

Charlebois Family Investments

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The retail model is changing

Sell Portland location

Hotel developers/condo developer/etc.

Negotiate with condo development

Sell 100,000 sq ft of parking space to condo developer
Negotiate terms for development

Revamp Connecticut

Keep mall
Condo high-rise to drive foot traffic to mall
Convert vacant anchor stores to office space

Drastic changes are necessary to survive

Disruption to retail

Fall of anchor stores

**In the changing retail
environment, how can
Charlebois survive?**

Source of revenue

Analysis

Tale of 2 cities

Portland (MN)

500k population

Low middle class

22 stores, 1 anchor store

New home development

Close to airport

Hartford (CN)

1.2 million population

Upper middle class

86 stores, 3 anchor stores

Desirable area – near train station

Financials

Revenue from existing malls

Hartford

\$15,000/store/month



Revenue: \$16M/year



Net: \$8M/year

Portland

\$10,000/store/month



Revenue: \$2.8M/year



Net: \$1.4M/year



**\$9.4M
/year**

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**\$9.4M
/year**

Moderate but decreasing profit from current malls

Alternatives

Which option increases your family wealth?

Criteria	Keep Portland store as is	Keep Hartford store as is	Sell Portland Store	Sell Hartford land to developer	Replace Hartford big box stores
Cash flow potential	Red	Yellow	Yellow	Yellow	Green
Risk	Red	Yellow	Green	Green	Green
Increase family wealth	Red	Yellow	Yellow	Yellow	Green

Reallocating capital to Hartford will increase family wealth

What are the risks of this plan?

Risks

No purchaser for Portland property

Developer delays building condo on Hartford property

Mitigation

Decrease price by up to 20%

Other surrounding condos will drive foot traffic in the near term

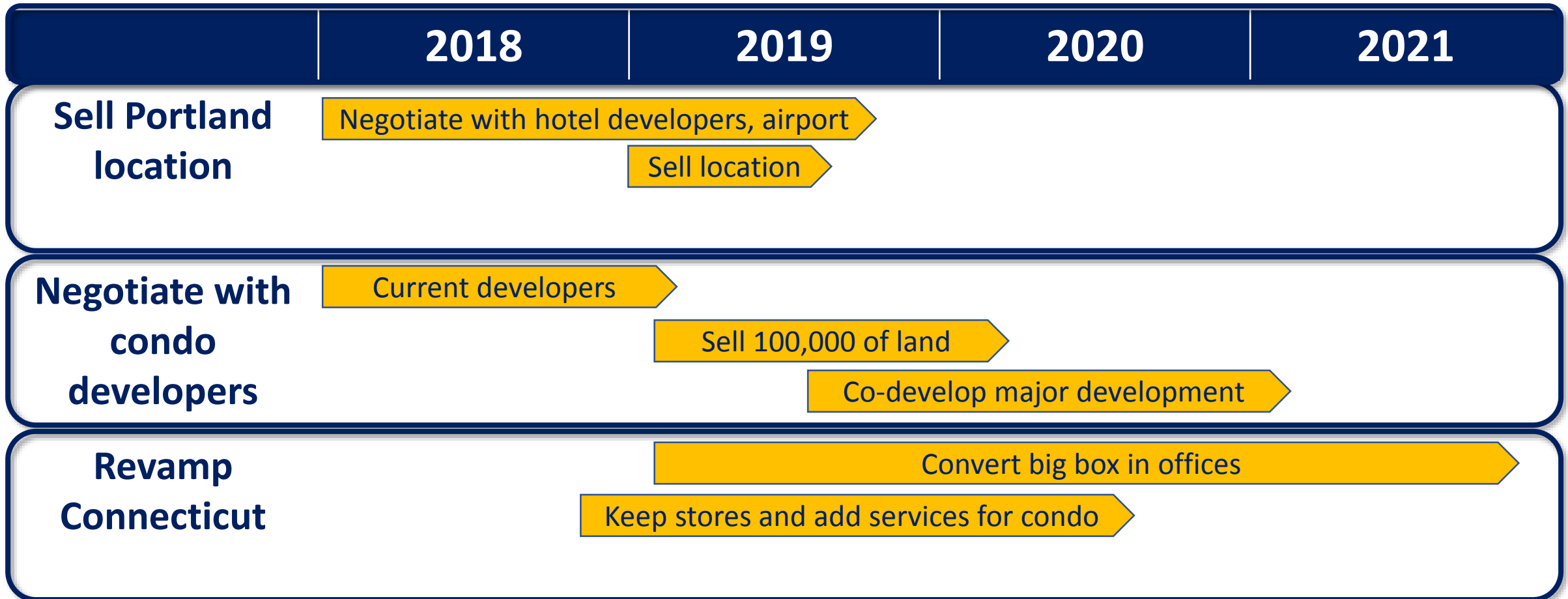
Your Hartford property is a great asset in a great location – low risk

