

Ziegler Senior Living Finance

Presentation for:



Keith Robertson
Senior Vice President
Ziegler Capital Markets

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Ziegler - The Leader in Senior Living Finance

- Ziegler's history dates back to 1902 as leader in financing for not-for-profit organizations: healthcare, senior living, church and school
- Lead manager on 635 senior living financings since 1990 for over \$18.8 billion
 - Surpassed \$1.5 billion lead managed in 2008 and 2009
 - Surpassed \$3.052 billion lead managed in 2007
 - Surpassed \$2.067 billion lead managed in 2006
 - Surpassed \$1.751 billion lead managed in 2005
 - Surpassed \$1.371 billion lead managed in 2004
 - Surpassed \$831 million lead managed in 2003
 - Surpassed \$953 million lead managed in 2002
 - Surpassed \$875 million lead managed in 2001
 - Surpassed \$623 million lead managed in 2000
 - Surpassed \$3.45 billion lead managed in 1996-1999
 - Our performance has more than doubled that of our nearest competitor during the last 10 years
- Clients include over 150 single-site senior living organizations and 60 multi-site organizations. Financings have ranged from \$1.6 million to \$229 million
- Exceptional relationships with LOC banks, investors, rating agencies, and insurers active in the senior living industry
- Full range of financial services: investment banking; FHA mortgage banking; financial risk management; investment management; mergers & acquisitions; seed money and mezzanine financing; capital & strategic planning; and research, education and communication.
- Headquartered in Chicago with five other regional offices, with a total of 60 investment banking professionals substantially committed to senior living finance.

Ziegler - The Undisputed Leader in Senior Living Financings



<i>Top Lead Managing Underwriters Senior Living Finance Issues 2009</i>			
Rank	Underwriter	# of Issues	\$ Millions
1	Ziegler Capital Markets	12	\$ 852.0
2	Herbert J. Sims & Co.	4	201.7
3	PiperJaffray	7	118.5
4	BB&T Capital Markets	5	109.1
5	Citi	2	97.6
6	Cain Brothers	3	87.8
7	PNC Financial Services Group	1	60.0
8	RBC Capital Markets	2	51.8
9	JP Morgan	1	37.0
10	Goldman Sachs	1	34.5

<i>Top Lead Managing Underwriters Senior Living Finance Issues 2007</i>			
Rank	Underwriter	# of Issues	\$ Millions
1	Ziegler Capital Markets	52	\$ 3,052.1
2	Herbert J. Sims & Company	17	946.5
3	Cain Brothers	14	644.1
4	Piper Jaffray & Company	22	542.0
5	BB&T Capital Markets	13	449.6
6	Wachovia Securities	10	254.0
7	MLCM	2	142.4
8	RBC Capital Markets	8	141.4
9	Northland Securities	11	116.3
10	Dougherty & Company	7	100.9

<i>Top Lead Managing Underwriters Senior Living Finance Issues 2008</i>			
Rank	Underwriter	# of Issues	\$ Millions
1	Ziegler Capital Markets	19	\$ 650.3
2	Herbert J. Sims & Company	13	572.2
3	Cain Brothers	8	324.5
4	BB&T Capital Markets	8	230.4
5	JP Morgan	2	172.3
6	Goldman Sachs	1	69.0
7	Wachovia Securities	3	67.4
8	Morgan Keegan	1	47.5
9	Piper Jaffray & Company	1	44.1
10	RBC Capital Markets	4	40.7

<i>Top Lead Managing Underwriters Senior Living Finance Issues 2000 - 2006</i>			
Rank	Underwriter	# of Issues	\$ Millions
1	Ziegler Capital Markets	254	\$ 8,474.9
2	Herbert J. Sims & Co.	85	2,732.1
3	Cain Brothers	73	2,011.3
4	UBS Securities	33	1,657.0
5	BB&T Capital Markets	37	1,303.7
6	Piper Jaffray & Co.	59	1,170.3
7	Wachovia	43	1,115.0
8	Lancaster Pollard	59	659.5
9	Capmark	47	631.2
10	Dougherty & Company	56	527.9

Based on full credit given to senior manager of lead-managed underwriting principal volume for senior living transactions completed nationally.

