



Tate | Rok



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Rok Acquisitions 48 E Flagler Street, PH 105, Miami, Florida 33131 305-377-4921

Tate/Rok Joint Venture

A Private Real Estate Investment Partnership



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THE MARKET OPPORTUNITY

The distressed multifamily and commercial real estate markets, coupled with the severe credit dislocation in the capital markets, have converged to create a unique and unprecedented investment opportunity.

Trepp, a leading provider of CMBS analytics and data to the real estate finance and investment industries, reported that more than \$2 trillion of commercial real estate loans will mature by 2017. It is estimated that more than half of these are "underwater". This means that over \$1 trillion in commercial real estate loans will mature without a clear refinancing strategy.

Due to an underlying decrease in asset value, these loans cannot be refinanced at existing debt levels. The situation is further compounded by the fact that today's lending standards are much tighter than those of the last decade.

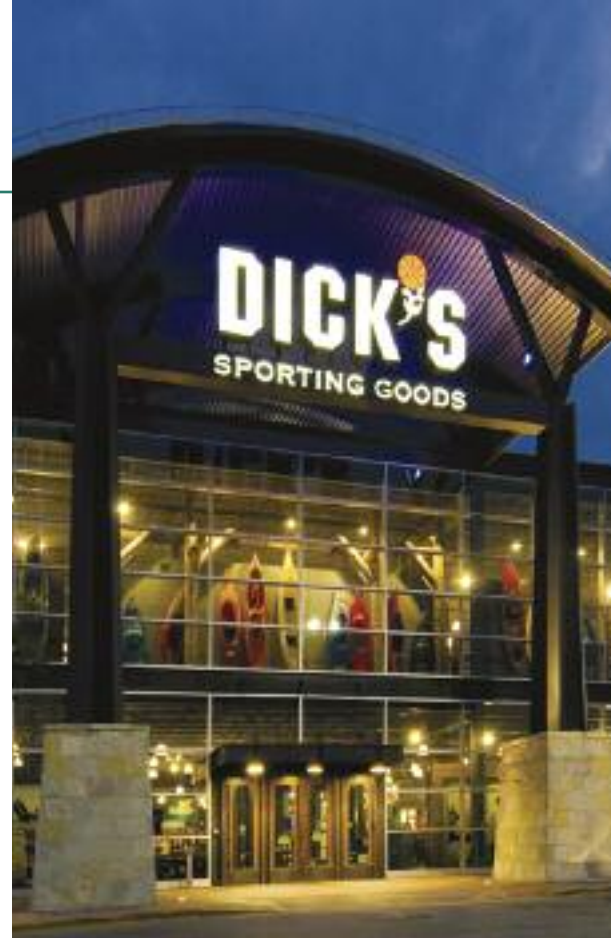
The Tate/Rok joint venture anticipates that it will be able to capitalize on investment opportunities in the non-performing loan arena, as well as the multifamily and commercial real estate markets, over the next three to five years.

The Tate/Rok joint venture is the result of a partnership between two nationally recognized leaders in commercial real estate acquisitions, development and management: Tate Capital, LLC and Rok Acquisitions, LLC.

The Tate/Rok joint venture team has over 100 years of combined experience in real estate acquisitions, development, construction, investing, debt structuring, workouts, management, leasing, and marketing. Members and advisors to the team played a prominent role in working with federal authorities and banks to manage the dissolution of approximately \$400 billion in distressed real estate assets during the REIT crisis in the 1970s and the savings and loan crisis of the late 1980s. Collectively, the members of the team have successfully developed, managed, leased, and/or operated approximately ten million square feet of multifamily, retail and mixed use properties, office buildings, industrial parks, and hotels.

Since 2009, the Tate/Rok joint venture has acquired distressed multifamily and commercial real estate assets throughout the United States with a total market value exceeding \$600 million. These targeted areas present unmatched opportunities due to current market inefficiencies and complexity. The joint venture offers an extensive proprietary, full-service, and turn-key real estate platform.

The Tate/Rok joint venture is actively pursuing opportunistic acquisitions of real estate and real estate related assets in select markets throughout the United States.



