



[FOR IMMEDIATE RELEASE]

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**ZIEGLER CLOSSES \$45,195,000 FINANCING
FOR THE VILLAGE AT GERMANTOWN, INC. AMID COVID-19**

CHICAGO, IL – JUNE 15, 2020 – Ziegler, a national boutique investment bank, is pleased to announce its role in the successful closing of \$45,195,000 of Series 2020 Bank Bonds for [The Village at Germantown](#) (The Village). The Series 2020 is a Cinderella Refunding (taxable bank debt that converts to non-bank qualified tax-exempt debt in September 2022, which is 90 days prior to the call date of the outstanding Series 2012 Bonds).

The Village is a Tennessee nonprofit corporation organized on July 26, 2000 for the purpose of developing, owning and operating a continuing care retirement community in Germantown, Tennessee known as the Village at Germantown (the “Community”). The mission of The Village is to provide an exceptional living environment for men and women ages 55 and older, and offer an environment for continued learning and growth, wellness, friendship, and a sense of community, as well as strong personal and financial peace of mind and security for the future.

The Community is located on a site of approximately 27.5 acres in the City of Germantown, Tennessee, which is a suburb of the City of Memphis. The Community consists of one, two and three-story buildings interconnected with enclosed, air conditioned connectors, and is comprised of 230 independent living units, of which there are 202 apartments and 28 patio homes, 32 assisted living units, 16 special care (dementia) units, 50 skilled nursing beds, and related common areas and amenities.

As an existing client, Ziegler constantly monitors the capital structure of its clients, including The Village. As such, the Ziegler investment banking team identified an opportunity for The Village to refinance the Series 2012 Bonds using a Cinderella Refunding structure to achieve significant savings. After consultation with Management and the Board, Ziegler initiated a bank solicitation search on March 5th, just prior to the onset of the COVID-19 pandemic in the US. Nevertheless,



Ziegler was able to obtain attractive bank commitment terms from multiple providers. Ultimately, First Horizon was selected to provide a taxable loan that converts to a tax-exempt structure (in September 2022 once the Series 2012 Bonds are called) with the following primary terms:

- 12-year commitment period with 27 year amortization (matching the existing Series 2012 Bonds)
- Taxable interest rate of 1-month LIBOR + 1.95% (until September 2022) with a LIBOR floor of 0.50%
 - To mitigate the taxable interest rate risk, The Village purchased an interest rate cap, whereby the interest rate cannot exceed 2.45%, with a portion of the loan proceeds.
- Tax-exempt interest rate of 82.5% (1-month LIBOR + 1.95%) effective September 2022 with a LIBOR floor of 0.50%
 - To eliminate the tax-exempt interest rate risk, The Village has implemented a forward starting swap at 2.6453%
- All security and covenants match the existing Master Trust Indenture with the exception of the Liquidity Covenant noting the following modification “If the Obligated Group has not increased the level of Days’ Cash on Hand to the Liquidity Requirement by the next semi-annual testing date (2nd test), but has improved (as measured by Days’ Cash on Hand) from the prior testing date, it will not constitute an event of default under the Master Trust Indenture. If the Obligated Group has not raised the level of Days’ Cash on Hand to the Liquidity Requirement by the next semi-annual testing date (3rd consecutive test), it will constitute an Event of Default under the Master Indenture.”

As a result of the financing commitment noted above, The Village will realize annual cash flow savings of \$443,000 resulting in net present value savings over the 12-year bank commitment period of \$4,486,882 representing 13.8% savings of refunded bonds. Simultaneous to the Series 2020 refinancing and as required by the rating covenant included in the outstanding Series 2012 and 2014 Bonds, the Village (with assistance from the Ziegler investment banking team) solicited and was assigned a “BBB-” rating from Fitch Investors.

The Ziegler Investment Banking team members responsible for the relationship management of this client and involved in this transaction were Brandon Powell, Genia Weeks and Caroline Robertson.



Mike Craft, Chief Executive Officer, The Village at Germantown, Inc. stated, “We wanted to take advantage of the historically low interest rates, but were a couple of years away from being able to call our bonds. Ziegler helped us with a creative strategy to restructure our debt, saving us a significant amount of money on interest. The restructuring was complicated, but Ziegler managed the entire process and advised us all the way through the closing of the transaction.”

[Brandon Powell](#), Managing Director, Ziegler adds, “We are very pleased to get this deal done, especially given the challenges of the COVID-19 pandemic, as it will allow the Village at Germantown to significantly reduce interest expense thereby providing strategic flexibility.”

Ziegler is one of the nation's leading underwriters of financing 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.

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