registered Agent

JENNIFER F FAULTMAN
ASSISTANT SECRETARY

Date

5/10/02

Signature/Incorporator

Date

5/10/02

ADDENDUM TO ARTICLES OF INCORPORATION
OF CBL PANAMA CITY, INC.

FILED

2002 MAY 13 PM 4:53

SECRETARY OF STATE
TALLAHASSEE FLORIDA

ARTICLE III

The sole purposes for which the corporation is organized is to (A) acquire, manage, own and hold the 0.5% managing member interest in Panama City Mall, L.L.C., a Florida limited liability company (the "Company"), (B) act as, and exercise all of the authority of the managing member of the Company, and (C) transact any and all lawful business that is incident, necessary and appropriate to accomplish the foregoing. The Company was formed for the sole purposes of: (i) owning, leasing, operating and selling that certain regional mall shopping center, know as Panama City Mall, Panama City, Bay County, Florida (the "Property"), which Property is more particularly described in the Operating Agreement of the Company, together with the buildings and other improvements located thereon, (ii) entering into a Note and Mortgage Assumption Agreement with Wells Fargo Bank Minnesota, N.A., as Trustee for the registered holders of First Union National Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2001-C3 (the "Trust") (the Trust, together with its successors and/or assigns, is herein referred to as the "Lender"), (iii) refinancing the Property in connection with a permitted repayment of that certain loan in the original principal amount of \$41,000,000 currently held by the Trust, and (iv) transacting any lawful business for which the Company may be organized under the Florida Limited Liability Company Act that is incident, necessary and appropriate to accomplish the foregoing. Notwithstanding any other provisions of these Articles, any other organizational documents or any provisions of law that empowers the corporation, the corporation shall not engage in any business, and it shall have no purpose, unrelated to the foregoing purpose and shall not acquire any real property or own assets, other than those in furtherance of the limited purposes of the corporation set forth herein.

1. The corporation shall at times observe the applicable legal requirements for the recognition of the corporation as a legal entity separate from any Affiliates (as defined below), including, without limitation, as follows:
 - (a) The corporation shall be a special purpose entity that complies with all the criteria described herein, as applicable. At least one of the directors of the corporation shall be an Independent Director. Independent Director means a person who for the five (5) year period prior to his/her/its appointment as Independent Director, has not been and, during the continuation of his/her/its service as Independent Director, will not be: (i) except in the capacity as a director of the corporation, an employee, officer, advisor, agent, or shareholder, member or director of the corporation or the Company or any Affiliate of either the corporation or the Company, (ii) is not a significant advisor or consultant to the corporation or the Company, or a person or entity controlling or under common control with any stockholder, partner, member, customer or supplier of the corporation or the Company (and is not affiliated with an entity that is a significant advisor or consultant to any of the foregoing), (iii) affiliated with a

company of which the corporation or the Company is a significant customer or supplier, (iv) in receipt of or entitled to receive, and is not a partner, member, officer or an employee of an entity that received, or is entitled to receive, in any year within the five years immediately preceding or any years during such person's incumbency as a director, fees or other income from the corporation or any Affiliate of those entities in the aggregate in excess of one percent (1%) of the gross income, for any applicable year, of such person, firm or business or (v) is not a spouse, parent, child, grandchild or sibling of, or otherwise related to, any of the above. For purposes of this definition, "significant," with respect to any relationship between two persons or entities shall mean any transaction, series of transactions or relationship involving more than the lesser of (a) \$60,000 per calendar year or (b) one-half of one percent (.5%) of either person's or entity's annual income. In the event of the death, incapacity, resignation or removal of an Independent Director, the Board of Directors of the corporation shall promptly appoint a replacement Independent Director and no action requiring the consent of the Independent Director shall be taken until a replacement Independent Director has been appointed. In addition, no Independent Director may be removed unless his or her successor satisfying the definition hereunder has been appointed. A person shall not be disqualified from serving as the Independent Director solely because such person acts as an Independent Director for any Affiliate which has obtained financing from the Lender or any of its Affiliates or such person is in the business of being, or is an employee of an entity that provides, independent directors.