Rankings and amounts through Thomson Financial Securities Data as of 1/8/10

Keith E. Robertson

Senior Vice President, Senior Living Finance



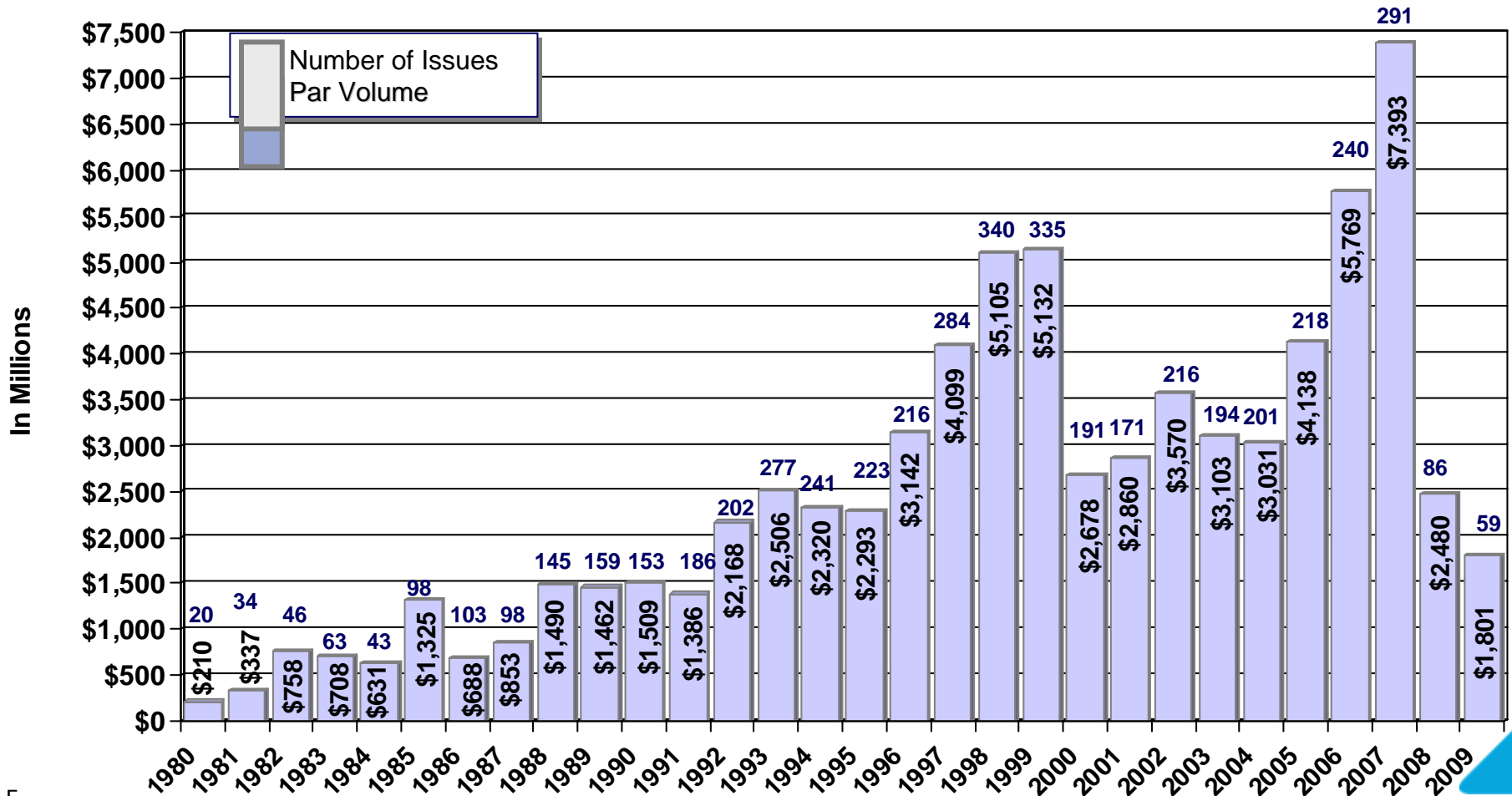
Mr. Robertson joined Ziegler in January of 2007 with significant experience in senior living finance and development. Mr. Robertson's primary responsibility with Ziegler is to provide investment banking services to not-for-profit sponsors of senior living communities in the northeast.

Prior to joining Ziegler, Mr. Robertson was a vice president with Retirement Living Services, a nationally recognized firm specializing in providing development, financial, marketing, and management services to not-for-profit continuing care retirement communities. While at Retirement Living Services, Mr. Robertson guided several of the firms' clients through the financing process for start-up CCRCs and substantial repositionings which raised in excess of \$375 million. In addition to his experience with Retirement Living Services, Mr. Robertson also worked as an investment banker providing financing for not-for-profit sponsors of senior living communities. In this capacity, Mr. Robertson worked on a wide range of financing structures including new money issues, refundings, rated and unrated issues, variable rate and fixed rate, credit enhanced and seed capital financings. Mr. Robertson also worked closely with his clients on the procurement of financial derivative products.

Mr. Robertson earned a Masters of Business Administration from the University of Hartford's Barney School of Business. Mr. Robertson also has a Bachelors of Science in Political Science from Southern Connecticut State University.