Dick's Sporting Goods, Hoover, Alabama

THE TATE/ROK JOINT VENTURE

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INVESTMENT PHILOSOPHY

Tate/Rok is guided by a disciplined investment philosophy and process. Its goal is to source, evaluate, and invest in select income-generating multifamily and commercial real estate properties that are overlooked by less experienced and less opportunistic investors, or that are too large and complex for investors with insufficient resources and infrastructure.

Tate/Rok utilizes advanced risk management techniques and portfolio modeling capabilities to professionally underwrite its acquisitions. Management gained valuable expertise in distressed real estate management through its work during the REIT crisis of the mid-1970s and the savings and loan and housing crises of the late 1980s and early 1990s.

Tate/Rok makes investments that capitalize on market inefficiencies by opportunistically acquiring undervalued property and/or distressed loans; it seeks to maximize recoveries by utilizing long-standing banking, institutional, and governmental relationships. Capital preservation and risk management are the primary objectives of the management team.

Tate/Rok is vertically integrated and has the extensive resources and infrastructure required to source, analyze, value, purchase, service, manage and dispose of real estate properties and assets.



ACQUISITION FOCUS

Tate/Rok targets multifamily and commercial real estate that has been developed in the last 15 years. It may consider properties over 15 years old that have been well maintained and/or have had substantial renovations in the last five years affecting structural and support systems, as well as cosmetic renovations.

PROPERTY SELECTION

Investments are selected based on asset class, loan analysis, diversity and correlations.

Risk Assessment: A stress test of individual properties and/or assets based on simulation analysis involving market scenarios, market absorption, credit spreads, interest rates, etc.

On-going Monitoring: Continuous evaluation of properties and/or assets in terms of risk exposures, investment strategies, and scenario analysis in the context of the current market performance versus observed market conditions.

Exit Scenario Evaluation: On-going evaluation of all possible options including sale, refinance, or other strategies, taking into account timing, local and national market factors, asset class performance, and liquidity trends.

Targeted Transaction Size:

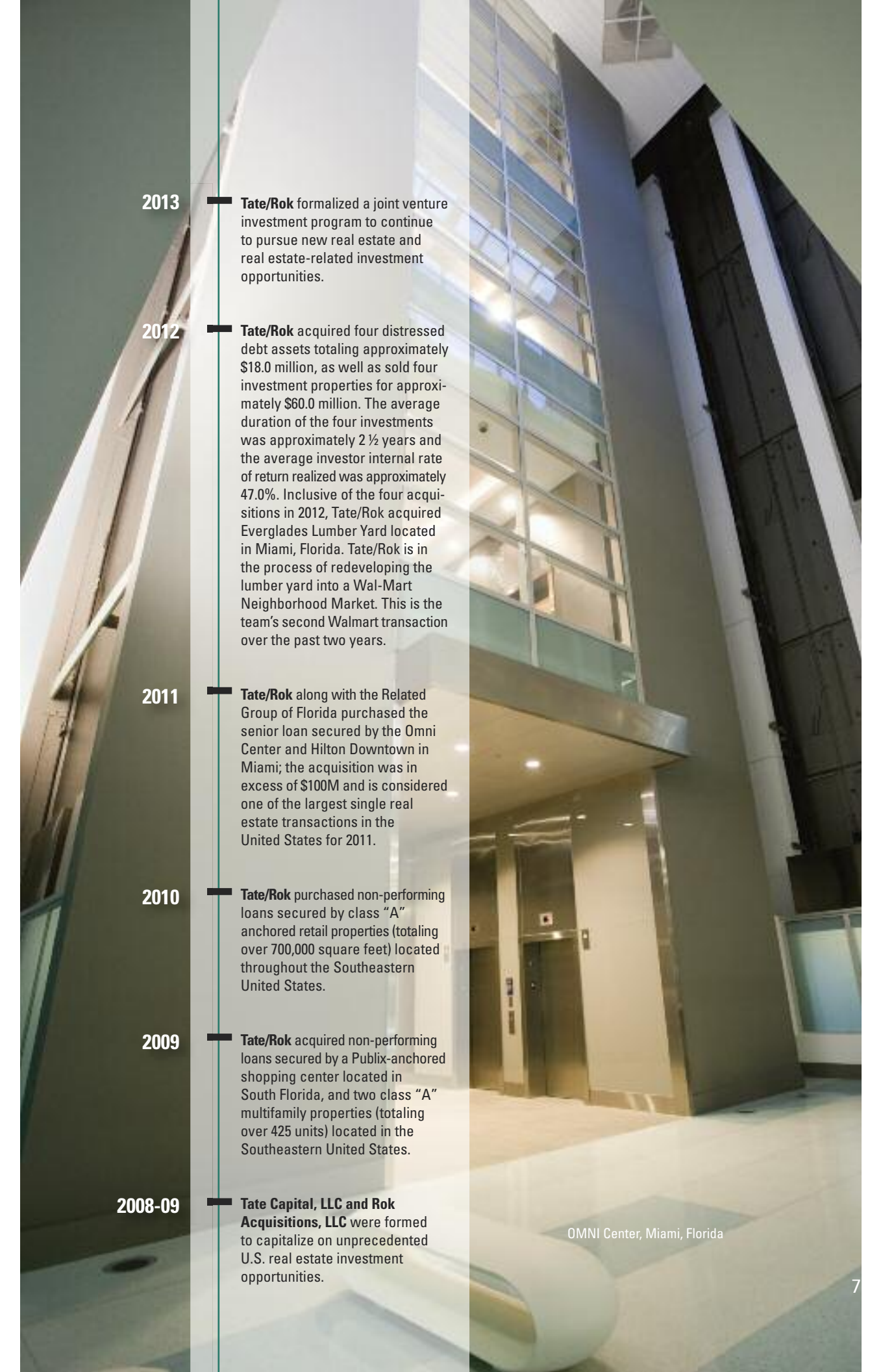
\$5 million to \$250+ million

Deal Type:

- Non-Performing Loans
- REO Investments
- Market Rate Investments

Targeted Property Types:

- Multifamily
- Anchored Retail
- Mixed Use
- Office
- Industrial
- Hotel
- Vacant Land Suitable for Development



2013

Tate/Rok formalized a joint venture investment program to continue to pursue new real estate and real estate-related investment opportunities.

2012

Tate/Rok acquired four distressed debt assets totaling approximately \$18.0 million, as well as sold four investment properties for approximately \$60.0 million. The average duration of the four investments was approximately 2 ½ years and the average investor internal rate of return realized was approximately 47.0%. Inclusive of the four acquisitions in 2012, Tate/Rok acquired Everglades Lumber Yard located in Miami, Florida. Tate/Rok is in the process of redeveloping the lumber yard into a Wal-Mart Neighborhood Market. This is the team's second Walmart transaction over the past two years.

2011

Tate/Rok along with the Related Group of Florida purchased the senior loan secured by the Omni Center and Hilton Downtown in Miami; the acquisition was in excess of \$100M and is considered one of the largest single real estate transactions in the United States for 2011.

2010

Tate/Rok purchased non-performing loans secured by class "A" anchored retail properties (totaling over 700,000 square feet) located throughout the Southeastern United States.

2009

Tate/Rok acquired non-performing loans secured by a Publix-anchored shopping center located in South Florida, and two class "A" multifamily properties (totaling over 425 units) located in the Southeastern United States.

2008-09

Tate Capital, LLC and Rok Acquisitions, LLC were formed to capitalize on unprecedented U.S. real estate investment opportunities.

OMNI Center, Miami, Florida

TATE/ROK INVESTMENT APPROACH

Management conducts rigorous quantitative, statistical, and qualitative analyses of possible investments utilizing customized models and systems. The few properties and/or assets that survive the initial process are targeted for further, more precise investigation. The ultimate goal of the process is to provide a portfolio of superior properties and/or assets which is diversified across property types and class, and geographic market. Management follows a logical path to ensure sound investments, including sourcing, property review, core due diligence, investment approval, and post-investment refinements and updates.



SOURCING

Tate/Rok utilizes strong, industry-wide relationships with local, regional, and national lenders, institutional providers, and governmental agencies. It also calls upon a vast, nationwide network of brokerage and advisory relationships, as well as research databases, proprietary industry lists, industry journals, and public records.

