



# LUMENT

## Propero® Seniors Housing Equity Funds

Lument's Propero® Seniors Housing Equity Funds were created to invest across the entire spectrum of seniors housing properties. We look to partner with best-in-class operators by providing flexible investment capital, certainty of execution and greater control over capital event decisions.

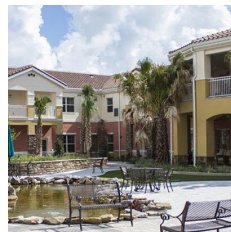
### RECENT CLOSINGS



**\$26.5M**

PROPERO®  
NEW CONSTRUCTION

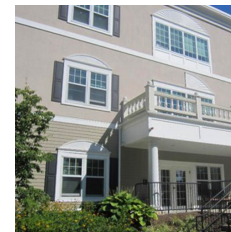
🏠 114 UNITS  
📍 SALEM, OR



**\$43.7M**

PROPERO®  
NEW CONSTRUCTION

🏠 242 UNITS  
📍 OCALA, FL



**\$9.6M**

PROPERO®  
ACQUISITION

🏠 88 UNITS  
📍 BOSTON, MA

### GENERAL TERMS

#### INVESTMENT CHARACTERISTICS

New development (greenfield or replacement), as well as the acquisition of properties.

#### PROPERTY TYPES

Independent living, assisted living, Alzheimer's care and skilled nursing facilities with a strong preference towards higher acuity. Looking for "A" or "B" quality properties that are highly competitive within their markets.

#### OPERATOR REQUIREMENTS

Experience with five or more similar property types. For new development, at least one property developed and successfully leased up in the last two to three years.

#### MARKET LOCATION

MSAs and strong, secondary markets are preferred. Sites should be well located with good visibility and complimentary surrounding land uses.

#### INVESTMENT STRUCTURE

Triple-net lease.

#### GUARANTEES

Corporate and/or personal financial and completion (for new development) guarantees.

#### PURCHASE OPTION

Operator will be given an opportunity to purchase the asset at a negotiated and predetermined purchase price schedule. The purchase option can begin as early as the second year.

#### SECURITIES

Pledge of operating license, personal property and receivables, if not already pledged to an approved A/R lender.

#### LEASE RATE

7.50% - 9.00%, depending on asset type, with annual escalators.

#### LEASE TERM

10-year term.

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## VALUE CREATION REALIZED

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The funds' flexibility and ability to incorporate near-term purchase options in the lease agreement is a key differentiating feature that can provide significant value to our operator clients. For new development projects, this allows an operator to realize value creation more quickly by having the ability to purchase the property as early as stabilization. In addition, the ability to establish predetermined and below market purchase prices provides greater certainty for the operator to participate in the value creation.

The acquisition of existing assets could result from either a sale-leaseback, the assignment of an existing purchase option, or as a means of facilitating an eventual ownership transfer. In each of these instances, the near-term and predetermined purchase option provides a clear path for the operator client to gain ownership at some point in the future. This is particularly appealing if looking to monetize one or more properties while not losing complete control over the property. It could also allow an operator to exercise an attractive, but time dependent, purchase option while creating a longer term option to acquire.



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