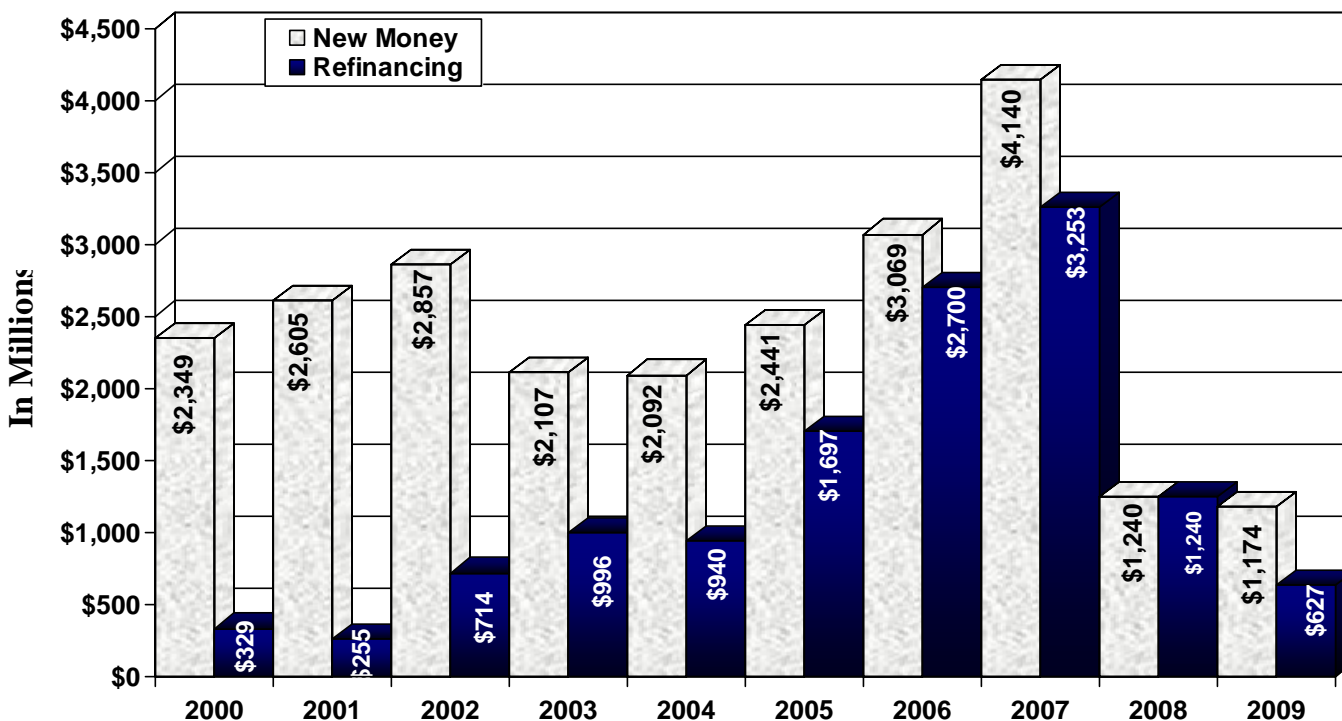
Not-For-Profit Senior Living Financings Volume

- Tax-exempt market for non-profits unfolded in a meaningful way in 1980's
- 2009 clearly reflects current economic, housing, banking and financing challenges



