

BOND PURCHASE AGREEMENT

among

CITY OF GAHANNA, OHIO,

THE COLUMBUS ACADEMY,

PNC BANK, NATIONAL ASSOCIATION,  
As Original Purchaser,

and

PNC BANK, NATIONAL ASSOCIATION,  
As Servicing Agent

RELATING TO

\$15,000,000

CITY OF GAHANNA, OHIO  
ECONOMIC DEVELOPMENT REVENUE BONDS,  
SERIES 2015  
(THE COLUMBUS ACADEMY PROJECT)

DATED AS OF  
July 1, 2015

## **BOND PURCHASE AGREEMENT**

THIS BOND PURCHASE AGREEMENT (the "Agreement") is made as of July 1, 2015, among the City of Gahanna, Ohio, a municipal corporation and political subdivision of the State of Ohio (the "Issuer"), The Columbus Academy, an Ohio nonprofit corporation (the "Borrower"), PNC Bank, National Association, a national banking association in its capacity as servicing agent (the "Servicing Agent") and PNC Bank, National Association, a national banking association as the original purchaser of the herein defined Bonds (the "Original Purchaser" and, together with any subsequent registered owner of the Bonds, the "Holder"), under the following circumstances:

A. The Issuer and the Borrower are entering into a Loan Agreement of even date herewith (the "Loan Agreement"), pursuant to which the Issuer agrees to issue and sell to the Original Purchaser its Economic Development Revenue Bonds, Series 2015 (The Columbus Academy Project) in the principal amount of up to \$15,000,000 (the "Bonds"), and to make the proceeds thereof available to the Borrower in order to finance the acquisition, construction, installation and equipping of the Project, as defined in the Loan Agreement.

B. Pursuant to the Bond Legislation, as defined in the Loan Agreement, the Issuer has been authorized to execute the Loan Agreement, the Bonds, this Agreement and the Tax Agreement (as defined in the Bond Legislation).

C. The Original Purchaser is willing to purchase the Bonds upon the terms and subject to the conditions provided herein.

D. The Servicing Agent desires to process and pay requisitions from the Project Fund following disbursements of the proceeds of the Bonds into that Project Fund and to perform certain other functions as specified herein, all as the agent of the Issuer.

E. The parties desire to provide for the terms of purchase of the Bonds, the manner of disbursement of the proceeds thereof and the duties and responsibilities of each party with respect thereto.

**NOW, THEREFORE**, the parties hereto agree as follows:

1. Definitions. Except to the extent otherwise expressly provided in the recitals and elsewhere herein, and unless the context otherwise requires, all words and terms used herein with initial capitalization where rules of grammar do not otherwise require capitalization shall have the meanings set forth in the Loan Agreement and the Bond Legislation. Any reference herein to the Issuer, the Borrower, the Original Purchaser, the Servicing Agent or the Holder shall include any person or entity which succeeds to their respective functions, duties or responsibilities pursuant to or by operation of law.

2. Representations and Warranties. The Issuer and the Borrower each make to the Original Purchaser and the Servicing Agent their respective representations and warranties set forth in Article II of the Loan Agreement and which are incorporated herein by reference thereto. The Servicing Agent represents and warrants that it is a national banking association with full

power and authority to enter into this Agreement and to perform its obligations hereunder. The Original Purchaser represents and warrants that it is a national banking association with full power and authority to enter into this Agreement and perform its obligations hereunder. Each of the representations, warranties and agreements of the parties in this Agreement or in any agreement, certificate or other instrument delivered in connection with the issuance of the Bonds or the acquisition, construction, improvement, equipping, furnishing or financing of the Project shall remain in full force and effect despite any independent investigation of the subject matter thereof by any other party hereto, and shall survive the issuance of the Bonds.

3. Establishment and Maintenance of Accounts.

A. The Issuer hereby appoints the Servicing Agent as the Issuer's exclusive servicing agent under this Agreement and in connection with all agreements and instruments executed and delivered in connection with the issuance of the Bonds.

B. Upon the initial disbursement of the Disbursed Bonds to, and payment for such disbursement by, the Original Purchaser, the Servicing Agent shall receive those funds and shall deposit those proceeds into the Project Fund. For each subsequent disbursement, and payment for such subsequent disbursement of Disbursed Bonds, the Servicing Agent shall deposit the proceeds therefrom in the Project Fund. The Servicing Agent shall invest, disburse and otherwise apply moneys in the Project Fund as provided in the Loan Agreement. Following the requisition, and upon the disbursement, of all moneys from the Project Fund, the obligations of the Servicing Agent hereunder and under the Loan Agreement shall terminate.

C. The Servicing Agent shall keep records pertaining to the Project Fund, if any, and shall prepare and furnish to the Issuer and to the Borrower, upon request of either, annual statements within 150 days after the end of each fiscal year showing all funds received, deposited, invested, disbursed or paid by it in connection with the Project during such fiscal year.