(b) The corporation shall, and shall cause the Company to, maintain its principal executive office and telephone and facsimile numbers separate from that of any Affiliate and shall conspicuously identify such office and numbers as its own or shall allocate by written agreement fairly and reasonably any rent, overhead and expenses for shared office space. Additionally, the corporation shall, and shall cause the Company to, use its own separate stationery, invoices and checks which reflects its separate address, telephone number and facsimile number, as appropriate.

(c) The corporation shall, and shall cause the Company to, maintain correct and complete financial statements, accounts, books and records and other entity documents separate from those of any Affiliate or any other entity or person. The corporation shall prepare unaudited quarterly and annual financial statements, and the corporation's financial statements shall substantially comply with generally accepted accounting principles.

(d) The corporation shall, and shall cause the Company to, maintain its own separate bank accounts, payroll and correct, complete and separate books of account.

(e) The corporation shall file or cause to be filed its own separate tax returns.

(f) The corporation shall hold itself out to the public (including any Affiliate's creditors) under the corporation's own name and as a separate and distinct corporate entity and not as a department, division or otherwise of any Affiliate, and shall cause the Company to do the same.

(g) The corporation shall observe all customary formalities regarding the corporate existence of the corporation and of the Company, including holding meetings of or obtaining the consent of its Board of Directors, as appropriate, and its stockholders and maintaining current and accurate minute books separate from those of any Affiliate.

(h) The corporation shall, and shall cause the Company to, hold title to its assets in its own name and act solely in its own name and through its own duly authorized officers and agents. No Affiliate shall be appointed or act as agent of the corporation or the Company, other than, as applicable, a property manager with respect to the Property.

(i) Investments shall be made in the name of the corporation directly by the corporation or on its behalf by brokers engaged and paid by the corporation or its agents.

(j) Except as required by the Lender, the corporation shall not, and shall not cause the Company to, guarantee or assume or hold itself out or permit itself or its credit to be held out as having guaranteed or assumed or being available to satisfy any liabilities or obligations of any Affiliate or any other person or entity, nor shall it make any loan, except as permitted in the loan agreement with the Lender or pledge any of its assets for the benefit of any other person or entity.

(k) The corporation is and will be solvent and shall pay its own liabilities, indebtedness and obligations of any kind, including all administrative expenses, from its own separate assets. Notwithstanding anything contained in this or any other organizational document to the contrary, any obligation which the corporation may owe to any of its officers, directors, partners, members, shareholders or affiliates (collectively, "Interested Parties"), whether characterized as a salary, fee or indemnification, shall not constitute a claim against the corporation until, and shall be subject to and fully subordinate to, the prior payment in full of the Loan, provided however, so long as no Default or Event of Default exists under the Loan Documents to the extent the corporation has cash flow or other available liquid assets (exclusive of any reserve accounts to be maintained under the Loan Documents) in excess of the amounts necessary to make current payments of principal and interest due under the Loan Documents, the corporation may pay when due (without any acceleration caused by the corporation) the scheduled obligations due to the Interested Parties of the corporation.

(l) Assets of the corporation shall be separately identified, maintained and segregated. The corporation's assets shall at all times be held by or on behalf of the corporation and if held on behalf of the corporation by another entity, shall at all times be kept identifiable (in accordance with customary usages) as assets owned by the corporation. This restriction requires, among other things, that (i) corporation funds shall be deposited or invested in the corporation's name, (ii) corporation funds shall not be commingled with the funds of any Affiliate, entity or person, (iii) the corporation shall maintain all accounts in its own name and with its own tax identification number, separate from those of any Affiliate, entity or person, and (iv) corporation funds shall be used for the business of the corporation. The corporation shall cause the Company to hold its assets in the same manner as set forth above with respect to the corporation. The corporation shall, and shall cause the Company to, maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets from those of any Affiliate, entity or person.

(m) The corporation shall, and shall cause the Company to, pay or cause to be paid its own liabilities and expenses, including but not limited to salaries of its employees, only out of its own funds and assets.

