

Oklahoma Association of Homes and Services for the Aging
Experience the Not-for Profit Difference



Trends in Senior Living

ZIEGLER CAPITAL MARKETS

March 11, 2009

Will Carney
Managing Director
Ziegler Capital Markets

Presentation Outline

Section 1 - Current Economic News: Impact on Senior Living

Section 2 - Trends in Senior Care

Section 3 - Capital Markets Update

Exhibit A: Update on Ziegler

Exhibit B: Banker Biography



Section 1



Current Economic News: Impact on Senior Living

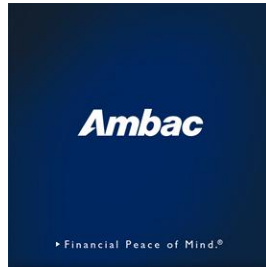


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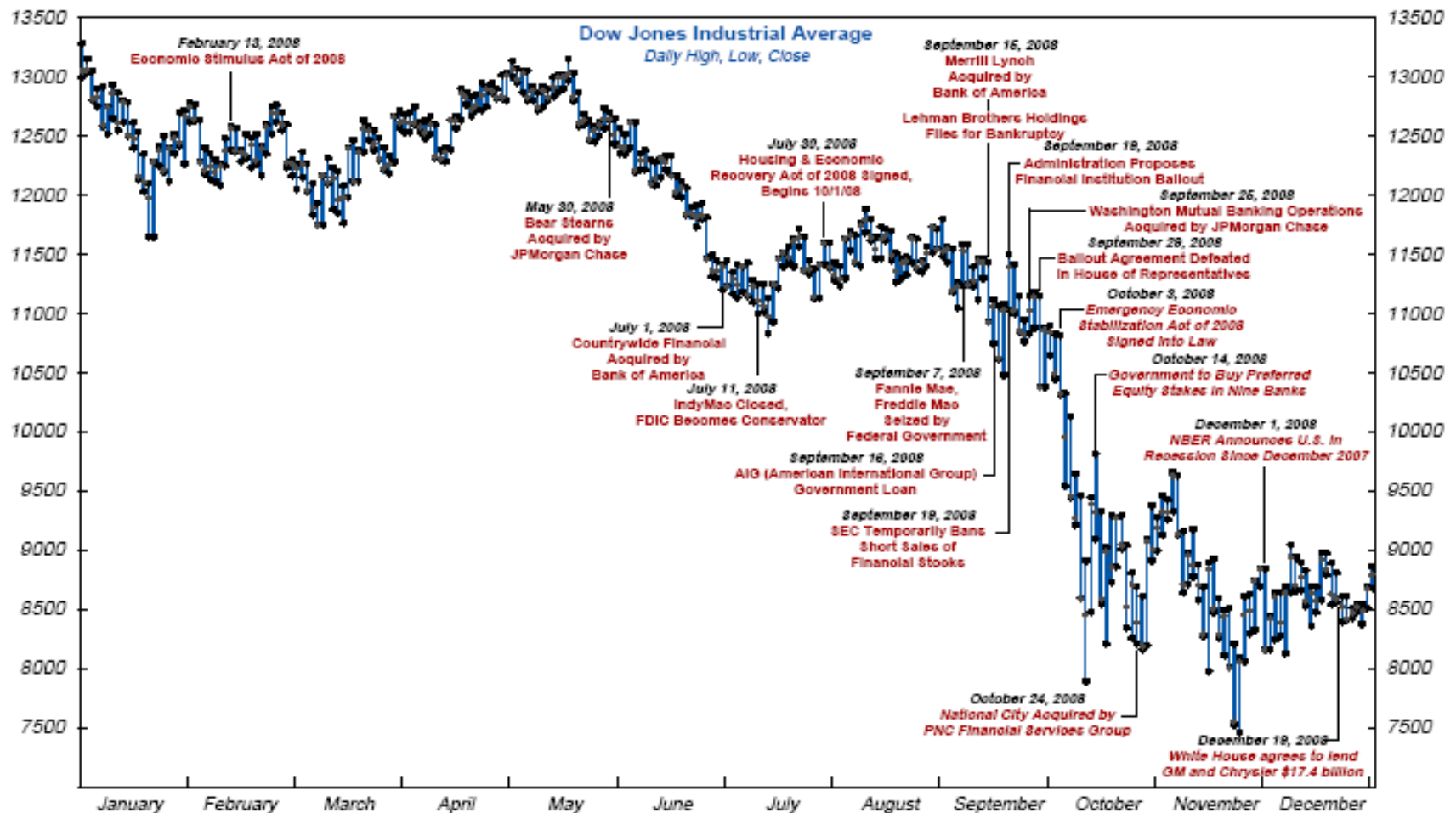
Impact on Senior Living: 2008: What A Year ...



Impact on Senior Living: 2008: What A Year ...



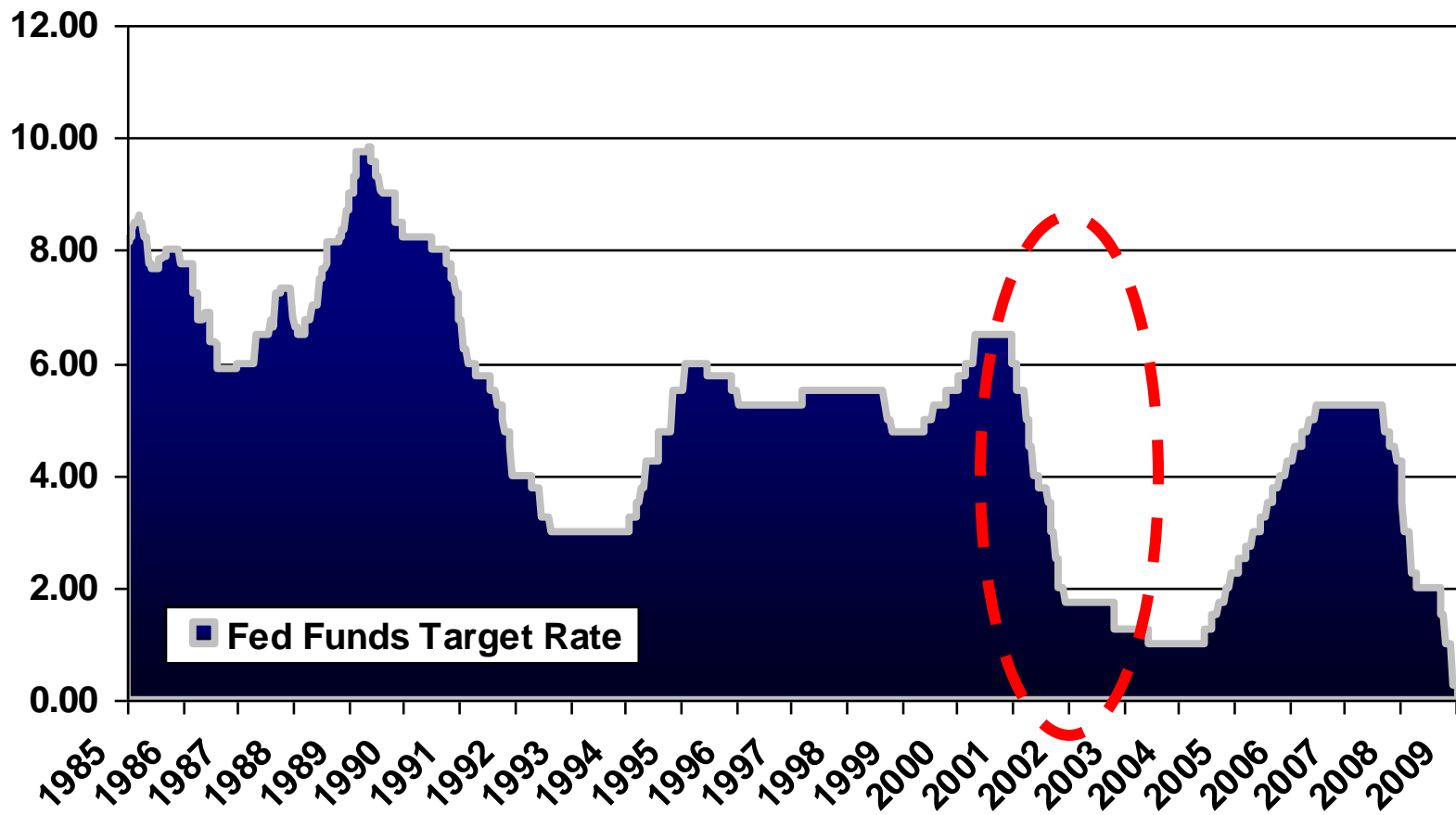
Financial Crisis of 2008



Sources: Dow Jones & Company; Federal Deposit Insurance Corporation; U.S. Securities and Exchange Commission • Copyright © 2009 Crandall, Pierce & Company • All rights reserved.

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Impact on Senior Living: Post 9/11 Interest Rate “Free Fall”