Implementation

Focus efforts on Connecticut

	2018	2019	2020	2021
Sell Portland location	Negotiate with hotel developers, airport	Sell location		
Negotiate with condo developers	Current developers	Sell 100,000 of land	Co-develop major development	
Revamp Connecticut		Keep stores and add services for condo	Convert big box in offices	

Focus efforts on Connecticut



It is crucial to act now

Sell the Portland location while it is still time

Near airport

Close to city center

Hotel developers

Airport parking

Apartments

House developers

Until negotiations close: still make revenues from stores

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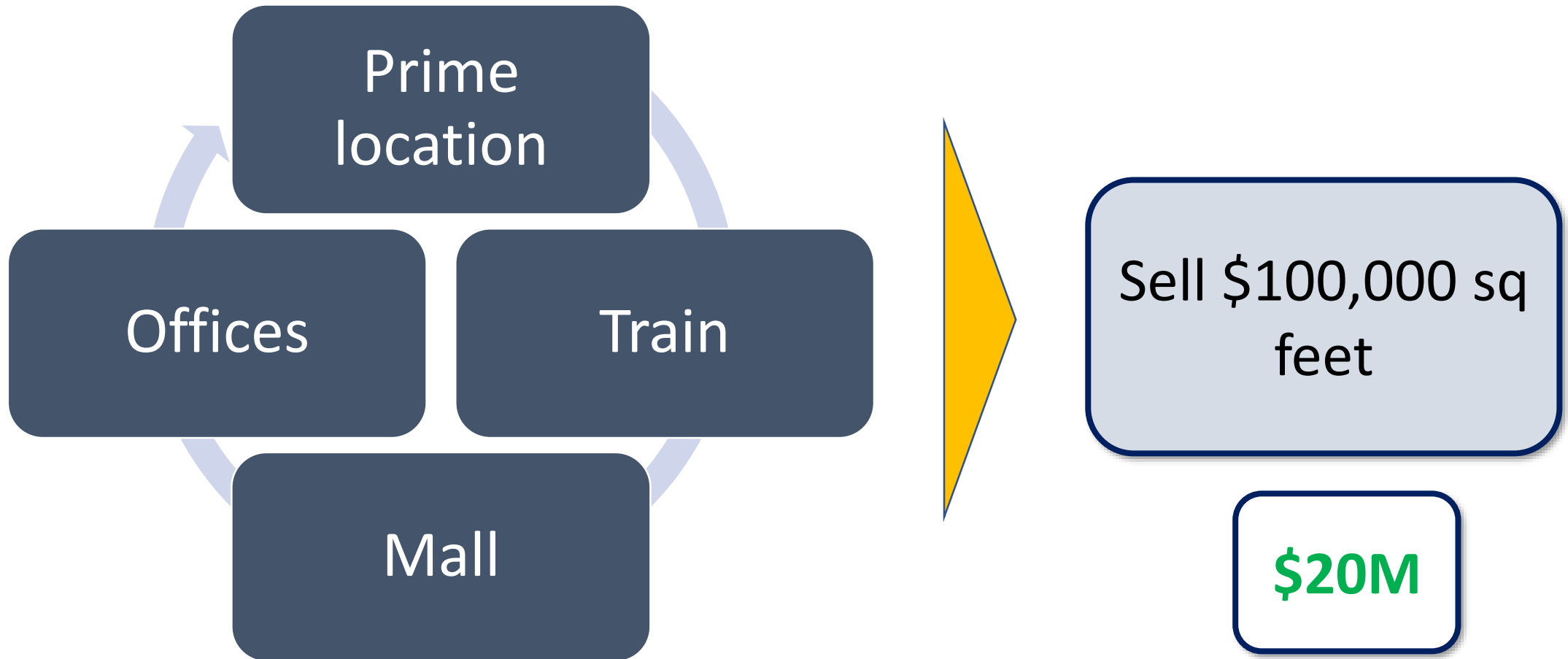
Apartments

