

PROFILE



Fancher Partners, LLC
Lifestyle Real Estate Development

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Charles E. Fancher, Jr.
Principal

Chuck Fancher is the principal directing Fancher Partners LLC, a retail and mixed-use real estate development and acquisition firm based in Newport Beach, California.

The firm specializes in the acquisition and/or repositioning of regional mall and major retail/MXD properties. Fancher can source or assist investment funds in evaluating and acquiring targeted property types to include start-to-finish direction of the development or repositioning of the properties.

Fancher's development experience at Homart Development, the Mall of Georgia, King of Prussia Mall, Manhattan Beach, CA mall, ownership of a South Carolina enclosed mall, work with Starwood Capital, and with Starwood Retail Partners provide a base of experience for knowing how to source, analyze, acquire, program and reposition regional retail/mixed-use properties and retail centers. Fancher's personal and corporate experience in sourcing and acquiring retail properties enables the firm to direct due diligence and analyze a property in conjunction with the buyer's yield, risk criteria and appetite for value-add challenges versus stabilized income core properties.

Fancher Partners seeks development opportunities as a principal or as a fee developer. The firm provides selective development management consulting services related to the entitlement and development process from project conception through construction and opening, in addition to assistance in sourcing, underwriting and repositioning existing centers.

Third-party client experience includes:

- Lennar Corporation
- BRE Properties
- Madison Marquette Retail Services
- Deutsche Asset Management/RREEF
- JMI Realty Inc. (San Diego Petco Ballpark master developer)
- Thor Equities LLC
- ScanlanKemperBard Companies
- Wayzata Investment Partners
- Starwood Retail Partners (Starwood Capital)

- Associated with highly regarded California based 30,000 to 60,000 square-foot Union Market food hall & retail boutique market and Society, co-working office space, in its west coast market expansion roll out.

In the mall sector, Fancher's recent work with Starwood Retail Partners included analyzing four 1 million SF regional malls for operational, existing and new anchor strategies, and initiating selected redevelopment. At SRP redevelopment activity included adding big box retailers (Dick's Sporting Goods, H&M, etc.) concurrently reducing unproductive shop GLA, department store negotiations, cinema space "right-sizing", sourcing entertainment, dining and fitness center uses as part of repositioning initiating a multi-story office/residential tower by a third-party developer. At the Deutsche Bank AM/Rreef mall, Fancher directed formulation of an expanded site plan, successful EIR process and entitlements through a contentious process, negotiations with Macy's to take back the Men's Store while expanding the fashion store, the addition of a 60,000 SF open-air retail/restaurant component connecting to the enclosed shop concourse and the construction of three parking decks.

Prior to founding his firm in 2000 in California, Fancher developed more than 10 million square feet of retail properties including regional malls, power centers, lifestyle centers and mixed-use projects, asset managed as part of the CNM team 4 million square feet including anchor leasing, in his positions as:

- President of Centertainment, Inc., the real estate development subsidiary of AMC Theaters.
- President of Ben Carter Properties of Atlanta (1.8 million square-foot Mall of Georgia in a joint venture with Simon Property Group). As EVP of BCP's sister asset management company, CNM & Associates, Fancher was involved in both the operation of client properties (9.5 m SF) as well as the sourcing and acquisition of new portfolio community centers on behalf of clients.
- Senior Vice President of Homart Development Co., the development subsidiary of Sears which was sold to General Growth and DDR in 1995.
- Partner in FMP Development in Knoxville, TN developing 14 power centers in proximity to regional malls in Tennessee, Kentucky, Alabama and South Carolina.

A native of Louisville, Kentucky, Fancher received a five-year Master's level degree in City Planning from the School of Architecture at the University of Virginia. Following graduation, he spent 6 years with public/private urban redevelopment entities on the East coast. Fancher is active in the Urban Land Institute, the International Council of Shopping Centers, and lectures annually in real estate development at the University of Virginia Law School.

The Regional Mall - Opportunity or Something Else?

- **The enclosed regional mall, once the dominant model for retail distribution, is experiencing the convergence of market forces driving change.**



The “A” Mall. The high end luxury mall and the dominant-in-market super regional mall remain viable and are able to evolve tenant mix and grow NOI, notwithstanding a seeming growing shift to Internet retailing and the dance of “musical chairs” unfolding among the department stores and large format retailers in the marketplace.

