

**TAX EXEMPTION CERTIFICATE AND AGREEMENT**

Among

**CITY OF GAHANNA, OHIO**

And

**PNC BANK, NATIONAL ASSOCIATION**

And

**THE COLUMBUS ACADEMY**

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

Dated as of July 13, 2015

**TABLE OF CONTENTS**

	<u>Page</u>
<b>ARTICLE I DESCRIPTION OF THE PURPOSE OF THE SERIES 2015 BONDS .....</b>	<b>2</b>
Section 1.1. Purpose of the Series 2015 Bonds.....	2
Section 1.2. Acquisition, Construction and Equipping of the Project – Binding Commitment and Timing.....	2
Section 1.3. Reimbursement.....	2
Section 1.4. No Working Capital.....	2
Section 1.5. Consequences of Contrary Expenditure.....	3
Section 1.6. Investment of Series 2015 Bond Proceeds.....	3
Section 1.7. Hedges.....	3
Section 1.8. No Grants.....	4
Section 1.9. Abusive Transactions.....	4
<b>ARTICLE II USE OF PROCEEDS; DESCRIPTIONS OF FUNDS.....</b>	<b>6</b>
Section 2.1. Use of Proceeds; Funds Established.....	6
Section 2.2. No Bond Fund.....	6
Section 2.3. Corporation Obligation.....	6
Section 2.4. No Replacement, Sinking or Pledged Funds.....	7
<b>ARTICLE III REBATE FUND; ARBITRAGE REBATE REQUIREMENTS .....</b>	<b>8</b>
Section 3.1. Creation of Rebate Fund.....	8
Section 3.2. Compliance with Section 148(f) of the Code.....	8
Section 3.3. Records.....	8
Section 3.4. Fair Market Value; Certificates of Deposit and Investment Agreements.....	10
<b>ARTICLE IV ADDITIONAL PAYMENTS .....</b>	<b>13</b>
<b>ARTICLE V YIELD AND YIELD LIMITATIONS.....</b>	<b>14</b>
Section 5.1. Issue Price.....	14
Section 5.2. Yield Limits.....	14
Section 5.3. Continuing Nature of Yield Limits.....	14
Section 5.4. Payments under the Loan Agreement.....	15
Section 5.5. Federal Guarantees.....	15
Section 5.6. Reserved.....	15
Section 5.7. Other Payments Relating to the Series 2015 Bonds.....	15
<b>ARTICLE VI PROGRAM COVENANTS.....</b>	<b>16</b>
<b>ARTICLE VII DEFINITIONS.....</b>	<b>17</b>
<b>ARTICLE VIII CONCERNING THE SERVICING AGENT.....</b>	<b>20</b>
Section 8.1. Servicing Agent Charges and Expenses; Other Expenses.....	20
Section 8.2. Reserved.....	20
Section 8.3. Acceptance.....	20
<b>ARTICLE IX PROJECT CERTIFICATE; QUALIFIED TAX EXEMPT OBLIGATIONS; MISCELLANEOUS.....</b>	<b>21</b>
Section 9.1. Project Certificate.....	21
Section 9.2. Termination; Interest of Corporation and Issuer in Rebate Fund.....	21
Section 9.3. No Common Plan of Financing.....	21
Section 9.4. Reserved.....	21

