

'BBB+' Fitch Rating Saves The Pines Over \$9,000,000

The Pines has a BBB+ Rating from Fitch Ratings, an international credit rating agency and one of the "Big Three" national credit rating agencies recognized by the U.S. Securities and Exchange Commission.

A bond is considered investment grade if its credit rating is rated 'BBB-' or higher by Fitch Ratings.

An organization with an investment grade credit rating can borrow money at lower interest rates that can result in significant savings for the organization and its residents.

On March 28, 2019, The Pines issued \$58 million in debt to finance major improvements in its facilities, including new dining venues (pub, marketplace and ice cream/coffee kiosk), greatly expanded fitness and meeting space, two new state-of-the-art residential style nursing neighborhoods (40 new private beds), renovated dining facilities in Assisted Living and 38 new Independent Living villa apartments.

The Pines' investment bankers state that The Pines' 'BBB+' investment grade rating saved millions of dollars as shown below:

- The 'BBB+' Rating resulted in a cost of borrowing that was 0.65% lower than if the deal were non-rated.
- This interest savings resulted in gross cash flow savings for The Pines of \$9,768,326 or roughly \$500,000 annually.
- On a net present value basis, The Pines' savings were \$6,032,168.
- The 'BBB+' Rating also enabled The Pines to issue the debt without a Debt Service Reserve Fund, which reduced the borrowing need by approximately \$3.5 million.