

Certificate Regarding the Total Financed Property and the Expenditure of Funds

City of Gahanna, Ohio
Gahanna, Ohio

Peck, Shaffer & Williams, a Division of Dinsmore & Shohl LLP
Columbus, Ohio

Re: \$15,000,000 City of Gahanna, Ohio Economic Development Revenue Bonds,
Series 2015 (The Columbus Academy Project)

The undersigned is an authorized officer or authorized agent of The Columbus Academy (the “*Borrower*”) and, as such officer, is familiar with (i) the properties, affairs and records of the Borrower, (ii) the issuance of the Series 2015 Bonds (as hereinafter defined) and the use of the proceeds thereof, and (iii) the Total Financed Property, as hereinafter defined. All the assets to be financed or reimbursed, directly or indirectly, in whole or in part, from the proceeds of the Series 2015 Bonds are described in *Exhibit A* hereto and are hereinafter collectively referred to as the “*Total Financed Property*.” Capitalized terms shall have the meanings prescribed for them when first used. Any capitalized terms not defined herein shall have the same meaning as in the Indenture (as hereinafter defined).

This Certificate is being delivered in connection with the issuance and delivery by the City of Gahanna, Ohio, Ohio (the “*Issuer*”) of its Economic Development Revenue Bonds, Series 2015 (The Columbus Academy Project) (the “*Series 2015 Bonds*”) in the aggregate principal amount of \$15,000,000 under and pursuant to the ordinance of the Issuer’s City Council. The proceeds of the Series 2015 Bonds, including investment earnings thereon, will be used solely and exclusively for (i) the renovation of approximately 55,000 square feet of property and the construction of approximately 34,000 square feet of property on the Borrower’s campus, and the acquisition and installation of related furniture, fixtures and equipment, resulting in a Fine Arts building, enhanced dining and library facilities, and new and renovated classrooms within the Lower School, Middle School and Upper School buildings, all located on the campus of the Borrower in the City of Gahanna, Ohio (collectively, the “*Project*”); and (ii) to pay certain costs incurred in connection with the issuance of the Series 2015 Bonds.

The proceeds of the Series 2015 Bonds are being made available by the Issuer to the Borrower pursuant to the Loan Agreement dated as of July 1, 2015 between the Issuer and the Borrower.

The Total Financed Property is comprised solely and exclusively of the Project described on *Exhibit A*.

The undersigned has reviewed (i) all agreements and understandings (whether written or oral), including any federally sponsored research agreements or arrangements, relating to the use and intended use of the Total Financed Property by the Borrower, (ii) the use and intended use of the Total Financed Property by any Person (as such term is hereinafter defined) other than the

Borrower, if any, and (iii) the Borrower's use and intended use of the Total Financed Property. The undersigned has identified to its Borrower Counsel all agreements and understandings (whether written or oral) pertaining to the Total Financed Property between the Borrower and any Person.

For purposes of this Certificate, "*Person*" means any natural person, firm, joint venture, association, partnership, limited liability company, business trust, corporation, public body, agency or political subdivision thereof or any other similar entity. Further, the term "*Related Person*" means (i) any Person within (whether or not still within) the same Controlled Group (as hereinafter defined) as another Person or (ii) any Person under (whether or not still under) common management or control with another Person within the meaning of Section 145(b)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"). "*Controlled Group*" means a group of entities controlled, either directly or indirectly, by the same entity or group of entities. If the controlling entity possesses either of the following rights or powers and the rights or powers are discretionary and nonministerial, direct control exists:

- (i) The right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or
- (ii) The right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

Indirect control arises if a controlling entity controls a controlled entity that controls other entities. For purposes of this definition, the controlling entity also controls the entities controlled, directly or indirectly, by the controlled entity or entities.

In connection with the issuance of the Series 2015 Bonds, the undersigned hereby certifies and covenants on behalf of the Borrower, as follows:

Section 1. All of the proceeds of the Series 2015 Bonds have been or will be used solely and exclusively to pay and finance costs related to the acquisition, construction, installation and equipping of the Project of the Borrower within in its educational purpose.

Section 2. The Borrower will not permit any portion of the Total Financed Property to be used (i) primarily for sectarian instruction or study or as a place of devotional activities or religious worship or as a facility used primarily in connection with any part of a program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or other similar persons in the field of religion or (ii) in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same or by any comparable provisions of the Constitution of the State of Ohio and the decisions in the Supreme Court of Ohio interpreting the same.