The “B” and the “C” malls, however, are faced with the need to change form and composition or experience ultimate value deterioration to the level of underlying land value, less the cost of buying out occupancy and demolition. This statement is not intended as hyperbole. As proof of the premise, major mall owners such as Simon, Macerich, Westfield and GGP have chosen to divest, selling sub-\$300 psf performing malls at double-digit cap rates, or give B and C malls back to lenders rather than take on the redevelopment risk.

of its merchandising plan and facing the prospect of losing one or more of its department stores, as those operators yield to efficiency forces that are driving even the higher end operators such as Nordstrom and the omnipresent Macy’s to quietly contract their store count. The prospect of growing contraction from Sear’s and JC Penney is predictable as those operators unlock their real estate value in marginally producing stores to feed their top line and/or reduce debt.

The B mall that shares its primary market with an A mall or another B mall, or a dominating outlet center, is experiencing declining NOI, rising vacancy, deterioration

The weaker B and C mall will unquestionably lose one or more department store operators, if only out of self-interest driven by the mall owner. Given the B/C mall’s weakened competitive position as a retail venue, the B/C mall is experiencing a “distress spiral” demonstrated by: reducing contract rents; increasing requests for rent relief; failure of national credits to extend at option renewals without inducements: a growing shift of common area costs to the landlord as vacancy rises and CAM caps become more prolific. Those NOI issues are compounded by a growing awareness of in-line vacancy gaps and the possible departure of category leaders on the part of the prospective tenant community, in addition to the shopper negatively perceiving the changing mall environment. The proactive mall owner will need to selectively reduce its in-line retail square footage to a compact core, re-tenant or repurpose its department store boxes, add an open-air cinema/restaurant or appropriate big box anchored lifestyle retail shops component or, alternately, add apartment, office or hotel building appendages to the mall to include parking decks, among other possible new embodiments. By necessity the owner will have to incur substantial capital investment, not providing near term returns, in a multi-year redevelopment program to be executed by seasoned development, design, entitlement, merchandising & leasing professionals in addition to having demonstrated experience in dealing with the real estate department of the department store operators.

Fancher Partners LLC has substantial experience in the development and redevelopment of the regional mall, regional shopping centers and cinema-anchored lifestyle retail and mixed-use development. Fancher Partners is directing the 200,000 SF expansion of the Manhattan Beach, CA mall and Macy’s expansion owned by RREEF; repositioned the Inlet Square Mall in South Carolina as owner; served as president of Ben Carter Properties during its JV with Simon on the development of the Mall of Georgia; undertook the conversion of the former King of Prussia Strawbridge’s department store box into a multi-tenant collection dubbed the “Pavilion at the Court”; among other mall centric activity.

Through its sister company, Mall Business LLC, Fancher Partners is combining with other proven professionals in the mall business, on an as-needed basis, to provide consulting and development services to mall owners desiring assistance to address the challenge and opportunities incumbent to the B and C regional mall today.

The Mall BusinessIt’s NOT Business As Usual.



Fancher Partners, LLC
Lifestyle Real Estate Development

Mall of Georgia Northeast Atlanta, Georgia

1,793,413 square foot regional enclosed mall. Three level core, two level wings, open-air single level village with 8,384 parking spaces, a portion of which is decked. The plan was conceived as an enclosed multi-level mall in its primary “horseshoe” shape providing for five major department stores, 225 shops and restaurants and a “village” open-air lifestyle center component. The Mall of Georgia opened in 1999.



Nordstrom
Dillard's
Macy's
Lord & Taylor
JC Penney
Regal Cinemas (20 screens + Imax)
Barnes & Noble
Bed Bath & Beyond
Dick's Sporting Goods

Fancher was President of Ben Carter Properties, developer of the Mall of Georgia in a joint venture with Simon Property Group.

