

## Deal Spotlight: Long-Term Care

---

### **Presbyterian Retirement Communities Orange County Health Facilities Authority, Florida**

\$75,460,000

UW: Raymond James & Associates, Inc.

Ratings: AA (Fitch)

Dated Date: 1/26/06

Underlying Rating: BBB+ (Fitch)

Presbyterian Retirement Communities (“PRC”) issued over \$75 million of bonds to refund existing variable rate bonds and finance new capital projects. The issue was sold as Variable Rate Demand Bonds with liquidity support provided by Bank of America and remarketed weekly by Raymond James & Associates.

The bonds are secured by Gross Revenues of the system and a mortgage on ten CCRC campuses. 100% of the bonds were swapped to fixed rate, enabling the hospital to lock in lower rates than traditional fixed rate issuance.

PRC was chartered in 1954 and opened its first CCRC in 1961. The system currently has 1,828 ILUs, 537 ALUs, and 761 SNF beds, located on 10 campuses in Jacksonville, Orlando, Winter Park, Bradenton, St. Petersburg, and Tallahassee, Florida. Resident contracts are type-B modified, providing only a limited amount of assisted or skilled care services without additional fees.

PRC has a long and successful operating history leading to well-located and attractive senior living facilities. PRC also enjoys a very good competitive profile and reputation in Florida and has exhibited a strengthening balance sheet with improving cash position and relatively light leverage. Management’s history of acquiring under-performing facilities for low prices and updating, modernizing, and returning them to profitability offsets concerns with fill-up risk of the new project.

PRC accessed the market at lower interest rates based on Radian’s “AA” ratings. The bonds were initially offered at a rate of 3.13%, 11 bps over the BMA Weekly index.

#### **Key Contacts:**

**Paul Rizzo, SVP, Manager of Public Finance • 212 984.9230 • [paul.rizzo@radian.biz](mailto:paul.rizzo@radian.biz)**

**John DeLuca, SVP, Director of Marketing • 212 984.9222 • [john.deluca@radian.biz](mailto:john.deluca@radian.biz)**

This report has been prepared by Radian Asset Assurance Inc. (“Radian”) based on information available and believed to be accurate and complete as of the date on which the obligations described above were issued (the “Issuance Date”). Certain information included in this report was obtained by Radian from third-party sources, and Radian does not guarantee the accuracy or completeness of this report as of the Issuance Date or its continued accuracy as of any date subsequent thereto. Radian does not intend to, and disclaims any duty or obligation to, update or revise any information included in this report to reflect new information or future events for any other reason. This report is distributed for information purposes only and nothing contained herein should be viewed as investment advice or as constituting a recommendation to buy, hold or sell the obligations described herein. Radian has insured the obligations described above and received fees for the issuance of a financial guarantee insurance policy covering such obligations.