



PARTICIPATING SENIOR EQUITY PROGRAM

PHILOSOPHY	Terms of individual transactions are dependent on senior debt leveraged, debt service coverage, evaluation of the underlying real estate and the sponsorship.
STRUCTURE	LEM contributes 70% to 80% of required equity in a senior position to the sponsor's equity. In return for having a senior position in the waterfall, LEM will give the sponsor a larger promote.
INVESTMENT AMOUNTS	\$5,000,000 - \$20,000,000 per property; no limit for portfolios.
PROPERTY TYPES	Multifamily, office, student housing, senior housing, industrial, hotel and retail on a nationwide basis.
INVESTMENT HORIZON	Generally 3 to 7 years
PREFERRED RETURN	Market based, currently 10% to 12%
PRIORITY	LEM's preferred return and return of capital will be senior to payment of preferred return to the sponsor
PARTICIPATION	LEM's participation is generally 50% to 60% of profits after payment of the preferred return and return of capital
FEES	50/50 split of any acquisition fees
EXIT	LEM requires reasonable control over the monetization of its participation, usually through a right to sell the property or buy/sell provision
OTHER FEATURES	Preferred return is paid from available cash flow with any unpaid amounts accrued and compounded annually.
SAMPLE TRANSACTION TYPES	<p><u>Rescue Capital:</u> LEM will assist with existing loans that require a paydown or capital infusion to restructure/resize with the existing lender.</p> <p><u>Purchase Distressed Debt:</u> LEM will purchase or finance the purchase of distressed debt from motivated sellers. We will work with potential borrowers to buy debt at a discount. LEM can also provide structures that defer taxable income resulting from discounts or cancellation of debt.</p> <p><u>Partner Buyouts:</u> LEM provides capital for transfers of ownership on existing properties, particularly where there is existing debt or where required funds are in excess of senior debt levels.</p>
ABOUT LEM	LEM manages a series of private equity funds with over \$450 million of equity. Since 2002, LEM has provided preferred equity, mezzanine loans, subordinate financing and other structured debt and equity solutions to commercial real estate owners.

For more information or to discuss a specific transaction, please contact:

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