PROPERTY REVIEW

Prior to an acquisition, potential investments undergo an initial review process, which may include property visits, market and comparable property analyses, historic performance review, and loan re-underwriting assessments. The review phase is used to develop a deep understanding of the real estate and/or loans, as well as all pertinent legal documentation.



Top: Rave Cinemas, Hoover, Alabama. Bottom: DSW, Hoover, Alabama



Chase Bank Branch, Phoenix, Arizona

CORE DUE DILIGENCE

Core due diligence includes: (1) review of the property and/or asset data, including financial, local, legal, and market information; (2) stress testing and scenario analyses appropriate for risk management; (3) title searches and documentation; (4) third party valuations; (5) property inspections, including detailed physical, environmental, and engineering reports as needed; and (6) reviews of the local economy and demographics, neighborhood economics and trends, qualitative and quantitative analyses of market competition, area rates, vacancies and market position.

INVESTMENT APPROVAL

An acquisition requires senior management review and advisory committee approval conducted according to a formal investment committee process. A majority approval of the investment committee is required in order to invest in any real estate or real estate-related asset.

POST-INVESTMENT REVIEW

Following acquisition, investments are subject to monthly surveillance and reports with an on-going comparison of results to objectives and updating of the portfolio correlation analysis and the market/comparables analysis. A continuous post-investment review process monitors risk and adherence to risk limits and guidelines. Value enhancements are considered and reviewed throughout ownership. Exit scenarios are also monitored. On-going review enables management to respond as needed to market and financial realities and opportunities to enhance and maximize returns.

PROPERTY MANAGEMENT

The joint venture provides the potential for value-added returns based on strong, disciplined real estate management, leasing, and marketing. The joint venture team has unsurpassed expertise in creating and implementing a management approach that will successfully invigorate the income streams and value of individual portfolio investments. The management plan is designed prior to completion of an acquisition so that it can be immediately executed upon closing. Depending on the location and property type, management may be delegated to a third-party, handled directly, or kept in place through an arrangement with the existing staff. Due to the critical nature of management in achieving value-added returns, the joint venture maintains tight supervision over every aspect of property management and operations.

THE TATE STORY

The Tate family has been a prominent force in shaping the real estate industry for over 58 years. Stanley Tate, the Founder of Tate Enterprises, served as the Southeast Regional Director of the Resolution Trust Corporation (RTC) and was subsequently nominated by former President Clinton to serve as its Chief Executive Officer.

Tate Enterprises has been instrumental in shaping the real estate landscape in Florida, Texas, the Carolinas, the northeastern United States, and the Caribbean. To date, the company has provided homes for more than 10,000 residents and has developed, constructed, and managed apartment buildings, single-family homes, shopping centers, office buildings, condominiums, schools, churches, hotels, and warehouses in Florida in excess of a several billion dollars.

Driven by innovation, vision, and sound business discipline, Stanley Tate and sons James and Kenneth are recognized as an elite group in the real estate field. They are considered to be expert developers, property managers, and marketers. As a result, they are often appointed as receivers and custodians by the State and Federal Court systems and the U.S. Government to protect the value of various types of repossessed real estate assets. Moreover, the Tate principals are called upon from time to time to provide expert testimony before Congress and other Federal agencies. They are also active corporate citizens, providing expertise and service on numerous boards of directors of leading public and private corporations, associations, and non-profit organizations. Throughout the years and changing market conditions, the Tate family has developed valuable insight and unmatched expertise. They have learned how to react successfully to evolving environments, always applying innovative solutions to capitalize on new market opportunities.



THE JOINT VENTURE LEADERSHIP

THE ROK STORY

Beginning with Natan Rok, the Rok name has become synonymous with the emergence of Miami, Florida into a world-class center of commerce and the arts. An emigrant from Cuba, Natan Rok arrived in Miami in 1964 and opened a modest retail business on historic Flagler Street. He and his son, Sergio, who joined the business in 1983, envisioned the area's future as a true hub of cultural and commercial vibrancy. Together they parlayed the business into a real estate empire centered on the core of the city. The Rok organization set the trend for modernization while maintaining a property's unique character and historical charm. They also pioneered the practice of subdividing commercial properties into small retail spaces, despite predictions the idea would fail. Along with their real estate activities, the Rok organization purchased a controlling interest in TransAtlantic Bank and spent the better part of the 1990's growing the bank's business.