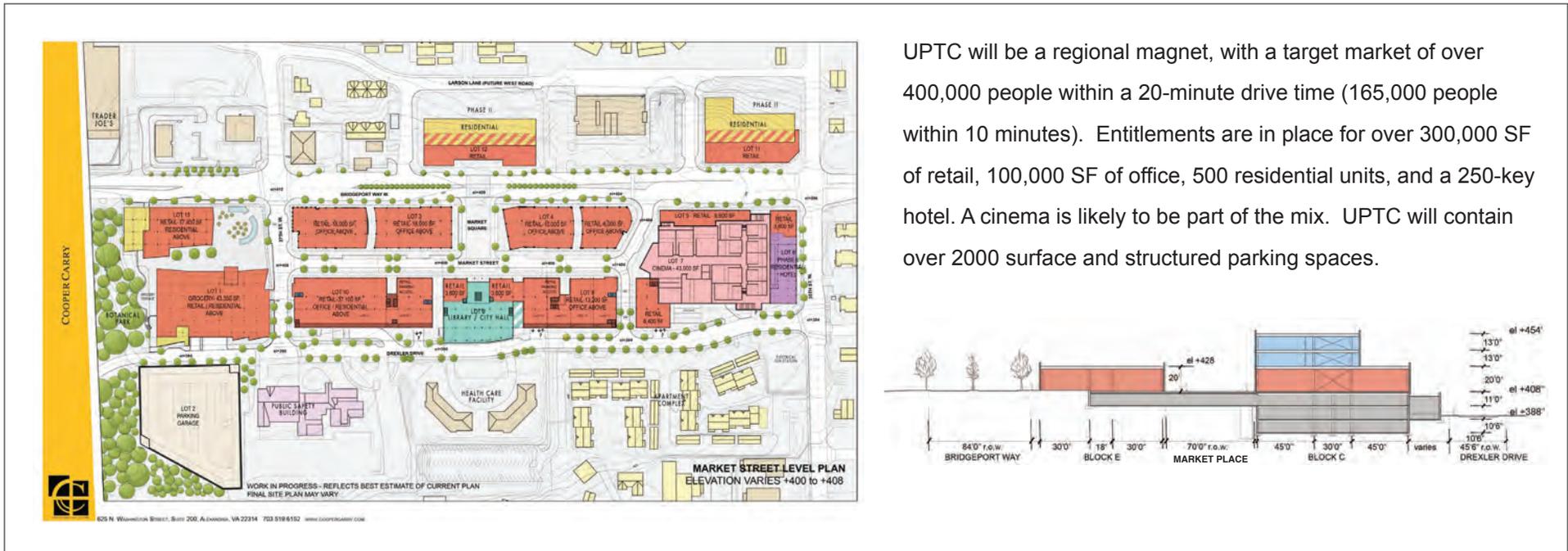
University Place Town Center (“UPTC”) will be the civic and commercial center of University Place, an affluent and highly-educated close-in suburb of Tacoma. Located along the ridgeline above Puget Sound, UP enjoys scenic views of the Sound and the Cascade Mountains to the west and north, and Mount Rainer and the Olympic Mountains to east.



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University Place Town Center
University Place, Washington

F + F, under ENDA through July, 09 programmed the 13 acre site owned by the City. The parties have suspended as the City explores options.



