

CHRISTIAN LIVING COMMUNITIES – CLERMONT PARK PROJECT

CLIENT PROFILE

Since 1972 Christian Living Communities (“CLC”) has been providing quality senior care in the Denver metropolitan area. Christian Living Communities operates three distinct senior living campuses in and around Denver, Colorado: the Johnson Center Campus, the Holly Creek Campus and the Clermont Park Campus. In total, CLC serves over 800 seniors and their families.

The Series 2009 bonds will fund Phase I of Clermont Park’s redevelopment project, consisting of the refurbishment of 92 of the existing independent living apartments located in the residential living portion of the community and the re-branding of these apartments as “tailored living” apartments, the renovation of the remaining residential living building to create 17 new assisted living units and 18 new memory support units, and the construction of a new 64-bed skilled nursing facility and town center with common and administrative areas. When Phase I of the Clermont Park redevelopment project is completed, the three CLC campuses will consist of 374 independent/tailored living units, 122 assisted living units, and 251 skilled nursing and memory support beds.



CHRISTIAN LIVING
COMMUNITIES

Christian Living Communities—Clermont Park, Colorado | **\$29,755,000**

Tax-Exempt Bond Offering | Fixed Rate Demand Revenue Bonds & EXTRASSM

TRANSACTION/FINANCING HIGHLIGHTS

Christian Living Communities and Christian Living Center Stewardship Fund form the obligated group for this financing. Christian Living Communities Stewardship Fund is a fundraising foundation and actively solicits charitable contributions to enhance the mission, ministry and financial viability of the organization. The obligated group issued \$29.755 million of Series 2009 bonds, consisting of \$25.755 million of unrated, fixed-rate bonds and \$4 million of Ziegler Extendable Rate Adjustable SecuritiesSM (“EXTRASSM”). The proceeds will finance the costs of Phase I of the Clermont Park redevelopment project; fund interest for approximately 18 months; provide for debt service reserve funds on both the Series 2009A and Series 2009B bonds; and fund a portion of the costs of issuance. CLC contributed \$3.8 million of equity to the project.

REFERENCES

For references on Ziegler’s role in this financing, please contact:

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Ziegler Capital Markets served as senior manager and Stifel Nicolaus & Company, Incorporated served as co-manager on the 2009 issue. Ziegler and Stifel underwrote three previous issues for CLC in 2001, 2004 and 2006 totaling \$137.455 million. A total of \$24.755 million of the Series 2009 bonds were distributed to retail investors, including \$4 million of Ziegler EXTRASSM, with the remaining balance of \$5 million being distributed to seven different institutional funds.

The strong demand from retail investors as well as solid institutional investor interest for the \$30 million issue led to an 8.67% average fixed-rate yield. The Series 2009 bonds are secured on a parity basis with the borrower's outstanding debt totaling just over \$90 million.

ZIEGLER DIFFERENCE

Ziegler completed this financing in a difficult fixed-rate market, accessing Ziegler's proprietary EXTRASSM product as well as the resources of Ziegler's retail desk. In spite of this difficult fixed-rate market, Ziegler structured the issue with medium- to long-range term bonds and EXTRASSM, achieving a 9.0% yield on the longest, 25-year term bond. The shorter-term bonds and Ziegler's proprietary adjustable-rate EXTRASSM product brought down the average yield to 8.33%. This compared favorably to recent "A"-rated hospital issues that sold in the 7.50% range and "BBB"-rated universities and charter schools that sold in the 8.25% to 9.0% range.

Ziegler was also able to negotiate a five-year call at 101, which is very valuable should Christian Living Communities choose to refinance the debt in the future.

Ziegler Capital Management LLC was engaged for the management of the project fund, the capitalized interest fund, and the Series 2009A and 2009B debt service reserve funds. Ziegler Capital Management LLC continues to manage proceeds from Christian Living Communities' Series 2004 and Series 2006 bonds.

"It certainly was difficult to make the decision to access the capital markets at the current level of interest rates; however, CLC also saw large risks in delaying progress on a half finished project. The deal that the team put together for CLC allows us to keep the project going and actually take advantage of softening construction costs while also offering a refinancing option in five or six years through the call feature of the bonds. We are very pleased with the outcome."

Mr. Russ DenBraber
CEO, Christian Living Communities

This client's experience may not be representative of the experience of other clients, nor is it indicative of future performance or success.



Christian Living Communities—Clermont Park Campus Phase I