In 2004, Sergio Rok succeeded his father as head of Rok Enterprises and guided the turnaround and eventual sale of Transatlantic Bank to one of the largest banks in Spain. Mr. Rok has built his own reputation for real estate prowess and business acumen. In the footsteps of his father, he has continued to make significant investments and build the Rok portfolio of properties. Considered a heavy hitter among commercial real estate property owners, Mr. Rok has been integral to some of the city's biggest deals, blending a rare talent for negotiation with keen insight into the hands-on mechanics of the retail and financial services sectors. In 2009, Rok Acquisitions, LLC was formed to leverage the Rok organization platform and resources to pursue new real estate and real estate related opportunities. Rok Acquisitions, LLC has been involved in some of the largest real estate related transactions in the Southeast.



Coral Landings II

Address: 6270 W Sample Road
 City, State: Coral Springs, Florida
 Property Type: Anchored Retail
 Year Built: 2008
 Square Footage: 102,786
 Anchors: Publix & Baptist Urgent Care
 Acquisition Type: Senior Note
 Acquisition Date: 04/2009
 Loan Balance at Closing: \$25,716,000
 Purchase Price: \$14,500,000
 Disposition Date: 12/2012
 Price Sold: \$23,150,000
 Investor IRR: 28%



The first mortgage was acquired on Coral Landings II in April 2009. The Publix and Baptist Health Urgent Care Center anchors are located in a suburb of Fort Lauderdale. Built in 2008, the shopping center is comprised of 3 buildings totaling 102,786 square feet. A deed-in-lieu of foreclosure was negotiated with the borrower immediately after closing. The property was then quickly leased up and stabilized. Additionally, a vacant outparcel was ground leased to Chase Bank and sold. The remaining property, including the Publix and Baptist Health anchors, was then sold in December 2012.

Alta Surf

Address: 101 Breakers Drive
 City, State: Myrtle Beach, South Carolina
 Property Type: Multifamily
 Year Built: 2007
 Square Footage: 208,752
 Units: 216
 Acquisition Type: Senior Note
 Acquisition Date: 09/2009
 Loan Balance at Closing: \$19,400,000
 Purchase Price: \$11,700,000
 Disposition Date: 12/2012
 Price Sold: \$17,000,000
 Investor IRR: 34%



The first mortgage on Alta Surf was acquired in April 2009. Alta Surf was built in 2007 and consists of a 216 unit Class "A" apartment complex located in Myrtle Beach, South Carolina. A deed-in-lieu of foreclosure was negotiated with the borrower immediately after closing. The property was refinanced with Freddie Mac approximately 5 months after obtaining the deed. The property was sold in December 2012.