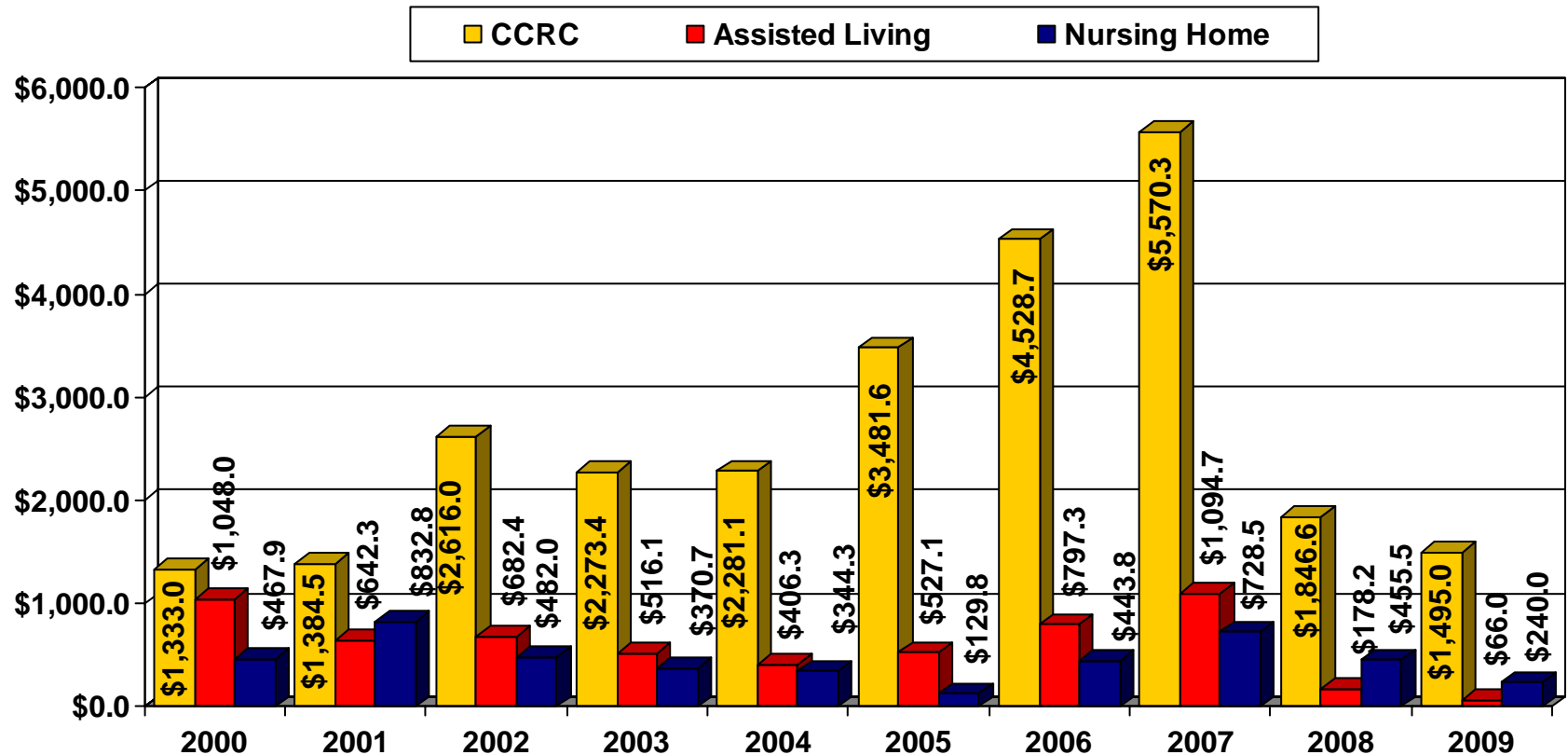
SOURCE: Thomson Financial Securities Data as of 1/8/10

