



FOR IMMEDIATE RELEASE

Christine McCarty
312 596 1617
cmccarty@ziegler.com

ZIEGLER CLOSES \$110.48 MILLION FINANCING FOR RIVERWOODS DURHAM

CHICAGO, IL – June 8, 2018 – Ziegler, a specialty investment bank, is pleased to announce the successful closing of the \$110,480,000 Series 2018 financing for RiverWoods Durham (RWD). The Series 2018 Bonds are comprised of \$52,980,000 Series 2018A Permanent Bonds, \$45,400,000 Series 2018B Temporary Bonds and a \$12,100,000 Subordinated Note. Both the Series 2018A&B Bonds are tax-exempt, non-bank qualified bonds and were issued through the New Hampshire Health and Educational Facilities Authority. RiverWoods Exeter (RWE) will be providing the taxable Subordinated Note.

Proceeds of the Series 2018A&B Bonds and Subordinated Note, along with other available funds, will be used to finance the development of RWD, a to-be-built Life Plan Community in Durham, New Hampshire, which will consist of 150 independent living units, 24 assisted living units, 24 memory support units, and 24 skilled nursing beds. Specifically, proceeds of the financing, along with other available funds, will be used to (i) fund the construction of RWD,; (ii) fund a working capital reserve fund; (iii) fund an operating reserve fund; and (iv) fund costs associated with the transaction.

RiverWoods Durham will be located on an 11-acre campus in Durham, New Hampshire. After a robust pre-marketing process, RiverWoods Durham began accepting pre-sale deposits on January 15, 2018. By February 22, after only 29 selling days, RiverWoods Durham was 100% sold. As of May 31, 2018, the community was still 100% sold with 67 wait list deposits of 10% down on the depositor's unit type of choice. RWD will be a stand-alone entity, but The RiverWoods Group (TWRG) (the parent of RWD and RWE) will be providing a \$2,000,000 equity contribution as well as a \$4.5 million limited unconditional guarantee, which will burn off upon reaching stabilization.

Ziegler was engaged as placement agent for the Series 2018A&B Bonds and distributed a bank credit solicitation package to multiple local, regional and national banks. Ultimately, TD Bank and SunTrust Bank were selected as co-lead banks and People's United Bank was selected as participant bank. The banks will be providing tax-exempt, non-bank qualified bonds for both series of debt. TD Bank and SunTrust Bank each will be providing 37.5% of the par amount of the Series 2018A&B Bonds with People's United Bank providing the remaining 25% balance. The banks have offered a 10 year commitment on the Series 2018A Permanent Bonds and a 40-month commitment on the Series 2018B Bonds. RWD has entered into multiple swap contracts to manage interest rate risk.

[Keith Robertson](#), Managing Director in Ziegler's senior living finance practice, said of the financing, "What a tremendous honor it's been to work closely with the entire RiverWoods Durham team, including The RiverWoods Group management and board, Greystone, TD Bank, Suntrust, People's United Bank, NHHEFA, all the counsel's and other consultants on this ground-breaking financing. The three-bank financing provides an extremely low cost of capital, especially for a new campus development. The very strong demand for the community, as evidenced by the record breaking presale velocity, and the strong support from RiverWoods Exeter made the bank financing possible. RiverWoods Durham is extremely well positioned for future success."

Justine Vogel, CEO of The RiverWoods Group added, "When we began to discuss our financing options, we were looking for a creative way to reap the benefits of our system strength for RiverWoods Durham. While new campuses seemed to have a standard financing plan, it's safe to say we were not interested in vanilla! Keith pushed us to broaden our mindset about the possible options and to break out of the old mold of risk assessment. We kept all options on the table and continued to evaluate the best plan. That work led to the closing on \$98m of an all-bank financing for a greenfield project; a financing plan that will save RiverWoods Durham about \$1.0 million per year and will allow us to immediately strengthen our system for what is sure to be a successful new community. It takes creativity, a strong team and an acceptance of disagreement to do something outside the norm. I'd say those things led to some great success for RWD."

The RiverWoods Company, at Exeter (RWE) was founded in 1984 by a small group of Seacoast area residents interested in finding a new way to grow older. From their vision, after 10 years of work, The Woods campus was opened in 1994, followed by another two campuses, The Ridge and The

Boulders that opened in the subsequent 16 years. The Woods, The Ridge and The Boulders make up the RiverWoods Exeter community. The Board of Trustees of RiverWoods Exeter began looking ahead again in 2009, to understand how best to keep fulfilling the founders' vision for the future. After much work and discussion, they created a parent company, called The RiverWoods Group (TRWG). The purpose of TRWG is to focus on future growth and continuing to fulfill the founders' vision, so that RWE can focus on the three core campuses in Exeter.

In 2016, TRWG entered into an affiliation agreement with Birch Hill, a Life Plan Community located in Manchester, New Hampshire. Birch Hill, consists of 138 independent living units, 41 assisted living units, 12 memory support units, and nine nursing units.

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, investment management, 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:

Ziegler is a privately held investment bank, capital markets and proprietary investments firm. Specializing in the healthcare, senior living and education sectors, as well as general municipal and structured finance, enables Ziegler to generate a positive impact on the clients and communities it serves. Headquartered in Chicago with regional and branch offices throughout the United States, Ziegler provides its clients with capital raising, strategic advisory services, equity and fixed income sales & trading and research. To learn more, visit www.ziegler.com.

Certain comments in this news release represent forward-looking statements made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. This client's experience may not be representative of the experience of other clients, nor is it indicative of future performance or success. The forward-looking statements are subject to a number of risks and uncertainties, in particular, the overall financial health of the securities industry, the strength of the healthcare sector of the U.S. economy and the municipal securities marketplace, the ability of the Company to underwrite and distribute securities, the market value of mutual fund portfolios and separate account portfolios advised

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.

#