Botanica Apartments

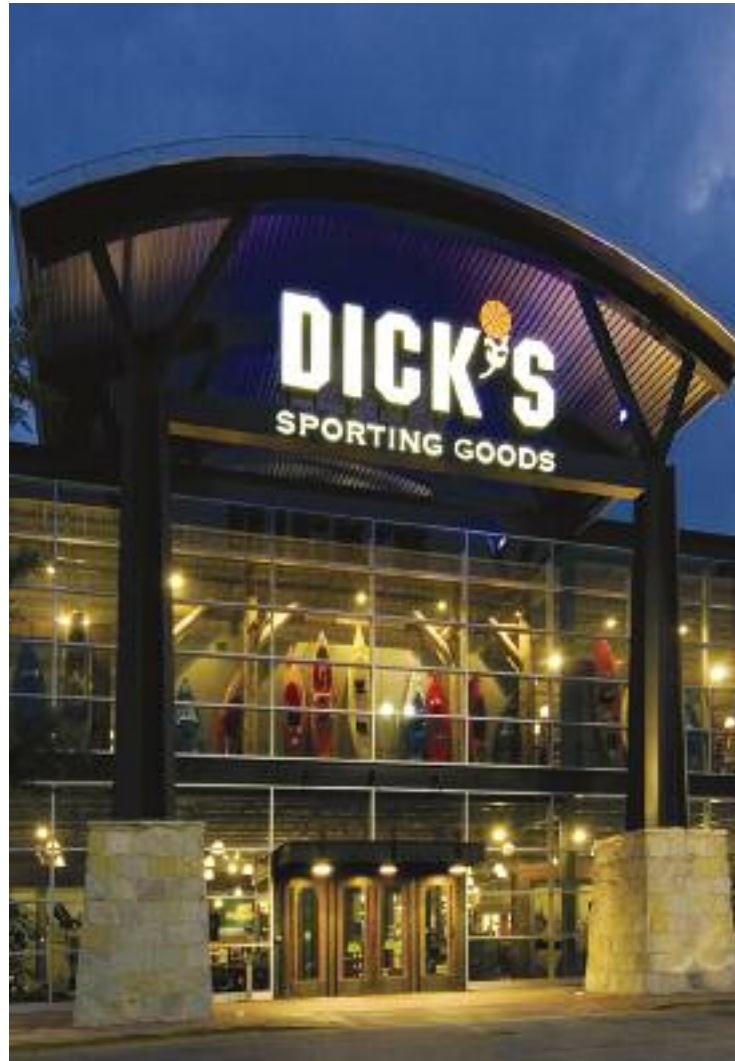
Address: 100 St. Ann Drive
 City, State: Mandeville, Louisiana
 Property Type: Multifamily
 Year Built: 1999
 Square Footage: 240,588
 Units: 228
 Acquisition Type: Senior Note
 Acquisition Date: 09/2009
 Loan Balance at Closing: \$27,787,000
 Purchase Price: \$17,000,000
 Estimated Market Value: \$26,600,000

The performing first mortgage on Botanica Apartments was acquired in September 2009. Botanica Apartments is an institutional quality Class "A" apartment complex located outside of New Orleans, LA. The property was built in 1999 and renovated in 2006. A deed-in-lieu of foreclosure was negotiated and the deed was obtained at loan maturity (approximately 11 months after purchase of the loan). Since takeover, the occupancy rate has increased from 75% to 95%.

Patton Creek Shopping Center

Address: 4400 Creekside Avenue
 City, State: Birmingham, Alabama
 Property Type: Anchored Retail
 Year Built: 2004
 Square Footage: 512,871
 Anchors: Dick's Sporting Goods,
 Rave, Motion Theatre,
 Barnes & Noble, DSW,
 Ross, Buy Buy Baby,
 Christmas Tree Shops

Acquisition Type: Senior Note
 Acquisition Date: 03/2010
 Loan Balance at Closing: \$68,000,000
 Purchase Price: \$46,250,000
 Estimated Market Value*: \$75,000,000



The lead agent's share of the first mortgage secured by Patton Creek Shopping Center was acquired in March of 2010. Patton Creek is located in the city of Hoover, a submarket of Birmingham, Alabama and is a Class A retail power center. The property is anchored by Dick's Sporting Goods, Rave Motion Theatre, Barnes & Noble, DSW, Ross, and Buy Buy Baby. A deed-in-lieu of foreclosure was negotiated and the deed was obtained in less than one month. Within three months of obtaining the deed, leases were executed with Buy Buy Baby and Christmas Tree Shops to occupy the two vacant boxes (former Circuit City and Linens N Things), all outstanding co-tenancy issues were resolved and the property was stabilized. Six months after closing the property was refinanced with long term CMBS debt.

* The Market Value is based upon knowledge of the market.

Pecan Promenade

Address: 9850 West Lower Buckeye Road
 City, State: Phoenix, Arizona
 Property Type: 124,407
 Year Built: 2006
 Square Footage: 124,407
 Anchors: Target Shadow Anchor, Ross,
 Fashion Bug, Famous Footwear,
 Dollar Tree, LA Fitness

Acquisition Type: Senior Note
 Acquisition Date: 09/2010
 Loan Balance at Closing: \$24,600,000
 Purchase Price: \$15,250,000
 Estimated Market Value*: \$23,000,000



The first mortgage secured by Pecan Promenade was acquired in September of 2010. Pecan Promenade consists of an approximately 124,407 square foot retail shopping center shadow anchored by Target. The property was built 2006 and is comprised of 5 buildings. The retail center is anchored by Ross, Dollar Tree, Kirkland's, Famous Footwear, and Fashion Bug. A deed-in-lieu was negotiated with the borrower immediately after closing. Since taking control of the property, two out parcels were sold, a lease was signed to develop and rent a 30,000 square foot space to LA Fitness and the property was refinanced.

