



MASONIC HOMES

of

KENTUCKY

FOR IMMEDIATE RELEASE

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LOUISVILLE (Aug. 11, 2011)—Masonic Homes of Kentucky today closed a sale of Kentucky Economic Development Finance Authority bonds to finance development of the \$43.8 million Miralea Independent Living Community on its Frankfort Avenue campus. The series 2011 bonds include \$24.785 million of permanent fixed rate and \$19.885 million of temporary bonds.

Miralea is a new independent living community on Masonic Homes of Kentucky's Louisville campus, offering 90 apartment residences and 12 patio homes. Common areas will include creative arts center, television/media room, natatorium and fitness facility, multi-purpose room and dining venues. Masonic Homes' President and CEO Gary Marsh said the Miralea project has deposits from Miralea's future residents. "The entire community was presold in less than six months, nearly a year before we had originally projected. We see this as a clear indication that older adults in Louisville have been looking for this type of lifestyle," Marsh said.

While Miralea offers luxury, custom-designed residences with upscale amenities and a convenient location, Marsh said the life care plan attracted many depositors to the community. The life care plan enables Miralea residents to pay a monthly fee that guarantees their future care in Masonic Homes' assisted living, personal care, rehabilitation and recovery, and skilled nursing centers as their individual needs warrant.

Entrance fees range from \$169,996 to \$445,995, and depositors chose apartment residences or patio homes with monthly fees based on the unit selected, services they desire and a guaranteed refundable percentage of the entrance fee when they move out.

As the project got underway, Masonic Homes provided a \$1.1 million loan to fund Miralea's development and marketing costs, and advanced an additional \$315,000. In January 2011, Ziegler financed seed capital for Miralea, for a total of \$1.875 million to fund marketing and development. In addition to the 102 deposits for Miralea residences, 21 wait-list deposits had been made as of August 5.

“As we began this process, we projected a 9% effective rate on the bonds, based on the initial feasibility study conducted by our developer,” Marsh said. “In yesterday's pricing and sale, all of the bonds were oversubscribed in the market, resulting in a 7.06% effective rate on the total bond issuance. The reduction in the interest rate allowed us to decrease our projected borrowing from \$45.5 million to \$43.8 million, a savings of nearly \$2.7 million,” said Marsh. “In addition, the debt service coverage ratio jumped from 1.32 to 1.68 due to the increased demand on the bond issuance, which lowered the final effective rate.”

Construction on Miralea officially begins September 19 with a groundbreaking ceremony and is expected to take 13 months to complete. Louisville-based Bosse Mattingly Constructors is the project's general contractor.

Masonic Homes of Kentucky, Inc. is a tax-exempt 501 (c) (3) corporation with three senior living campuses in Louisville, Shelbyville and Taylor Mill. In operation since 1867, Masonic Homes' continuum of care includes:

- 194 independent living units
- 131 personal care and assisted living units
- 21 assisted living apartments
- 253 skilled nursing units
- Day care and preschool services for up to 120 children, with 60 spaces reserved for children who receive the care under Kentucky's Prescribed Pediatric Extended Care program
- Home and community based case management services.

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