

FEDERATEDEQUITIES

COMPANY OVERVIEW GUIDE - FALL/WINTER 2013

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ABOUT US

Federated Equities is a national real estate investment group located in Miami, Florida. The Company is a vertically integrated organization that is a leader in the acquisition, development, construction, and management of commercial real estate and multifamily apartment communities.

Founded in 1999, the Company has successfully navigated several market cycles, demonstrating program flexibility and disciplined investing. The Company has acquired and repositioned nonperforming assets and profitably executed value add strategies. In addition to its traditional investment objectives, Federated Equities strives to maintain a competitive edge in the marketplace while balancing environmental, economic, and social objectives.

With its beginnings in multifamily, in 2004 the Company, reacting to an increasingly expensive multifamily landscape, set its sights on the retail asset class and successfully developed property for many of the Nation's largest restaurants, retailers, and financial institutions. Approaching the economic downturn, the Company successfully disposed of its retail holdings at top of the market prices and utilized its cash positions to opportunistically purchase land in an illiquid market. The Company was a prolific buyer of apartment land throughout the downturn and was well positioned to capitalize on the surge in land values as the development market rebounded and apartments became the asset class of choice for astute investors. In the years after the downturn, the Company was able to leverage its successes and its strong balance sheet to develop or redevelop multifamily apartment communities valued in excess of one hundred million dollars and today the Company's future development pipeline is valued at over three hundred million dollars and consists of more than fifteen hundred apartment units and over one hundred thousand feet of retail space.

Federated Equities has a proven ability to generate consistent returns for its investors and possesses an intimate understanding of the development process, from land planning and construction to project leasing and disposition. Our reputation for integrity, general expertise, tactical flexibility, and superior quality has been the cornerstone of our success, giving our partners, lenders, and investors confidence in our ability to fulfill our commitments and exceed all expectations.

SENIOR MANAGEMENT

Federated Equities believes that people are our most important asset, and we have developed a dynamic and high-performance work environment, sourcing the best and brightest talent in the marketplace. The Company's incentive compensation programs create accountability and allow our workforce to share in the organization's successes. Our workplace safety and training programs underscore our commitment to the overall success and wellbeing of our staff.



Jonathan Cox, Founder / Chairman

Jonathan founded Federated Equities in 1999 with the intent of creating a vertically integrated organization capable of developing and constructing institutional quality assets while maintaining the agility and cost controls of an entrepreneurial organization. Jonathan previously worked as an Engineer at Verizon Communications, where he was responsible for the design and construction of the Company's outside plant and central office networks. He has since been

involved in the acquisition, management, development, and construction of retail, office, and multifamily assets spanning from Maine to Florida, and possesses a thorough understanding of the development and construction process. Jonathan was a longtime Member of the Haverhill, Massachusetts CBD Parking Commission and the Washington Street Historic District Commission. Both groups were responsible for overseeing what is widely recognized as one of the finest examples of Queen Anne period industrial architecture in America. Jonathan is currently a member of the Urban Land Institute, International Council of Shopping Centers, and sits on the Board of Directors of the National Multi Housing Council.



Nick Wexler, Chief Executive Officer

Nick brings to Federated Equities comprehensive development and finance background. He graduated with honors from Vanderbilt University, where he obtained a degree in economics. Nick went on to work as a financial analyst for Enron Corporation and came to Federated Equities from Ocean Atlantic Associates, where he was a Partner and Executive Vice-President. During his tenure at Ocean Atlantic, the company successfully completed residential and commercial

projects in the United States and Eastern Europe valued at over five hundred million dollars and consisting of a diverse range of housing, retail, and office assets in both urban and suburban environments. Nick is active in the community, sitting on the fundraising board of the Lewes Canal Front Park. He is also a member of the Urban Land Institute, the International Council of Shopping Centers, and sits on the Board of Directors of the National Multi Housing Council.

THIRD-PARTY ADVISORS

Navigating change in the business, regulatory, tax, and legal landscape is an ongoing challenge for business and property owners. Federated Equities supplements staff time and expertise with the extensive experience and specific practice area focus of some of the world's leading advisory groups. In collaboration with these trusted business advisors, we are able to identify and deliver added value and make insightful and informed decisions for optimal business outcome.