Section 3. The Borrower has not permitted prior to the date hereof, nor will permit after the date hereof more than 3% of each of the Project to be used in a Private Use as measured pursuant to Treas. Reg. Section 1.141-3(g). A "*Private Use*" means any Use (as hereinafter defined) (i) by a Person that is neither a state or local governmental unit nor a Tax-Exempt Organization (as hereinafter defined) or (ii) by a Tax-Exempt Organization (including the

Borrower) in an activity that is, in whole or in part, an Unrelated Trade or Business of such Tax-Exempt Organization. If any portion of the Total Financed Property is used both in a Private Use and in a Use that is not a Private Use, such property is used in a Private Use. "Use" includes any use as a result of (i) ownership, (ii) actual or beneficial use pursuant to a Sublease or a management, service, incentive payment, research or output contract, (iii) any other similar arrangement, agreement or understanding, whether written or oral, (iv) with respect to the Total Financed Property available for use by the general public, any arrangement that conveys special legal entitlements to any Person with respect to the Total Financed Property or (v) with respect to the Total Financed Property not available for use by the general public, any arrangement that conveys special economic benefits to any Person with respect to the Total Financed Property. Use pursuant to contracts meeting the requirements of Rev. Proc. 93-19, 1993-1 C.B. 526 or Rev. Proc. 97-13, 1997-1 C.B. 632 as modified by Rev. Proc. 2001-39, 2001-2 C.B. 38 and amplified by Notice 2014-67, 2014-46 I.R.B. 822, whichever is applicable, or any applicable successor Revenue Procedure or United States Treasury Regulation, or use by a natural person as an employee for federal income tax purposes of the Borrower, do not constitute "Private Use." Use pursuant to research agreements meeting the requirements of Rev. Proc. 97-14, 1985-1 C.B. 634, or any applicable successor Revenue Procedure or United States Treasury Regulation, does not constitute "Private Use." A "Tax-Exempt Organization" means an organization that is described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code. "Unrelated Trade or Business" means an activity that constitutes an "unrelated trade or business" within the meaning of Section 513(a) of the Code, without regard to whether such activity results in unrelated trade or business income subject to taxation under Section 511 of the Code. The Borrower has been and will continue to be a Tax-Exempt Organization.

Section 4. The Borrower has not secured nor will the Borrower secure, directly or indirectly, more than 5 percent of either principal or interest on the Series 2015 Bonds, all considered separately, by (i) any interest in property used or to be used in a Private Use or (ii) any payments in respect of property used or to be used in a Private Use, and the Borrower has not caused or permitted nor will the Borrower cause or permit directly or indirectly, more than 5 percent of either principal or interest on the Series 2015 Bonds, all considered separately, to be derived from payments (whether or not to the Issuer or by the Borrower) in respect of property or borrowed money, used or to be used in a Private Use.

Section 5. No portion of the proceeds of the Series 2015 Bonds, or any obligations financed or refinanced, directly or indirectly, in whole or in part, with the proceeds of such obligations has been or will be loaned, directly or indirectly, by the Borrower or any other Person to any Person, other than the loan of proceeds by the Issuer to the Borrower with respect to such obligations.

Section 6. The Borrower has continuously owned, or possessed a leasehold interest in, since the date of its acquisition, and will continue to own, all of the Total Financed Property, except as provided herein. Except for dispositions of inadequate, obsolete or worn out property in the ordinary course of business after the expiration of such property's reasonably expected useful life determined as of the date of issue of the obligations which financed such property, the Borrower has not sold, leased (pursuant to a lease that transfers federal tax ownership to the lessee), or otherwise disposed of, directly or indirectly, in whole or in part, whether for

consideration or otherwise, the Total Financed Property or any portion thereof or interest therein prior to the date hereof. After the date hereof, the Borrower will not sell, lease (pursuant to a lease that transfers federal tax ownership to the lessee) or otherwise dispose of or permit the sale, lease (pursuant to a lease that transfers federal tax ownership to the lessee) or other disposition, directly or indirectly, in whole or in part, whether for consideration or otherwise, the Total Financed Property or any portion thereof or interest therein prior to the earlier of (i) the last date of the reasonably expected economic life to the Borrower of the Total Financed Property, or portion thereof or interest therein (determined on the date of issuance of the Series 2015 Bonds) or (ii) the last maturity date of the Series 2015 Bonds, unless the Borrower receives an opinion of a nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds ("*Bond Counsel*"), to the effect that such sale, lease (pursuant to a lease that transfers federal tax ownership to the lessee) or other disposition will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Series 2015 Bonds is otherwise entitled.

Section 7. Neither the Borrower nor any Related Person will use, or permit any other Person to use, any portion of the Total Financed Property to the extent that such use may result in a violation of the \$150,000,000 limitation contained in Section 145(b) of the Code with respect to the Series 2015 Bonds.