Not-For-Profit Senior Living Financings Volume by New Money & Refinancing

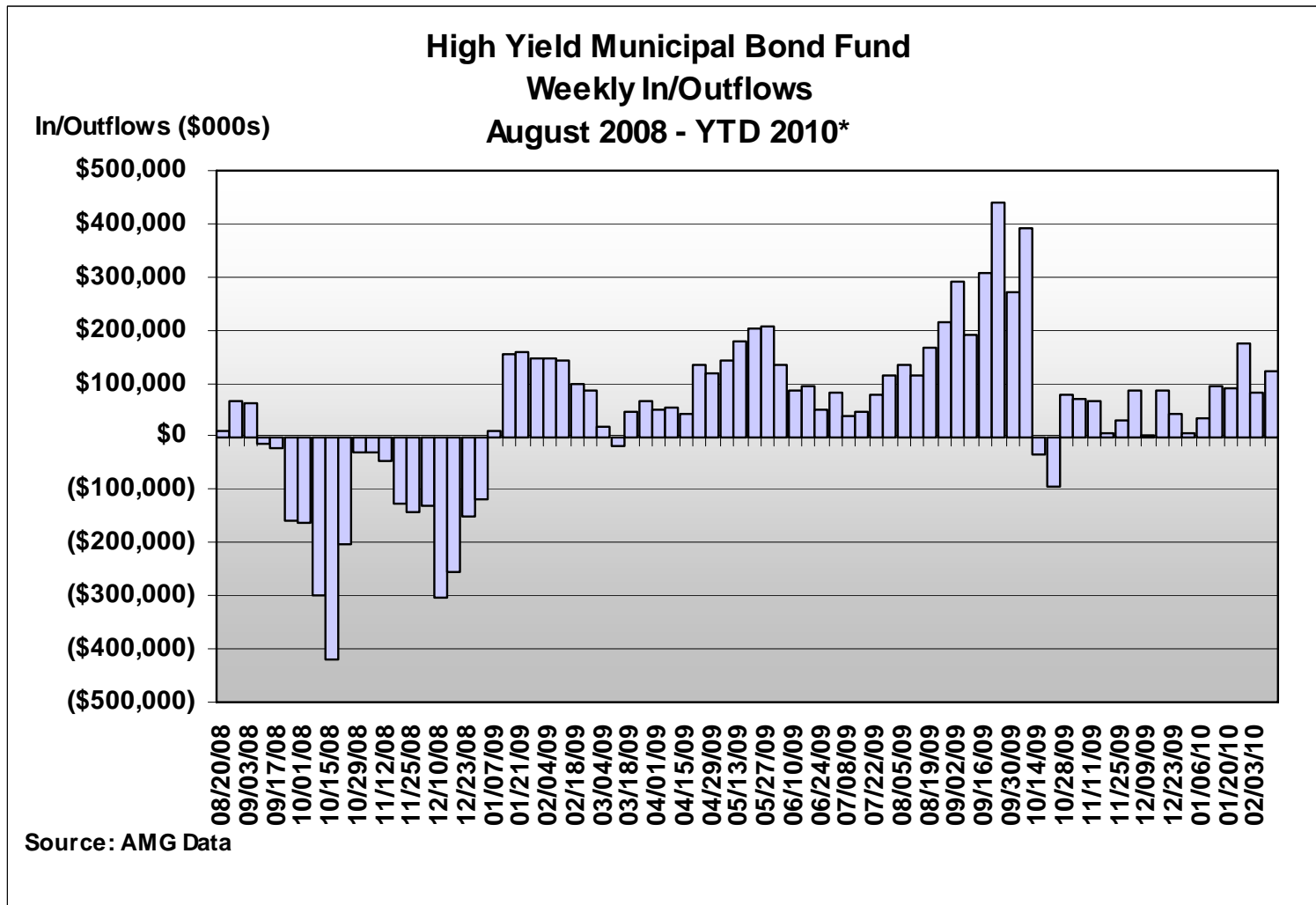


- Trends for refinancings have followed interest rate movement; over 50% of Ziegler volume in 2007
 - 2008 has brought a change in refi climate
- Average new money per year for last five years was approximately \$2.8 billion
- New money in 2009 fell just short of \$1.2 billion range

Not-For-Profit Senior Living Financings Volume by Senior Living Type by Year



High Yield Municipal Bond Funds Inflows / Outflows (Weekly YTD)