D. The Servicing Agent shall be entitled to payment or reimbursement, or both, from the Borrower, should it become necessary that the Servicing Agent perform Extraordinary Services, it shall be entitled to reasonable compensation from the Borrower therefor (provided the Holder has given written notice of the performance of such Extraordinary Services to the Borrower simultaneously with such performance), and to reimbursement from the Borrower for Extraordinary Expenses in connection therewith; provided, that if such Extraordinary Services or Extraordinary Expenses are occasioned by the gross neglect or misconduct of the Holder or the Servicing Agent, it shall not be entitled to compensation or reimbursement therefor.

For purposes of this paragraph, "Extraordinary Services" and "Extraordinary Expenses" mean those services not normally rendered and those expenses not normally incurred by a servicing agent under instruments similar to this Agreement.

4. Purchase of Bonds.

A. Subject to Section 8 hereof, the Original Purchaser shall purchase the Bonds, as disbursed from time to time in accordance with the terms of the Bonds. The purchase price for each such disbursement shall be equal to 100% of the principal amount of Bonds disbursed on that particular date of disbursement and accrued interest, if any to that particular date of

disbursement. The final aggregate purchase price of the Bonds shall total 100% of the principal amount of Disbursed Bonds, plus any accrued interest paid pursuant to the terms of this section.

B. The terms and provisions of the Bonds, including without limitation those relating to the principal amount thereof, interest payable thereon, repayment of principal, interest, and premiums (if any) and redemption shall be as set forth in the Bond Legislation, the Loan Agreement and the Bonds, and the Bonds shall be issued in the form attached hereto as Exhibit A.

5. Limitation of Liability. The Bonds will be special obligations of the Issuer and the principal of and interest and premiums (if any) on the Bonds will be payable solely from the Pledged Receipts and are not otherwise an obligation of the Issuer. The Bonds will not be secured by any obligation or pledge of any monies raised by taxation and will not represent or constitute a debt, or pledge of the faith and credit, of the Issuer. Any obligation of the Issuer created by or arising out of this Agreement, the Loan Agreement or the Assignment will not be a general debt on its part but will be payable solely out of Pledged Receipts.

6. Transfer, Exchange and Registration of Bonds. The Bonds may be transferred, subject to applicable federal securities law, with an assignment duly executed by the Holder or its duly authorized attorney. The Original Purchaser and any subsequent Holder shall give written notice to the Borrower prior to the transfer of the Bonds, but any failure to give such notice shall not affect the validity of such transfer. Upon such request of the transferor, the Issuer, at the sole cost and expense of the Borrower, and the transferor Holder shall execute in the name of the transferee and shall deliver, new fully registered Bonds in the aggregate principal amount equal to the unamortized and unredeemed principal amount of the Bonds so surrendered and bearing interest at the same rate or rates and maturing on the same date or dates. Absent manifest error, the unamortized and unredeemed principal amount of the Bonds shall be determined from the records of the transferor Holder and Serving Agent. Prior to such transfer, the Holder shall give notice to the Borrower of the name and address of the transferee of the Bonds. Such new fully registered Bonds shall be dated as of the Interest Payment Date next preceding the date of its registration, unless registered upon an Interest Payment Date in which case it shall be dated as of the date of registration; provided, however, that if at the time of registration interest on the Bonds is in default, such new fully registered Bonds shall be dated as of the date to which interest has been paid. Any Bonds issued in accordance with the provisions of this Section 6 shall be numbered consecutively from R-2 upwards in order of issuance.

The person in whose name the Bonds shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of such Bonds and the interest and any premium thereon shall be made only to or upon the order of the registered Holder thereof or its duly authorized attorney, and the Issuer shall not be affected by any notice to the contrary, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds, including the interest and premiums thereon, to the extent of the sum or sums so paid.

In case the Bonds are redeemed in part only, the Issuer, on or after the redemption date and upon surrender thereof, shall execute and deliver new Bonds in the principal amount equal to the unredeemed and unamortized portion of the Bonds.

So long as the Bonds remain outstanding, the Borrower, on behalf of the Issuer, will cause to be maintained and kept, with the Clerk of the Issuing Authority of the Issuer, books for the aforesaid registration and transfer of the Bonds.

7. Mutilated, Lost Wrongfully Taken or Destroyed Bonds. In the event a Bond is mutilated, lost, wrongfully taken or destroyed, the Issuer shall execute and register a new Bond of like date, maturity and denomination as that mutilated, lost, wrongfully taken or destroyed, provided that, there shall be first furnished to the Issuer and the Borrower evidence of such loss, wrongful taking or destruction satisfactory to the Issuer and the Authorized Borrower Representative together with indemnity satisfactory to them. In the event such lost, wrongfully taken or destroyed Bond shall have matured, instead of issuing a new Bond the Issuer may pay the same without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Bond. The Issuer and the Borrower may charge the holder of such Bond with their reasonable fees and expenses in connection with their action pursuant hereto.