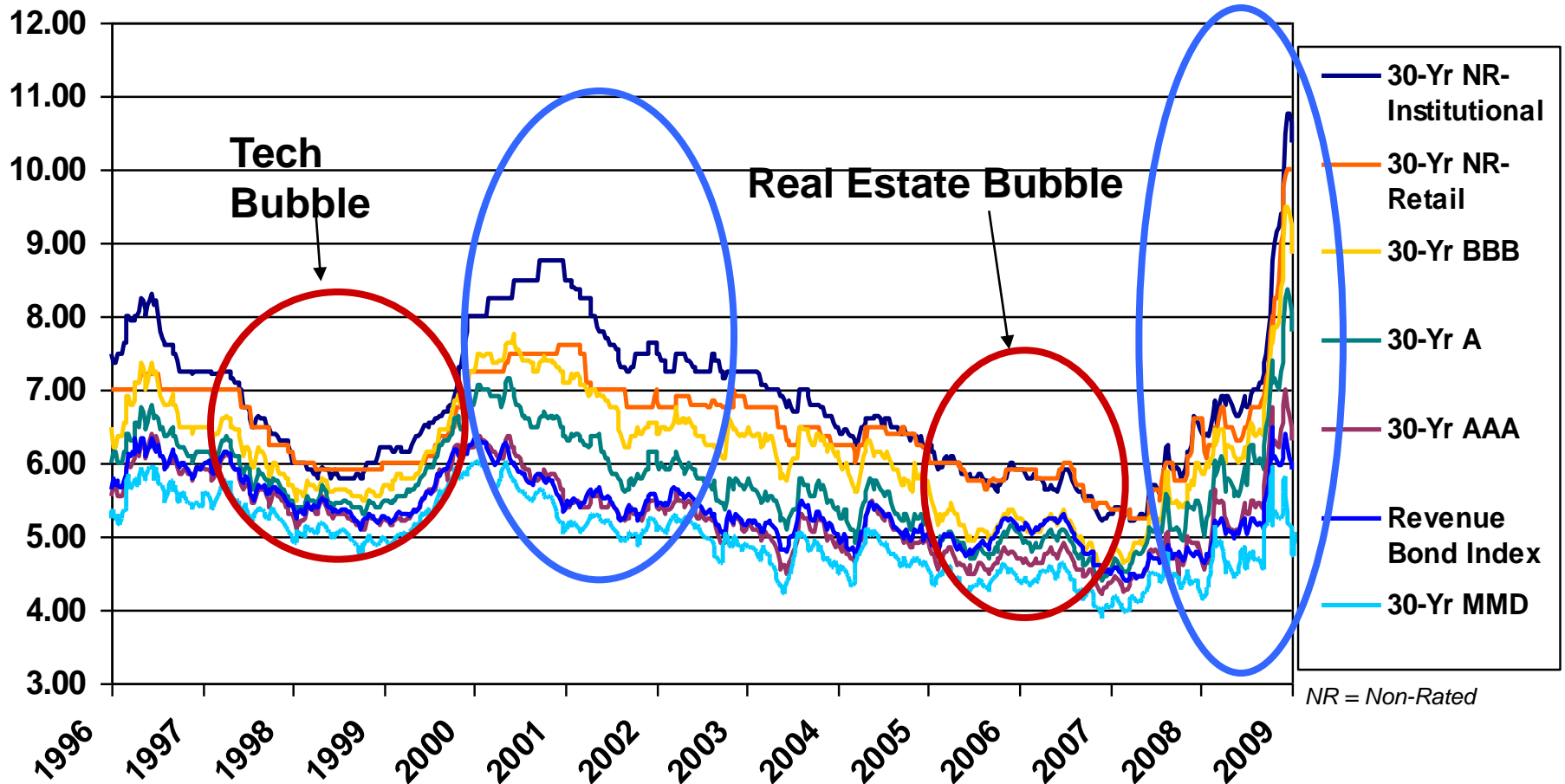


Impact on Senior Living: But the Good Times Didn't Last Forever...

- Declining home prices
 - Double digit declines in housing prices in many markets
- Mortgage crisis
 - Faulty loans
 - Foreclosures
 - Bank Collapse – Washington Mutual, Bear Stearns, Lehman Brothers
- Consumer confidence low
 - Waiting for market to stabilize before selling



Impact on Senior Living: Historical Interest Rates



Impact on Senior Living: Senior Living Interest Rate Ranges Tax-Exempt Revenue Bonds (March, 2009)



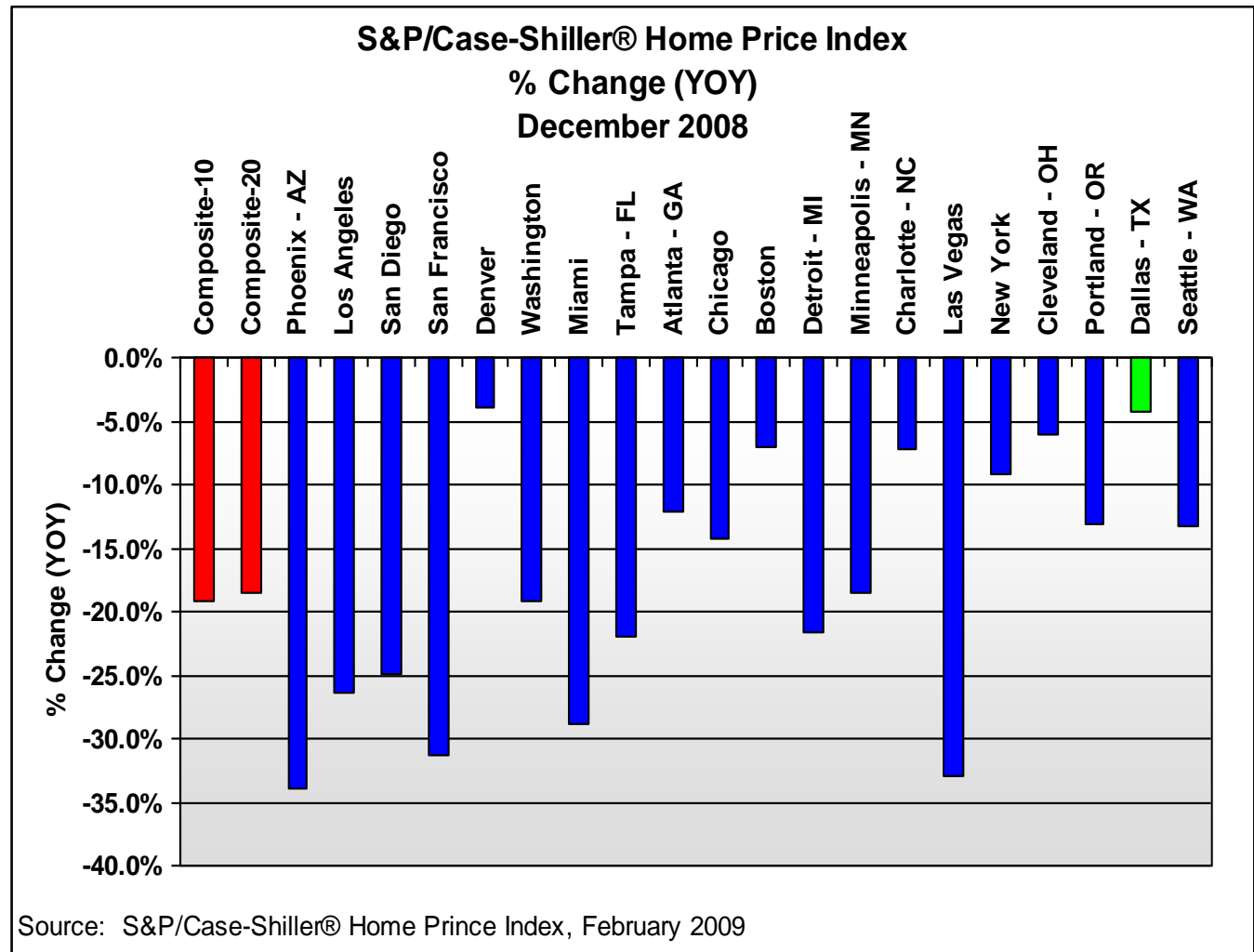
<i>SENIOR LIVING FINANCING STRUCTURES (Insurers Ratings: Fitch/S&P/Moody's)</i>	<i>AVERAGE LONG- TERM INTEREST RATE RANGES (2)</i>	<i>CREDIT ENHANCEMENT</i>	<i>ALL-IN INTEREST COST</i>	<i>AVERAGE RATE SPREAD TO "AAA" MARKET*</i>	<i>SPREAD TO REVENUE BOND INDEX</i>
Unrated - Start-Up Facilities	10.75% - 11.25%	--	10.75% - 11.25%	+ 591 to + 641	+ 499 to + 549
Unrated - Existing Stable Facilities	9.00% - 10.00%	--	9.00% - 10.00%	+ 416 to + 516	+ 324 to + 424
Unrated - Ziegler Retail	9.40% - 10.00%	--	9.40% - 10.00%	+ 456 to + 516	+ 364 to + 424
"BBB" Rated (Fitch, S&P or Moody's)	8.00% - 8.50%	--	8.00% - 8.50%	+ 316 to + 366	+ 224 to + 274
"A" Rated - LOC	7.25% - 7.625%	1.25% (3)	8.50% - 8.88%	+ 366 to + 404	+ 274 to + 312
"A" Rated (Fitch, S&P or Moody's)	7.25% - 7.50%	--	7.25% - 7.50%	+ 241 to + 266	+ 149 to + 174
"AA" Rated (LOC)	6.90% - 7.10%	1.50% (3)	8.40% - 8.60%	+ 356 to + 376	+ 264 to + 284
"AA" Rated (FHA)	6.75% - 7.00%	0.50%	7.25% - 7.50%	+ 241 to + 266	+ 149 to + 174
"AA" Rated (Fitch, S&P, Moody's)	6.50% - 6.80%	--	6.50% - 6.80%	+ 166 to + 196	+ 74 to + 104
"AAA" Rated (FHA)	6.35% - 6.60%	0.65%	7.00% - 7.25%	+ 216 to + 241	+ 124 to + 149
"NR/AA3" Rated (Radian)	6.50% - 6.80%	0.38% (4)	6.88% - 7.18%	+ 204 to + 234	+ 112 to + 142
"AAA/AAA/Aaa" Rated (FSA)	6.30% - 6.65%	0.38% (4)	6.68% - 7.03%	+ 184 to + 219	+ 92 to + 127
"NR/AA/Aa3" Rated (Ambac)	6.40% - 6.90%	0.38% (4)	6.78% - 7.28%	+ 194 to + 244	+ 102 to + 152
"NR/AA/A2" Rated (MBIA)	6.60% - 7.00%	0.38% (4)	6.98% - 7.38%	+ 214 to + 254	+ 122 to + 162

- (1) Non-state specific
- (2) Long-term (25-30 Yr), fixed rate
- (3) The range is usually 1.25% to 1.75% for existing projects
- (4) Represents an upfront insurance premium of 200 basis points for a "BBB" quality credit

Impact on Senior Living: 2009 Real Estate Markets S&P Case-Shiller® Index



- Year-over-year declines vary widely by market.
- 10 of the 20 individual markets measured are now experiencing year-over-year home price declines of 15% or more.



Impact on Senior Living: Decline in Independent Living Occupancy

- Seniors are reluctant (or unable) to sell their homes in the current market.
- Seniors are nervous about the drop in the market value of their portfolios (can we afford it?)
- Lower occupancy in Independent Living leads to decline in revenue, stress on operations.
- Unprecedented increase in covenant violations (debt service coverage or liquidity)
- New start-up projects particularly vulnerable in this market.

