

Deal Spotlight: Not-for-Profit Organization

Ave Maria School Colorado Educational and Cultural Facilities Authority

\$4,550,000

UW: Wells Fargo Brokerage Services, LLC

Rating: AA (S&P)

Dated Date: 6/28/07

The Colorado Educational and Cultural Facilities Authority issued \$4.55 million of Series 2007 Refunding Revenue Bonds. The bond proceeds were loaned to Ave Maria School Corporation (the "School"). The bonds are unconditional full faith and credit obligations of the School and are secured by an unconditional guaranty of payment of the Diocese of Colorado Springs (the "Diocese").

The School offers pre-school through the 8th grade with a Roman Catholic religious affiliation. Located adjacent to the Ave Maria Parish Church in Parker, Colorado, the School opened in September 2000 with an initial enrollment of 150 students in kindergarten through grade four. An upper school was added for grades through 8th and the first 8th grade class graduated in the fall of 2004. At present, the School serves 400 students in grades K-8.

The Diocese is organized and governed by the Canon Law of the Roman Catholic Church, and is recognized by the State of Colorado and the federal government as a non-profit organization. The Diocese covers approximately 15,500 square miles comprising the counties of Cheyenne, Douglas, Elbert, El Paso, Kit Carson, Park, Lake, Lincoln, Teller, and Chaffee. There are 44 parishes, a number of missions, seven elementary schools and one high school within the Diocese. The total population within the Diocese is 876,854. The Catholic population is 166,602.

The Diocese closed fiscal year ended 2006 with Unrestricted Resources of \$10.7 million. Unrestricted Revenues, Gains and Other Support of \$6.3 million yielded an Unrestricted Surplus of more than \$650,000.

The bond proceeds are being used to refund the School's outstanding Series 2000 bonds, which were also insured by Radian. For this refunding transaction, the School accessed the market at lower interest rates based on Radian's AA rating. Attached are sample maturities with their spread to the Municipal Market Data Line (MMDL) AAA GO Index.

| Maturity | 2017 | 2018 | 2025 |
|--|-------------|-------------|-------------|
| Coupon | 4.55% | 4.60% | 4.85% |
| Yield | 4.55% | 4.62% | 4.95% |
| Spread to MMDL High Grade (bps) | + 40 | + 42 | + 53 |

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