8. Conditions to Purchase and Disbursements.

A. The duty of the Original Purchaser to make the initial purchase of Disbursed Bonds is subject to receipt by the Original Purchaser of each of the following items, each such receipt being a condition precedent to such duty:

- (1) The fully executed Bond numbered R-1.
- (2) An original executed counterpart of the Loan Agreement.
- (3) An original executed counterpart of the Assignment of Loan Agreement.
- (4) An original executed counterpart of the Tax Agreement.
- (5) A copy of the Bond Legislation duly certified by the Clerk of the City Council of the Issuer.
- (6) An original executed counterpart of the Continuing Covenants Agreement.
- (7) An original executed Pledge Agreement.
- (8) Evidence of property and liability insurance covering such risks and in such amounts as provided in the Loan Agreement or Continuing Covenants Agreement.
- (9) An opinion of counsel for the Borrower as to the due authorization, execution, delivery and enforceability of all agreements and instruments executed and delivered by the Borrower in connection with the issuance of the Bonds, and as to such other matters as the Original Purchaser may reasonably request, such opinion to be in form and substance satisfactory to the Original Purchaser and to Peck, Shaffer & Williams, a division of Dinsmore & Shohl LLP, as bond counsel.

(10) An opinion of Peck, Shaffer & Williams, a division of Dinsmore & Shohl LLP, as bond counsel, as to the due authorization, execution, delivery and enforceability of the Bonds and as to the tax exempt status of the interest on the Bonds under the Code, and as to such other matters as the Original Purchaser may reasonably request, all in form and substance satisfactory to the Original Purchaser.

(11) A certificate from the Borrower as to compliance with all requests of Section 8.B hereof then capable of being complied with.

(12) Any and all other documents and items, including without limitation financing statements, secretary and officer certificates from the Borrower, certificates and opinions of counsel, as may be required by Peck, Shaffer & Williams, a division of Dinsmore & Shohl LLP, as bond counsel, or by the Original Purchaser.

B. At the closing being the initial purchase of Disbursed Bonds by the Original Purchaser, the Borrower shall pay, or submit requisitions approved by the Original Purchaser requesting the Servicing Agent to pay from the Project Fund, all loan fees then payable to the Original Purchaser and all other reasonable fees and expenses incurred in connection with the issuance of the Bonds, including fees and expenses of the Issuer, counsel to the Original Purchaser, counsel to the Borrower and Bond Counsel. The duty of the Servicing Agent to make any disbursement from the Project Fund is subject to satisfaction, to the extent required by the Holder, of the conditions set forth in Section 3.3 of the Loan Agreement.

Upon satisfaction of the conditions set forth in Section 3.3 of the Loan Agreement, time shall be of the essence with respect to the Servicing Agent's responsibility to make disbursements.

C. The Borrower covenants and agrees that (i) it will diligently and continuously proceed with the acquisition, installation and equipping of the Project improvements, except for periods of delay caused by reason of fire, strikes, acts of God or other causes beyond the control of the Borrower, (ii) acquisition, installation and equipping of the Project improvements will be in strict accordance with the approved plans, (iii) each statement, representation and warranty contained herein or in any certificate or other instrument at any time delivered to the Original Purchaser pursuant to this Agreement or the other Borrower Documents shall be true in all material respects at the time such statement, representation or warranty was made and (iv) it shall comply with, or cause to be complied with, each condition to disbursements set forth in Section 8.B hereof at the time of each request for disbursement or within ten (10) days after demand for such compliance made by the Holder.

9. Cessation of Disbursements and Acceleration. If an Event of Default shall occur under the Loan Agreement then and in any such event all obligation on the part of the Holder to make any further disbursements hereunder shall cease if the Holder so elects, and the Bonds shall become due and payable at the option of the Holder, anything herein or in the Bonds or other Borrower Documents to the contrary notwithstanding. In addition, upon the occurrence of any such default, the Holder, at its option and whether or not it exercises any rights under the preceding sentence, may at any time thereafter take possession of the Project, together with all materials, equipment and improvements thereon whether affixed to the realty or not and perform

