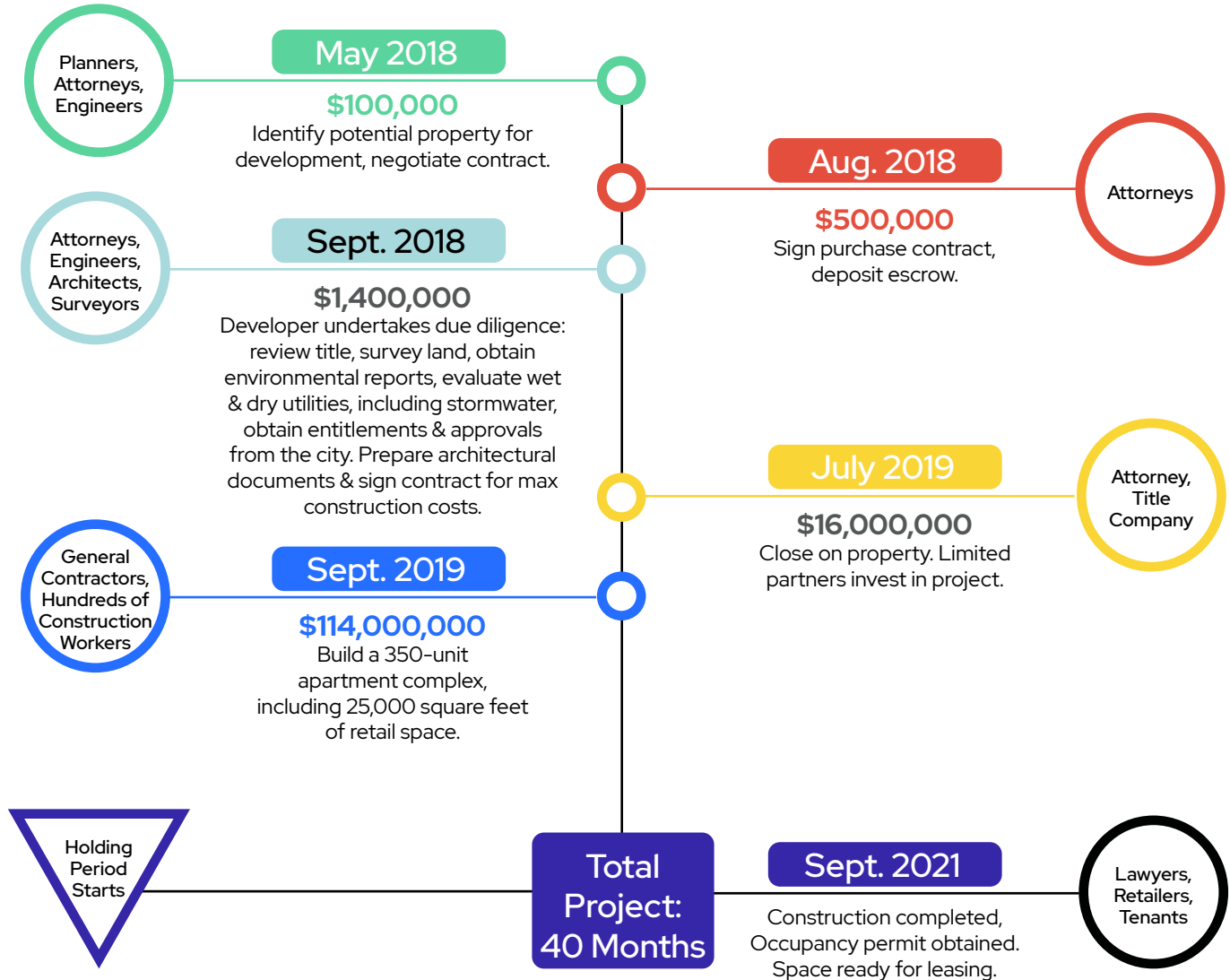


Carried Interest Case Study: New Development Timeline

Retail & Apartment Project – Minneapolis, MN

A real estate development investment is a unique capital investment. Developers take on a great deal of personal risk but they also hire numerous companies creating hundreds of jobs and adding significantly to the tax rolls of a community. In the real-world example below, the developer fronted \$2 million prior to purchasing the land and securing the right to complete the development. Outside investors were only brought in after substantial pre-construction work was finished. The developer is at risk for the up-front work expenses, their equity contribution, repaying the debt and guaranteeing completion of the project, along with any cost overruns. The limited partners' risk is limited to their investment.