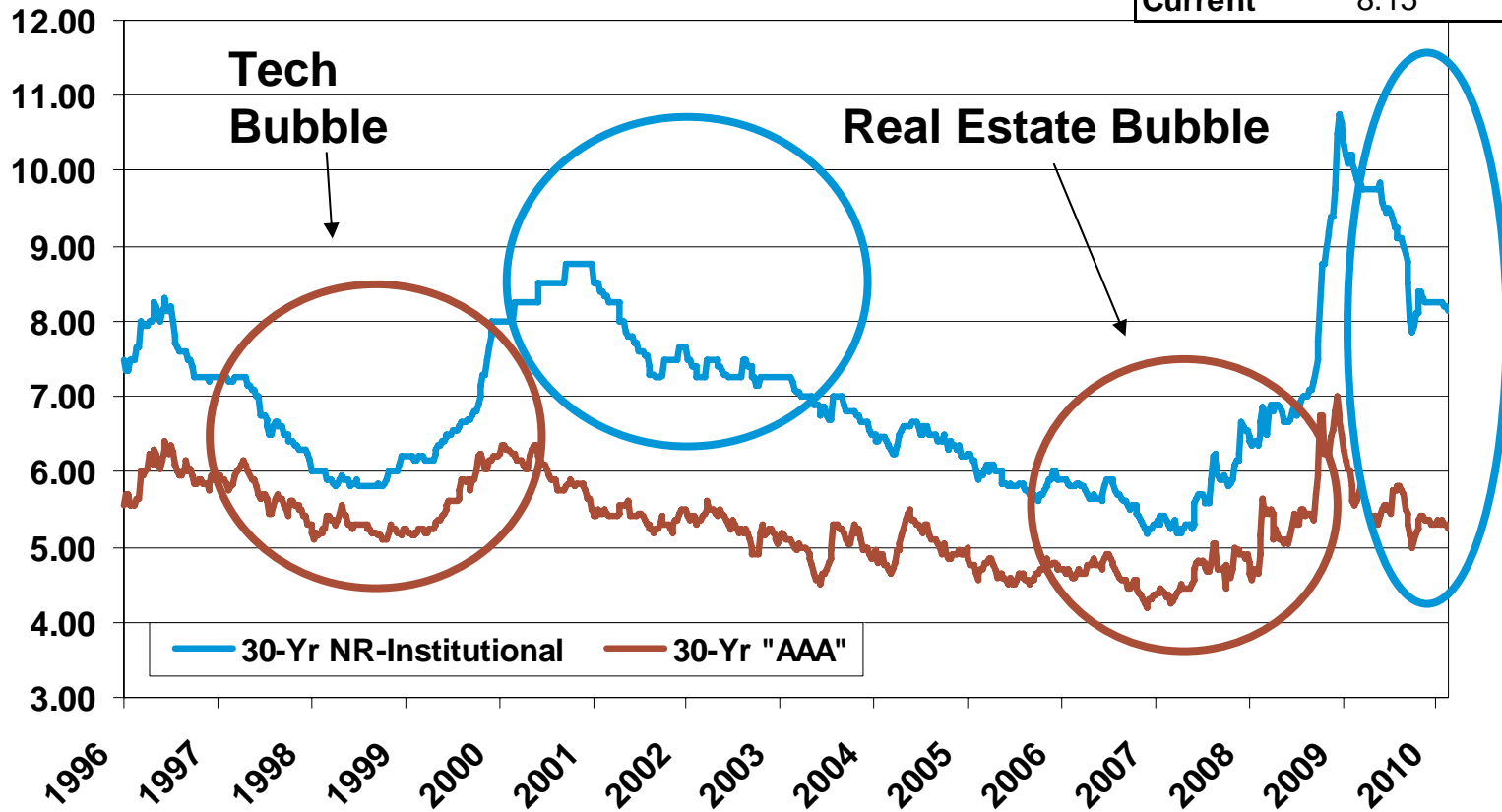
Senior Living Capital Markets

Historical Interest Rates



	As of 2/19/10	
	30-Yr NR <u>Institutional</u>	30-Yr <u>"AAA"</u>
Max	10.75	7.00
Min	5.20	4.20
Avg	7.00	5.31
Current	8.15	5.25

30 Yr. NR Institutional vs. 30 Yr. 'AAA'



LOC Trends



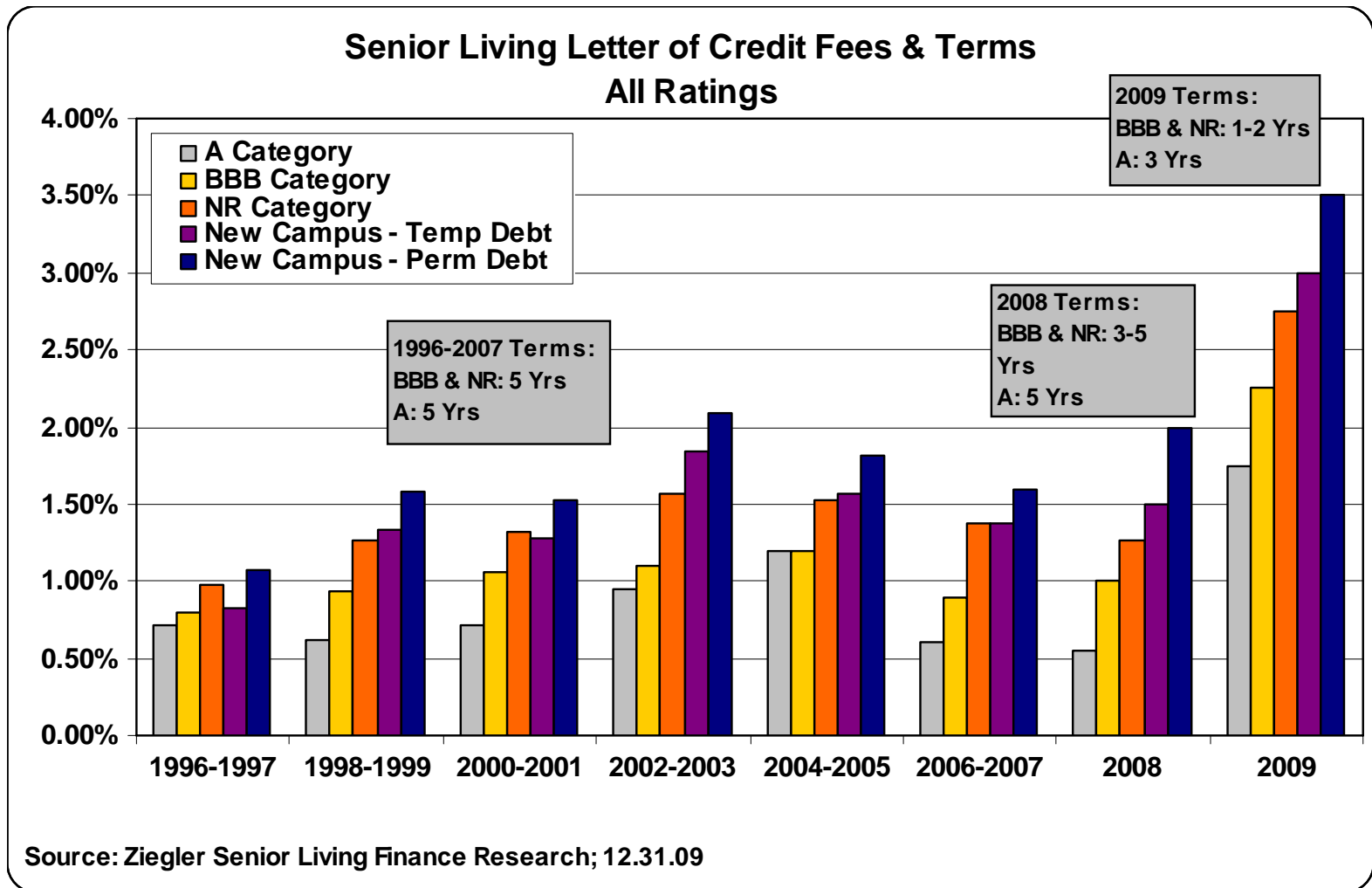
Primary LOC Providers to the Senior Living Industry