Impact on Senior Living: Covenant Violations, Defaults, and Bankruptcies

- **Covenant Violation**

- The Clare at Water Tower in Chicago lost 58 pre-sales in the first week of opening and will miss their first market covenant
- Santa Marta in Kansas City – Occupancy is unchanged since September of 2008 (73% for IL and 75% overall). They will violate their occupancy covenant in the first quarter of 2009
- Windcrest (Erickson Communities) in Denver – Construction has stopped on new building in North Denver, the site is “on hold”

- **No Access to Capital**

- With current market rates for long-term senior living bonds (unrated) at 10%, the following projects are “on hold”
 - The Admiral on the Lake (Chicago) - \$210 million
 - Aberdeen Heights (PMI) (St. Louis) - \$150 million
 - MacKenzie House – Ridgecrest (Denver) - \$100 million

- **Disposition/Bankruptcy**

- Covenant at South Hills, PA (Jan. 2009 – filed for bankruptcy)
 - \$59 million in outstanding debt
- Capstone Village, AL (July 2008 – defaulted on bond payments)
 - \$51 million in outstanding debt
- The Glebe, VA (Nov. 2008 – defaulted on debt payment)
 - \$55 million in outstanding debt
- Sherburne Commons, Nantucket, MA (July, 2008 – defaulted on debt payment)
 - Currently looking for acquisition partner

Impact on Senior Living: Change in Customer Objections (2005-2009)

- Customer Objections in 2005
 - My entrance fee would earn more elsewhere
 - There is no equity/upside in an entrance fee model
 - Your apartments are too small – I want more amenities (we can afford them)
- Customer Objections in 2009
 - Is my deposit safe with you?
 - I can not afford to sell my house to move in
 - It's cheaper to stay at home
 - Not sure if I can afford that bigger apartment

Impact on Senior Living: Increased Pressure on Marketing Strategies to Improve Occupancy



- **Advocacy** – Partnering with local real estate agents to offer seminars on the benefit of moving to a senior living community.
- **Deferral** – A resident moves into a community and pays a reduced entrance fee with the balance paid a deferred (but firm) date.
- **Discount** – Offer entry fee pricing at 2006-2007 levels.
- **Incentives** – Increase rewards to residents who refer a potential resident to the community.
- **Loans** – Acceptances of a promissory note (usually with no interest) in lieu of cash for an entrance fee payment.
- **Erickson Realty and Moving Services** – Use a preferred realtor and moving company and receive \$\$\$ for moving expenses and realtor fees.



Impact on Senior Living: Fixed-Rate Market Trends Availability of Credit

- Fixed rate market slowly thawing in 2009
- General and high yield municipal bond funds experiencing cash inflows for three straight weeks in the new year
- Strong rally in high grade municipals in early January (dampened some last week)
- Secondary market yields are backing off of the 11 – 12% highs seen at the end of 2008
- “A”-rated hospitals and are being priced in the 7.50% to 8.50% range
- Numerous senior living financings are queued up and waiting for stability to return to the markets
- Vast majority of high yield funds intend to remain active in senior living (albeit more selective) in 2009

Impact on Senior Living: Change in Variable Rate Debt Market (Bank LOC)

Then

- Loan-to-Value not critical
- Investment Management services not required
- Long and Short Term LOC available
- Covenant Language would typically match a flexible Master Trust Indenture

Now

- Loan-to-Value 70-80%
- Depository/Investment Management required
- Preference for Short Term LOC VRDBs – payable from entrance fees
- Strict covenants on additional debt, failure to meet bond covenants an automatic event of default

Impact on Senior Living: Where we are...

To commemorate the current crisis, the Treasury Department has issued a new dollar bill...



Section 2



Trends in Senior Care



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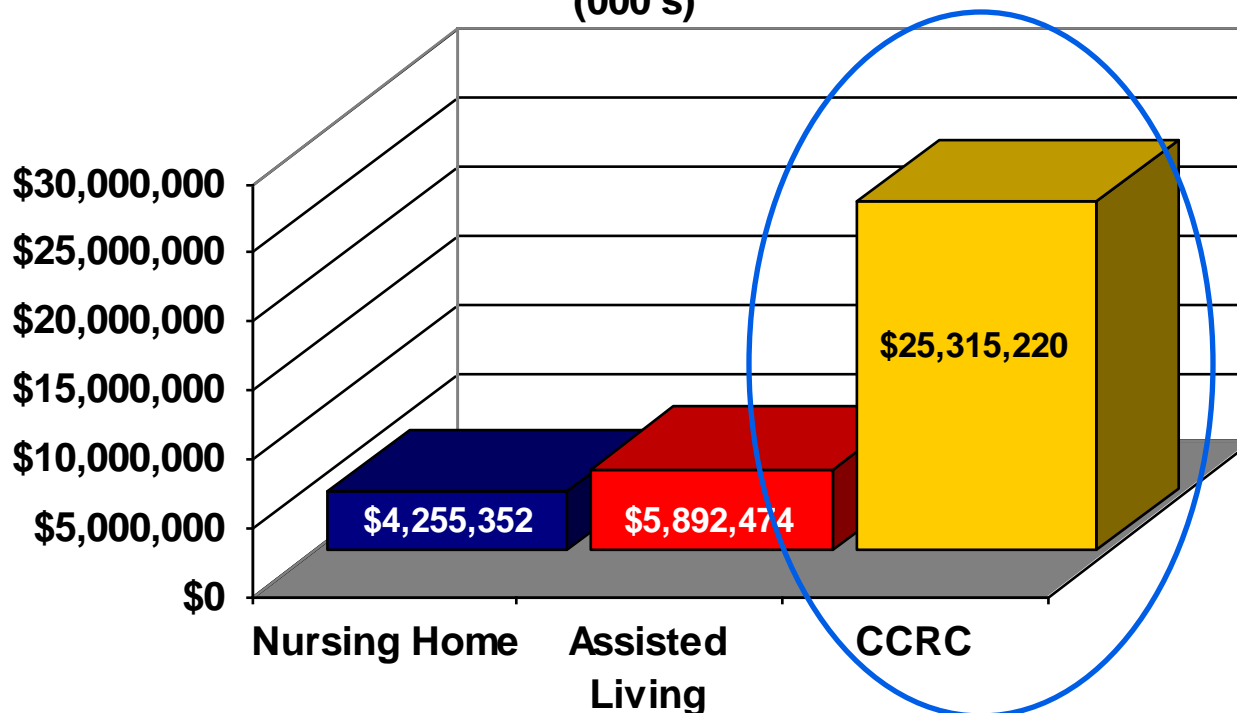
Trends in Senior Care: Volume by Type of Senior Living

- CCRCs are attracting the vast majority of T/E capital

Evidence

Breakout from 2000 - 2008

(000's)

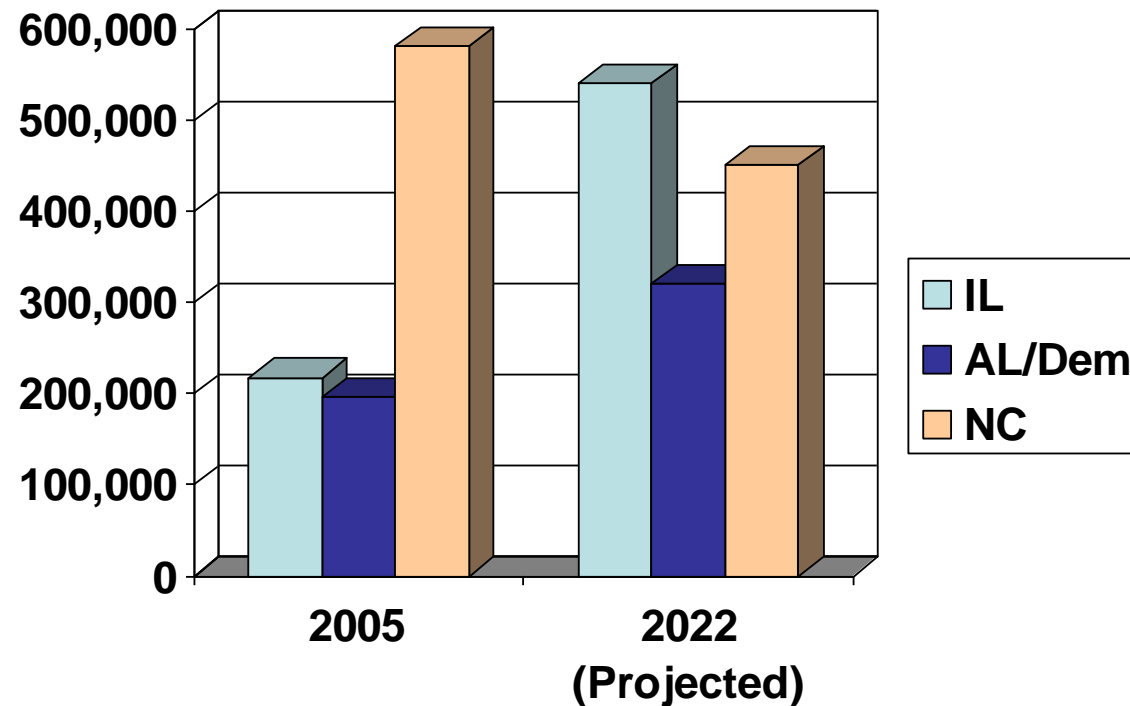


SOURCE: Thomson Financial Securities Data as of 1/12/09

Trends in Senior Care : Continuum Trends

- Number of occupied units is currently decreasing at a rate of 0.8% per year for **skilled nursing**
- Demand for **independent living, assisted living** and **dementia** is growing faster than the annual growth rate in 75+ households, which was 1.8% over the past several years

**Projected Seniors Housing Inventory
(31 MSAs – Units)**



Source: NIC: "THE MAP MONITOR", 4Q07

Trends in Senior Care : Repositionings and New Campus Growth Continue



- ↑ Repositionings of existing campuses continues to accelerate

- ↑ Incremental expansion opportunities for some campuses

- New campus activity continuing but with changes
 - Smaller sizes emerging
 - Phasing more likely
 - ↑ Competition for new land decreasing
 - ↑ Seed capital remains available for qualified projects



Moorings Park



The Village at Gleannloch Farms
Houston, Texas

Trends in Senior Care: Expansion across the Continuum

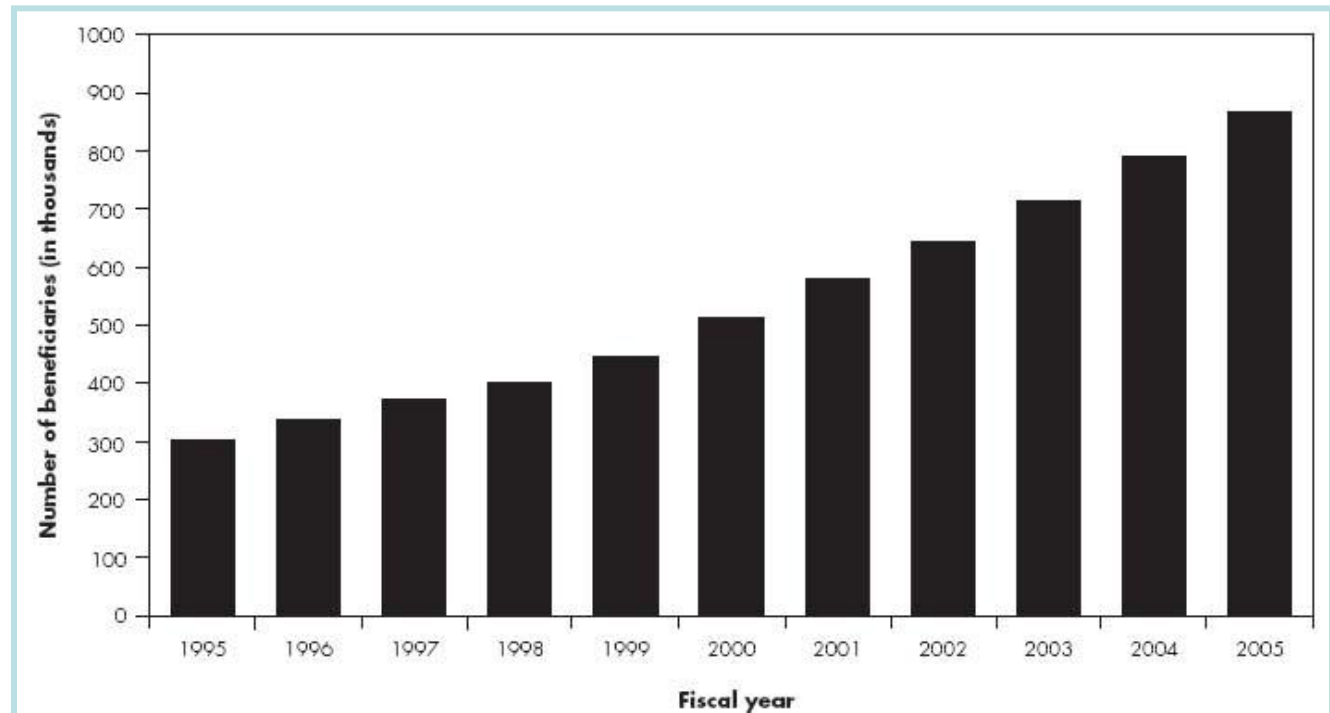
- Shift toward market rate ILUs
 - Cottages, when land available
- Shift toward filling in the continuum with AL
- Shift toward designated memory-support units
- Shift toward “revitalizing” nursing
 - Decreasing nursing as % of IL
 - Focusing on single-occupancy units
 - Developing the resident-centered care model
- Increasing interest in addition of wellness programs and/or centers