Section 9.5.	No Investment-Type Property and Reasonable Expectations.....	21
Section 9.6.	Future Events.....	22
Section 9.7.	Permitted Changes; Opinion of Bond Counsel.....	22
Section 9.8.	Severability. ....	22
Section 9.9.	Counterparts. ....	22
Section 9.10.	Notices.....	22
Section 9.11.	Successors and Assigns. ....	23
Section 9.12.	Headings.....	23
Section 9.13.	Governing Law.....	23
Section 9.14.	Expectations. ....	23
Section 9.15.	Immunity of Officers.....	23
Section 9.16.	Post-Issuance Compliance Policies and Procedures.....	23
<b>EXHIBIT A SOURCES AND USES OF FUNDS .....</b>		<b>A-1</b>
<b>EXHIBIT B PROJECT FUND DRAWDOWN SCHEDULE .....</b>		<b>B-1</b>
<b>EXHIBIT C CERTIFICATE OF ORIGINAL PURCHASER.....</b>		<b>C-1</b>
<b>EXHIBIT D INSTRUCTION LETTER.....</b>		<b>D-1</b>
<b>EXHIBIT E CERTIFICATE OF HEDGE PROVIDER.....</b>		<b>E-1</b>
<b>EXHIBIT F SWAP IDENTIFICATION LETTER.....</b>		<b>F-1</b>
<b>EXHIBIT G POST-ISSUANCE COMPLIANCE POLICIES AND PROCEDURES FOR TAX-EXEMPT OBLIGATIONS.....</b>		<b>G-1</b>

## TAX EXEMPTION CERTIFICATE AND AGREEMENT

This Tax Exemption Certificate and Agreement (the "*Tax Agreement*") dated as of July 13, 2015 is by and among the CITY OF GAHANNA, OHIO (the "*Issuer*"), a municipal corporation and political subdivision existing under the laws of the State of Ohio, THE COLUMBUS ACADEMY, an Ohio nonprofit corporation (the "*Corporation*") and PNC BANK, NATIONAL ASSOCIATION, an Ohio banking corporation, as servicing agent for the hereinafter described Series 2015 Bonds (the "*Servicing Agent*"). As the duly authorized officers of the Issuer, the undersigned are charged, with others, with the responsibility for executing and delivering the City of Gahanna, Ohio Economic Development Revenue Bonds, Series 2015 (The Columbus Academy Project) in the aggregate principal amount of \$15,000,000 (the "*Series 2015 Bonds*") on the date of their delivery. The Series 2015 Bonds were authorized pursuant to an ordinance of the Issuer adopted July 6, 2015 (the "*Legislation*") and are being issued pursuant to the Legislation and the Bond Purchase Agreement dated as of July 1, 2015 (the "*Bond Purchase Agreement*"), between the Issuer, the Corporation, the Servicing Agent, and PNC Bank, National Association, as original purchaser and holder (the "*Original Purchaser*"). The Series 2015 Bonds were sold on July 13, 2015 (the "*Sale Date*") to the Holder. Capitalized terms used but not defined herein shall have the meanings given to them in the Legislation or the Bond Purchase Agreement

One purpose of executing this Tax Agreement is to set forth various facts regarding the Series 2015 Bonds and to establish the expectations of the Issuer and the Corporation as to future events regarding the Series 2015 Bonds and the use of Series 2015 Bond proceeds. To the extent such facts do not relate directly to the Issuer, the Issuer is relying upon the certifications of the Corporation, which the Issuer has no reason to believe are unreasonable. The certifications and representations made herein and the expectations presented herein are intended, and may be relied upon, as a certification of an officer of the Issuer given in good faith as described in Section 1.148-2(b)(2) of the Regulations.

The Issuer and the Corporation hereby covenant that neither the Issuer nor the Corporation will take any action, omit to take any action or permit the taking or omission of any action within their control (including, without limitation, making or permitting any use of the proceeds of the Series 2015 Bonds) if taking, permitting or omitting to take such action would cause any of the Series 2015 Bonds to be an arbitrage bond or a private activity bond (other than a qualified 501(c)(3) bond) within the meaning of the Code or would otherwise cause the interest on the Series 2015 Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Issuer and Corporation acknowledge that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Series 2015 Bonds, under present rules, the Issuer is treated as the "taxpayer" in such examination and the Issuer agrees that it will respond, at the Corporation's expense, in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

The certifications, covenants and agreements contained herein are made on behalf of the Issuer and the Corporation for the benefit of the owners from time to time of the Series 2015 Bonds. Accordingly, we do hereby certify, covenant and agree on behalf of the Issuer, the

Corporation and the Servicing Agent (in the case of the Servicing Agent, solely with respect to Article III hereof) the following:

**ARTICLE I**  
**DESCRIPTION OF THE PURPOSE OF THE SERIES 2015 BONDS**

**Section 1.1. Purpose of the Series 2015 Bonds.** The Series 2015 Bonds are being issued to provide the funds which will be used, together with certain other moneys, to finance (i) the acquisition, construction, renovation, installation and equipping of certain capital expenditures of the Corporation including, but not limited to, additions to and renovations of certain buildings of the Corporation, furniture, fixtures and equipment and all necessary appurtenances thereto located on the real property located at 4300 Cherry Bottom Road, Gahanna, Ohio (collectively, the "*Project*"), and (ii) certain costs and expenses incurred in connection with the issuance of the Series 2015 Bonds. Attached hereto as *Exhibit A* is the schedule of sources and uses of funds with respect to the Series 2015 Bonds.

The proceeds of the Series 2015 Bonds will be made available to the Corporation pursuant to the provisions of the Loan Agreement, dated as of July 1, 2015, between the Issuer and the Corporation (the "*Loan Agreement*").

**Section 1.2. Acquisition, Construction and Equipping of the Project – Binding Commitment and Timing.** The Corporation has entered, or within six months hereof will enter, into binding contracts or commitments obligating it to spend, or under which it has spent, at least five percent of the net sale proceeds of the Series 2015 Bonds on capital projects. It is expected that the work of acquiring, constructing, renovating, installing and equipping the Project will continue to proceed with due diligence through December 31, 2016, at which time it is anticipated that all proceeds received from the sale of the Series 2015 Bonds and investments earnings thereon deposited into the Project Fund will have been spent. Based on the drawdown schedule contained in *Exhibit B*, the Corporation reasonably expects that at least 85 percent of the proceeds received from the sale of the Series 2015 Bonds and investment earnings thereon deposited into the Project Fund will be spent within three years of the date hereof.

It is expected that proceeds received from the sale of the Series 2015 Bonds deposited into the Project Fund, as disbursed, including investment earnings on the Project Fund during the acquisition, construction, and equipping period of the Project, will be spent to pay costs of the Project in accordance with the drawdown schedule contained in *Exhibit B*.

Rebate or other amounts due to the United States Government, if any, will be paid by the Corporation from its general funds or other funds available therefor.

**Section 1.3. Reimbursement.** The Corporation does not intend to use the proceeds received from the sale of the Series 2015 Bonds (including investment earnings therein) to reimburse the Corporation, the Issuer or any Related Person to the Corporation or the Issuer for an expenditure paid prior to the date of the Closing.

**Section 1.4. No Working Capital.** All of the proceeds received from the sale of the Series 2015 Bonds (including investment earnings thereon) will be used, directly or indirectly, to

finance Capital Expenditures of the Corporation, except that such proceeds may also be used for the following:

(a) payments of interest on the proceeds of the Series 2015 Bonds for a period commencing at Closing and ending on the later of the date three years after Closing or one year after the date on which the Project is Placed in Service;

(b) payments for issuance costs and qualified administrative costs (as defined in Section 1.148-5(e) of the Regulations) of the Series 2015 Bonds;

(c) payments for reasonable charges for "qualified guarantees" (as defined in the Regulations), if any, relating to the Series 2015 Bonds;

(d) payments of rebate or Yield Reduction Payments (as defined in Section 1.148-5I of the Regulations) made to the United States of America under the Regulations;

(e) principal or interest on the Series 2015 Bonds paid from unexpected excess Sale Proceeds or investment earnings thereon of the Series 2015 Bonds; and

(f) an amount not to exceed 5% of the proceeds received from the sale of the Series 2015 Bonds for working capital expenditures directly related to Capital Expenditures financed by the Series 2015 Bonds (including interest that accrues on the Series 2015 Bonds after the Project is Placed in Service).

**Section 1.5. Consequences of Contrary Expenditure.** The Issuer and the Corporation acknowledge that if the Gross Proceeds of the Series 2015 Bonds (including investment earnings thereon) are spent for purposes other than as permitted by Section 1.4, a like amount of then available funds of the Corporation will be treated as unspent Gross Proceeds of the Series 2015 Bonds which, among other things, may be subject to the yield restrictions described in Section 5.2 hereof and rebate described in Article III hereof.