Section 8. The Borrower will not use, in the aggregate, more than \$300,000 (2%) of the proceeds of the Series 2015 Bonds (including, but not limited to, investment earnings) to pay costs relating to the issuance of the Series 2015 Bonds (within the meaning of Section 147(g) of the Code).

Section 9. One hundred and twenty percent (120%) of the weighted average of the reasonably expected economic life of the Total Financed Property, determined as of the date hereof is 48 years, as calculated on *Exhibit A* attached hereto. In calculating such economic life, the individual items of property that together constitute the Total Financed Property have each been assigned an estimated economic life. The actual economic life of each item is reasonably expected to equal or exceed the estimate of the original economic life or the remaining economic life, as the case may be, assigned to such item based upon historical experience with substantially similar property taking into account obsolescence caused by technological changes. The Borrower has been informed by the Original Purchaser that the average maturity of the Series 2015 Bonds is _____ years. Based on the foregoing, the average maturity of the Series 2015 Bonds is less than one hundred and twenty percent of the weighted average of the reasonably expected remaining economic life of the Total Financed Property.

Section 10. To satisfy the public approval requirements of Section 147(f) of the Code, a public hearing regarding the issuance of the Series 2015 Bonds was held following reasonable public notice. A copy of such public notice is set forth in the transcript for the Series 2015 Bonds. All of the Total Financed Property will be located at the locations set forth in such public notice and is as described in such public notice.

Section 11. No portion of the proceeds of the Series 2015 Bonds (including investment earnings thereon) has been or will be used to finance, refinance or provide, directly or indirectly, in whole or in part, an airplane, sky box or other private luxury box, health club

facility (to the extent used in a Private Use), facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

Section 12. Any proceeds received upon the condemnation or destruction of all or any portion of the Total Financed Property was not and will not be used to construct or acquire property or facilities that result in the violation of any of the covenants contained herein, and any property or facilities acquired or otherwise obtained upon the condemnation or destruction of all or any portion of the Total Financed Property will be subject to the covenants contained herein.

Section 13. No portion of the proceeds of the Series 2015 Bonds or obligations refunded thereby has been or will be used to finance, refinance or provide, directly or indirectly, in whole or in part, the acquisition of property containing one or more units with separate and complete facilities for living, sleeping, eating, cooking and sanitation for one or more persons, except for such property if the first use of the property is pursuant to the issuance of the Series 2015 Bonds.

Section 14. Any restriction or covenant contained herein need not be observed or may be changed if the Borrower receives an opinion of Bond Counsel to the effect that such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Series 2015 Bonds is otherwise entitled.

[Remainder of this page is intentionally left blank; the signature page follows.]

Section 15. The undersigned on behalf of the Borrower has examined and is familiar with this Certificate and all of the attachments hereto, and hereby certifies that all of the statements, facts and information contained herein and therein are true, complete and correct and do not omit to state a material fact required to be stated herein or therein or necessary to make the statements, facts or information contained herein or therein, in light of the circumstances under which they were made, not misleading.

WITNESS my signature this July 13, 2015.

THE COLUMBUS ACADEMY

By: _____

Name: Victor M. Thorne

Title: Vice President

EXHIBIT A
120% OF THE AVERAGE WEIGHTED ECONOMIC
LIFE IN YEARS OF THE PROJECT

<u>DESCRIPTION OF ASSETS</u> <u>FINANCED WITH BOND PROCEEDS</u>	(A) <u>COST¹</u>	(B) <u>ECONOMIC</u> <u>LIFE IN</u> <u>YEARS²</u>	(C) <u>PROJECT</u> <u>LIFE³</u>
Buildings	\$15,000,000	40	600,000,000

120% of the average reasonable expected economic life of the Project is: 40 years x 120% = 48 years.

(Total of Column (C) ÷ Total of Column (A) x 120%) or (40 x 1.20) which is 48 years.

That 120% of the average reasonable expected economic life of the Project is greater than the average weighted maturity of the Series 2015 Bonds, which is ___ years.

-
- 1 Includes the cost of all facilities or other property financed, directly or indirectly, in whole or in part, from original Bond proceeds and investment earnings on such proceeds on deposit in the Project Fund excluding amounts expected to be used for capitalized interest. The actual cost of the project exceeds \$9,924,320 and the Borrower expects to provide funds, other than proceeds, to pay for the remaining portion of the project costs, which will include, among other costs, costs of furniture, fixtures and equipment that will have a useful life less than 40 years.
 - 2 Facilities given an original economic life of 40 years or longer include only property that constitutes a building or an integral part thereof, which integral part (i) is not removable without damage to such part or the building of which it is a part and (ii) is not to be used with respect to, or designated to permit or facilitate the operation of, any particular piece of equipment or non-real property.
 - 3 Column (A) x Column (B)