CohnReznick, Accounting and Tax Advisory

With origins dating back to 1919, CohnReznick is the 11th largest accounting, tax and advisory firm in the United States, combining the resources and technical expertise of a national firm with the hands-on, entrepreneurial approach that today's dynamic business environment demands. CohnReznick serves a number of industries including real estate, construction, private equity, and venture capital and offers specialized services for Fortune 1000 companies, owner-managed firms, international enterprises, government agencies, not-for-profit organizations, and other key market sectors. Headquartered in New York, NY, CohnReznick serves its clients with more than 280 partners, 2,000 employees and 25 offices nationwide. The firm is a member of Nexia International, a global network of independent accountancy, tax, and business advisors.



For more information please visit www.cohnreznick.com.

Akerman Senterfitt, Business Consulting and Legal Counsel

Akerman was founded in 1920 and is a leading transaction and trial law firm known for its core strengths in middle market M&A, financial services, and real estate. As one of the one-hundred largest law firms in the United States, and with a diverse and growing Latin American presence, the firm is able to offer innovative and pragmatic solutions and service across a broad spectrum of practice areas. The firm is comprised of over five-hundred and fifty attorneys in more than twenty offices nationwide. Akerman Senterfitt's corporate headquarters is located in downtown Miami, FL.



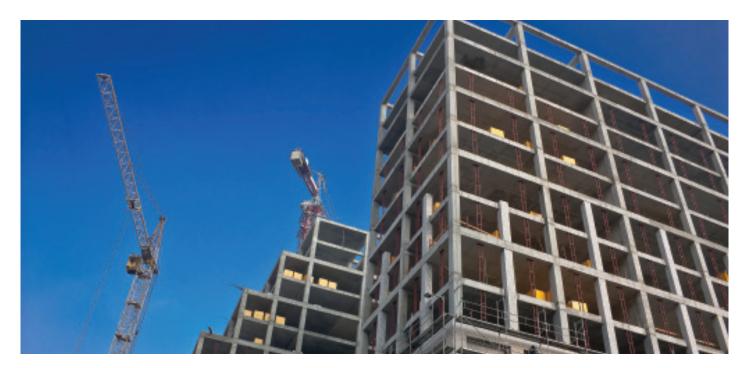
For more information please visit www.akerman.com.

DEVELOPMENT

From land planning through leasing, Federated Equities dedication to excellence allows us to deliver a superior project that enhances the quality of life in the communities that we serve. Our commitment to quality, sustainability, and value is apparent through our entire range of products. From office to retail to multifamily, our vertically integrated program allows us to deliver a premium product at a competitive price point. Our ability to leverage both our entrepreneurial capabilities and our institutional processes creates unsurpassed value for our investors.

As one of the eastern region's most active developers, we regularly navigate a complex permitting environment and are accustomed to project complexities including land assemblage, historic preservation guidelines, and adaptive reuse of functionally obsolete structures. Federated Equities is a federal Energy Star Partner and all of our projects are built to exceed Energy Star program specifications in an effort to lower utility consumption and reduce our energy dependency.

Federated Equities approach to development involves sophisticated market analysis and site selection, complex project planning, a practical approach to construction management, and a technologically intensive leasing and management program. The end result is a product that will remain competitive in its market segment for years to come.



ACQUISITION

As part of our strategy to compliment our existing assets and to build a diversified portfolio of real property, we are actively acquiring institutional-quality commercial real estate and multifamily communities in primary and secondary markets within the continental United States. Our acquisition program is primarily focused on high barrier to entry markets plagued by significant supply constraints and benefitting from out-sized market demand. Through perseverance and guided by our sophisticated market analysis, we are able to identify acquisition opportunities that adhere to our current investment criteria. Our construction capabilities allow us to effortlessly complete large scale renovations, and our management program allows us to achieve optimal asset performance.

Federated Equities has demonstrated success in acquiring, repositioning, and managing commercial real estate and multifamily assets. At a time when many investors are struggling with legacy issues, the Company operates with a well-capitalized balance sheet and is well positioned to take advantage of current market opportunities.



 $In \ an \ effort \ to \ advantageously \ redeploy \ capital, we periodically \ review \ our \ portfolio \ and \ dispose \ of \ assets \ that \ no \ longer \ meet \ our \ long \ term \ investment \ goals$

To obtain a complete list of assets currently being offered for sale, please contact us at (800)-523-7137

MANAGEMENT

Federated Equities is a full-service investment management firm that believes a strong focus on operations is the key to realizing consistent, stable investment returns. As a trusted advisor, we work diligently to create and maximize the value of our managed assets. Our partnerships with tenants, vendors, contractors, and suppliers allow us to manage each project effectively and efficiently and to optimize program cash flow.