**Section 1.6. Investment of Series 2015 Bond Proceeds.** No portion of the Series 2015 Bonds is being issued solely for the purpose of investing Sale Proceeds or investment earnings thereon at a yield higher than the yield on the Series 2015 Bonds.

**Section 1.7. Hedges.** (a) Except as provided in (b) below, neither the Corporation, the Issuer nor any Related Person to either of them has entered into or expects to enter into any hedge (e.g., interest rate swap, interest rate cap, futures contract, forward contract or option) with respect to the Series 2015 Bonds. The Issuer and the Corporation acknowledge that any such hedge could affect the calculation of Yield under the Regulations and that the Internal Revenue Service could recalculate the Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction. The Corporation has been advised that all steps have been taken to ensure that the Hedge, as defined below, is treated as a qualified hedge with respect to the Series 2015 Bonds under Section 1.148-4(h)(2) and accounted for under Section 1.148(h)(3) of the Regulations.

(b) On July 13, 2015, the Corporation entered into an Interest Rate Swap Transaction (the "*Hedge*"), through execution of a confirmation with PNC Bank, National Association (the

"Hedge Provider") relating to the Series 2015 Bonds, a copy of which is attached hereto as *Appendix A to Exhibit E*. The Corporation and the Hedge Provider are not Related Persons. The Hedge relating to the Series 2015 Bonds was identified on the books and records of the Issuer pursuant to a letter attached hereto as *Exhibit F* not later than three days after July 13, 2015 and contains the information required pursuant to Section 1.148-4(h)(2)(viii) and 1.148-4(h)(5)(iv) of the Regulations. The Corporation entered into the Hedge to modify the Corporation's risk of interest rate changes with respect to the Series 2015 Bonds. The Hedge meets the requirements of Section 1.148-4(h)(2) and 1.148-4(h)(5) of the Regulations based, in part, on the certifications contained in (c) below and in the Certificate of the Hedge Provider, attached hereto as *Exhibit E*.

(c) In connection with the Hedge, the Corporation further certifies that:

(i) the initial notional amount of the Hedge will be an amount described in the Hedge and identified in *Exhibit E* and that notional amount will amortize in accordance with the schedule set forth in *Appendix A to Exhibit E* to this Certificate;

(ii) the Hedge is in the form of an interest rate exchange with the Hedge Provider paying based upon the London Interbank Offered Rate ("*LIBOR*") and receiving a fixed rate of interest from the Corporation. The LIBOR component of the Hedge will be paid monthly on the first business day of each month, computed on an actual/360 basis; the fixed rate component of the Hedge will be paid monthly on the first business day of each month, computed on the basis of an actual/360 day year;

(iii) payments, if any, to the Hedge Provider under the Hedge are reasonably expected to be made from the source of funds that, absent the Hedge, would be reasonably expected to be used to pay principal and interest on the Series 2015 Bonds;

(iv) except as provided in the Hedge, no payments will be made by the Corporation or be received by the Corporation from the Hedge Provider with respect to the Hedge; and

(v) the Corporation has provided or will provide the Issuer with the completed Form 8038 and all other forms to be filed with respect to the Series 2015 Bonds reflecting that the Hedge has been entered into.

**Section 1.8. No Grants.** None of the proceeds received from the sale of the Series 2015 Bonds or investment earnings thereon will be used to make grants to any person.

**Section 1.9. Abusive Transactions.** Neither the Issuer, the Corporation nor any member of the same Controlled Group of either of the foregoing has employed a device or entered into any arrangements or understandings in connection with the issuance of the Series 2015 Bonds, or in connection with any transaction or series of transactions related to the issuance of the Series 2015 Bonds, to obtain a material financial advantage based on arbitrage. Neither the Issuer, the Corporation nor any member of the same Controlled Group of either of the foregoing will realize any material financial advantage based on arbitrage in connection with the issuance of the Series 2015 Bonds, or in connection with any transaction or series of transactions related

to the issuance of the Series 2015 Bonds. In particular, neither the Issuer, the Corporation nor any member of the same Controlled Group of either of the foregoing has or will receive a reduction in any interest payments to be made on the Series 2015 Bonds or receive a refund or rebate of any bond insurance premium as a result of issuing the Series 2015 Bonds.