Trends in Senior Care : Hospice Program Growth

- 1,000 new hospices have opened since 2005
 - 10% Non-profit
- Positive profit margin for NFP hospices

Source: June 2008 Medicare Payment Advisory Commission (MedPAC) Report's Findings on Hospice Growth



Source: CMS 2007. http://www.cms.hhs.gov/PropMedicareFeeSvcPmtGen/downloads/FY05update_hospice_expenditures_and_units_of_care.pdf

Trends in Senior Care : Resident-Centered Care Model Gains Momentum



↑ Resident-centered care movement has accelerated

- Concepts and programs revolve around:
 - Resident-centered care
 - GREENHOUSESM
 - Small House
 - Culture Change

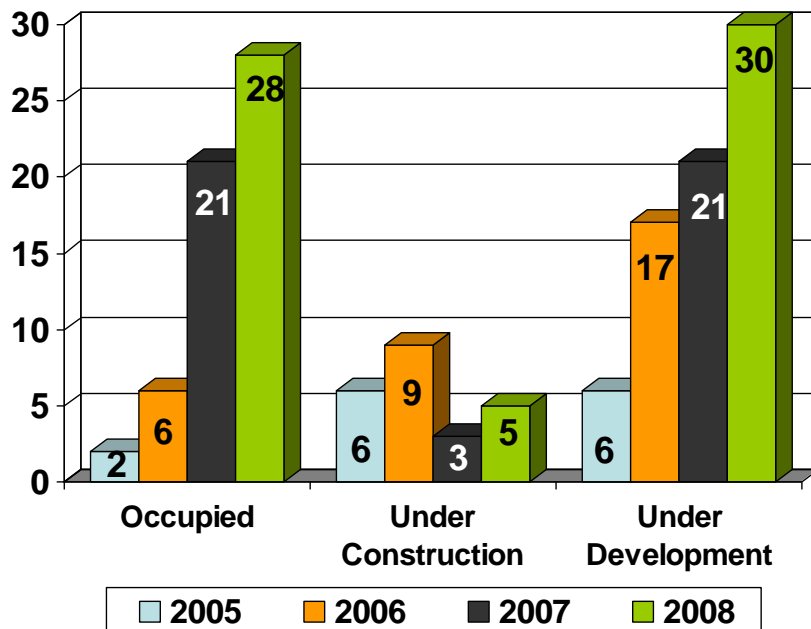
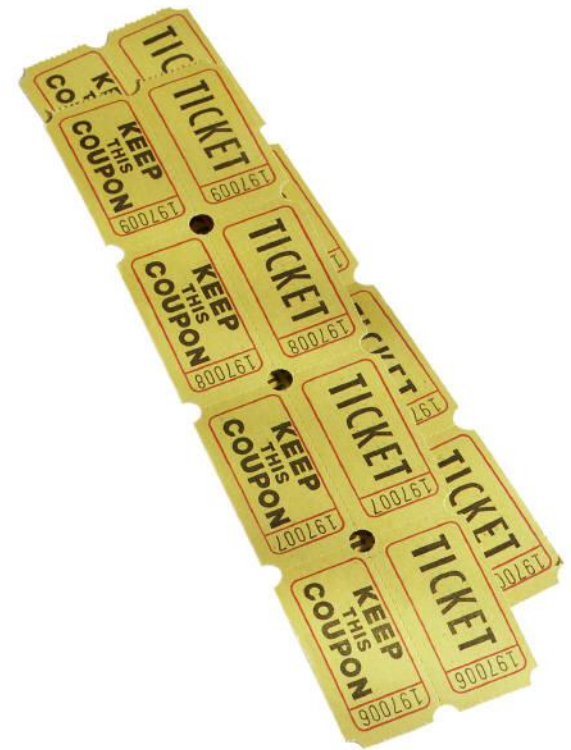


Photo: Silverado Senior Living Aspen Park Community, Salt Lake City, UT

Trends in Senior Care: Affiliations, Mergers & Acquisitions Strategic Drivers for Strong Partners



- Desire to grow without needed capital available
- Desire to add services already being capably provided by another organization
- Desire to grow in a market with high barriers to entry (acquisition may be the cheapest admission ticket)



Trends in Senior Care : Recent CCRC Acquisitions/Affiliations

↓ However ... there are more CCRCs on the market than ever

- Drivers are: single-site who are raising their hands, credit challenged credits, hospital dispositions

Project Names	City	State	Total Units	Type of Disposition	Acquiring Organization
Meriter Retirement Village	Madison	WI	216	Hospital disposition	Pacific Retirement Services
Marsh's Edge	St. Simon's Island	GA	192	Credit Challenged	Senior Living Communities
Mesa Springs Retirement Village	Abilene	TX	149	Credit Challenged	Sears Caprock Retirement Corp
Carlton Cove	Huntsville	AL	267	Credit Challenged	ACTS
East Ridge Retirement Village	Miami	FL	368	"Hand-raising"	SantaFe Health Care



- Systems are typically the organizations acquiring

Trends in Senior Care: Prospective Buyers Establishing “Filters”

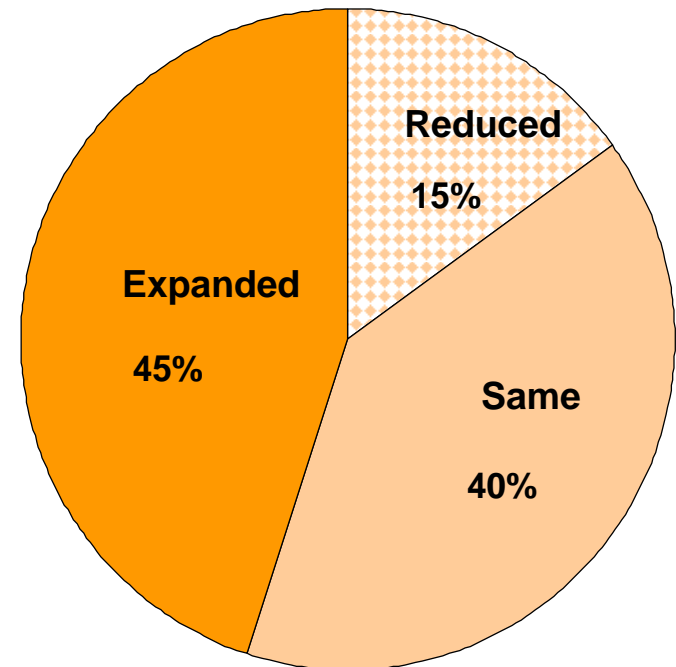
- Mission Compatibility
- Geography
- Population Served
- Competitive Profile
- Type of Community



Trends in Senior Care : Home and Community Based Services (HCBS)

- HCBS offers opportunity to serve those that choose to remain in their homes
- HCBS offered by majority of AZ 100
 - **78% of total**
 - **70% of largest 10**
- Age of organization increases propensity to serve greater community
- ↑ **45% expanded** their HCBS services in 2007

*PERCENTAGE OF AZ 100 HCBS SERVICES
EXPANDED or REDUCED*



Trends in Senior Care : Consumer Issues & Preferences

↓ Residents' financial conditions may be weaker

- increased household debt
- pensions no longer way of life

↑↓ Increased interest in fitness/wellness and successful aging

- Wii
- Life-long learning
- Programs emerging to address wellness, e.g., Masterpiece



↑↓ Increased sentiment for provider adherence to environmental sensitivities (Green architecture/LEED/recycling efforts/etc.)

↑ Continuous learning increasingly of interest

Trends in Senior Care: Multi-site Trends



→ Multi-site systems are driving majority of new campus growth

→ Many systems are growing rapidly

- Type? Metropolitan and regional, in particular
- How? Through expansions, new campuses and acquisitions
- Expanding their services
- Risk tolerance for growth varies

