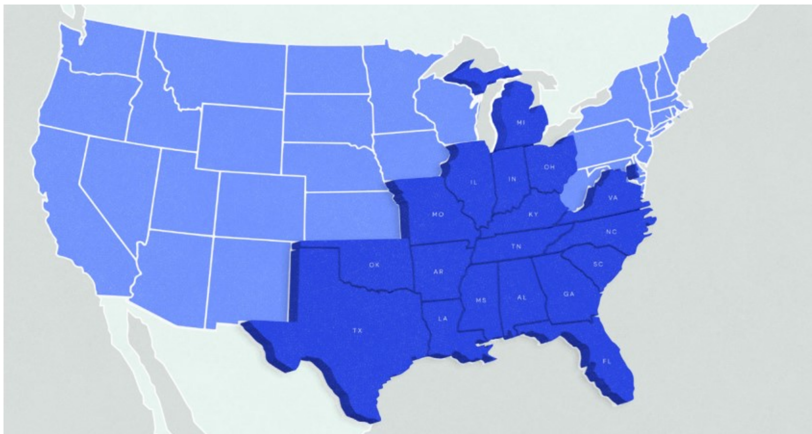
PMAT Companies

<u>ACQUISITION CRITERIA</u>

- PMAT acquires value-add shopping centers across the Southeast, Sunbelt, Midwest and into the Mid-Atlantic and Carolinas.



<u>Platform Background and Criteria:</u>

We are VERY active buyers have transacted on nearly **$500M in the last 4 years**. For your convenience, I will provide both a detailed description of our platform's criteria and a simpler bullet point review thereafter.

We have **invested in over 5,000,000 square feet** of primarily grocery anchored shopping centers across the Southeast, Sunbelt, Carolinas, Mid-Atlantic, and Midwest since that time including a **combined capital markets experience of over $1,000,000,000** of acquisitions and dispositions.

We have several strategies for our various capital buckets. We are primarily **anchored retail redevelopment and releasing specialists**. Our initial primary focus was on grocery anchored centers including experience with such grocers as Publix, Kroger, Winn Dixie, Lowes Foods, Food Lion (Delhaize), Giant (Ahold), Sweetbay, and Bravo. We also frequently purchase well-located, **<u>first tier</u>** anchored (TJ Maxx equivalent quality) power centers with similar "value-add" components. Recently, we have also begun to acquire more stabilized power centers when we can produce an unlevered yield in the 9% range minimum.

Our typical business plan is to recapitalize anchored retail assets with funds available to address deferred maintenance, to renovate the site and building, and to provide TI/LC for leasing. Frequently, we also negotiate new/extended leases with the anchor tenant(s) in conjunction with a remodel or construction of their new prototype on site or bring in a new/additional anchor tenant.

We also target high quality assets that are of newer vintage that are REO or were previously purchased from Lender by a group focused on opportunistic financial situations. Once the basis has been reset, we will reenergize these assets that have stagnated due to a history of rents disconnected with market realities and overburdened ownership not focused on the "real estate play" of the individual asset.

We operate in a **middle market playing field (typically $10 to +50M transaction size) in secondary markets (typically suburbs surrounding top 50 metros)** where we are insulated from competition with institutional capital as well as smaller local owners. We are experienced and entrepreneurial real estate operators with deep tenant relationships and a solid reputation in the industry, and we are well capitalized to continue our growth.

<u>Simple Bullet Point Summary of Criteria:</u>

Our platforms for anchored retail assets only:

- Value add – anchored with low 80% leased or less
- Stabilized – 90-100% occupied, but expected to trade at a **cap rate of 9.00% or more** MINIMUM on true in place income after AR, at risk tenants at the center (lower sales), and corporate risk tenants are removed
- Opportunistic – vacant or soon to be vacant anchor in a strong market where we can garner tenant interest from our relationships
- We transact on a minimum deal size at least approaching $10,000,000, and we have no maximum; however, we have transacted as low as $5,000,000 for the right deal (but this is VERY rare).
- We transact on secondary, not tertiary markets—typically 100K minimum in a 5-mile, but we have deviated somewhat for the right opportunity in super regional trade areas. We cannot consider markets with under 50K in a 5 mile radius. The roster of potential tenants are simply too "thin" in a situation where we need to backfill space.

Approved scenarios:

- Short term anchor roll – if good sales or if strong PMAT relationship
- Anchored but additional anchor space available
- Significant small shop space vacancy
- Significant capex needs