**ARTICLE II  
USE OF PROCEEDS; DESCRIPTIONS OF FUNDS**

**Section 2.1. Use of Proceeds; Funds Established.** The Corporation and the Issuer agree as follows:

- (a) The Series 2015 Bond proceeds will be used in accordance with the Bond Purchase Agreement and the Loan Agreement as follows:

**SALE PROCEEDS OF THE  
SERIES 2015 BONDS**

**APPLICATION**

\$15,000,000 par amount of Series 2015 Bond proceeds

A maximum of \$15,000,000 as and when disbursed, which is the full amount of Series 2015 Bond proceeds, to the Project Fund or to pay costs of the Project, including \$50,001 costs of issuance related to the Series 2015 Bonds.

(b) Other than the foregoing funds and accounts, the only funds and accounts germane to the Series 2015 Bonds is the Rebate Fund. No amounts, regardless of the source, shall be deposited in such fund at Closing.

(c) Principal and interest on the Series 2015 Bonds shall be paid directly to the Holder.

(d) Costs of issuance incurred in connection with the issuance of the Series 2015 Bonds in excess of 2% will be paid directly by the Corporation.

(e) The costs of the Project will be paid from the Project Fund and no other moneys (except for investment earnings on amounts deposited therein) are expected to be deposited therein. Moneys in the Project Fund will be used as described in Section 1.2 hereof.

(f) Payments by the Corporation under the Loan Agreement will be made directly to the Holder.

**Section 2.2. No Bond Fund.** No Bond Fund has been established with respect to the Bonds. Payments will be made directly to the Holder.

**Section 2.3. Corporation Obligation.** No person or entity other than the Issuer or the Corporation will use any portion of the proceeds of the Series 2015 Bonds, and no person or entity other than the Issuer or the Corporation is obligated to provide for the payment of any portion of the principal and interest on the Series 2015 Bonds.

## **Section 2.4. No Replacement, Sinking or Pledged Funds.**

(a) Except as otherwise provided in Sections 2.1 and 2.2 hereof, after the issuance of the Series 2015 Bonds on this date, neither the Issuer, the Corporation nor any Related Person to either of them has on hand any property, including cash, securities or other investment-type property, that has a sufficiently direct nexus to the purposes financed with the Series 2015 Bonds to support the conclusion that such property would have been applied or used for such purposes if the Series 2015 Bonds had not been issued.

(b) Except as otherwise provided in Sections 2.1 and 2.2 hereof, neither the Issuer, the Corporation nor any Related Person to either of them has established or expects to establish any fund or account (regardless of where held or the source thereof) that may result in the creation of any Replacement Proceeds.

(c) Except as otherwise provided in Sections 2.1 and 2.2 hereof, no investment type property has been or is expected to be pledged or otherwise restricted (no matter where held or the source thereof) to provide reasonable assurance, in the event the Issuer, the Corporation or any Related Person or either of them encounters financial difficulty, of its availability to be used, directly or indirectly, for the payment of amounts due or to become due on the Series 2015 Bonds, the Loan Agreement or any credit or liquidity arrangement relating to any of the foregoing. No compensating balance, liquidity account, negative pledge (any amount pledged to pay principal or interest on an issue or obligations of the Corporation under a credit enhancement device with respect to the Series 2015 Bonds to maintain an amount at a particular level for the direct or indirect benefit of the Series 2015 Bondholders or a guarantor of the Series 2015 Bonds) or similar arrangement exists with respect to, in any way, the Series 2015 Bonds, the Loan Agreement or any other credit enhancement, security or liquidity device or agreement related to any of the foregoing.