↑ Systems continue to become more sophisticated

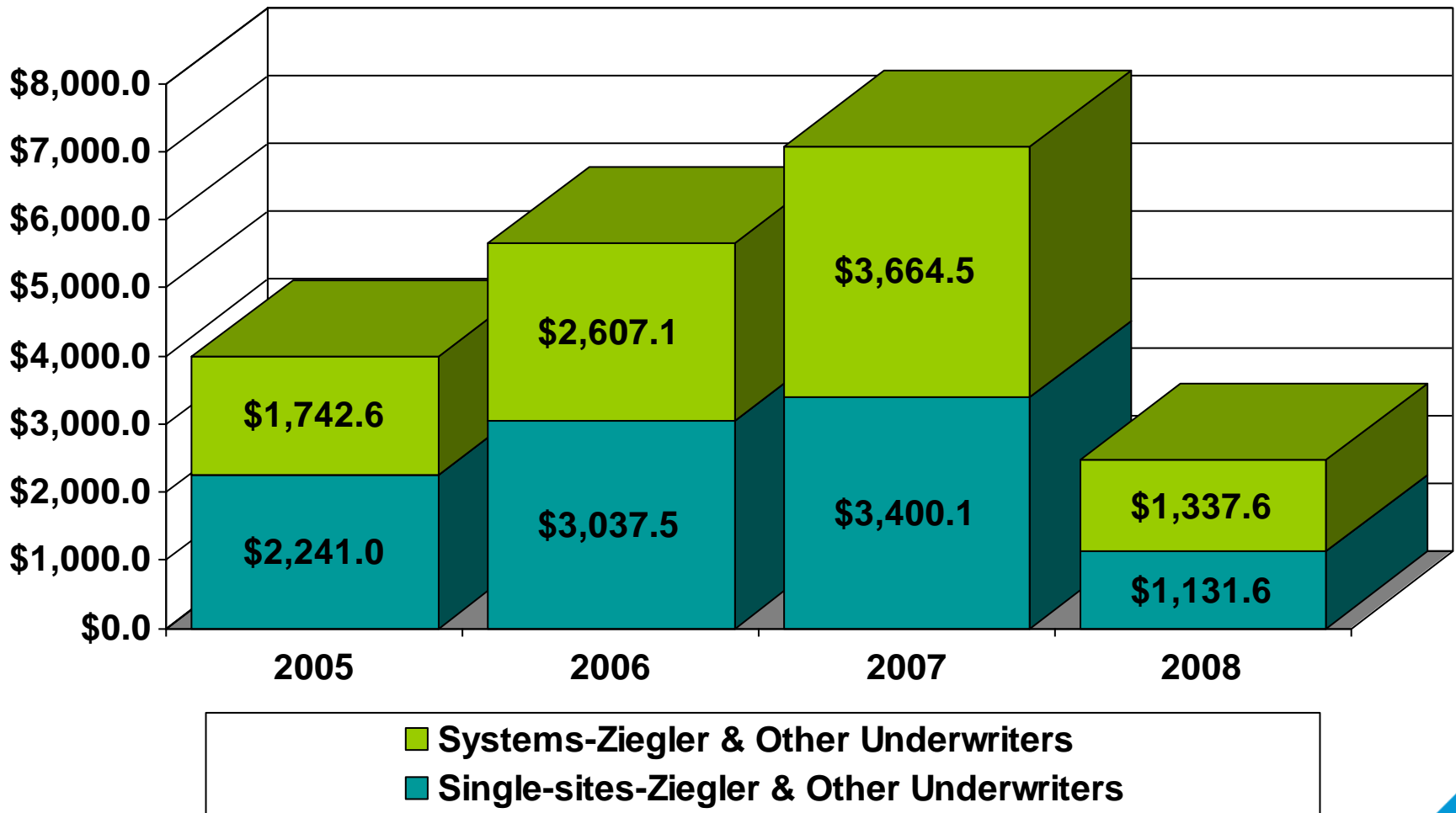
↑ Name changes to reflect current market

↑ Non-core credit structures are common for incubation of new campuses and acquisitions

↑ AAHSA Ziegler 100



Trends in Senior Care: System vs. Single-Site 2005 - 2008



Trends in Senior Care : Position Your Organization for Accessing Capital

Be the strongest credit you can be!

- Credit considerations are weighted more heavily in the capital markets
- Stronger credits with greater support, equity, liquidity and experience are in a better position to access capital
- More conservative and flexible assumptions for planning purposes
 - Now is the time for **scenario planning** - plan for projects under various financing structures depending upon market conditions at the time of financing
- Follow best practices for continuing disclosure to maintain good relationships with current lenders

Trends in Senior Care : Position Your Organization for Accessing Capital

Financing will take more time

- Work with your trusted advisor early to secure a new letter of credit provider if needed
- Develop strategies for fixed rate distribution earlier in the project planning stage with your trusted advisor
- Nurture relationships with your local and bank lenders
- Use your depository business as a tool for gaining access to credit



Trends in Senior Care: Ziegler's Six Strategies for Senior Living Providers in Challenging Economic Times



**FINANCIAL
STRENGTH**

Focus on Key Drivers of Financial Strength

PHYSICAL ASSETS

Ensure Existing Properties Well Positioned

SERVICES

Ensure Services Maximize Return

GROWTH

Consider Growth through New Locations

KNOWLEDGE

Educate Self, Board, Staff, Residents

VALUE

Solicit Your Industry Professional Team

Section 3



Capital Markets Update



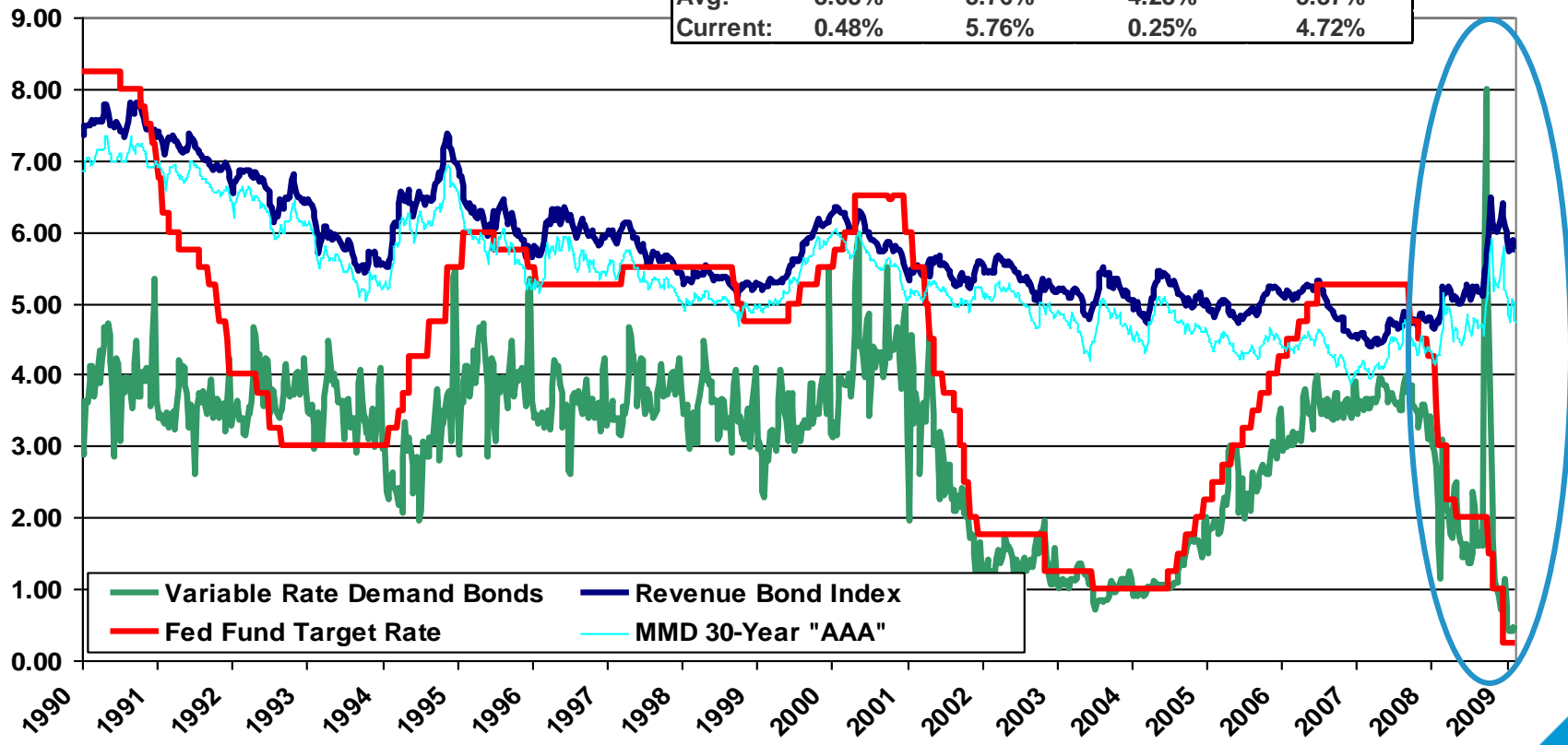
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Capital Markets Update: Historical Interest Rates



VRDB's vs RBI vs Fed Funds Target Rate vs 30 Yr MMD (1990 To Date)

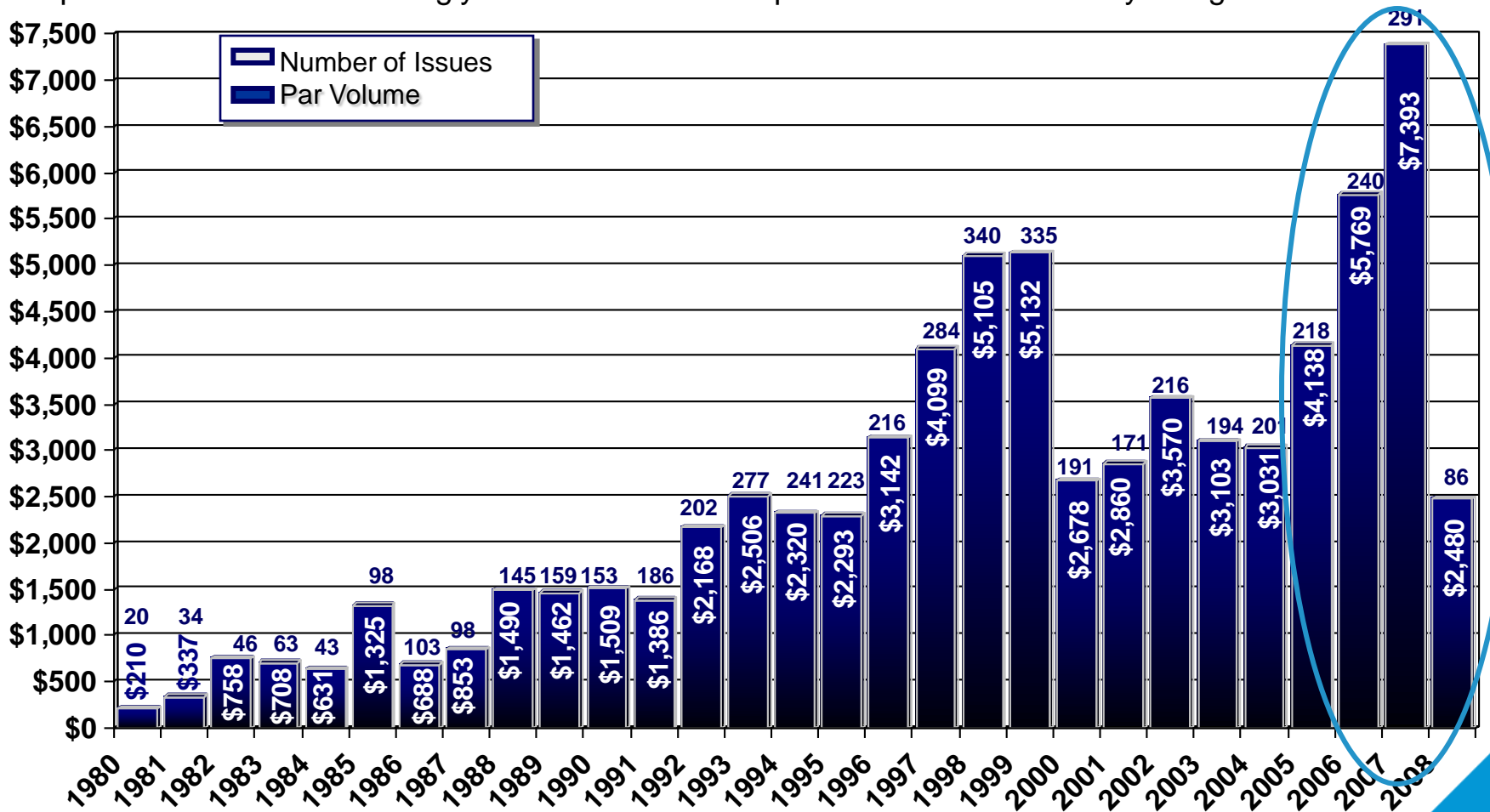
As of 2/13/09				
	Revenue	Fed Fund	MMD 30-Yr	
	VRDBs	Bond Index	Target Rate	"AAA"
Min:	0.40%	4.38%	0.25%	3.89%
Max:	8.00%	7.83%	8.25%	7.35%
Avg:	3.05%	5.76%	4.23%	5.37%
Current:	0.48%	5.76%	0.25%	4.72%