Shoppes at Cary Creek

Address: Northeast Corner of University
 Drive and North College Street
 City, State: Auburn, Alabama
 Property Type: Grocery Anchored Retail
 Year Built: Being Built
 Square Footage: 63,100
 Anchors: Publix
 Investment Type: Mezzanine Loan
 Loan Date: 04/08/2011
 Loan Amount: \$1,500,000
 Interest Rate: 20.0%



A mezzanine loan was provided on Shoppes at Cary Creek, a to-be-built 63,100 square foot Publix grocery anchored retail center located in Auburn, Alabama. The property is located at the northeast corner of University Drive and North College Street.

* The Market Value is based upon knowledge of the market.



McKay's Mill Village

Address: 1400 Liberty Pike
 City, State: Franklin, Tennessee
 Property Type: Grocery Anchored Retail
 Year Built: 2005
 Square Footage: 78,504
 Anchors: Publix
 Acquisition Type: Senior Note
 Acquisition Date: 12/2010
 Loan Balance at Closing: \$13,617,000
 Purchase Price: \$10,600,000
 Disposition Date: 12/2012
 Price Sold: \$16,025,000
 Investor IRR: 49%

The first mortgage on McKay's Mill Village was acquired in December 2010. McKay Mill Village was built in 2005 and consists of an approximately 78,504 square foot Publix grocery anchored shopping center, including a Walgreens outparcel. The property is located in Franklin, Tennessee which is a submarket of Nashville. The deed was successfully obtained from the borrower within less than a month of closing on the loan. The property was sold two years later in December 2012.



OMNI Center & Hilton Downtown

Address: 1501-1701 Biscayne Boulevard
 City, State: Miami, Florida
 Property Type: Mixed Use
 Year Built: 1978
 Square Footage: 1,500,000
 Anchors: 527-Room Hilton Hotel, Miami Art Institute, GSA
 Acquisition Type: Senior Note A
 Acquisition Date: 05/2011
 Note A Balance at Closing: \$159,853,740
 Purchase Price: \$100,000,000
 Note Payoff Date: 09/2011
 Investor IRR: 180%

Tate Capital, Rok Acquisitions and The Related Group acquired the Note A position of the first mortgage secured by the OMNI Center & Hilton Downtown, a large mixed use property, located in Miami, Florida. The Tate/Rok/Related partnership secured a \$75 million debt component from an institutional lender to acquire the Note A asset. The Omni property is located in the downtown neighborhood of Miami and consists of an approximately 1.5 million square feet of office, hotel (an existing 527-room Hilton), vacant retail space, a 2,700 space parking garage and rights to develop 5,000 residential units. About 4 months after closing on Note A, an affiliate of The Genting Group purchased the junior Note B position and exercised their option to buy Note A at par value.



NoBe Bay & Parking Garage

Address: 6700 Indian Creek Drive
 City, State: Miami Beach, Florida
 Property Type: Residential Condo and Parking Garage
 Year Built: 2009 (80% Complete)
 Units: 98
 Parking Garage Spaces: 453
 Ground Floor Retail SF: 7,610
 Acquisition Type: Senior Note
 Acquisition Date: 06/2011
 Purchase Price: \$X
 Sold Contract: \$X
 Equity Invested: \$X
 Net Profit: \$X

Tate Capital & Rok Acquisition executed a contract with the seller to acquire the first mortgage on NoBe Bay & Indian Creek Parking Garage. The property contains a partially complete 98 unit condominium tower and a separate 6 story parking garage. The property is located at 6700 Indian Creek Drive, Miami Beach, Florida. Prior to closing, the venture sold the contract for a substantial profit. Terms of the deal are under a confidentiality agreement.