any and all work and labor and purchase any and all materials necessary to equip the Project and may employ watchmen to protect them from depredation or injury. If the Borrower should fail to pay any ground rents, taxes, assessments or water or sewer rents or charges or permit any mechanic's or other liens to be filed or remain filed against the Project, the Holder may at its option pay the same, it being agreed that any sums so paid or expended in accordance with any of the provisions of this paragraph shall be and may at the Holder's option be deducted from any disbursement then or thereafter becoming due or become an additional disbursement to the Borrower and then added, together with interest thereon at the Special Interest Rate, to the total indebtedness secured by the Borrower Documents. To implement the rights granted under this paragraph, the Borrower hereby constitutes and appoints the Holder its true and lawful attorney in fact with full power of substitution in the premises to complete the Project in the name of the Borrower and pay all bills and expenses incurred thereby and hereby empowers the Holder as its attorney as follows: to use any funds of the Borrower, including any balances in the Project Fund, for the purpose of completing the Project; to make such additions and changes and corrections in the plans and specifications for the Project as may be reasonably necessary or desirable in the opinion of the Holder to complete the Project in substantially the manner contemplated in such plans and specifications; to employ such contractors, agents, architects and inspectors as shall be reasonably necessary or desirable in the opinion of the Holder; to pay, settle or compromise all existing bills and claims which may be or become liens against the Project or as may be necessary or desirable for completion of the Project or for the clearance of title; to execute all applications, certificates or instruments in the name of the Borrower which may be required by any governmental authority or contract; and to do any and every act which the Borrower might do in its own behalf. It is further understood and agreed that this power of attorney shall be deemed to be a power coupled with an interest and cannot be revoked. The above mentioned attorney shall also have power to prosecute and defend all actions and proceedings in connection with the acquisition, construction, installation and equipping of the Project and to take such action and require such performance under any surety bond or other obligation or to execute in the name of the Borrower such further bonds or obligations as may be reasonably required in connection with the work. The Borrower hereby assigns and quitclaims to the Holder all sums advanced hereunder conditioned upon the use of such sums in trust for the completion of the Project, such assignment to become effective only at the option of the Holder in the event of the occurrence of any such contingency of the character contemplated in this Section, but the Holder shall be under no obligation to do any of the things provided in this Section. Any payment made by the Holder under this paragraph shall automatically become immediately due and payable by the Borrower to the Holder, and until so paid shall bear interest at the Special Interest Rate.

10. Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or consent to the extension of the maturity of the Bonds or the time of payment of any of the principal, premiums or interest due on the Bonds, or change or consent to the change of any provision of the Bond Legislation or the Loan Agreement, without the written consent of the Holder.

11. Prevention of Bonds Becoming Arbitrage Bonds. If at any time and from time to time the Borrower determines that it is necessary to restrict or limit the yield on the investment of moneys held by the Servicing Agent hereunder in order to prevent the Bonds from becoming "arbitrage bonds" within the meaning of Sections 103(b)(2) and 148 of the Code, the Borrower

shall so instruct the Servicing Agent in writing, and the Servicing Agent shall and hereby agrees to take such action or actions, but solely at the direction of the Borrower, as may be necessary to restrict or limit the yield on such investments as set forth in, and in accordance with, such instructions.

Notwithstanding the foregoing, the Servicing Agent shall not be required to take any action which in its judgment diminishes the security of the Holder of the Bonds if the Servicing Agent obtains an opinion of nationally recognized bond counsel to the effect that failing to take such action would not jeopardize the exemption of interest on the Bonds from Federal income taxation.

12. General Provisions Concerning the Servicing Agent.

A. The duties and responsibilities of the Servicing Agent shall be limited to those expressly set forth in this Agreement. No implied duties of the Servicing Agent shall be read into this Agreement and the Servicing Agent shall not be subject to, or obliged to recognize any other agreement between, or direction or instruction of, any or all the parties hereto even though reference thereto may be made herein.

B. The Servicing Agent is authorized, in its sole discretion, to disregard any and all notices or instructions given by any other party hereto or by any other person, firm or corporation, except only such notices or instructions as are herein provided for and orders or process of any court entered or issued with or without jurisdiction. If any property subject hereto is at any time attached, garnished or levied upon under any court order or in case the payment, assignment, transfer, conveyance or delivery of any such property shall be stayed or enjoined by any court order, or in case any order, judgment or decree shall be made or entered by any court affecting such property or any part hereof, then and in any of such events the Servicing Agent is authorized, in its sole discretion, to rely upon and comply with any such order, writ, judgment or decree with which it is advised by legal counsel of its own choosing is binding upon it, and if it complies with any such order, writ, judgment or decree it shall not be liable to any other party hereto or to any other person, firm or corporation by reason of such compliance even though such order, writ, judgment or decree may be subsequently reversed, modified, annulled, set aside or vacated.

C. The Servicing Agent may rely, and shall be protected in acting or refraining from acting, upon any instrument furnished to it hereunder and believed by it to be genuine and believed by it to have been signed or presented by the appropriate party or parties including without limitation, with respect to any party which is a corporation, any instrument purporting to have been signed on its behalf by an authorized officer provided in writing to the Servicing Agent (which list may from time to time be revised by such corporation).