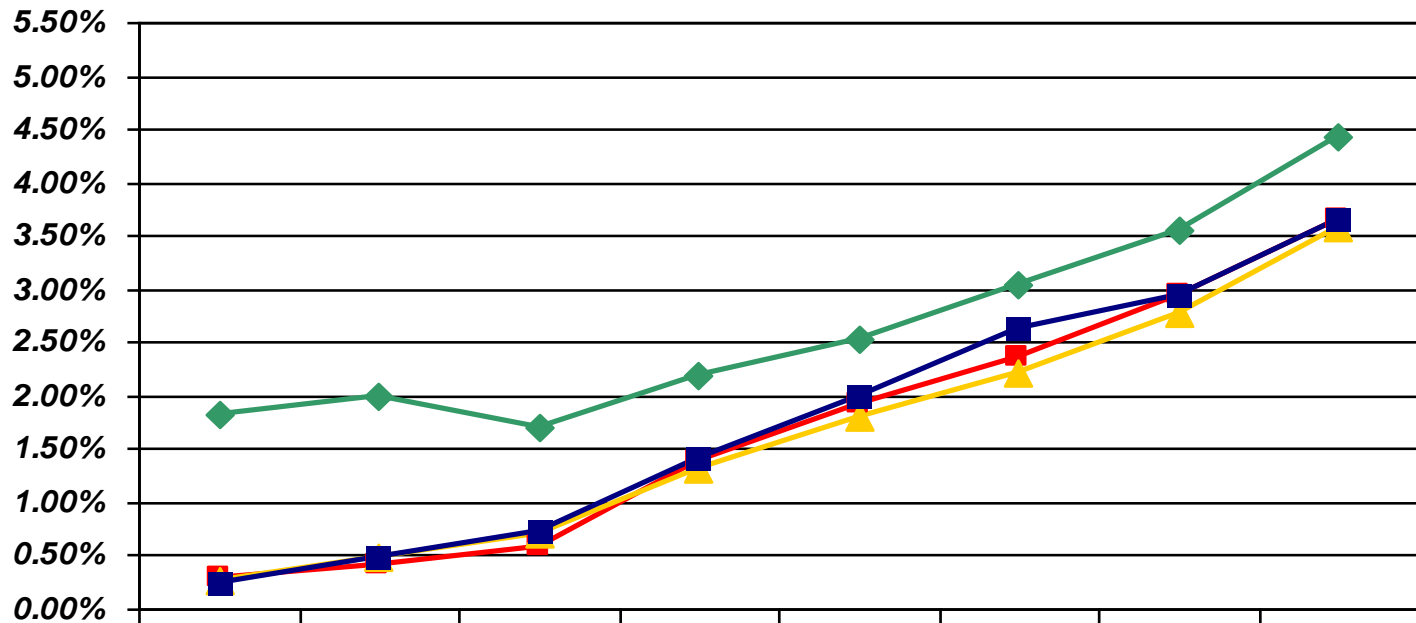
Not-For-Profit Senior Living Financings Volume



- Tax-exempt market for non-profits unfolded in a meaningful way in 1980's
- Capital has become increasingly more available as sophistication of the industry has grown



Capital Markets Update: Interest Rate Treasury Yield Curve



	3 Month	6 Month	1 Year	3 Year	5 Year	7 Year	10 Year	30 Year
◆ 1 Year Ago	1.82%	2.00%	1.70%	2.19%	2.52%	3.05%	3.55%	4.43%
■ 4 Weeks Ago	0.28%	0.41%	0.59%	1.38%	1.92%	2.35%	2.95%	3.66%
▲ 1 Week Ago	0.27%	0.49%	0.70%	1.31%	1.79%	2.21%	2.77%	3.58%
■ Friday (2/27/09)	0.25%	0.49%	0.74%	1.42%	2.00%	2.64%	2.94%	3.64%

Exhibit A



Update on Ziegler



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Update on Ziegler: Overview



Ziegler is one of the nation's oldest and largest investment banking firms serving senior living, healthcare and not-for-profit organizations.

- Full service financial services firm.
- Principal components include:
 - Ziegler Capital Markets
 - Ziegler Capital Management, LLC
 - Ziegler Alternative Investments
 - Ziegler Wealth Management Group
- Founded in 1902 with a focus on healthcare since 1928.
 - Over 360 professionals and support staff dedicated to serving our clients
- National presence, demonstrated execution expertise and broad-based experience.
- Strong underwriting and sales & trading capabilities.
 - Remarketing portfolio in excess of \$7.3 billion
 - No failed remarketings or auctions
 - Primary and secondary market efforts focused exclusively on muni sector
- Ziegler's mission is to provide tailored financial solutions.
- Ziegler's goal is to be our client's trusted advisor and partner.



Update on Ziegler: The Undisputed Leader in Senior Living Financings



<i>Top Lead Managing Underwriters Senior Living Finance Issues 2000 - 2008</i>			
Rank	Underwriter	# of Issues	\$ Millions
1	Ziegler Capital Markets	325	\$12,177.2
2	Herbert J. Sims & Co.	117	4,250.8
3	Cain Brothers	95	2,979.9
4	BB&T Capital Markets	60	1,983.8
5	Piper Jaffray & Co.	83	1,756.4
6	UBS Securities	35	1,728.4
7	Wachovia	57	1,436.4
8	Lancaster Pollard	65	762.2
9	Dougherty & Company	49	632.5
10	Capmark	48	631.2

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 1/12/09



Ziegler's Oklahoma Senior Living Experience

**Top Lead Managing Underwriters
Oklahoma Senior Living Finance Issues
1/1/90 - 6/30/08**

<u>Rank</u>	<u>Underwriter</u>	<u># of Issues</u>	<u>\$ Millions</u>
1	Ziegler Capital Markets	6	\$174.8
2	Piper Jaffray & Co.	3	\$105.4
3	Herbert J. Sims & Co.	1	\$93.1
4	Leo Oppenheimer	4	\$30.7
5	Vonfeldt Associates	1	\$16.0
6	MJSK	2	\$12.0
7	Banc of America Securities	1	\$7.4
8	Dougherty & Company	1	\$7.1
9	Stern Brothers	1	\$4.5
10	BOSC	1	\$3.1

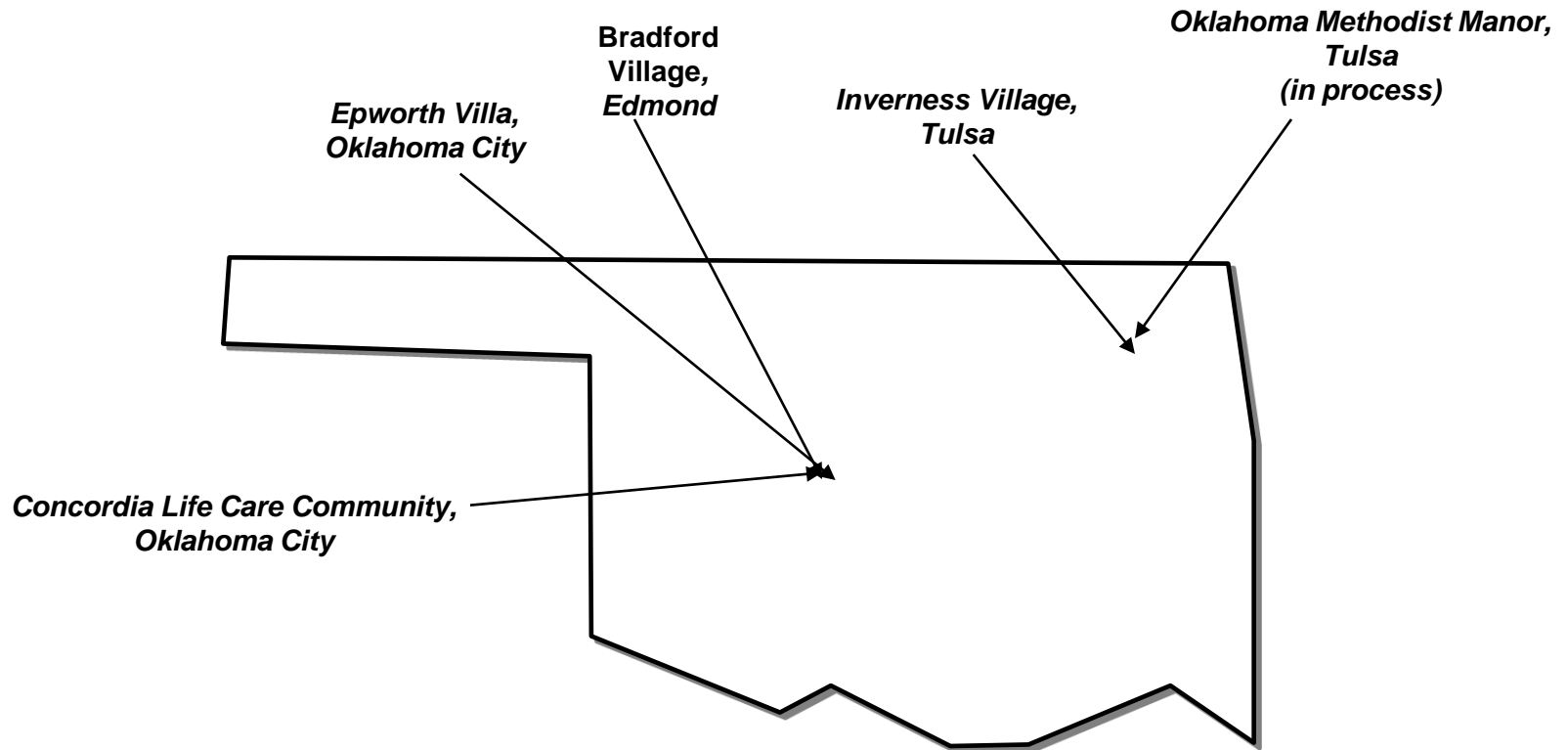
*Source: Thomson Financial Securities Data
Full credit given to Senior Manager
As of 7/25/08*

