



FOR IMMEDIATE RELEASE
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ZIEGLER CLOSES \$22,500,000 FINANCING FOR BEACON HILL AT EASTGATE

CHICAGO, IL – July 9, 2020 – Ziegler, a specialty investment bank, is pleased to announce the successful closing of \$22,500,000 Series 2020 Bank Bonds for Michigan Christian Home d/b/a Beacon Hill at Eastgate (Beacon Hill). The Series 2020 Bank Bonds include a \$9,800,000 long-term component with a 30-year amortization and a \$12,700,000 short-term loan with a 3-year amortization that will be retired with initial entrance fees from the Project (detailed below).

Beacon Hill, a Michigan not-for-profit corporation was founded in 1951 by area Baptist churches to provide housing alternatives and healthcare services for mature adults to meet their ongoing physical, social and spiritual needs in a Christian family environment. In 1960, Beacon Hill constructed a retirement community (the "Community") on approximately 20 acres in the Eastgate neighborhood of Grand Rapids, Michigan, within one-quarter mile of the City of East Grand Rapids, an affluent suburb of Grand Rapids. The Community is a Type B continuing care retirement community consisting of 170 entrance fee independent living units, 20 rental independent living apartments, 46 assisted living units, 35 memory support units, and 29 skilled nursing beds.

Beacon Hill has retained Greenbrier to act as development consultant for the Project. Greenbrier's role is to provide certain professional and consulting services related to the planning and development. The Project consists of the following:

- (i) Demolish the recently purchased medical office building located on the northeast corner of campus and construct a new 26 unit independent living apartment building with underground parking, communal areas on each floor, and an outdoor patio/entertaining space. This new structure will be joined to the existing community by an enclosed walkway.
- (ii) Renovate the existing Salon, Fitness Center, and the Dining Lounge to provide better service to current and future residents.

To obtain financing, Ziegler initiated a competitive bank solicitation search and was able to obtain attractive bank commitment terms from seven different providers. Beacon Hill selected BBVA as they provided the most attractive proposal. The Series 2020 Bank Bonds were issued as additional indebtedness under Beacon Hill's existing Master Trust Indenture ("MTI") and structured as non-bank qualified tax-exempt debt with the following primary terms:

- 12 year bank commitment period
- 3 year interest only followed by 27 year amortization
- Tax-exempt interest rate of $(79\% * 1M \text{ LIBOR}) + 1.25\%$
- To mitigate interest rate risk, Beacon Hill implemented a forward starting swap at 2.004% for the period (3/1/22 to 7/1/32) on the \$9.8 million long-term debt component
- Financial covenants and security features are consistent with the existing MTI that was completed in 2017 with the exception of the following:
 - Maintain a DSCR of at least 1.15x, tested annually
 - Maintain at least 150 DCOH, tested semi-annually

Jeff Huegli, President and CEO, Beacon Hill stated, "Brandon Powell's team and Ziegler have been indispensable partners to Beacon Hill in supporting the community's strategic growth plan for over 10 years. This third phase of redevelopment has been highly complex and their counsel through the land acquisition, planning and closing processes during challenging market conditions was essential to our overall success."

[Brandon Powell](#), Managing Director, Ziegler adds, "Jeff Huegli has transformed Beacon Hill at Eastgate into a premiere community. I am pleased that this financing was completed at an attractive cost of capital as it will further allow Beacon Hill to be a best-in-class facility."

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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