House developers

Until negotiations close: still make revenues from stores

It is time to make a move to protect the family wealth

Sell parking space to condo developer



Convert big box stores to offices

Approach tech
companies



Invest in
renovations



Rent out

Convert big box stores to offices

Approach tech
companies



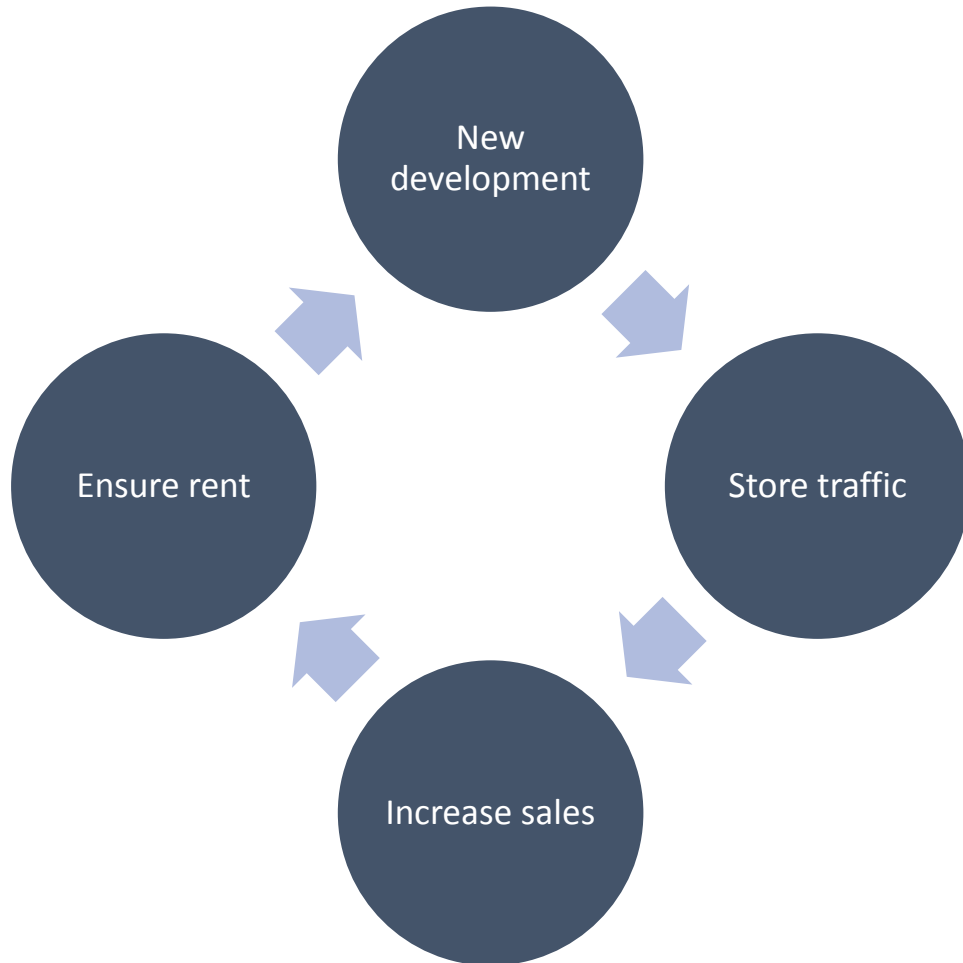
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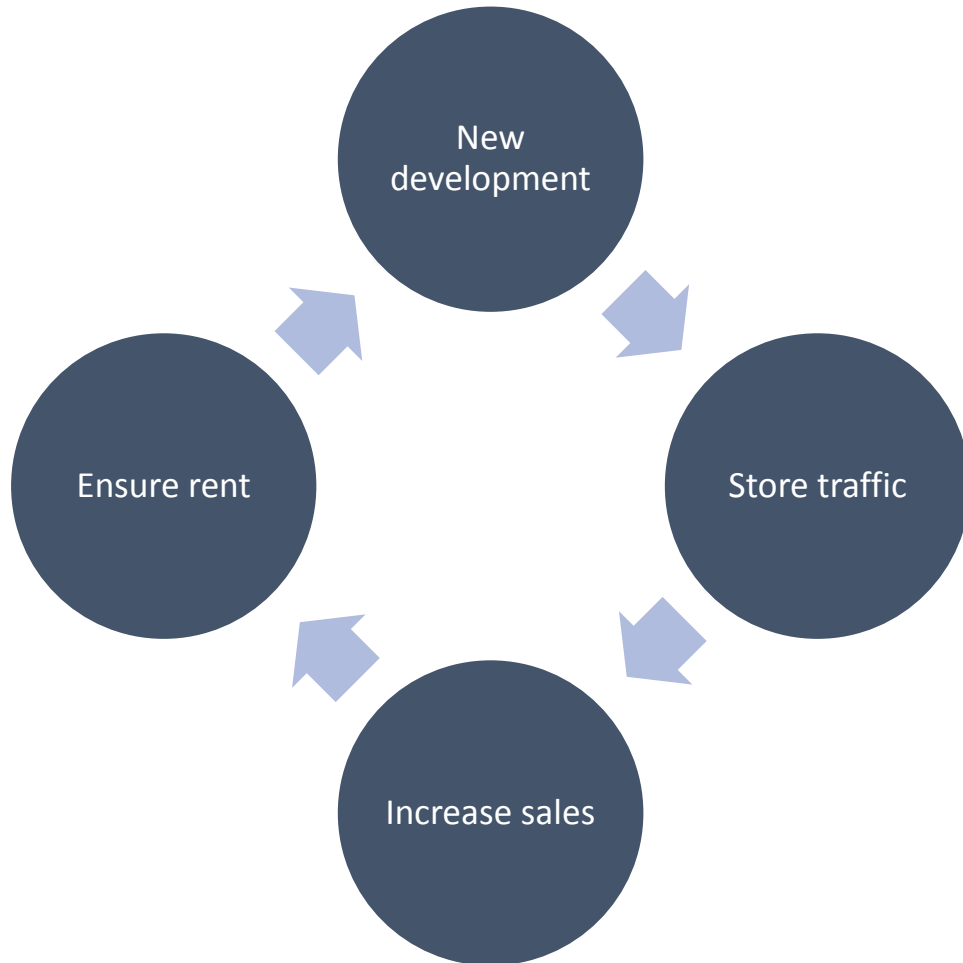
Create an attractive suburb hub

Keep store space in mall



If closures:
convert to
services for
condos

Keep store space in mall



If closures:
convert to
services for
condos

All other tactics ensure sales of stores

What is this achieving?

Portland



Selling risky
assets now



Protecting
family wealth

Connecticut



Focusing
investment



Increasing
revenues

What is this achieving?



