



FOR IMMEDIATE RELEASE

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ZIEGLER CLOSES \$74,555,000 FINANCING FOR HERON'S KEY

CHICAGO, IL – SEPTEMBER 28, 2022 – Ziegler, a specialty investment bank, is pleased to announce the successful closing of the Heron's Key \$74,555,000 Series 2022 Cinderella Bank Placement.

Heron's Key was incorporated under the laws of the state of Washington in 2013, and was formed to develop a life plan retirement community located in Gig Harbor, Washington. Currently, the community consists of 194 independent living units, 30 skilled nursing beds, and 51 assisted living units, which are occupied by residents under life care contracts. Heron's Key is a subsidiary of Emerald Communities, which is based in Redmond, Washington. Emerald Communities also operates Emerald Heights, also located in Redmond, Washington.

Proceeds of the Series 2022 Cinderella Bank Placement will be used by Heron's Key with other available funds to advance refinance the Series 2015A Bonds, which financed the original construction of the community; as well as fund the costs of issuance. The \$74,555,000 loan was placed directly with Truist Bank with a 10- year bank commitment. The loan is initially priced at a taxable rate of 1-Month SOFR + a bank spread, converting to a tax-exempt loan in May of 2025 based on a 79% multiplier. At the time of issuance, the 2022 loan will be the only outstanding debt at Heron's Key. The loan is structured to amortize with level debt service over 28 years, which matches the original final maturity of the 2015A Bonds.

To mitigate interest rate risk, Heron's Key worked with Ziegler Structured Products to implement two fixed payor swaps on the entire principal balance for the duration of the bank commitment period. The first was a taxable fixed payor swap through May 1, 2025, with the second being a

forward starting tax-exempt swap beginning May 1, 2025 through the bank commitment period. The all-in fixed rates and weighted average cost of capital on the new loan significantly reduced interest expense to Heron's Key through the bank commitment period.

Lisa Hardy, CEO of Emerald Communities, commented, "Working with Mary and the West Coast Ziegler team was a real pleasure. This financing and fixed payor swap were a complicated transaction and seemed like a daunting task. However, the team put together a financing calendar with deliverables and an aggressive timeline for closing, and we hit all the right dates and closed on the originally planned date. This average annual debt service savings of \$1.1 million will benefit Heron's Key and aid in building cash that will result in developing a Phase 2 sooner than later."

Ziegler is the nation's leading underwriter of financings for not-for-profit senior living providers. Ziegler offers creative, tailored solutions to its senior living clientele, including investment banking, financial risk management, merger and acquisition services, seed capital, FHA/HUD, capital and strategic planning as well as senior living research, education, and communication.

For more information about Ziegler, please visit us at www.ziegler.com.

About Ziegler:

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by the Company, the volume of sales by its retail brokers, the outcome of pending litigation, and the ability to attract and retain qualified employees.

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