Bank	Current Status	Bank	Current Status
Allied Irish	No Longer Active	KBC	No Longer Active
Bank of America (Acquired LaSalle)	Selectively Active	KeyBank	Active Regionally
Bank of Scotland (Acquired by Lloyds)	Limited Near Term	NCB	Selectively Active
Bank of the West	Selectively Active	M&I	Limited Near Term
Banque Paribas	No Longer Active	M&T	Active Regionally
BB&T	Selectively Active	PNC (Acquired Nat City)	Active Regionally
Charter One	Selectively Active	Regions	Selectively Active
Citizens	Limited Near Term	Sovereign (Acquired by Banco Santander)	Limited Near Term
Fifth Third	Limited Near Term	TD Bank	Active Regionally
HSH Nordbank	No Longer Active	US Bank	Selectively Active
JPMorgan Chase	Selectively Active ("A" or Higher)	Wells Fargo (Acquired Wachovia)	Selectively Active ("A" or Higher)

LOC Trends



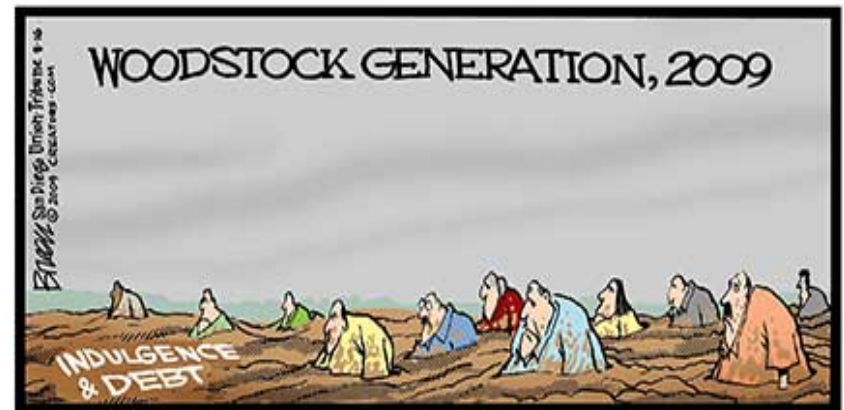
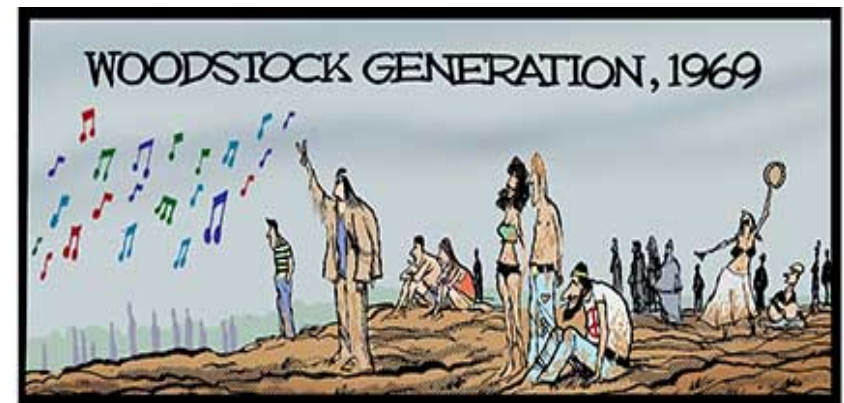
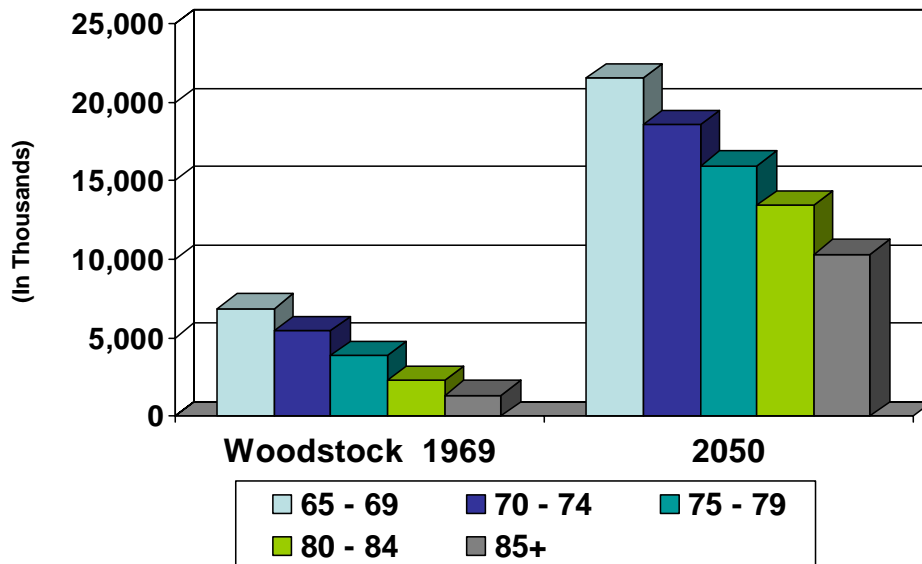
Annual LOC Fees by Underlying Credit Rating