ZIEGLER'S OKLAHOMA FINANCINGS

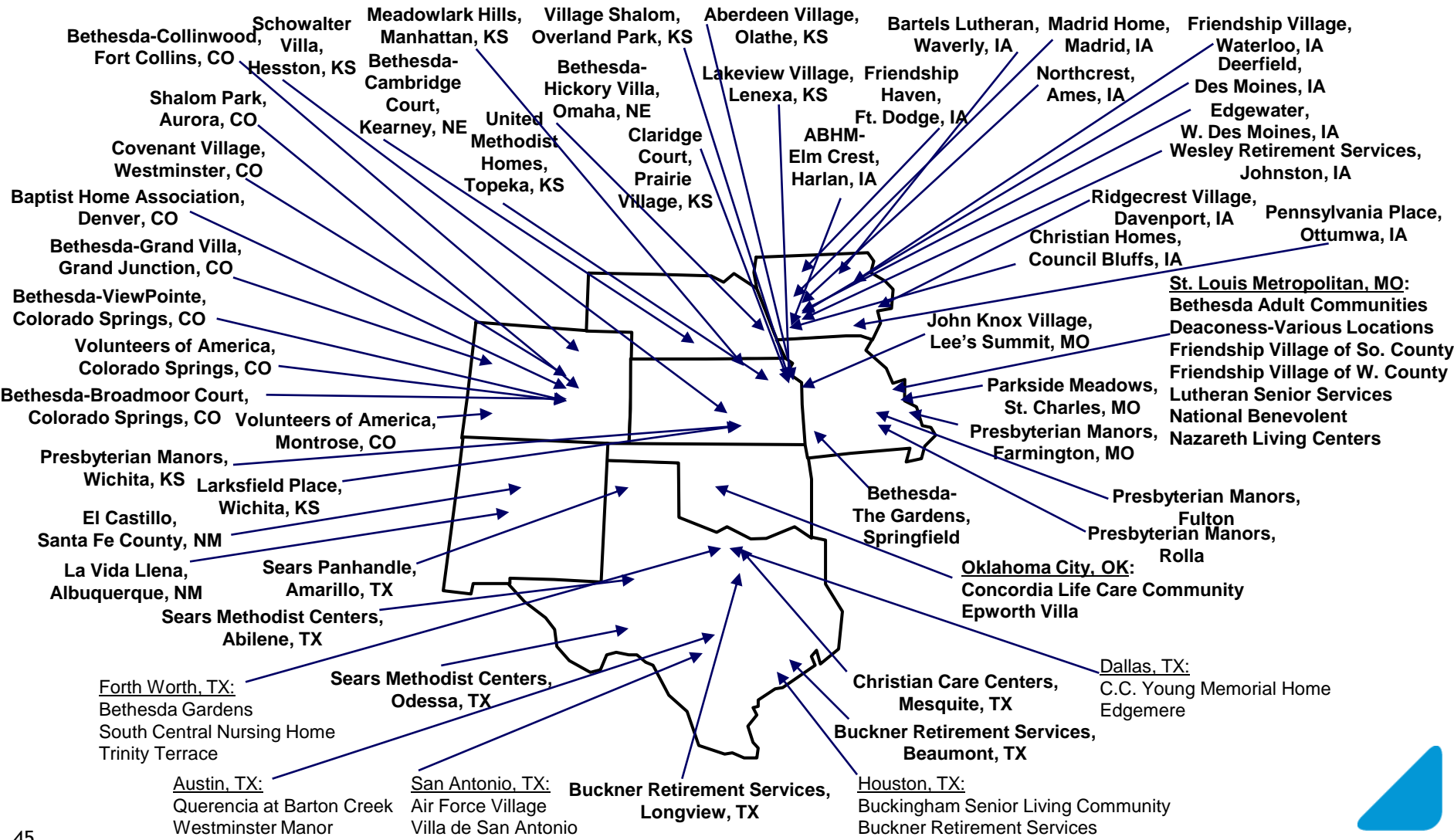
<u>FACILITY</u>	<u>LOCATION</u>	<u>PAR AMOUNT</u>
2007 TRANSACTIONS		
Inverness Village	Tulsa	\$71,000,000
2005 TRANSACTIONS		
Epworth Villa	Oklahoma City	\$13,460,000
Concordia Life Care Community	Oklahoma City	\$38,830,000
2004 TRANSACTIONS		
Epworth Villa	Oklahoma City	\$15,450,000
2000 TRANSACTIONS		
Epworth Villa	Oklahoma City	\$15,000,000
1997 TRANSACTIONS		
Epworth Villa	Oklahoma City	\$21,055,000
1989 TRANSACTIONS		
Epworth Villa	Oklahoma City	\$27,615,000

- Since January, 1990, Ziegler has led other investment banking firms in providing tax-exempt financing to senior living facilities domiciled in Oklahoma.
- Engaged with Oklahoma Methodist Manor in Tulsa and Bradford Village in Oklahoma City.
- Focus has been on high quality, not-for-profit senior living organizations.

Ziegler's Oklahoma Senior Living Experience



Update on Ziegler: Ziegler's "Big Twelve" Senior Living Experience



Update on Ziegler: Staff Dedicated to Senior Living Finance

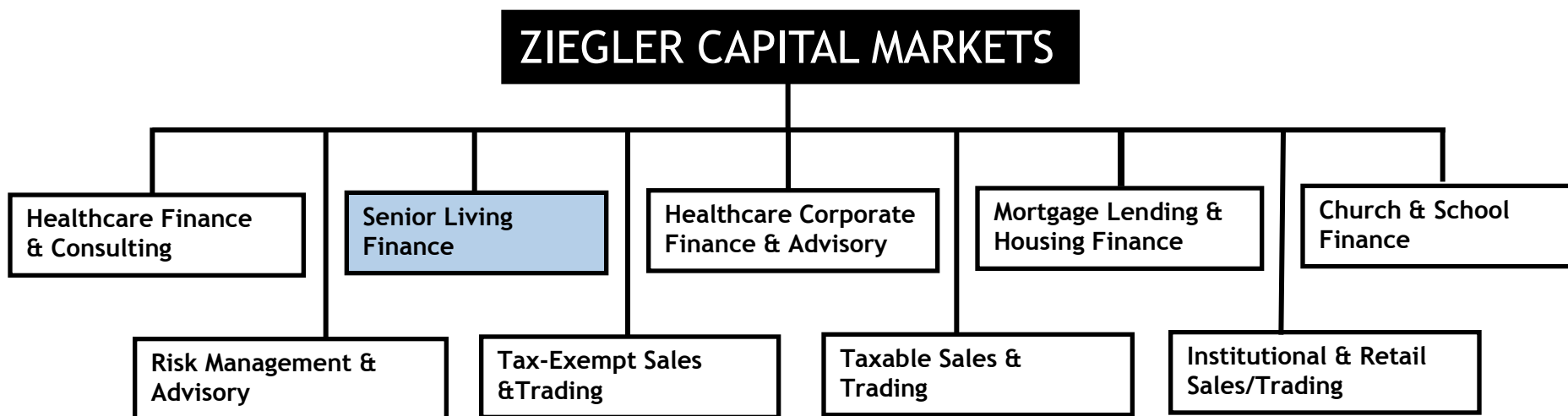


PROFESSIONAL	TITLE	GROUP	LOCATION	ROLE
Donald A. Carlson, Jr.	Vice Chairman	Executive	Chicago, IL	Executive
Daniel J. Hermann	Managing Director & Group Head	Senior Living Finance	Chicago, IL	Investment Banker
Michael P. McDaniel	Managing Director & Group Head	Tax-Exempt Sales & Trading	Chicago, IL	Marketing Director-Sales & Trading
William T. Mulligan	Managing Director & Group Head	Corporate Finance	Milwaukee, WI	Investment Banker-Mergers & Acquisitions
Scott L. Moore	Managing Director & Group Head	Mortgage Banking	Dublin, OH	Investment Banker
John D. Kautz	Managing Director & Group Head	Risk Management Advisory	New York, NY	Investment Banker-Risk Management
Mark A. Baumgartner	Managing Director & Group Head	Healthcare/Senior Living Finance	Milwaukee, WI	Investment Banker
Thomas S. Ross	Managing Director	Senior Living Finance	Milwaukee, WI	Senior Credit Officer
Richard J. Scanlon	Managing Director	Senior Living Finance	St. Petersburg, FL	Investment Banker
Thomas L. Brod	Managing Director	Senior Living Finance	Baltimore/Columbia, MD	Investment Banker
Mary K. Munoz	Managing Director	Senior Living Finance	Scottsdale, AZ	Investment Banker
David R. Laffey	Managing Director	Senior Living Finance	New York, NY	Investment Banker
Thomas H. Meyers	Managing Director	Senior Living Finance	Chicago, IL	Investment Banker
William R. Carney	Managing Director	Senior Living Finance	Chicago, IL	Investment Banker
Stephen W. Johnson	Managing Director	Senior Living Finance	Chicago, IL	Investment Banker
Michael D. Kelly	Director	Senior Living Finance	St. Petersburg, FL	Investment Banker
Thomas S. Howard	Director & Assistant Sales Manager	Tax-Exempt Sales & Trading	Chicago, IL	Institutional Sales
Steven J. Jeffrey	Senior Vice President	Senior Living Finance	Baltimore/Columbia, MD	Investment Banker
Kathryn L. Brod	Senior Vice President	Senior Living Finance	Baltimore/Columbia, MD	Director of Senior Living Research
Edward C. Merrigan	Senior Vice President	Research	New York, NY	Director of Research
Howard Manning	Senior Vice President	Tax-Exempt Sales & Trading	Chicago, IL	Institutional Sales/Tax-Exempt Trader
Adriane P. Evans	Senior Vice President	Tax-Exempt Sales & Trading	St. Petersburg, FL	Institutional Sales
Romy L. McCarthy	Senior Vice President	Healthcare/Senior Living Finance	Milwaukee, WI	Technical Support
Jennifer J. Lavelle	Senior Vice President	Senior Living Finance	Los Angeles, CA	Technical Support
Terry M. Herndon	Senior Vice President	Senior Living Finance	St. Petersburg, FL	Technical Support
Trlet Nguyen	Senior Vice President	Tax-Exempt Sales & Trading	Chicago, IL	Institutional Sales
Craig Naish	Senior Vice President	Tax-Exempt Sales & Trading	Chicago, IL	Variable Rate Marketing
Daniel C. Revie	Senior Vice President	Corporate Finance	Milwaukee, WI	Technical Support
Kevin Carden	Vice President	Corporate Finance	Chicago, IL	Technical Support
Keith E. Robertson	Vice President	Senior Living Finance	New York, NY	Investment Banker
Ken Kobout	Vice President	Tax-Exempt Sales & Trading	Chicago, IL	Institutional Sales/Trading
Kathleen Murphy	Vice President	Tax-Exempt Sales & Trading	Chicago, IL	Institutional Sales/Trading
Joshua Z. Rosen	Vice President	Mortgage Banking	Chicago, IL	FHA Loan Underwriter
Jeremy Frankel	Vice President	Mortgage Banking	Manhattan Beach, CA	Investment Banker
Scott M. Determan	Vice President	Risk Management Advisory	Chicago, IL	Technical Support
Lavinia M. Criswell	Vice President	Research	St. Petersburg, FL	Marketing Research & Credit Analyst
Amy Castleberry	Vice President	Research	Baltimore/Columbia, MD	Senior Living Credit Analyst
Susan M. Nobillio	Vice President	Senior Living Finance	Baltimore/Columbia, MD	Technical Support
Michael T. Taylor	Assistant Vice President	Senior Living Finance	Chicago, IL	Technical Support
Himanshu Kashyap	Senior Associate	Corporate Finance	New York, NY	Technical Support
Aaron M. Schroeder	Analyst	Senior Living Finance	Scottsdale, AZ	Technical Support
Paul J. Corty	Associate	Risk Management Advisory	Chicago, IL	Technical Support
K. Nick Glaisner	Associate	Corporate Finance	Milwaukee, WI	Technical Support
Steven Chung	Associate	Senior Living Finance	Chicago, IL	Technical Support
Kristen L. Heron	Associate	Senior Living Finance	Chicago, IL	Technical Support
Brendon Malone	Analyst	Senior Living Finance	Chicago, IL	Technical Support
Matthias K. O'Meara	Analyst	Healthcare/Senior Living Finance	Milwaukee, WI	Technical Support
Robert Walton	Analyst	Corporate Finance	Milwaukee, WI	Technical Support
Keith Bernard	Credit Analyst	Research	New York, NY	Marketing Research
Michael Schmidt	Credit Analyst	Research	Milwaukee, WI	Marketing Research
Cathy A. Owen	Research Associate	Senior Living Finance	St. Petersburg, FL	Senior Living Research
Wendy Corbett	Junior Research Analyst	Senior Living Finance	Baltimore/Columbia, MD	Senior Living Research
Victoria Hagen	Research Assistant	Research	Milwaukee, WI	Website Administrator