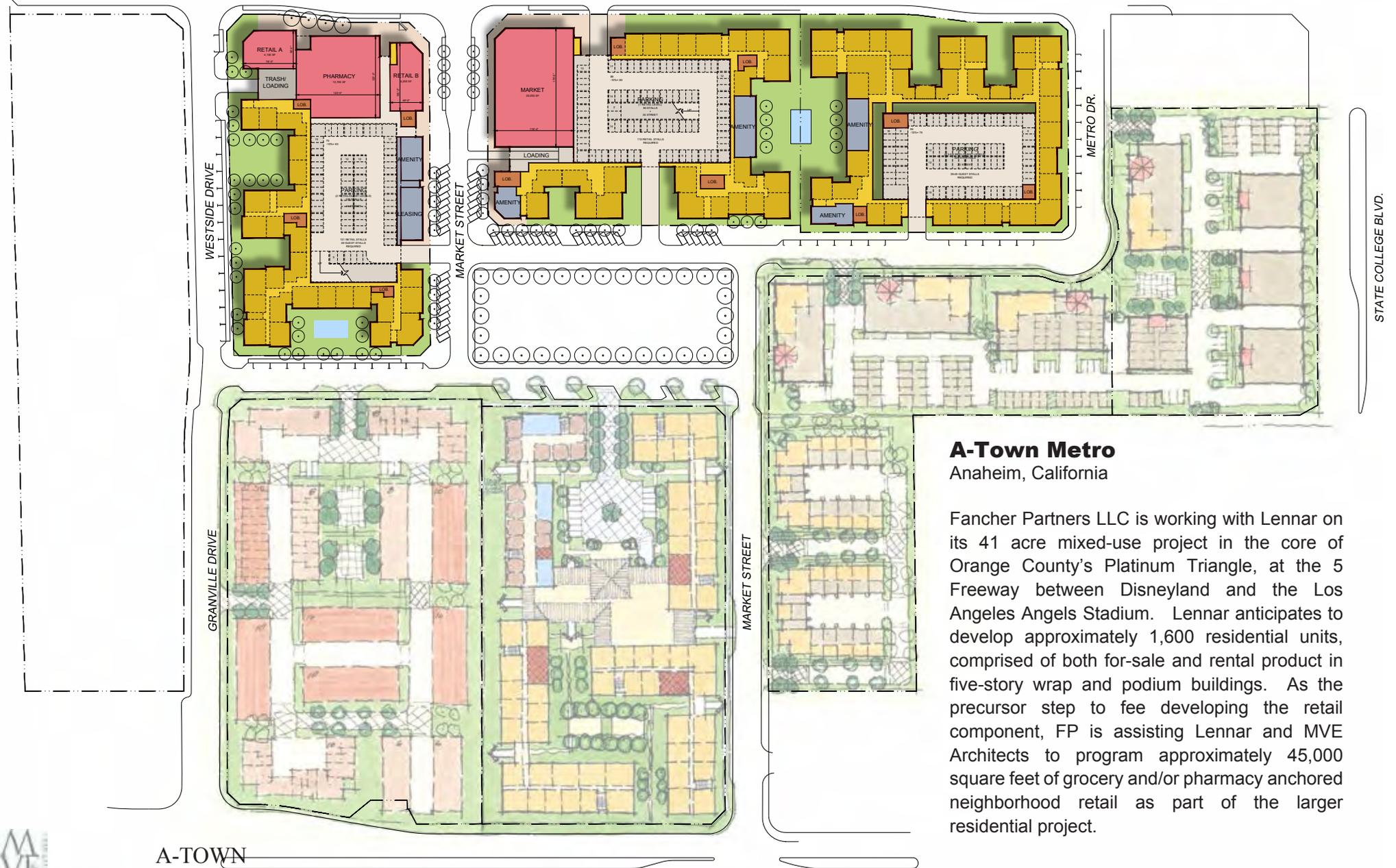
UPTC will be a regional magnet, with a target market of over 400,000 people within a 20-minute drive time (165,000 people within 10 minutes). Entitlements are in place for over 300,000 SF of retail, 100,000 SF of office, 500 residential units, and a 250-key hotel. A cinema is likely to be part of the mix. UPTC will contain over 2000 surface and structured parking spaces.

The central retail street, Market Place, civil infrastructure, UP City Hall and the Pierce County Public Library, two of the destination anchors on Market Place, are currently under construction. Market Square, a comfortable public space for gathering and festivals is centered on Market Street. A more intimate public space, leading to the Homestead Park and Botanical Gardens, will be positioned at the south end of the street.

KATELLA AVENUE



Fancher Partners, LLC
Lifestyle Real Estate Development



A-Town Metro
Anaheim, California

Fancher Partners LLC is working with Lennar on its 41 acre mixed-use project in the core of Orange County's Platinum Triangle, at the 5 Freeway between Disneyland and the Los Angeles Angels Stadium. Lennar anticipates to develop approximately 1,600 residential units, comprised of both for-sale and rental product in five-story wrap and podium buildings. As the precursor step to fee developing the retail component, FP is assisting Lennar and MVE Architects to program approximately 45,000 square feet of grocery and/or pharmacy anchored neighborhood retail as part of the larger residential project.



LENNAR

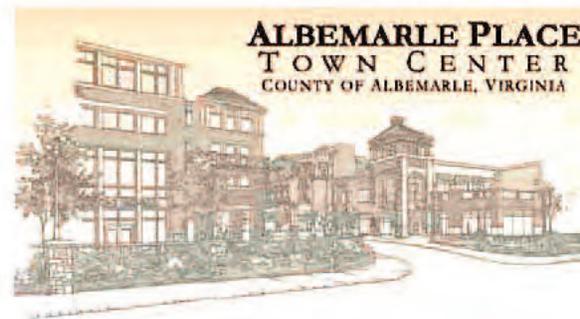
A-TOWN
Conceptual Studies

GENE AUTRY WAY



Albemarle Place
Charlottesville, Virginia

1.7 million square feet, mixed-use, presently being developed by Edens & Avant of Columbia, SC. The project is composed of vertical “main street residential/office over retail, with a hotel component and adjacent hybrid “big box ” center.



- 625 Residential units
- 729,000 SF retail
- 258,765 SF office
- 77,782 SF Hotel

Fancher directed the concept design, site planning, economic modeling and entitlements for the Chicago-property owner, prior to the sale of the project to Edens & Avant.