(n) The corporation shall, and shall cause the Company to, at all times be adequately capitalized to engage in the transactions contemplated at its formation.

(o) The corporation shall not do any act which would make it impossible to carry on the ordinary business of the corporation.

(p) All data and records (including computer records) used by the corporation or any Affiliate in the collection and administration of any loan shall reflect the corporation's ownership interest therein.

(q) None of the corporation's funds shall be invested in securities issued by any Affiliate.

(r) The corporation shall, and shall cause the Company to, maintain an arm's length relationship with each of its Affiliates and enter into contracts or transact business with its Affiliates only on commercially reasonable terms that are no less favorable to the corporation than is obtainable in the market from an entity or individual that is not an Affiliate.

(s) The corporation shall, and shall cause the Company to, correct any misunderstanding that is known by the corporation regarding its or the Company's name or separate identity.

(t) The corporation shall, and shall cause the Company to, maintain a sufficient number of employees in light of its contemplated business operations.

For purposes of these Articles of Incorporation, Affiliate means any person or entity, including the Company, which directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with a shareholder. For purposes hereof, the terms "control", "controlled", or "controlling" shall include, without limitation, (i) the ownership, control or power to vote ten percent (10%) or more of (x) the outstanding shares or interests of any class of voting securities or (y) the beneficial interests of any such person or entity, as the case may be, directly or indirectly, or acting through one or more persons or entities, (ii) the control in any manner over the shareholder(s), partner(s) or member(s) or the election of more than one director or trustee (or persons exercising similar functions) of such person or entity, or (iii) the power to exercise, directly or indirectly, control over the management or policies of such person or entity.

2. The corporation shall not, without the affirmative vote of one hundred percent (100%) of the Board of Directors, including the affirmative vote of the Independent Director, with respect to either it or the Company: (a) institute proceedings to be adjudicated bankrupt or insolvent; (b) consent to the institution of bankruptcy or insolvency proceedings against it or the Company; (c) file a petition seeking, or consenting to, reorganization or relief under any applicable federal or state law relating to bankruptcy; (d) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the corporation or the Company or a substantial part of its respective property; (e) make any assignment for the benefit of creditors; (f) admit in writing its or the Company's inability to pay debts generally as they become due; or (g) take any corporate action in furtherance of any such action.
3. Additionally, the corporation shall not, so long as any indebtedness remains outstanding by the corporation to the Lender, cease serving as the managing member of the Company or do any of the following or cause the Company to do any of the following: (a) liquidate or dissolve in whole or in part, (b) consolidate, merge or enter into any form of consolidation with or into any other entity, nor convey, transfer or lease its assets substantially as an entirety to any person or entity, nor permit any entity to consolidate, merge or enter into any form of consolidation with it, (c) sell, encumber or otherwise dispose of all or substantially all of its properties (a sale or disposition will be deemed to be "all or substantially all of its properties" if the sale or disposition includes the Property or if the total value of the properties sold or disposed of in such transaction and during the twelve (12) months preceding such transaction is sixty-six and two-thirds percent (66-2/3%) or more in value of the corporation's or the Company's total assets as of the end of the most recently completed corporate fiscal year), or (d) except as permitted by the Lender in writing, amend or modify these Articles of Incorporation or the Company's Articles of Organization (which permission may be conditioned on the Lender obtaining, at the corporation's or Company's expense, a confirmation from each of the applicable rating agencies that such amendment would not result in the qualification, withdrawal or downgrade of any securities rating).

4. The corporation shall have no indebtedness or incur any liability other than its liability for the Company's indebtedness in its capacity as the managing member of the Company.
5. No transfer of any direct or indirect ownership in the corporation may be made such that the transferee owns, in the aggregate with the ownership interests in the corporation of transferee's Affiliates (and any of the transferee's family members related by law or blood, as applicable), more than a ten percent (10%) interest in the corporation, unless such transfer is consented to by the Lender and any applicable rating agency and is conditioned upon the delivery of an acceptable nonconsolidation opinion to the Lender and any applicable rating agency.