Developer's equity: \$5,300,000
 Limited partner equity after purchasing land: \$47,700,000
 Debt guaranteed by developer (NOT the limited partners): \$79,000,000

Total cost: \$132,000,000

For more information, contact Phillips Hinch at phinch@ICSC.com.



Carried Interest Case Study: Redevelopment Timeline

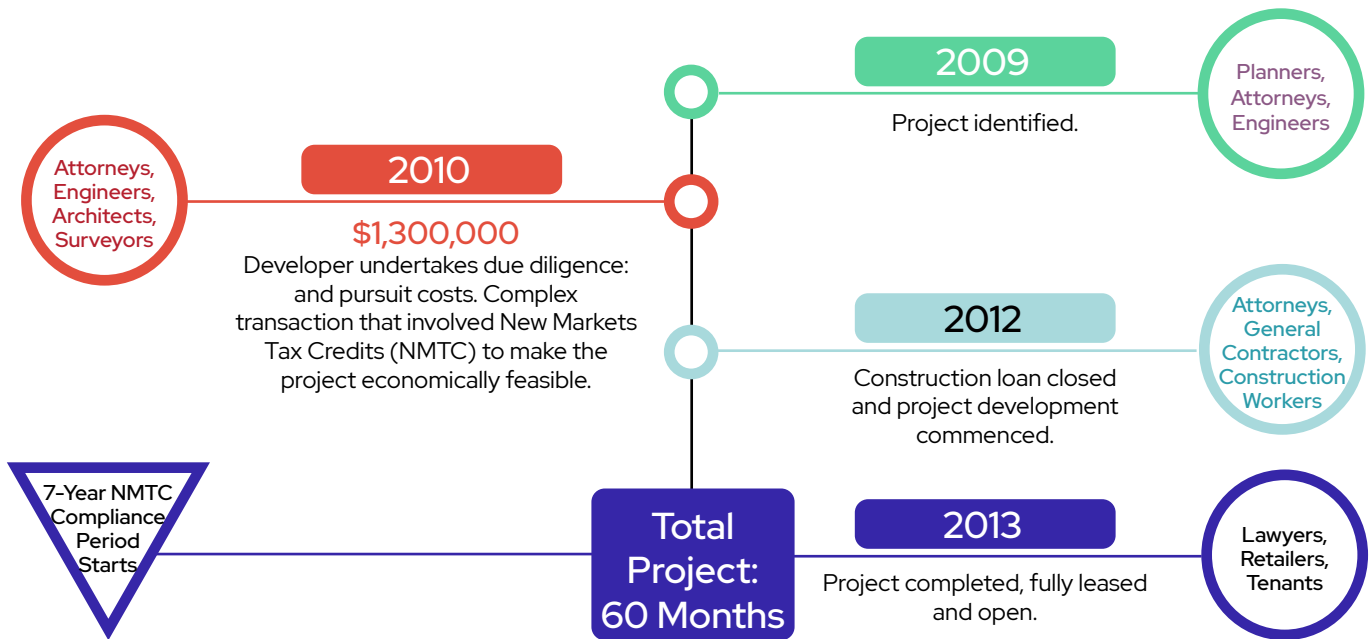
Grocery-anchored community shopping center – New Orleans, LA

The post-Katrina redevelopment of a 109,000 sq. ft. grocery-anchored shopping center took place in an underserved food desert area of New Orleans. It involved the complex assembly of three different tracts of land in a very dense residential area. The developer also secured medical tenants in the center to provide much-needed health services to the community.

The center completely revitalized a very important intersection in New Orleans and was the catalyst for tremendous growth that has since occurred throughout the Mid-City area. The project contains numerous essential businesses that proved to be extremely important to the surrounding residential population throughout the pandemic.

Total Annual Sales Tax Revenue added: \$5.82 million

Total Annual Ad Valorem Tax Revenue added: \$300,000



Developer's equity: \$5,600,000

NMTC Equity: \$2,600,000

Other Equity: \$540,000

Senior Loan (Guaranteed by Developer, not the Limited Partners): \$20,060,000

Total cost: \$29,000,000

For more information, contact Phillips Hinch at phinch@ICSC.com.