Approach to the Future

Looking at Consumers Today & in the Future

**Population 65 Years and Over by Age
1969 and Projected 2050**

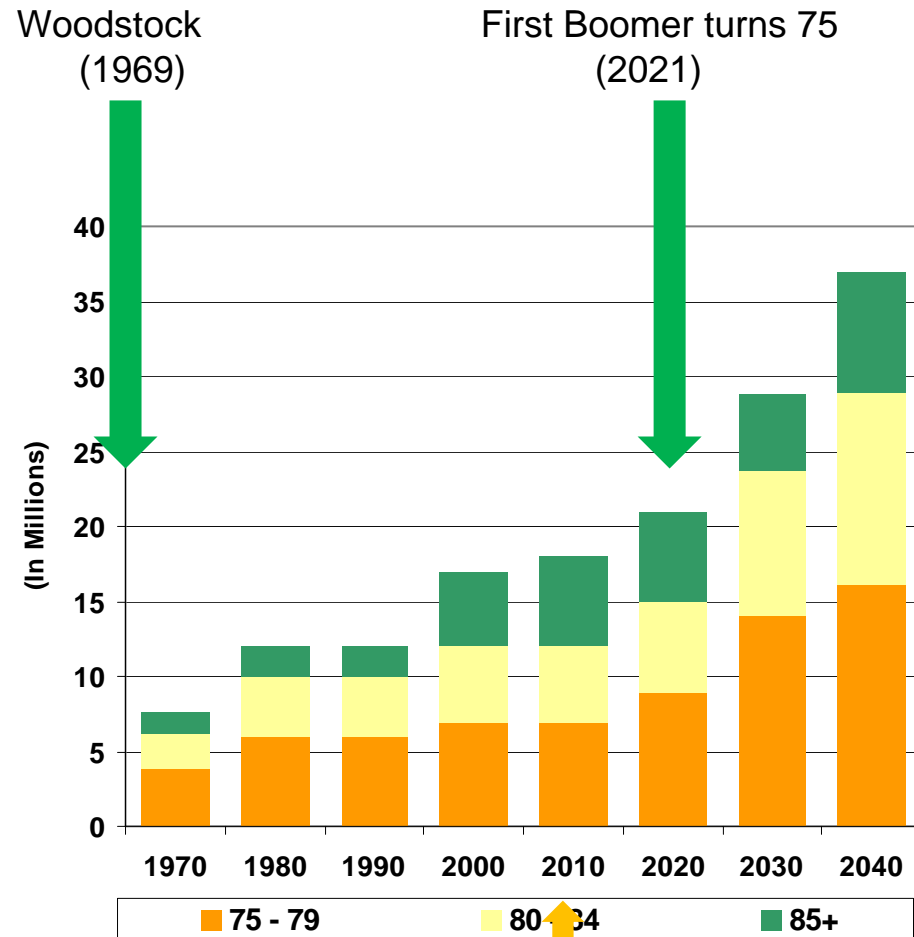


Today's Constituents? A look at Demand

Boomers are reaching age when services are more likely

Boomers turning age 50 per year	4,000,000
per day (4.0 mil/365)	10,958
per hour (10.6k/24)	456
per minute (456/60)	7.1

As seniors housing industry matures, greater variety of services are being provided



You are here!

Northeast Senior Living Financing Volume (CT and MA)

- 2008
 - Many proposed projects were put on the shelf
 - Several proposed projects shut down completely
- 2009
 - Only two senior living tax-exempt financings
 - \$207 million par amount
 - The Groves at Lincoln
 - Whitney Center
 - Bank financing
 - Mary Wade Home in New Haven repositioning

Northeast Senior Living Financing Volume (CT and MA)

- 2010 and beyond
 - Nothing much in the pipeline as far as new construction financing this year
 - Many established organizations are moving forward with plans to expand/renovate/reposition
 - Dusting off plans that were put on the shelf when the crisis hit
 - The strongest providers will be in a position to take advantage of the new “rules” for accessing capital
 - Sponsors are being more selective with projects
 - Less tolerance for risk
 - Timelines are unclear at this point
 - Typical CCRC expansions require “presales” which push out the timelines substantially