



Acquisition Funding Refinancing Opportunities

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Summary of Existing GraniteOne Debt Portfolio

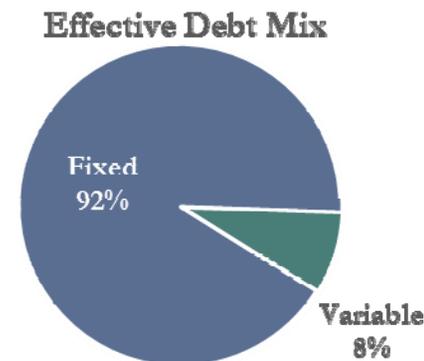
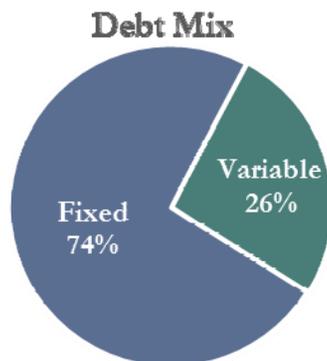
Series	Interest Mode	Outstanding Par Amt	Final Maturity	Par Call Date	Floating Formula	LOC Provider /Lender	FXP Swap	Post Swap WACC ^{1,2}	Avg. Life ³	Lender Put Date	Outstanding on Put Date
Catholic Medical Center											
2017	Fixed	\$ 61,115,000	07/01/44	7/1/2027	-	-	-	4.515%	20.472	-	-
2015A	Fixed	22,255,000	07/01/40	MWC	-	TD Bank	-	2.303%	10.483	9/1/2025	16,280,000
2015B	DP Variable	8,260,000	07/01/36	Current	69.75% 1ML + 66bps	TD Bank	✓	2.176%	10.341	9/1/2025	6,085,000
2012	Fixed	22,450,000	07/01/32	7/1/2022	-	-	-	4.247%	6.210	-	-
MOB	Fixed (taxable)	7,896,000	03/27/28	MWC	-	BofA	-	3.765%	7.811	3/27/2028	5,926,500
Leases	Fixed	2,968,000	06/01/20	N/A	-	-	-	N/A	-	-	-
Total		124,944,000									
Huggins											
2017A	Fixed	13,861,712	06/01/47	MWC	-	Citizens	-	3.147%	15.820	7/1/2027	10,717,181
2017B	DP Variable	13,748,660	06/01/47	Current	79% 1ML + 150bps	Citizens	✓	4.891%	16.915	7/1/2027	11,096,531
Total		27,610,372									
Monadnock											
2018	Variable	24,116,671	01/01/43	Current	81.5% 1ML + 118bps	TD Bank	✓	4.010%	13.967	7/1/2028	17,425,375
TOTAL		\$ 176,671,043									

¹ Variable bond and swap rates calculated assuming 1M LIBOR at 3.00%.

² Interest on hedged variable rate bonds calculated to include support costs and floating-to-fixed rate swap cashflows where applicable.

³ Calculated to April 1, 2019 through final maturity of each respective series.

MWC = Make Whole Call



Summary of Existing GraniteOne Swap Portfolio

Interest Rate Swap Summary								
Hedged Bonds	Provider	Effective Date	Termination Date	Original Notional	Current Notional	Pay Fixed	Receive Variable	MTM
Catholic Medical Center								
2015B	TD Bank	7/1/2016	8/1/2025	\$ 8,650,000	\$ 8,260,000	1.482%	69.75% 1ML	\$ 40,897
Huggins								
2018	Deutsche Bank	11/15/2007	10/1/2042	10,000,000	8,955,000	3.618%	68% 1ML	(2,235,613)
Monadnock								
2017B	JPM	11/15/2007	10/1/2033	12,138,000	8,496,000	3.572%	68% 1ML	(1,197,308)
2017B	TD Bank	7/1/2018	7/1/2028	14,171,173	13,954,869	2.640%	81.5% 1ML	(738,876)
				\$ 26,309,173	\$22,450,869			\$ (4,130,900)

* MTM VALUATION AS OF CLOSE MAY 6, 2019

Summary of Existing GraniteOne Financial Covenants

Covenant	MTI/CMC	TD/CMC	BofA/CMC	Citizens/HH	TD/MCH
Debt Service Coverage Ratio					
1.20x tested semi - rolling 12-mos ¹	✓	✓	✓		
1.25x tested semi - rolling 12-mos				✓	
1.50x tested quarterly - rolling 12-mos					✓
Days Cash on Hand					
100 days tested semi ²				✓	
75 days tested semi					✓
Debt to Capitalization					
Less than .55				✓	
Less than .60					✓

1) Below 1.20x requires consultant call-in; below 1.00x is a hard default

2) Between 75 and 100 days requires consultant call-in; below 75 days is a hard default

Refinancing Opportunities – Assuming DH Transaction

- Acquisition financing treatment would present an opportunity to effectively execute an advance refunding of GraniteOne’s existing fixed rate bonds despite the recent tax-code change eliminating tax-exempt advance refundings
 - Two series of bonds would potentially be affected:
 - CMC’s 2012 and 2017 Bonds
 - Assuming a refunding on January 1, 2021 using today’s yields for an “A” rated healthcare credit:
 - The 2012 Bonds would offer approximately \$1,042,000 of NPV savings
 - The 2017 Bonds would not result in savings primarily due to the amount of time remaining to the call date (7/1/2027)
 - Existing fixed rate direct purchase financings at CMC and Huggins contain make-whole call provisions which limit any upside which may be achieved by refinancing
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- The more significant opportunity lies in the existing variable rate direct purchase financings in the Granite One portfolio
 - Each of the variable rate bonds is callable at par at any time
 - Benefit in the borrowing rates available to DH may be realized immediately by refinancing these bonds
 - Most of the variable rate debt has been swapped to fixed; savings may be achieved by improving the borrowing rate of the underlying debt without amending/terminating the swaps
 - Bank supported variable rate demand bonds currently present an attractive alternative structure to existing direct purchase financings – discussed more fully herein

Summary of Available Variable Rate Funding Alternatives

	R-Floats	VRDB w/ LOC	Direct Bank Financing	Total Return Swap	Floating Rate Note
Index	SIFMA + 0.60% +	SIFMA	80% 1M LIBOR	70% 1M LIBOR	SIFMA
Remarketing Costs (annual)	0.25%	0.10%	--	--	--
Indicative Pricing by Term (incl. remarketing)*					
3-year	N/A	0.45%	0.50%	N/A	0.60%
5-year	N/A	0.55%	0.60%	0.75%	0.70%
7-year	N/A	0.65%	0.70%	0.85%	0.85%
10-year	N/A	N/A	0.85%	N/A	N/A
Put period	18-mos. After Failed Remarketing (@ Max Rate)	Weekly	End of Term	Economic Put @ TRS Term	End of FRN Term
Floating reset period	Weekly	Monthly/Weekly/Daily	Monthly	Weekly or Monthly	Monthly
Market	Limited	Well developed	Well developed	Well Developed	Developed
Costs of Issuance	Moderate	Low	Low	High	High
Interest Rate Risk	✓	✓	✓	✓	✓
Committed Funding			✓	✓	✓
Bank Exposure		✓			
Renewal Risk	✓	✓	✓	✓	✓
Publically Offered (Appendix A)	✓			✓	✓
Gross Up Language		✓	✓		
Rating Based Pricing	✓	✓	✓		

* All pricing information is indicative for discussion purposes only and subject to change.

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FINANCIAL PRODUCTS