(d) The term of the Series 2015 Bonds is not longer than is reasonably necessary for the governmental purposes of the Series 2015 Bonds. The Series 2015 Bonds are to be used to finance the Project and the weighted average maturity of the Series 2015 Bonds does not exceed 120 percent of the average reasonably expected remaining economic life of the Total Financed Property (as defined in the Project Certificate). The maturity and redemption schedule and other terms of the Series 2015 Bonds have been established to allow the Corporation to pay debt service from expected suitable revenue sources. Those terms were not set in a manner designed to allow the Corporation to accumulate amounts to be invested at a yield in excess of the yield on the Series 2015 Bonds.

**ARTICLE III**  
**REBATE FUND; ARBITRAGE REBATE REQUIREMENTS**

**Section 3.1. Creation of Rebate Fund.** The Issuer hereby creates and establishes with the Servicing Agent a special trust fund in the name of the Issuer to be known as the "The Columbus Academy Rebate Fund" (the "*Rebate Fund*"), which shall be continuously held, invested, expended and accounted for by the Servicing Agent in accordance with this Tax Agreement; provided, however, that the Rebate Fund need not be maintained if the Issuer, the Servicing Agent and the Corporation shall have received an opinion of Bond Counsel acceptable to the Issuer to the effect that failure to maintain the Rebate Fund shall not cause the Series 2015 Bonds to become arbitrage bonds within the meaning of Section 148 of the Code or otherwise 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. Moneys in the Rebate Fund shall not constitute a part of the "trust estate" held for the benefit of the Series 2015 Bondholders, or, except as provided in Section 9.2 hereof, for the benefit of the Issuer or the Corporation. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings on deposits therein) shall be held in trust by the Servicing Agent for future payment to the United States Government as required by the Regulations and as contemplated under the provisions of this Tax Agreement.

**Section 3.2. Compliance with Section 148(f) of the Code.** The Corporation covenants and agrees to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the rebate requirements contained in Section 148(f) of the Code with respect to the Series 2015 Bonds. At the request of the Corporation, the Issuer will take whatever action is reasonably necessary in order to enable the Corporation to comply with the provisions of this Section 3.2. The Corporation agrees to pay or reimburse the Issuer for any reasonable fees or expenses, including attorney fees and expenses, incurred by the Issuer in connection with taking any such action. Bond Counsel has provided a letter attached hereto as *Exhibit D* concerning the principles set forth in the Code and certain Regulations regarding rebate.

**Section 3.3. Records.** The Servicing Agent and the Corporation agree to maintain all records relating to the Series 2015 Bonds and the use and expenditure of the proceeds of the Series 2015 Bonds, as more specifically set forth below.

(a) Types of Records Required to be Retained. The records that must be retained include, but are not limited to, the following:

(i) General. All legal and closing documents related to the Series 2015 Bonds, including indentures, lease agreements, resolutions, ordinances, public notices, tax certificates, opinions of counsel (issued at the time of closing or subsequently), amendments to the foregoing documents and any and all documents included in the transcript with respect to the Series 2015 Bonds.

(ii) Expenditure of Gross Proceeds.

(A) Project Expenditures. Documents evidencing the expenditure of proceeds from the sale of the Series 2015 Bonds and investment earnings thereon and the specific property financed with such proceeds, including any closing flow of funds memoranda;

(B) Funds and Accounts. Documents setting forth all funds and accounts relating to the Series 2015 Bonds, including debt service funds, reserve funds, sinking funds and pledged funds, and any agreements with respect thereto;

(C) Investment of Gross Proceeds – General. Documents pertaining to the investment of the Gross Proceeds of the Series 2015 Bonds, including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, projected investment income calculations expected to be received from the investment of proceeds, guaranteed investment contracts, rebate calculations, credit enhancement, swap transactions and verification reports.