Note: The highlighted individuals have primary responsibility for serving Oklahoma

Update on Ziegler: Ziegler Capital Markets Organizational Chart

Ziegler brings a multi-disciplinary approach to addressing the issues facing senior living, healthcare & not-for-profit organizations.



- Over 50 investment banking professionals dedicated to senior living providers.



Update on Ziegler: Ziegler's Role as a Strategic Partner



HIGH LEVEL CONSULTING:

Finance/Capital Structure

Ziegler provides a full range of financial services:

- Investment banking
- FHA mortgage banking
- Financial risk management
- Investment management
- Mergers and acquisitions
- Seed money and mezzanine financing
- Capital and strategic planning
- Industry research, education and communication

Market Positioning & Operations Consulting

Ziegler provides market positioning and operations consulting evidenced by:

- Investment banking staff's experience
- AAHSA Ziegler 100
- CARF-CCAC Financial Ratios and Trend Analysis
- Finance + Strategy Conference
- CFO Workshop & Hotline
- CEO Symposium
- Ziegler AAHSA Graduate Fellowship Award
- Z-News
- A2ZCCRC.com
- ZieglerResearch.com
- Ziegler's Start-Up Database
- Wellness Survey

Marketing/Market Analysis/Development/ Accounting/Legal/Etc.

Ziegler provides high level consulting in a number of operational areas. Often times this service is provided on a gratis basis. It is supported by our investment banking staff's experience.

MID-LEVEL AND DETAIL LEVEL CONSULTING:

- Ziegler's staff of investment banking professionals, backed by the experience of our senior investment bankers, fully supports our financial services

- Ziegler believes mid-level and detail level consulting in these areas should be performed by qualified third parties on a fee for service basis.
- Ziegler provides unparalleled access to top qualified senior living consultants in these areas

Update on Ziegler: 11th Annual Senior Living Finance + Strategy (2008)



Highlights



THE SAGAMORE | LAKE GEORGE, NEW YORK

ZIEGLER CAPITAL MARKETS

11th ANNUAL ZIEGLER SENIOR LIVING FINANCE + STRATEGY CONFERENCE

SEPTEMBER 24 - 26, 2008

AGENDA



Pre-Conference Workshops & Roundtables:

- Senior Living Finance 101
- Financial Risk Management 101
- Legal Roundtable: Senior Living Financing in Focus
- Technology Round Table
- Senior Living-focused Board Development
- Successful Aging Initiatives: Business Benefits Beyond Resident Satisfaction

General Sessions:

- State of Senior Living and the Senior Living Capital Markets 2008
- System Trends: Investigating the Dynamics of Proactive System Providers
- Hot Topic: Applied Technology—Achieving Results
- Advanced Financial Topic: Navigating the Journey to Financial Strength
- Marketing: Innovative Approaches for Invigorating Occupancy

Break-Out Sessions:

- Repositioning: Managing the Process
- Interest Rate Risk Management: Managing Risk in Turbulent Markets
- System Panel: System Sophistication
- Single-site CCRCs in the Spotlight
- 2008 Institutional Investor Panel: Understanding Investor Sentiment in the Midst of a Challenging Credit Market
- Corporate Structure
- Hot Topic: Marketing Magic—Creative Solutions for Beating the Housing Market Slump
- 2008 Letter of Credit (LOC) Banker Panel
- Architects' Panel: Designs for Change
- Investment Policy Making in a Challenging Market Environment
- From Concept to Community: Trends in New Campus Development
- Resident-centered Care Models ... with a Ziegler Twist
- Focus on NOM: Best Practices to Improve the Bottom Line
- Mergers, Acquisitions and Dispositions: Growing Trends

Closing General Session:

- Senior Living: Today, Tomorrow and Scenarios of the Future

Update on Ziegler:

April 29th-May 1st, National CFO Workshop



PRESENT...



**THE 2009
NATIONAL SENIOR LIVING
CFO WORKSHOP*
CHICAGO | IL**



Exhibit B



Banker Biography



CAPITAL MARKETS GROUP

William R. Carney

Managing Director, Senior Living Finance



Mr. Carney joined Ziegler in 1999 after 15 years of credit and banking experience with clients in the Midwestern and Western states. He has assisted providers with financing new construction, campus repositioning and start-up projects. In helping his clients find the optimum financing structure, he has worked with unenhanced, fixed rate debt, credit enhanced variable rate bonds, extendable rate securities, HUD debt programs, and interest rate derivative products. He is a frequent speaker at state and national conferences on senior living topics.

Prior to joining Ziegler, Mr. Carney worked for an investment bank in Dallas, TX where he provided comprehensive financial advisory and underwriting services. In addition to Mr. Carney's banking experience, he worked at Standard & Poor's Corp as a rating officer in the healthcare group.

Mr. Carney earned a B.A. from Colorado College, Colorado Springs, Colorado, where he won the Senior Thesis Prize from the Economics Department. He also received a M.Sc. in economics from the London School of Economics and Political Science (London, England).

Will Carney's Ziegler Banking Experience



William R. Carney
Select Senior Living Financing Experience (1999 - 2007)

Sale Date	Par Amount	Borrower	State	Bond Structure
10/28/2008	\$30,000,000	Frasier Meadows	CO	Lead
8/22/2008	\$50,000,000	Lutheran Senior Services	MO	Lead
5/29/2008	\$21,480,000	Bethesda Adult Communities	CO	Lead
11/21/2007	\$71,000,000	Inverness Village	OK	Lead
9/10/2007	\$13,000,000	Larksfield Place	KS	Lead
6/28/2007	\$28,660,000	Friendship Village of West County	MO	Lead
6/19/2007	\$67,225,000	Lakeview Village	KS	Lead
6/12/2007	\$26,200,000	Presbyterian Manors, Inc.	KS	Co-Lead
5/24/2007	\$56,580,000	John Knox Village	MO	Co-Lead
1/26/2007	\$60,500,000	Lutheran Senior Services-Meridian Village	MO	Co-Lead
10/31/2006	\$81,895,000	Christian Living Communities	CO	Lead
3/23/2006	\$83,515,000	Santa Marta (Catholic Care Campus)	KS	Lead
11/17/2005	\$38,830,000	Concordia Life Care Community	OK	Lead
10/5/2005	\$21,900,000	Lutheran Senior Services	MO	Co-Lead
8/10/2005	\$30,000,000	Lutheran Senior Services	MO	Co-Lead
4/29/2005	\$6,210,000	Meadow lark Hills	KS	Lead
3/29/2005	\$30,370,000	Aberdeen Village	KS	Co-Lead
12/16/2004	\$15,450,000	Epworth Villa	OK	Lead
12/6/2004	\$13,375,000	Bethesda Living Centers	CO	Co-Lead
11/19/2004	\$12,000,000	Friendship Village of West County	MO	Lead
10/27/2004	\$43,575,000	Christian Living Campus-Holly Creek	CO	Lead
8/12/2004	\$5,345,000	Eben Ezer Lutheran Care Center	CO	Lead
7/8/2004	\$22,000,000	Lutheran Senior Services-Heisinger	MO	Co-Lead
5/7/2004	\$5,880,000	Presbyterian Manors, Inc.	MO	Co-Lead
4/29/2004	\$24,000,000	Presbyterian Manors, Inc.	KS	Co-Lead
9/10/2003	\$10,520,000	Friendship Village of South Hills	PA	Co-Lead
8/25/2003	\$9,410,000	Claridge Court	KS	Co-Lead
12/18/2002	\$6,380,000	Total Longterm Care	CO	Lead
11/5/2002	\$7,915,000	Friendship Village of South County	MO	Lead
10/30/2002	\$6,905,000	Christian Living Campus	CO	Lead
6/14/2002	\$6,255,000	Lakeview Village	KS	Co-Lead
5/14/2002	\$18,000,000	John Knox Village	MO	Co-Lead
3/27/2002	\$14,700,000	United Methodist Homes, Inc.	KS	Co-Lead
12/18/2001	\$19,165,000	Shalom Park	CO	Lead
9/28/2001	\$11,985,000	Christian Living Campus	CO	Co-Lead
1/25/2001	\$55,100,000	Jewish Center for Aged	MO	Co-Lead
12/7/2000	\$15,000,000	Epworth Villa	OK	Co-Lead
10/13/2000	\$7,395,000	Friendship Village of South County	MO	Support Banker
10/13/2000	\$8,405,000	Friendship Village of West County	MO	Support Banker
9/23/1999	\$10,300,000	John Knox Village	KS	Support Banker
8/5/1999	\$27,000,000	Meadow lark Hills	KS	Support Banker

