



Case Study: The Presbyterian Home at Charlotte Inc.

Bond Sale Date: November 21, 2019

\$75,940,000 Series 2019A Tax-Exempt Fixed Rate Bonds

About The Presbyterian Home at Charlotte Inc:

The Presbyterian Home at Charlotte Inc. (the "Corporation") is a North Carolina nonprofit corporation which owns and operates Sharon Towers.

Sharon Towers is located in the SouthPark area of Charlotte, North Carolina, home to numerous upscale retail establishments, office buildings, healthcare facilities, and residential offerings. Even though SouthPark is an urban area, Sharon Towers maintains mature landscaping on its 28.1-acre site. Sharon Towers is currently planning to create a more vibrant environment with improved connectivity with the SouthPark community to meet the needs and desires of more active future residents.

Sharon Towers consists of 344 units offering independent living, assisted living and skilled nursing. There are currently 26 independent living cottages on the campus and 212 total independent living units. Additionally, Sharon Towers accommodates 38 assisted living units and 94 nursing facility beds.

Pricing Results:

Credit Ratings: Not Rated

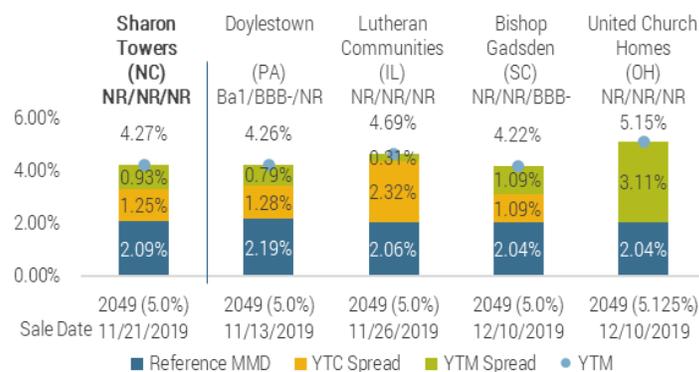
| Maturity Date | Par Amount (\$millions) | Coupon | Yield to Call | Spread to MMD | Yield to Maturity | Spread to MMD |
|---|-------------------------|--------|---------------|---------------|-------------------|---------------|
| Series 2019A Tax-Exempt Fixed Rate Bonds | | | | | | |
| \$20.695mm in serial bonds maturing 2025-2034 | | | | | | |
| 7/1/2039 | \$4.500 | 4.00% | 3.51% | 1.60% | 3.71% | 1.80% |
| 7/1/2039 | \$9.885 | 5.00% | 3.16% | 1.25% | 4.01% | 2.10% |
| 7/1/2044 | \$7.000 | 4.00% | 3.68% | 1.64% | 3.84% | 1.80% |
| 7/1/2044 | \$11.060 | 5.00% | 3.29% | 1.25% | 4.18% | 2.14% |
| 7/1/2049 | \$22.800 | 5.00% | 3.34% | 1.25% | 4.27% | 2.18% |

Focus on Value:

The project includes the addition of a 5-story 46-unit independent living tower with underground parking. In addition, common spaces will be renovated and expanded to include more modern facilities for all residents. The total cost of the project is an estimated \$106 million which includes a temporary bank loan to be paid with entrance fees and an equity contribution.

- Ponder's role included a review of the plan of finance to provide input on both pricing and covenants. Ponder added value in several specific ways;
- Provided senior leadership with an independent third-party review of not only terms but the financing process by proactively informing management of upcoming tasks
- Provided independent verification to the finance committee the transaction is appropriate and on market
- Prior to pricing bonds, Ponder encouraged the underwriter to lower yields on the term bonds by 5 bp prior to release of the pricing wire resulting in a lower yield on the transaction. This provided significant savings prior to pricing
- Ponder suggested a less restrictive debt service coverage covenant event of default (two consecutive years below 1.0x). The underwriter set expectations of changing the covenant to a more normal default provision during pricing, however, as Ponder expected, the market accepted the more lenient term.
- Negotiated termination of an interest rate swap
- Ponder also provided senior leadership with guidance on the investment of bond proceeds for the project construction, and post-closing disclosure requirements.

Comparable Bond Sales:



Mike Tym
Managing Director

219-531-2369
mtym@ponderco.com



John Cheney
Managing Director

843-793-4179
jcheney@ponderco.com