The Pavilion at the Court - King of Prussia Mall

Metro Philadelphia, PA



Mall Business, LLC
Regional Mall Repositioning



The Pavilion building was originally built as a 249,163 square foot, three-level Strawbridge & Clothier Department Store in the Court section of the bifurcated King of Prussia Mall. As a result of May Company's 1990's acquisition of Strawbridge's, May converted its KOP Plaza Hecht's store into a Strawbridge's and the Court store was deemed surplus by the May Company.

Chuck Fancher, as president of AMC's Centertainment Inc., purchased the Strawbridge's store in 1999 with the objective of creating a retail/restaurant with cinemas mix of uses in the building. For strategic reasons, AMC elected in 2000 not to locate a 20 screen operation on the third floor of the building and the development program was changed to convert the third floor to retail or related use.

The two-level enclosed mall and the three-level Pavilion building benefit from a contiguous three-level parking deck located on one side of the entire length

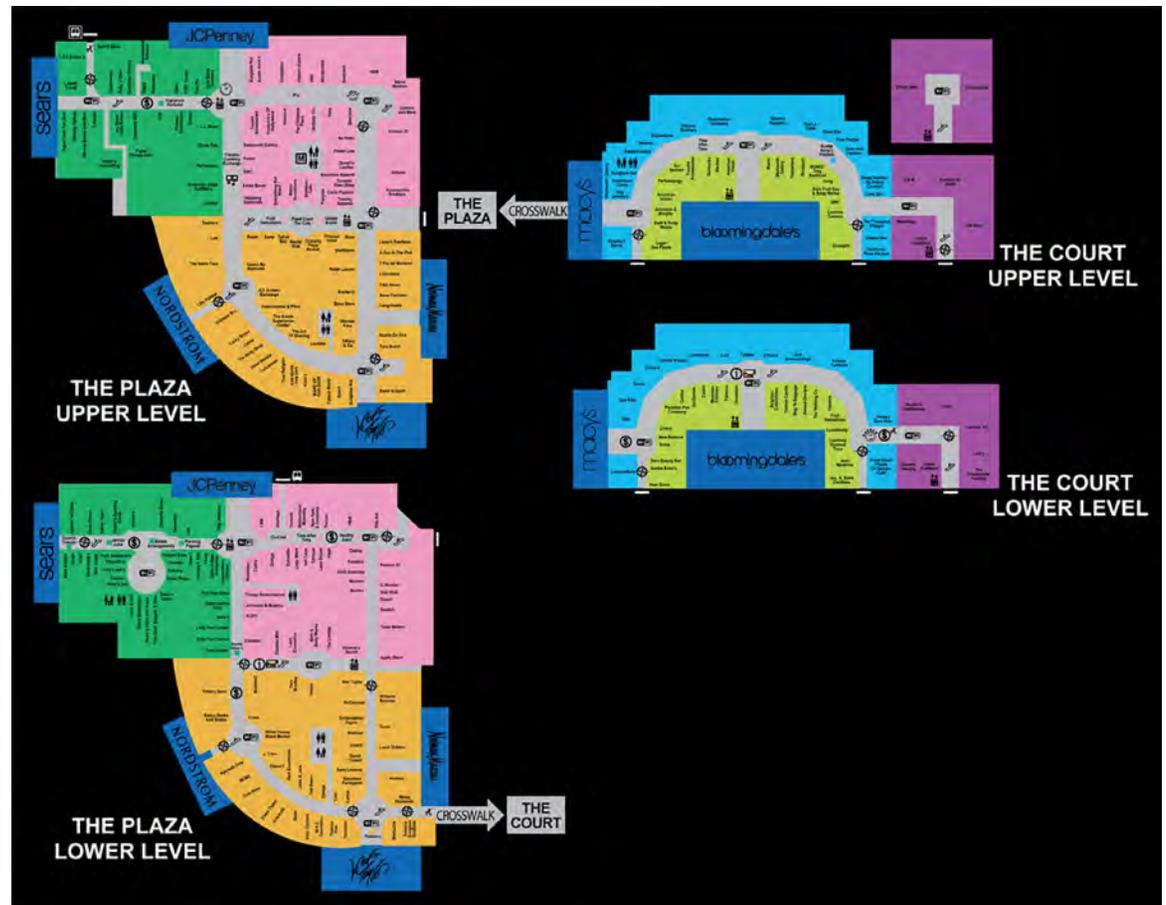
of the Court which contains Macy's, Bloomingdales and significant inline retail space in the enclosed mall section. Pedestrian bridges provide direct access from the contiguous deck to the first and second levels of the two department store and Pavilion buildings. Revamped interior building views follow.

