

ACQUISITION CRITERIA

2013 INVESTMENT STRATEGY Pollack Shores Real Estate Group specializes in value-add acquisitions in its target markets, including but not limited to value-add/rehab deals, the repositioning of core-plus assets, fractured condos, note purchases and joint venture deals. We have headquarters in Atlanta and regional offices in Tampa, South Florida and Charlotte.

TARGET MARKETS PSREG focuses on investment opportunities in Southeastern markets with diverse economies that are poised for growth. Specifically, we target markets with the following characteristics:

High Growth Industries - Markets that have a substantial presence of 3 of the following 5 industries:

- Energy
- Healthcare
- Technology/Engineering
- Financial Services
- Higher Education

Population & Employment Growth – Markets that have experienced (or are projected to experience) significant population growth over the next 3-5 years with a particular focus on markets that have yet to reach prerecession employment levels

Market Size and Affluence – Markets with a minimum greater metro population of 100,000 and submarkets with a median household income of \$50,000 or greater

Market Accessibility – Markets with direct interstate access and airports serviced by 3 or more national airlines

PSREG's current primary markets include Atlanta, Nashville, Charlotte, Raleigh, Tampa, Orlando, and Southeast Florida as well as select secondary markets.

ACQUISITION TARGETS PSREG adjusts its acquisition criteria based on the size of the market. In our primary markets, we seek a broader range of opportunities while narrowing our focus significantly in secondary/tertiary markets. Below is a summary of our acquisition targets according to market size:

Primary Markets

- Value-add acquisition of properties built between '90 and '05 where significant rental gaps exist between subject properties and newer comparable properties
- Opportunistic acquisition of fractured condos, note sales, and/or joint venture interests

Primary and Secondary Markets

- Core-plus acquisition of well-located, stabilized, newer properties ('06 and newer) at a discount to replacement cost

DEAL SIZE PSREG will consider investment opportunities ranging in size from \$15M to large portfolio transactions