D. The Servicing Agent shall not be responsible for the sufficiency or accuracy, or the form, execution, validity or genuineness, of documents or securities now or hereafter deposited or received hereunder, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein, nor shall it be responsible or liable in any respect on account of the identity, authority or rights of any person executing, depositing or delivering or purporting to execute, deposit or deliver any such document, security or endorsement or this



Agreement, or on account of or by reason of forgeries, false representations or the exercise of its discretion in any particular manner, nor shall the Servicing Agent be liable for any mistake of fact or of law or any error of judgment, or for any act or omission, except as a result of its gross negligence or willful malfeasance. The Servicing Agent shall not be liable for any damage, loss, liability or delay caused by accidents, strikes, fire, flood, war, riot, equipment breakdown, electrical or mechanical failure, acts of God or any cause which is reasonably unavoidable or beyond its reasonable control.

13. Indemnification of Servicing Agent. The Borrower hereby agrees to protect, defend, indemnify and hold harmless the Servicing Agent against and from any and all costs, losses, liabilities, expense (including counsel fees and expenses) and claims imposed upon or asserted against the Servicing Agent on account of any action taken or omitted to be taken in connection with its acceptance of or performed duties and obligations under this Agreement as well as the costs and expenses of defending itself against any claim or liability arising out of or relating to this Agreement; provided that the Borrower shall not be required to indemnify the Servicing Agent for any claims, damages, losses liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Servicing Agent. In case any action or proceeding is brought against the Servicing Agent by reason of any such claim, the Borrower agrees upon notice from the Servicing Agent to resist or defend such action or proceeding at its expense. This indemnification shall survive the release, discharge, termination and/or satisfaction of this Agreement.

14. Resignation of Servicing Agent. It is understood that the Servicing Agent reserves the right to resign as Servicing Agent at any time by giving written notice of its resignation, specifying the effective date thereof, to each other party hereto. Within thirty (30) days after receiving the aforesaid notice, the other party or parties hereto shall appoint a successor Servicing Agent to which the Servicing Agent may distribute the property then held hereunder, less its fees, costs and expenses (including counsel fees and expenses) which may remain unpaid at that time. If a successor Servicing Agent has not been appointed and has not accepted such appointment by the end of such thirty (30) day period, the Servicing Agent may apply to a court of competent jurisdiction for the appointment of a successor Servicing Agent and the fees, costs and expenses (including counsel fees and expenses) which it incurs in connection with such proceeding shall be paid by the Borrower.

15. Binding Effect. This Agreement shall be binding on the parties hereto and their respective successors and assigns.

16. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be inoperative, invalid or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

17. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

**IN WITNESS WHEREOF**, this Agreement has been executed as of the date first written.

**CITY OF GAHANNA, OHIO**

By: \_\_\_\_\_  
Title: Mayor

By: \_\_\_\_\_  
Title: Finance Director

The form of the foregoing Bond Purchase Agreement is hereby approved by the City Attorney

\_\_\_\_\_  
City Attorney

**THE COLUMBUS ACADEMY**

By: \_\_\_\_\_  
Name: Victor M. Thorne  
Title: Vice President

**PNC BANK, NATIONAL ASSOCIATION**, as  
Original Purchaser

By: \_\_\_\_\_  
Patricia A. Jackson, Senior Vice President

**PNC BANK, NATIONAL ASSOCIATION**, as  
Servicing Agent

By: \_\_\_\_\_  
Patricia A. Jackson, Senior Vice President

**EXHIBIT A  
TO BOND PURCHASE AGREEMENT**

THE SECURITY REPRESENTED BY THIS DOCUMENT HAS BEEN ACQUIRED FOR INVESTMENT AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAW. WITHOUT SUCH REGISTRATION, SUCH SECURITY MAY NOT BE SOLD, PLEDGED, HYPOTHECATED, OR OTHERWISE TRANSFERRED, EXCEPT UPON COMPLIANCE WITH THE PROVISIONS OF THE SECURITIES ACT, APPLICABLE STATE SECURITIES LAWS, AND THE BOND PURCHASE AGREEMENT (AS DEFINED HEREINBELOW).

**UNITED STATES OF AMERICA  
STATE OF OHIO  
CITY OF GAHANNA**

**ECONOMIC DEVELOPMENT REVENUE BOND,  
SERIES 2015  
(THE COLUMBUS ACADEMY PROJECT)**

No. R-1

\$15,000,000

Final Maturity Date: December 31, 2036

The City of Gahanna, Ohio (the "Issuer"), for consideration received, promises to pay to PNC Bank, National Association, or registered assigns, but solely from the sources and in the manner hereinafter referred to, the maximum principal sum of

FIFTEEN MILLION DOLLARS

in installments as hereinafter provided, and to pay from such sources interest hereon until payment of such principal sum has been made or provided for.

Capitalized terms used in this Bond but not defined herein have the meanings assigned to them in the Ordinance adopted by the City Council of the Issuer on July 6, 2015, authorizing issuance of this Bond (the "Bond Legislation") and in the Loan Agreement dated as of July 1, 2015, between the Issuer and the Borrower (the "Loan Agreement") relating to this Bond.