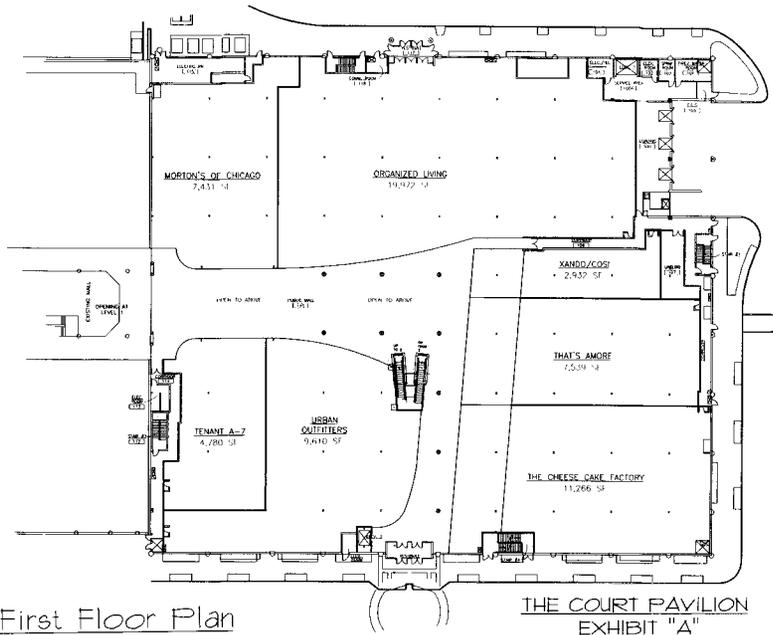
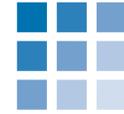




A number of issues were encountered in redeploying the single user, three floor department store layout to a multi-tenant, demised space format. Those included having to reduce second floor space to allow for effective “to and from” sight lines and race track access to inline tenant spaces on the second level; add or retrofit all of the vertical transportation elements to allow shopper flow to occur naturally; completely revamping plumbing and electrical systems to accommodate the multiple shop format and solving for code emergency exiting and store servicing requirements.

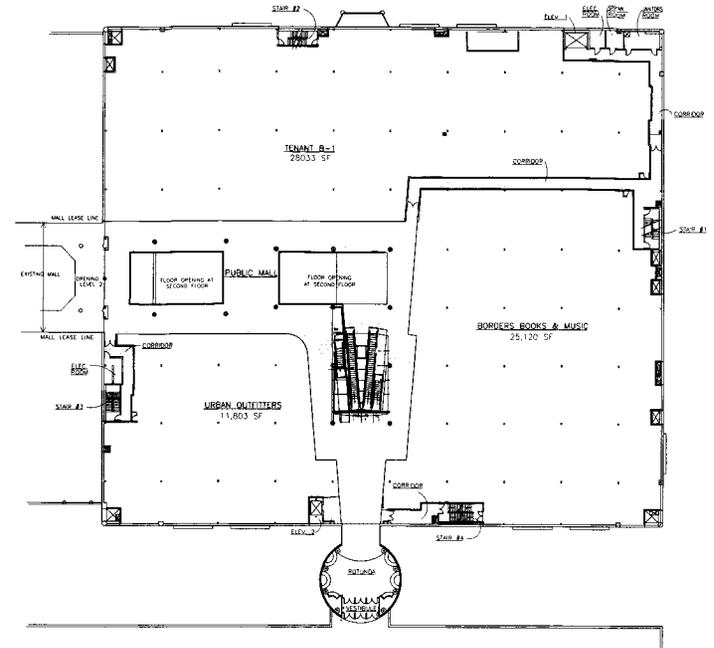
Initial tenants in the converted building included Border’s Books & Music, Urban Outfitters, Organized Living, and the restaurants The Cheese Cake Factory and Morton’s of Chicago. The building was sold to the then sole owner of King of Prussia, The Kravco Company. Simon Properties is now the majority owner of the King of Prussia Plaza and Court and The Pavilion. Presently the tenant lineup in the approximately 191,719 net leasable square foot Pavilion includes Urban Outfitters in two levels, Cheesecake Factory, Levi’s, Designer Show Warehouse (DSW), Morton’s Steakhouse, Old Navy, and H&M with the third level occupied by furniture operators Thomasville and Ethan Allen.





