

RIVERWOODS DURHAM

OCTOBER 2018

CLIENT PROFILE

The RiverWoods Company 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, which opened in the subsequent 16 years. The Woods, The Ridge and The Boulders make up the RiverWoods Exeter community. In 2009, the Board of Trustees of RiverWoods began looking ahead again to understand how best to keep fulfilling its founders' vision for the future. After much work and discussion, they created a parent company, The RiverWoods Group (TRWG), in 2011. The purpose of TRWG is to focus on future growth and continuing to fulfill the founders' vision, so that The RiverWoods Company can focus on the three core campuses.

In July 2016, TRWG entered into an affiliation agreement with Birch Hill Terrace, a Life Plan Community located in Manchester, New Hampshire. Birch Hill Terrace, presently consisting of 138 independent living units, 41 assisted living units, 12 memory support units, and 9 skilled nursing units, became the second community sponsored by TRWG.

Management of TRWG engaged Greystone to prepare a development plan for a life plan community to be located in Durham, New Hampshire—RiverWoods Durham. After months of planning and discussion, RiverWoods Durham became a reality. RiverWoods Durham, the third community sponsored by TRWG, will be located on an 11-acre campus consisting of 150 independent living units, 24 assisted living units, 24



\$110,480,000

New Hampshire Health and Education Facilities Authority
Revenue and Revenue Refunding Bonds, Series 2018
(RiverWoods Durham Project)

memory support units, and 24 skilled nursing beds. Although it is a stand-alone entity, TRWG provided a \$2,000,000 equity contribution and RiverWoods Exeter provided a \$12,100,000 Subordinated Note. In addition, TRWG provided a limited unconditional guarantee of \$4.5 million, which will burn off after RiverWoods Durham reaches stabilization.

After a robust pre-marketing process, RiverWoods Durham began selling on January 15, 2018. By February 22nd, after just 29 selling days, RiverWoods Durham was 100% sold. As of May 31, 2018, the community was still 100% sold with multiple wait list deposits of 10% down.

TRANSACTION HIGHLIGHTS

The financing was comprised of \$52,980,000 Series 2018A Permanent Bonds, \$45,400,000 Series 2018B Temporary Bonds and \$12,100,000 Subordinated Note, along with other available funds. Proceeds of the Series 2018A&B Bonds were used to (i) fund the construction of RiverWoods Durham; (ii) fund a working capital reserve fund; (iii) fund an operating reserve fund; and (iv) fund costs associated with the transaction.



REFERENCES

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

Justine Vogel
President & CEO
The RiverWoods Company

5 White Oak Drive
Exeter, NH 03833
(603) 658 3005

jvogel@riverwoodsdc.org

"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 closing on an all bank financing for a Greenfield project, a financing plan that will save RiverWoods Durham about \$1 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."

This 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/>.

ZIEGLER

One North Wacker Drive | Suite 2000
Chicago, IL 60606

B.C. Ziegler and Company | Member SIPC & FINRA

CONTACT US

800 366 8899
askziegler@ziegler.com



CAPITAL :: INVESTMENTS :: ADVICE

TRANSACTION HIGHLIGHTS (CONT'D)

Ziegler was engaged as placement agent for the Series 2018A&B Bonds in which two banks were selected as co-lead banks, while a third bank was selected as participant bank.

THE ZIEGLER DIFFERENCE

Ziegler was instrumental in guiding the development team to diligently explore all financing options available to the project which resulted in selecting a plan of finance that provided significant debt service savings as well as minimizing risk to the project. Once a plan of finance was selected, Ziegler guided the bank search process which identified the best financing partners for the project. Further, as the financing team was put into place, Ziegler managed the financing process effectively and efficiently, resulting in the best possible outcome for RiverWoods Durham.