This Bond is one of the duly authorized Economic Development Revenue Bonds, Series 2015 (The Columbus Academy Project) issued under the Bond Legislation, in the principal amount not to exceed \$15,000,000, for the purpose of financing a portion of the costs of the acquisition, construction, renovation, installation and equipping of certain capital expenditures, including, but not limited to additions to and renovations of certain buildings, furniture, fixtures and equipment, and all necessary appurtenances thereto located on the real property located at 4300 Cherry Bottom Road, Gahanna, Ohio for use in fulfilling the exempt purposes of the Borrower, as defined below (collectively, the "Project"), to be owned by The Columbus Academy, an Ohio nonprofit corporation (the "Borrower").

The principal of the Bonds shall be payable on the first day of each January, April, July and October, commencing January 1, 2017 in accordance with the schedule attached hereto as Schedule 1. Interest from the date of issuance of the Bonds on the outstanding principal amount of Disbursed Bonds shall be payable on each Interest Payment Date, commencing August 1, 2015. Interest on the outstanding principal balance of the Disbursed Bonds shall initially be payable at the Initial Bank Placement Interest Rate, which is (a) the product of 75.5% multiplied by the Daily LIBOR Rate, plus (b) the Credit Spread (1.14%).

On the Conversion Date, which is an Interest Payment Date, and on each Interest Payment Date thereafter, the Borrower shall have the option to convert the basis upon which the Bank Placement Variable Interest Rate on the Bonds is calculated from Daily LIBOR to One-Month LIBOR. To make that conversion, the Borrower shall provide the Notice of Conversion to the Holder at least fifteen (15) calendar days prior to such date. Following the receipt of the Notice of Conversion, such Interest Payment Date shall also be a Reset Date, and thereafter, the Bonds shall bear interest at the Bank Placement Variable Interest Rate calculated using One-Month LIBOR.

The Bonds, once fully disbursed, shall be in the minimum denominations of \$100,000 or integral multiples of \$5,000 in excess thereof.

Interest on the Bonds shall be calculated on an actual/360 day basis and the actual days elapsed. Each installment shall be applied first to interest due and the balance to prepayment of principal. All principal and interest shall be paid in full on or before the Final Maturity Date. In any case where the Final Maturity Date, or other date of payment of interest on, of principal, or the date fixed for redemption of the Bonds will not be a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. Each disbursement shall be no less than \$25,000 except for the final disbursement, which may be for a lesser amount, but in no case shall the Disbursed Bonds exceed \$15,000,000. No disbursement to the Project Fund shall be made after December 31, 2016. Requisitions from the Project Fund may be made until the Completion Date. Upon each disbursement of Disbursed Bonds, Schedule 1 to the Bond shall be permitted to be amended and restated without further action of the Issuer so long as the Holder and the Borrower each consent to the restated Schedule 1. Such consent shall be conclusively evidenced by the Holder and Borrower amending Schedule 1 to include the following information regarding the disbursement: (i) the disbursement date; (ii) the principal amount of Bonds disbursed on that particular disbursement date; (iii) the total aggregate Disbursed Bonds as of that particular disbursement date; and (iv) the signatures of the Holder and the Borrower.

Notwithstanding the foregoing, if at any time a Determination of Taxability shall occur, the interest rate on the Bonds shall become the Taxable Rate of Interest, retroactive to the date of the Event of Taxability. In such event the Issuer shall pay to the Holder, on demand and as additional interest, but solely from Pledged Receipts, an amount equal to the sum of (a) the difference between (i) the aggregate amount of interest on the Bonds which would have been payable to such Holder if the interest rate thereon, commencing on the date of the Event of Taxability, had been the Taxable Rate of Interest, and (ii) the aggregate amount of interest on the Bonds actually paid on or prior to the Determination of Taxability; and (b) any amount which the Holder is actually obligated to pay as interest on unpaid taxes, penalties or other assessments

which are due by reason of the Determination of Taxability. All interest payable on the Bonds after the Determination of Taxability shall be at the Taxable Rate of Interest. In addition, the Borrower shall pay all sums due under Section 6.4 of the Loan Agreement by reason of a Determination of Taxability after the payment or prepayment in full of the Loan and Payment in Full of the Bonds.

Notwithstanding the foregoing, if there is a change in the Code, the regulations promulgated thereunder or in the interpretation thereof by any court, administrative authority or other governmental authority (other than a Determination of Taxability) which takes effect after the date of issuance of the Bonds, and which reduces the effective yield on the Bonds to the Holder, including, but not limited to, changes in the Corporate Tax Rate (as defined below), the interest rate on the Bonds shall change accordingly to compensate the Holder for such change in the effective yield on the Bonds. In the event of a decrease in the Corporate Tax Rate enacted or effective after the date of issuance of the Bonds, the interest rate on the Bonds shall be increased to the Adjusted Tax Exempt Rate (as hereinafter defined), effective as of the Interest Payment Date following the change in the Corporate Tax Rate. In this subsection, (i) "Adjusted Tax Exempt Rate" shall mean the product of (A) the then applicable Bank Placement Interest Rate times (B) a fraction (expressed as a decimal) the numerator of which is the number 1 minus the Corporate Tax Rate in effect following the change in such rate referred to in the preceding sentence and the denominator of which is the number 1 minus the Corporate Tax Rate in effect on the date of the original issuance of the Bonds, and (ii) "Corporate Tax Rate" shall mean the highest marginal statutory rate of federal income tax imposed on corporations and applicable to the Holder; provided, however, that the rate of interest on the Bonds shall never exceed the rate permitted by law.