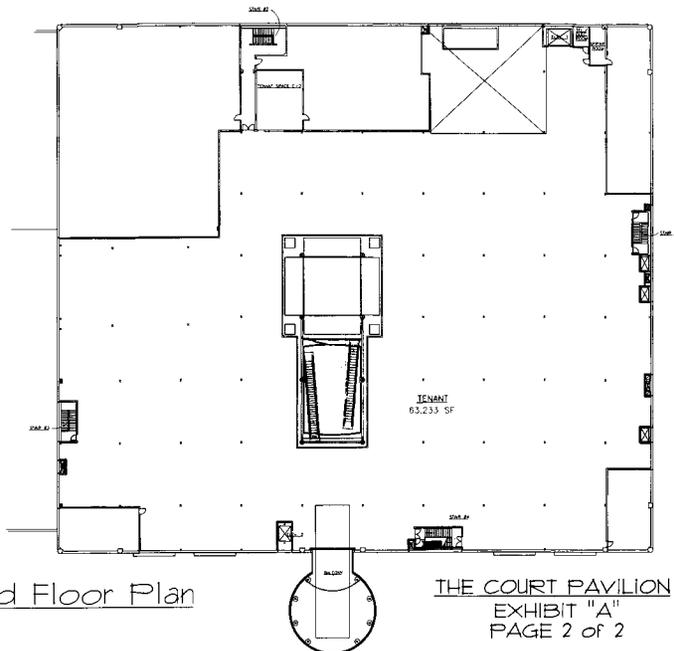
First Floor Plan

THE COURT PAVILION
EXHIBIT "A"
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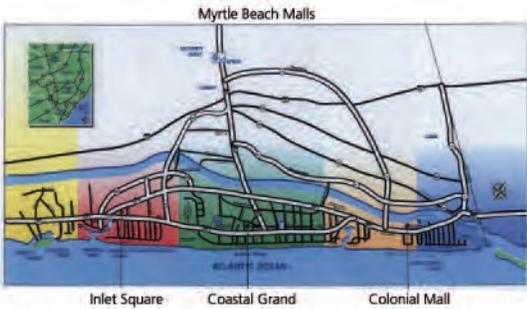
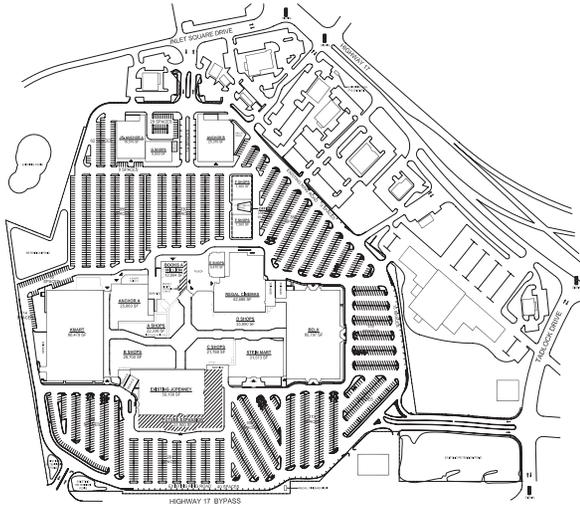
Second Floor Plan

THE COURT PAVILION
EXHIBIT "A"
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Third Floor Plan