(D) Nonpurpose Investments. With respect to all Nonpurpose Investments acquired in any fund or account in connection with the Series 2015 Bonds, the following information will be recorded and retained: (i) purchase date, (ii) purchase price, (iii) information establishing that the purchase price is the fair market value as of such date (e.g., the published quoted bid by a dealer in such an investment on the date of purchase), (iv) any accrued interest paid, (v) face amount, (vi) coupon rate, (vii) periodicity of interest payments, (viii) disposition price, (ix) any accrued interest received, and (x) disposition date;

(iii) Allocations. Documents evidencing any allocations with respect to the Gross Proceeds of the Series 2015 Bonds;

(iv) Use of Financed Assets; Private Security or Payment.

(A) Use. Documents evidencing the use and ownership of the property financed with proceeds of the Series 2015 Bonds, including contracts for the use of such property; and

(B) Payments or Security. Documents evidencing sources of payment or security for the Series 2015 Bonds, including liquidity covenants and negative covenants, and any agreements with respect thereto.

(v) Tax Returns and Related Information. IRS Form 8038, 8038-T and 8038-R, as applicable, and information relating to the pricing of the Series 2015 Bonds, yield calculations, weighted average maturity calculations, other information included in the 8038 statistics report, verification reports and arbitrage rebate reports; and

(vi) Disposition Proceeds. Documents, if any, evidencing the sale or other disposition of the financed property.

(b) Required Retention Periods. The Servicing Agent and the Corporation covenant to retain the above described records until the date that is six years after the complete retirement of the Series 2015 Bonds (or such longer period as may be required by the Servicing Agent's policies and procedures, or applicable law).

(c) Form of Records. The Servicing Agent and the Corporation covenant that all records will be kept in a manner that ensures complete access thereto for the applicable above described period either in hard copy or electronic format. If the records are kept in electronic format, compliance is necessary with the requirements of Revenue Procedure 97-22, 1997-1 C.B. 652, which provides guidance for maintaining books and records by using an electronic storage system that either images their hardcopy books and records or transfers their computerized books and records to an electronic storage media (e.g., an electronic data compression system).

(d) Failure to Retain Records. The Servicing Agent and the Corporation acknowledge that a failure to maintain material records required to be retained by this Section may result in the loss of the exclusion of interest on the Series 2015 Bonds from gross income for federal tax purposes and could cause additional arbitrage rebate to be owed.

**Section 3.4. Fair Market Value; Certificates of Deposit and Investment Agreements.** The Corporation will direct the Servicing Agent to, and to the extent the Servicing Agent has investment discretion the Servicing Agent shall, continuously invest all amounts that constitute Gross Proceeds and all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Tax Agreement. In making such investments, the Corporation shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence, due to the denomination, price or availability of investments, the Corporation may invest all such amounts in an interest bearing deposit of a bank with a yield not less than that paid to the general public or hold such moneys uninvested to the minimum extent necessary.

For purposes of determining the purchase price of investments (for either yield restriction or rebate purposes), Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or Guaranteed Investment Contracts (GICs) shall be invested in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

- (b) Investments in GICs shall be made only if:
- (i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);
  - (ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);
  - (iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review others bids (a last look) before bidding;
  - (iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;
  - (v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (i.e., providers that have established industry reputations as competitive providers of the type of investments being purchased);
  - (vi) at least three of the entities that submit a bid do not have a financial interest in the Series 2015 Bonds;
  - (vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Series 2015 Bonds;
  - (viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Corporation or any other person (whether or not in connection with the Series 2015 Bonds) and that the bid is not being submitted solely as a courtesy to the Corporation or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;
  - (ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;
  - (x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and
  - (xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC;
- (c) If a GIC is purchased, the Corporation will retain the following records with their bond documents until three years after the Series 2015 Bonds are redeemed in their entirety;

- (i) a copy of the GIC;
- (ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under paragraph (b)(xi) of this section;
- (iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and
- (iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested in investments maturing on or prior to the anticipated rebate date. All investments of Gross Proceeds and amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except as described in (a), (b) and (c) above and except for United States Treasury Obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established securities market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or yield restriction requirements not been relevant to the Issuer and the Corporation. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this Section 3.4.