On each Bond Purchase Date, the Bonds shall be subject to tender by the Holder to the Borrower, and shall be subject to mandatory purchase by the Borrower, at 100% of the principal amount thereof plus accrued interest to the Bond Purchase Date. The purchase price of the Bonds shall be payable in lawful money of the United States of America, and shall be paid in full on the Bond Purchase Date. Not more than two hundred seventy (270) days and not less than one hundred eighty (180) days prior to the expiration of any Bank Holding Period, the Borrower shall notify the Holder and the Issuer of its desire for the Bonds to continue to be held by the Holder for a subsequent Bank Holding Period and its selection of (A) the duration for the new Bank Holding Period, which shall be for a duration of one (1) or more years from the end of the then current Bank Holding Period but in no event beyond the Final Maturity Date, such new Bank Holding Period to commence on the day after the expiration of the then current Bank Holding Period, and (B) whether the Bonds shall accrue interest at a Bank Placement Variable Interest Rate or a Bank Placement Fixed Interest Rate during the new Bank Holding Period. If the Holder fails to give notice to the Borrower and the Issuer of the extension of its commitment for the new Bank Holding Period at the new Bank Placement Interest Rate on or before the date which is one hundred eighty (180) days before the expiration of the then current Bank Holding Period, it shall be deemed that the Holder shall have elected not to extend its commitment, and the Bonds shall be subject to mandatory tender and purchase on the Bond Purchase Date. If the Holder, affirmatively, and in writing, elects to hold the Bonds, the Holder shall notify the Borrower and the Issuer of the new Bank Placement Interest Rate. In addition, the Holder shall provide the Borrower and the Issuer with a certificate signed by an authorized signatory of the Holder stating that (A) the signatory is familiar with the subject matter of the certificate and is

authorized to sign the same for and on behalf of the Holder and (B) that the Bank Placement Interest Rate is the lowest rate of interest which, in the judgment of the Holder, would cause such Bonds to have a market value as of the date of determination equal to the principal amount thereof, taking into account prevailing market conditions. In addition, the Borrower shall deliver to the Holder and the Issuer a favorable opinion of Bond Counsel that the commencement of such new Bank Holding Period and new Bank Placement Interest Rate will not in and of itself, result in the inclusion of interest on the Bonds in gross income for federal income tax purposes.

The Bonds shall be callable for redemption in whole on any Interest Payment Date upon occurrence of any of the circumstances which operate to require prepayment of the Loan by the Borrower in accordance with the provisions of Section 6.2(b) of the Loan Agreement. The Bonds shall also be callable for redemption in part on an Interest Payment Date upon prepayment of the Loan in part as provided in Section 6.2(a) of the Loan Agreement. The Bonds shall also be callable for redemption in whole or in part on any Interest Payment Date, in the event of exercise by the Borrower of its option to prepay the Loan in full or in part as provided in Section 6.1 of the Loan Agreement.

The obligation of the Issuer to make the payment of principal and scheduled payments of interest on the principal amount of the Bonds which remains outstanding after any partial redemption shall not be affected by such partial redemption, such partial redemption operating instead to pay and redeem the principal of the Bonds at dates earlier than the originally scheduled principal amortization or payment date or dates, in inverse chronological order.

Notice from the Borrower to the Holder that the Loan is to be prepaid in whole or in part pursuant to the Loan Agreement shall also constitute the call by the Issuer of a portion or all, as the case may be, of the principal amount of the Bonds then outstanding, and no separate notice from the Issuer to the Holder shall be required. In addition, acceleration of all payments of the Loan pursuant to Section 7.2(a) of the Loan Agreement shall constitute an acceleration of the principal amount of the Bonds then outstanding, and no notice of such acceleration from the Holder to the Issuer shall be required.

All Bond Service Charges shall be payable in lawful money of the United States of America at the principal office of the Holder, by check or draft. Any Bond Service Charges not paid when due, together with interest thereon at the Special Interest Rate, shall continue as an obligation of the Issuer until paid.

If this Bond or any portion thereof is duly called for redemption as herein provided, and if on the redemption date moneys for the payment of the applicable redemption price shall have been provided to the Holder so as to be available for the payment thereof, then from and after such redemption date the Bonds or such portion thereof shall cease to bear interest, subject to the provisions of Section 6.4 of the Loan Agreement.

