

BUCKNER RETIREMENT SERVICES, INC.

JULY 2017

CLIENT PROFILE

Buckner Retirement Services, Inc. (BRS) is a Texas not-for-profit corporation established in December 1994 and operates four retirement communities in Texas. BRS is a member of a group of affiliated corporations, the parent of which is Buckner International (the "Parent"). The Parent, a Texas not-for-profit corporation, was incorporated in 1906 and offers an array of charitable services to children, families, and senior adults. In 1994, the Parent formed or activated four affiliated Texas not-for-profit corporations, including BRS, to legally separate the operations of several divisions to permit better accounting for the different services offered. In addition to BRS, affiliates include (1) Buckner Children and Family Services, Inc., which provides for the basic physical and emotional needs of children and families it serves both domestically and internationally; (2) Buckner Adoption and Maternity Services, Inc., which provides adoption services; and (3) Buckner Foundation, Inc. (the Foundation), which is a supporting organization of the Parent and its affiliates.

The Parent and the other affiliates are not members of the obligated group for the Series 2017 Bonds. The Foundation has agreed to make certain transfers of funds to BRS pursuant to a credit and support agreement for the benefit of BRS.

BRS currently owns and operates four retirement communities that are predominantly rental. The communities are: (1) Buckner Villas in Austin; (2) Buckner Westminster Place in Longview; (3) Calder Woods in Beaumont; and (4) Parkway Place in



\$52,485,000

Tarrant County Cultural Education Facilities Finance Corporation
Retirement Facility Revenue Bonds, Series 2017
(Buckner Retirement Services, Inc. Project)

Houston. The four communities consist of a total of 449 independent living units, 138 assisted living units, 105 memory support units and 186 skilled nursing beds.

TRANSACTION HIGHLIGHTS

BRS will use the proceeds of the Series 2017 Bonds to (i) refund, on a current basis, the remaining Series 2007 Bonds outstanding in the amount of \$49.2 million; (ii) fund the 2017 project (the 2017 Project); (iii) fund interest on a portion of the Series 2017 Bonds for a period of 18 months; and (iv) pay the issuance costs of the bonds. Annual debt service savings attributable to the refunding component of the issue are approximately \$565,000 or \$6.3 million on a net present value basis (12.81%).

The 2017 Project consists of various improvements at Parkway Place in Houston. The Obligor will undertake a renovation of Parkway Place to transform the existing skilled nursing facility into a small neighborhood model with 40 skilled nursing private units.

The 2017 Project will also include renovation of certain independent living, assisted living, and memory support common areas, including the addition of a



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REFERENCES

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

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

For further information on the outstanding bonds for this issuer, please visit the Electronic Municipal Market Access system at <http://emma.msrb.org/>.

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CAPITAL :: INVESTMENTS :: ADVICE

Bistro dining venue, renovation of the existing dining rooms, activity rooms, sitting areas, and other common spaces.

The Series 2017 Bonds, totaling \$52,485,000, are tax-exempt, fixed rate bonds and were sold to a total of 16 institutions with support from Ziegler's Wealth Management. The Series 2017 Bonds are issued on a parity with the Series 2016 Bonds outstanding in the amount of \$88,755,000.

Fitch Ratings has assigned a rating of A (stable) to the Series 2017 Bonds and the Series 2016 Bonds. The rating of the bonds is based on a credit and support agreement from the Foundation. Although the Foundation is not a member of the obligated group, it entered into a credit and support agreement for the benefit of BRS in 2007, under which the Foundation has agreed to make contributions, advances and loans to BRS to the extent necessary to provide for the payment of the principal and interest of the outstanding debt of BRS.

THE ZIEGLER DIFFERENCE

Ziegler served as the sole underwriter for the Series 2017 Bonds. Aggressive pricing of the issue allowed BRS to achieve a yield to maturity on the Series 2017 Bonds of 3.71% and achieve net present value savings of 12.81% attributable to the refunding portion of the financing.

Security for the Series 2017 Bonds consists of a gross revenue pledge and the Foundation's credit and support agreement. The Series 2017 Bonds do not provide for a debt service reserve fund nor is there a springing provision to fund a debt service reserve fund in the future.

The issuance of the Series 2017 Bonds marks the sixth issue that Ziegler has served as the underwriter for the Obligor or an affiliate dating back to 1996.