

Deal Spotlight: Education

Mid-Pacific Institute

Department of Budget and Finance of the State of Hawaii

\$15,000,000

UW: UBS Securities LLC

Special Purpose Revenue Bonds

Dated Date: 3/22/06

Ratings: AA/AA

Mid-Pacific Institute (“Mid-Pacific” or the “Institute”) became the first private high school in the State of Hawaii to take advantage of recent legislation allowing private schools to access the tax-exempt market.

Mid-Pacific, established in 1908, is an independent college preparatory school serving grades K-12 and located on 34 acres in the Manoa Valley. It is adjacent to the University of Hawaii’s main campus and is also near Honolulu’s business district. In 2004, Mid-Pacific acquired 143 students from the Epiphany School, grades K-5, which completed their vertical integration and turned them into a K-12 program. Today, the Institute serves more than 1,320 students of diverse social, ethnic and economic backgrounds. They recently added a Pre-School program, resulting in 90 more students.

The bonds are general obligations of the Institute backed by a security interest in tuition and fees and a mortgage on their main campus in Honolulu.

The Institute 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	2026	2031	2036
Coupon	5.00%	4.63%	4.63%
Yield	4.48%	4.70%	4.75%
Spread to MMDL High Grade (bps)	+24	+32	+32

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