Our Asset Managers, who form the cornerstone of our management program, are supported by our internal construction, purchasing, finance, and human resources staff, as well as our sophisticated and knowledgeable corporate leadership team.

Tenant satisfaction and retention remain our first priority. We believe that this foundation is a significant contributor to long term property performance. Our other goals include optimizing rent and occupancy levels, minimizing bad debt, reducing controllable expenses, and preserving and improving the physical asset while creating and maintaining a safe, affordable, and attractive environment.





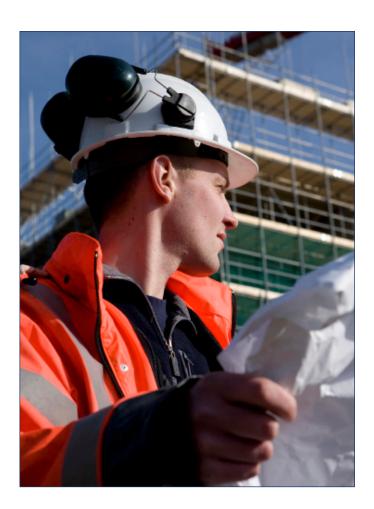






CONSTRUCTION

With dozens of successfully completed office, multifamily, and retail construction projects, Federated Equities has demonstrated an ability to manage complex projects with a fundamental yet sophisticated approach. Decades of construction experience, coupled with an intimate knowledge of the latest construction trends, allow our organization to deliver a top quality product at an attractive price point. From cost analysis, value engineering, and purchasing, to supervision of field operations and coordination of subcontractors, suppliers, and consultants, each function is carried out reliably and efficiently. Our construction management and general contracting programs operate while adhering to three primary principles: Quality, Safety, and Sustainability.











CONSTRUCTION







QUALITY

We are committed to establishing quality as a strategic, competitive advantage. This is achieved through the continued improvement of the processes that are used to deliver our products and services, and by meeting the highest level of performance and ethical standards. This allows us to deliver a well- constructed building that exceeds the expectations of our partners, investors, and tenants. Customer satisfaction remains the ultimate benchmark of our successes.

SAFETY

record safety speaks for itself. With one of the lowest incident rates in the industry, we will not rest until we have achieved perfection. Workplace safety begins with our proactive safety program; a thorough, informative, and documented well training application. However, it doesn't end there. Our program is successful because of our employees; a workforce that understands the importance of working safely and protecting coworkers and pedestrians so that we can all return home to our families and friends at the end of the day.

SUSTAINABILITY

Federated Equities is member of the United States Green Building Council and a federal Energy Star Partner. Our focus on life cycle costing and energy efficiency allow us to maximize our investment returns, and the use of recycled and reusable materials reduces construction waste. The Company's commitment to sustainability is an integral of our culture, and part social we recognize the and economic benefits implementing sustainable construction practices.

PHILANTROPHY



Federated Equities has partnered with organizations around the country in an effort to improve quality of life and promote social and economic change. Our development projects have created thousands of permanent and temporary full-time and part-time jobs, and our apartment communities raise the standard of living for our residents, many of whom earn wages significantly below the median income.

Federated Equities will construct, on a pro-bono basis, any low, moderate, workforce, or other incomerestricted multifamily or mixed-use project for a qualified, not-for-profit developer. In doing so, the company hopes to fulfill its goal of increasing the availability of high-quality affordable rental housing and improving the lives of those less fortunate.

DISCLAIMER

The information contained herein has been prepared solely for informational purposes. Under no circumstances should this information be considered as an offer to sell, or a solicitation of an offer to buy, any security.

The information contained herein is not intended to be relied upon as the basis for an investment decision.

The information contained herein is not to be construed as legal, accounting, business or tax advice.

Any historical and forward-looking return data for investments set forth herein is for informational purposes only. It has not been audited or otherwise verified by any outside party.

The past performance of the investments managed or controlled by the company may not be indicative of the future results that the company may be able to achieve.

THIS CONFIDENTIAL INFORMATION SHALL NOT BE DEEMED A COMPLETE REPRESENTATION OF THE STATE OF AFFAIRS OF THE COMPANY OR CONSTITUTE AN INDICATION THAT THERE HAS BEEN NO CHANGE IN THE BUSINESS OR AFFAIRS OF THE COMPANY SINCE THE DATE OF THE PREPARATION OF THIS INFORMATION.



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