

CASE STUDY



De Matha Catholic High School (Hyattsville, Maryland)

\$9,865,000 Series 2008
Maryland Health and Higher Educational Facilities Authority
Variable Rate Demand Revenue Bonds

Underwriter: George K. Baum & Company (Denver, Colorado)

Maryland School Issues Tax-Exempt Bonds To Provide Funds For Campus Projects

On July 15, 2008, De Matha Catholic High School (“De Matha” or the “School”) issued \$9.865 million of bonds underwritten by George K. Baum & Company (GKB) to provide funds for certain renovations to the School’s academic, administration and parking facilities, as well as the construction of a new 72,000-square foot athletic facility (the “Project”). The School anticipates issuing \$9.110 million additional bonds in April 2009 to fund the next phase of the Project.

Financing Summary

The Bonds were structured and sold as 30-year variable rate demand obligations backed by a letter of credit provided by Branch Banking and Trust Company (for the full \$18.975 million par).

Key features of the Series 2008 Bonds include:

- Final maturity in 2038;
- Additional bonds (\$9.110 million) may be issued with supplements to the Series 2008 documents;
- Executed two variable-to-fixed (67% of 1-month LIBOR) interest rate swaps expiring in 2018:
 - Locked in \$9.865 million at 3.47%, effective upon Series 2008 closing
 - Locked in a forward-starting swap on \$9.110 million at 3.62%, effective April 1, 2009;
- All-in-cost: 4.31%¹; and
- Two-year interest-only period to provide budget relief during construction.

Overview of the School

De Matha is a private, Catholic high school for young men located in Hyattsville, Maryland, a suburb of Washington, D.C. The School is affiliated with the Order of the Most Holy Trinity (Trinitarian Fathers) and has a current enrollment of approximately 1,000 students.

¹ Assumes the School pays an average of 3.50% on the unhedged par from 2018 until maturity

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