THE COURT PAVILION
EXHIBIT "A"
PAGE 2 of 2



Inlet Square Mall
Myrtle Beach, South Carolina

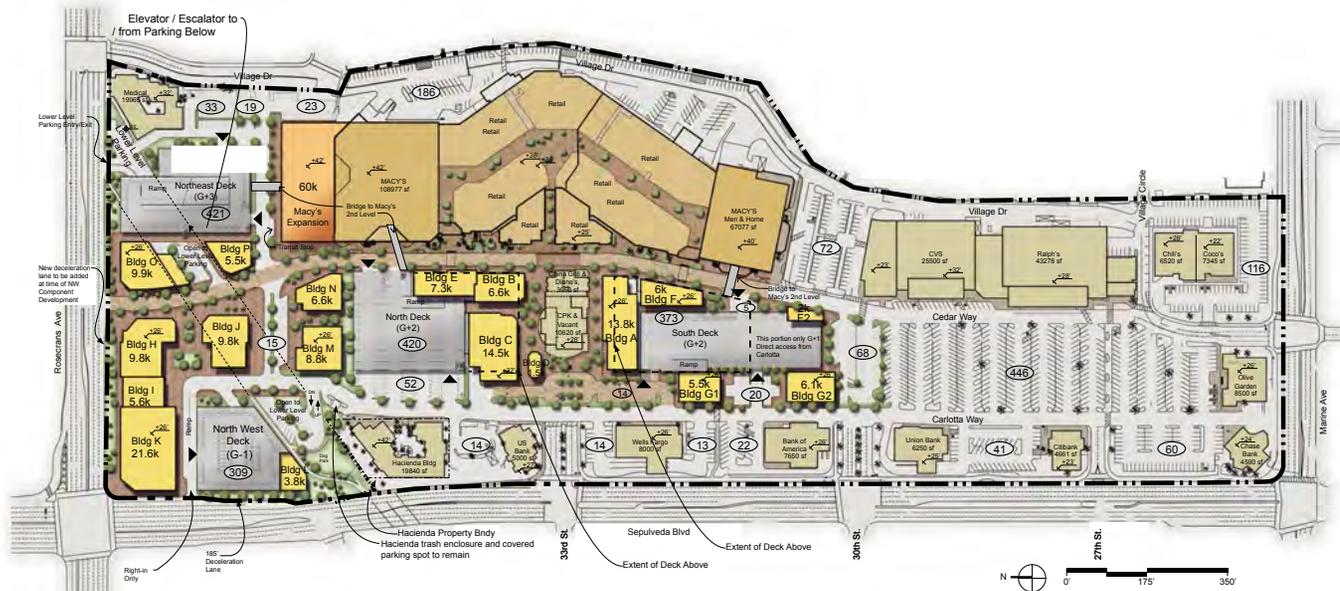
In the Fall of 2005 F+F purchased the 434,535 square foot enclosed mall located in the South Strand area of Myrtle Beach, South Carolina known as Murrell's Inlet. The southernmost of three regional malls in the Myrtle Beach market, the Mall is anchored by JC Penney, Kmart, Belk's Department Store, Steinmart, Books-A-Million and a 12 screen Regal Cinemas. In 2008, the Mall was partially renovated and anchor Steve & Barry's was added for a brief period until it filed bankruptcy. F+F disposed of the property in 2009.

Inlet Square was managed & leased by Jones Lang LaSalle. Construction by Vratsinas Construction Co. Project architect was Cupkovic Architecture.





The Village Shops Expansion



Manhattan Village Shopping Center
Manhattan Beach, California

Manhattan Village Shopping Center is the primary enclosed regional mall and community center serving Manhattan Beach and adjoining beach communities in the South Bay region of Los Angeles. The property has evolved over the years into an upscale, enclosed Mall anchored by two Macy's stores and upscale lifestyle retailers. Ralph's grocery and CVS Pharmacy anchor an open-air community center component and free-standing restaurants, banks, and office buildings.

Fancher Partners, LLC is retained by MVSC owner RREEF Fund and Deutsche Bank AG as fee developer of the net 139,800 square foot expansion (200K sf gross), which includes guiding the EIR and entitlement process. The three-phase expansion will add an open-air 60,000 square foot Village Shops "wing" to the enclosed Mall, expand Macy's by 60,000 square feet and redevelop an existing 46,200 square foot component into an 80,000 square foot free standing center. New and displaced parking will be provided in parking decks.



Regional Centers:

Mall of Georgia, Gwinnett County, Atlanta, GA

Martin Square Mall, Stuart FL

Inlet Square Mall, Myrtle Beach, SC

Carillon Place, Naples, FL

Perimeter Pointe, Atlanta, GA

Town Center Prado, Atlanta, GA

Durham Commons, Durham/Chapel Hill, NC

The Marketplace, Knoxville, TN

Manhattan Village, Manhattan Beach, CA

Centre at River Chase Galleria, Birmingham, AL

Gallery at Bellevue Mall, Nashville, TN

Capitol Centre, Columbia, SC

Shoppes at Rivergate Mall, Nashville, TN

**Project & Development
Experience**

A Partial Listing

Lifestyle Centers/Retail:

Fairfax Town Center, Fairfax, VA

Shops at Stonefield, Charlottesville, VA

Ballpark Village, San Diego, CA

AMC/Mixed-use, Burbank, CA

Pavilion at King of Prussia Mall, Philadelphia PA

As a principal or corporate executive officer, Fancher has in progress or developed “ground up” approximately 10 million square feet of regional malls, power and lifestyle centers.