Riverstone Shoppes

Address: 7251 North State Road 7
 City, State: Parkland, Florida
 Property Type: Retail Shopping Center
 Year Built: 2004
 Square Footage: 61,758
 Acquisition Type: Senior Note
 Acquisition Date: 10/2011
 Note Balance at Closing: \$13,051,000
 Purchase Price: \$5,450,000
 Restructured Loan Amount: \$10,000,000



The first mortgage secured by Riverstone Shoppes was acquired in October 2011. Riverstone Shoppes was built in 2004 and consists of an approximately 61,758 square foot retail center located in Parkland, Florida. The note, a CMBS loan, was purchased within 10 days of contract. Shortly after closing on the note, financing for approximately 50 percent of the note purchase price was obtained and the non-performing loan was restructured with the existing borrower.



BB&T Ground Lease & Vacant Parcel

Address: 3055 NE 8th Street
 City, State: Homestead, Florida 33033
 Property Type: Ground Lease & Vacant Parcel
 Eastern Parcel: BB&T Bank Ground Lease
 Year Built: 2008
 Lease Term: 10 Year lease with 4-5 Year Options
 Acres: 1.20
 Western Parcel: Vacant Parcel
 Acres: 1.29
 Zoned: PUD, Planned Unit Development
 Acquisition Type: Senior Note
 Acquisition Date: 12/2011
 Note Balance at Closing: \$3,500,000
 Disposition Date: 12/2012
 Purchase Price: \$1,435,000
 Investor IRR: 77%

A non-performing loan which consists of two notes, secured by a BB&T Bank ground lease and a vacant land parcel in Homestead, Florida, was acquired in December 2011. The non performing loan was successfully restructured with the borrower. As part of the restructured deal, the borrower had an option to purchase the loan after one year. The borrower chose to exercise their option and purchased the loan just over one year from the original purchase date of the loan.

Deals (subsidiary of Dollar Tree)

Address: 6991 S.W. 8th Street
 City, State: Miami, Florida 33144
 Property Type: Single Tenant Retail
 Square Footage: 10,341
 Acquisition Type: Senior Note
 Acquisition Date: 06/2012
 Estimated Project Costs: \$2,100,000



The Dollar Tree property was acquired in June 2012. The investment consisted of purchasing a non-performing loan secured by a vacant single story building in Miami, Florida. Shortly after closing on the loan, a deed-in-lieu of foreclosure was negotiated with the borrower and the deed was obtained. Once the deed was obtained, the Dollar Tree lease was recorded and became effective. The property was successfully repositioned into a single tenant retail.

Tate | Rok RECENT TRANSACTIONS

Miami Walmart Neighborhood Market

Address: 6991 SW 8th Street
 City, State: Miami, Florida 33144
 Property Type: Anchor Retail Development
 To Be Built: 2013



Pep Boys Auto

Address: 10660 SW 40th Street
 City, State: Miami, Florida 33165

Tate Capital, Rok Acquisitions and Rialto Capital Management purchased a non performing loan secured by a former lumber yard in Miami, Florida. Additionally, the loan was collateralized by a second and third mortgage secured by a Pep Boys Auto Center outparcel in another area of Miami, Florida. The venture successfully negotiated a deed-in-lieu with the existing borrower, paid off the first mortgage on the Pep Boys Auto Center and obtained the deed to both properties. Tate/Rok/Rialto chose to develop the former lumber yard and signed a long term ground lease with Walmart. The redevelopment of the site will include a 54,000 square foot Walmart Neighborhood Market and an additional approximate 6,000 square feet of retail space.

Greer Plaza

Address: 805 West Wade Hampton Boulevard
 City, State: South Carolina 29650
 Property Type: Grocery Anchored Retail
 Year Built: 1973, Renovated 2012
 Square Footage: 127,081
 Shadow Anchor: Belk
 Anchors: Walmart Neighborhood Market, Big Lots, Badcock, Dollar General
 Acquisition Type: Senior Note
 Acquisition Date: 06/2012
 Estimated Project Costs: \$2,100,000



Greer Plaza is an anchored shopping center built in 1973 that contains 127,081 square feet. The property is shadow anchored by a 60,900 square foot Belk. In 2012-2013, approximately \$2,000,000 worth of improvements was completed to the property. A new 15-year lease with Walmart Neighborhood Market was negotiated. Walmart will occupy a 45,364 square foot retail box that was formerly leased to Winn-Dixie. Scheduled opening date is January 2013.