Upon payment in full of the principal of and interest on this Bond, this Bond shall, at the option of the Issuer, either be destroyed with evidence of destruction provided by the Holder to the Issuer, or be marked "Paid in Full" by the Holder and returned to the Issuer.

This Bond is secured by the Assignment of Loan Agreement and the Continuing Covenants Agreement which are on file in the offices of the Holder.

This Bond is issued pursuant to the Constitution of the State of Ohio and the laws of such State, particularly Chapter 165 of the Ohio Revised Code, and pursuant to the Bond Legislation. This Bond is a special obligation of the Issuer, and the Bond Service Charges are payable solely from, and such payments are secured by a pledge of and lien on, and the Pledged Receipts, and are not otherwise an obligation of the Issuer. **THIS BOND IS NOT A GENERAL OBLIGATION, DEBT OR BONDED INDEBTEDNESS OF THE ISSUER OR OF THE STATE OF OHIO OR ANY POLITICAL SUBDIVISION THEREOF AND THE HOLDER OR OWNER THEREOF DOES NOT HAVE THE RIGHT TO HAVE EXCISES OR TAXES LEVIED BY THE ISSUER OR BY THE STATE OF OHIO OR ANY POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF THE PRINCIPAL OF AND ANY PREMIUM AND INTEREST ON THIS BOND.** Loan Payments sufficient for the payment when due of the Bond Service Charges are required by the Loan Agreement to be paid by the Borrower to the Holder for the account of the Issuer and have been duly pledged for that purpose. Reference is hereby made to the Bond Legislation for a more complete description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer and the Holder, and the terms and conditions upon which the Bond is issued and secured, to all of the provisions of which Bond Legislation each Holder, by the acceptance hereof, assents.

This Bond is transferable in the manner provided in the Bond Purchase Agreement.

If this Bond or any portion hereof is duly called for redemption as herein provided, and if on the redemption date moneys for the payment of the applicable redemption price shall have been provided to the Holder so as to be available for the payment thereof, then from and after such redemption date this Bond or such portion hereof shall cease to bear interest.

If an Event of Default, as defined in the Loan Agreement, shall occur, the principal of this Bond then outstanding may be declared due and payable in the manner and with the effect provided by the Loan Agreement.

This Bond shall not constitute the personal obligation, either jointly or severally, of the members of the City Council, or of any officer or employee, of the Issuer.



**IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions and things necessary to be done or performed by the Issuer or to have happened precedent to and in the issuing of this Bond in order to make it a legal, valid and binding special obligation of the Issuer in accordance with its terms, and precedent to and in the execution and delivery of the Loan Agreement, the Assignment of Loan Agreement and the Bond Purchase Agreement, have been done and performed and have happened in regular and due form as required by law, and that this Bond does not exceed or violate any constitutional or statutory limitation.

**IN WITNESS WHEREOF**, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signatures of its Mayor and its City Auditor, as of July 13, 2015.

**CITY OF GAHANNA, OHIO**

By: \_\_\_\_\_  
Title: Mayor

By: \_\_\_\_\_  
Title: Finance Director

SCHEDULE 1

Principal Payment Schedule

<u>Date</u>	<u>Principal Amount Due</u>
January 1, 2017	\$0
April 1, 2017	\$96,888
July 1, 2017	\$97,207
October 1, 2017	\$97,528
January 1, 2018	\$97,852
April 1, 2018	\$98,179
July 1, 2018	\$98,508
October 1, 2018	\$98,840
January 1, 2019	\$99,174
April 1, 2019	\$99,511
July 1, 2019	\$99,850
October 1, 2019	\$100,193
January 1, 2020	\$100,538
April 1, 2020	\$100,885
July 1, 2020	\$101,236
October 1, 2020	\$101,589
January 1, 2021	\$101,945
April 1, 2021	\$102,303
July 1, 2021	\$102,665
October 1, 2021	\$103,029
January 1, 2022	\$103,397
April 1, 2022	\$103,767
July 1, 2022*	**

\*Initial Bond Purchase Date – all unpaid principal and accrued interest is due and payable on this Initial Bond Purchase Date unless by affirmative election of the Holder to retain the Bonds for an additional Bank Holding Period pursuant to the terms of the Loan Agreement.

\*\*Amount due is subject to aggregate amount of Disbursed Bonds.

If additional Bank Holding Periods are selected by the Holder, the remaining payments of principal and interest on the Bonds for the period from July 1, 2022 through December 31, 2036 shall be made in amounts which, assuming that principal is paid quarterly and interest is paid monthly over the remaining period to the maturity date of the Bonds and taking into account each Bank Placement Interest Rate on the Bonds to be effective for each Bank Holding Period, as defined in the Loan Agreement, would result in level annual debt service (except for the final payment on December 31, 2036).

