



FOR IMMEDIATE RELEASE

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ZIEGLER CLOSES \$44.725 MILLION THE HEARTHSTONE CORPORATION FINANCING

CHICAGO, IL – AUGUST 1 – Ziegler, a specialty investment bank, is pleased to announce the successful closing of the \$44,725,000 Series 2018 tax-exempt financing for The Hearthstone Corporation. Ziegler has a long-standing relationship with Hearthstone dating back to 2004.

The Lutheran Retirement Home of Greater Seattle, doing business as The Hearthstone is a Washington not-for-profit public benefit corporation and 501(c)(3) organization that was established in 1961 to develop, own and operate senior living facilities. Today, the Hearthstone consists of: The Lakeside, a 10-story, 186,400 square foot building constructed in 1966 and Cove West, a 4-story, 48,243 square foot building constructed in 2015 adjacent to The Lakeside. In total, Hearthstone houses more than 230 residents through its 147 independent living apartments, 37 assisted living apartments, 12 dementia care assisted living apartments and 40 skilled nursing beds.

The Hearthstone will use the proceeds from the sale of the Series 2018 Bonds and other available funds to: (i) finance a portion of the construction, acquisition, development, improvement, renovation and equipping of an expansion project with respect to the corporations continuing care retirement community; (ii) refinance the Corporation's existing Series 2013 bonds in full; (iii) pay a portion of the interest on the bonds during the construction of the project; (iv) fund a debt service reserve fund; and (v) pay certain costs of issuance of the Bonds.

The project, known as Cove East, will be located immediately adjacent to Cove West, which opened in 2015. The Cove East Project will be similar in design and layout to Cove West, and will include 22 independent living units, featuring single bedroom, single bedroom and den, and two-bedroom units, as well an underground parking garage for residents only. The ground floor will include a bistro available to residents of the Community.

The Bonds are non-rated and were issued with a combination of temporary and permanent series, consisting of (i) \$36,125,000 Series 2018A tax-exempt bonds, amortizing over a 35-year period ending May 15, 2053, and (ii) \$8,700,000 Series 2018B (TEMPSSM 80) tax-exempt bonds to be repaid with initial entrance fees of Cove East.

“This was an exciting financing to work on for The Hearthstone, a long-standing client of the firm. This successful financing helps expand The Hearthstone’s market position and mission within the beautiful Green Lake community. We were able to access the market at an opportune time for The Hearthstone to help fund the Cove East expansion, refinance its existing bank debt and extend the final maturity of their capital structure from 7 to 35 years – all while reducing their cost of capital,” commented [Sarkis Garabedian](#), Director in Ziegler’s senior living finance practice.

“My years of experience with Ziegler continues to confirm the professionalism and expertise that it takes to successfully refinance and finance. We are pleased to go forward with our plans and our partnership with Ziegler,” said Jim Mertz, Chief Executive Officer of The Hearthstone.

Bart Brosten, Chief Financial Officer of The Hearthstone added, “Our industry is all about relationships and Ziegler is a great partner with us. They helped us to understanding our options, guided us through uncertain market conditions, and presented The Hearthstone story to the bond investors with credibility.”

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.

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