You need to act now to protect and grow family wealth

Financials

Major changes

Sale of Portland Mall


\$10M profit

Pay off Hartford Mortgage

(\$5M)

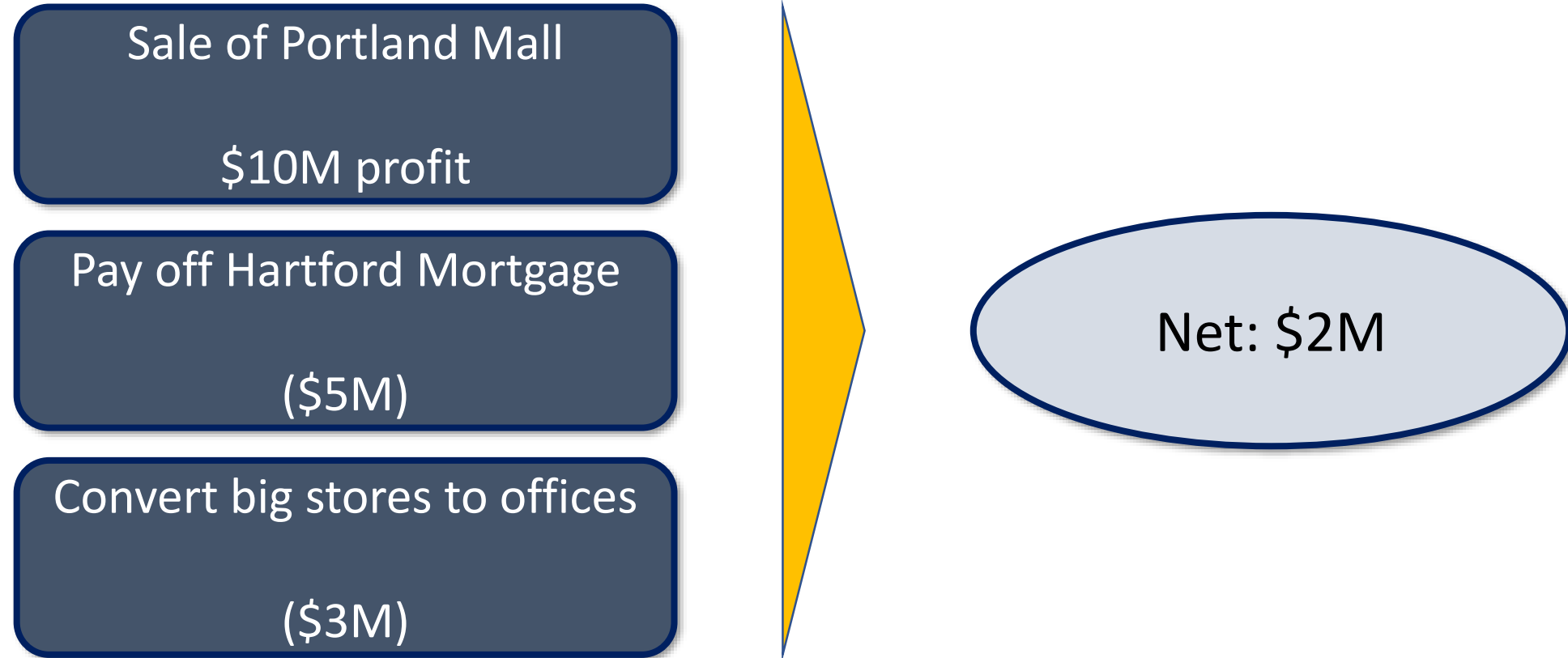
Convert big stores to offices

(\$3M)



Net: \$2M

Major changes



Surplus after sale of property and new office space

Cash flow from Hartford complex

Sale of land for condo	\$20M
Rent from existing stores	\$7.2M/year
Rent from new offices	\$2.4M/year

Future profit: \$20M + \$9.6M/year

Cash flow from Hartford complex

Sale of land for condo	\$20M
Rent from existing stores	\$7.2M/year
Rent from new offices	\$2.4M/year

Future profit: \$20M + \$9.6M/year

Profit from new business plan will increase family wealth

The retail model is changing

**Sell Portland
location**

**Negotiate with
condo
development**

**Revamp
Connecticut**

Thank you!