New and Emerging Opportunities to Joint Venture with For-Profits to Meet Your Mission Objectives

LeadingAge Washington Annual Conference
Date: Thursday, June 12th
Time: 9:15 a.m. – 10:15 a.m.
Session # 7 * 60 Minutes
OBJECTIVES

- Framework NP <> FP Interactions
- Clarify Constraints
- Explore Current and New Opportunities
Panelists

Frank Rockwood
Co-Founder / CEO
Rockwood Pacific

Paul Gordon
Partner
Hanson Bridgett

Jay Woolford
Executive Director
Senior Housing Resource Group (SHAG)
New Starts ~ Organization Type

Source: NIC MAP® Data and Analysis Service; US Census 1Q06-4Q14. Primary Markets.
Institutional Capital Preferences

Relative Attractiveness of Property Types for New Investments 2010 – 2013 (Ratings: 1 = least attractive, 5 = most attractive)

Memory Care Units by Organization Type

Largest 31 US Metro Markets
SOURCE: NIC MAP® Data and Analysis Service, Rockwood Pacific.
Types of Tax Exemption

<table>
<thead>
<tr>
<th>Income Taxes</th>
<th>Donor Deduction</th>
<th>Tax Exempt Debt</th>
<th>Property Taxes</th>
<th>Other</th>
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<tbody>
<tr>
<td>• Federal</td>
<td>• Direct benefit</td>
<td>• Interest Rate</td>
<td>• Additional requirements</td>
<td>• Preferences / Set-Asides</td>
</tr>
<tr>
<td>• State of Washington</td>
<td>• Broadens donor pool</td>
<td>• Eco-system of capital providers</td>
<td></td>
<td>• Reputation</td>
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</table>
A Few Key Concepts

Charitable Purpose

Private Inurement
Framework for NP <> FP Interactions

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<th>Investment</th>
<th>Joint Ventures</th>
<th>Transactions</th>
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<td>• FP -&gt; NP</td>
<td>• Taxable Financing</td>
<td>• Passive Investments</td>
<td>• NEWCO Entity</td>
<td>• Bond Limitations</td>
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<td>• NP -&gt; FP</td>
<td>• TE Financing</td>
<td>• Program Related Investing</td>
<td>• Charitable purpose</td>
<td>• Restrictions on Use of Proceeds</td>
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<td>• NP -&gt; NP</td>
<td>• Ground Leases</td>
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<td>• Control</td>
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<td></td>
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<td>• Finite life</td>
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</tr>
</tbody>
</table>
Services

- FP -> NP
- NP -> FP
- NP -> NP
Financing

• Taxable Financing
• TE Financing
• Ground Leases
Investing

- Passive Investments
- Program Related Investments

Investing in Change

Rockwood Pacific  HansonBridgett  shag
Joint Ventures

- NEWCO Entity
- Charitable purpose
- Control
- Finite life
Transactions

% NP Change of Ownership where NP Sold to FP

Transactions

- Bond Limitations
- Restrictions on Use of Proceeds

SOURCE: Ziegler Investment Banking | 2010 to April 2014
Emerging

New Market Tax Credit

EB-5 Immigrant Investor Program

Social Impact Bond

PARTNER SHIP
[Other] Questions?
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