The foregoing provisions of this Section 3.4 satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of the Section 3.4 are contained herein for the protection of the Issuer and the Corporation, who have covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Series 2015 Bonds. The Corporation will contact Bond Counsel if it does not wish to comply with the provisions of this Section 3.4 and forego the protection provided by the safe harbors provided herein.

**ARTICLE IV**  
**ADDITIONAL PAYMENTS**

In addition to the amounts provided in this Tax Agreement, the Corporation hereby agrees to pay to the Servicing Agent for deposit in the Rebate Fund for payment to the United States any amount which under Section 148(f) of the Code and/or under the Regulations must be deposited in the Rebate Fund for payment to the United States with respect to the Series 2015 Bonds.



**ARTICLE V**  
**YIELD AND YIELD LIMITATIONS**

**Section 5.1. Issue Price.** The Original Purchaser has certified in *Exhibit C* that, among other things (a) at the time the Original Purchaser agreed to purchase the Series 2015 Bonds on the Sale Date, based upon its assessment of the then prevailing market conditions, the Original Purchaser reasonably expected that all Series 2015 Bonds would be sold to the Original Purchaser from time to time as proceeds are advanced at par and (b) the par amount of the Series 2015 Bonds is not less than the fair market value of the Series 2015 Bonds as of the Sale Date.

**Section 5.2. Yield Limits.**

(a) All Gross Proceeds of the Series 2015 Bonds and all amounts in the Rebate Fund (to the extent it contains Gross Proceeds of the Series 2015 Bonds), to the extent not exempted in (b) below, shall be invested at market prices and at a yield (after taking into account any Yield Reduction Payments to the extent permitted by and made pursuant to Section 1.148-5(c) of the Regulations) not in excess of the yield on the Series 2015 Bonds.

(b) The following may be invested without yield restriction:

(i) amounts invested in Tax-Exempt Obligations (to the extent permitted by the Bond Purchase Agreement);

(ii) amounts in the Rebate Fund;

(iii) amounts in the Project Fund prior to the earlier of three years from Closing or the completion (or abandonment) of the Project;

(iv) all amounts for the first 30 days after they become Gross Proceeds;

(v) all amounts derived from the investment of sale proceeds of the Series 2015 Bonds and investment earnings thereon for a period of one year from the date received; and

(vi) an amount not to exceed, in the aggregate, \$100,000 for Gross Proceeds of the Series 2015 Bonds (the "*Minor Portion*").

**Section 5.3. Continuing Nature of Yield Limits.** Subject to Section 9.6, once moneys are subject to the yield limits of Section 5.2 hereof, they remain yield restricted until they cease to be Gross Proceeds.

**Section 5.4. Payments under the Loan Agreement.** Payments by the Corporation under the Loan Agreement constituting "*Loan Payments*" thereunder exactly equal debt service payments on the Series 2015 Bonds. It is not expected that the Corporation will make any deposits sooner than necessary under the Loan Agreement; provided that the Corporation may make payments to affect the redemption of the Series 2015 Bonds pursuant to the provisions of the Loan Agreement.

**Section 5.5. Federal Guarantees.** Except for investments meeting the requirements of Sections 5.2(b) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury, obligations guaranteed by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association, any guarantee by the Bonneville Power Authority pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984, or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (e.g., Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). No portion of the payment of principal or interest on the Series 2015 Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof). No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

**Section 5.6. Reserved.**

**Section 5.7. Other Payments Relating to the Series 2015 Bonds.** The Issuer imposed a fee of \$22,500, which fee is charged uniformly to all borrowers for whose benefit the Issuer has issued bonds. Except for (a) the receipt of amounts under the Loan Agreement and as described above, (b) the payment of costs of issuance relating to the Series 2015 Bonds, and (c) the payment of normal and customary fees and expenses of the Servicing Agent and (d) the payment of fees of the Issuer as described above, no consideration, in cash or in kind, is being or will be paid by any person to any person in connection with or relating to issuing, carrying or redeeming the Series 2015 Bonds or amounts owing under any credit enhancement or liquidity arrangement relating to the Series 2015 Bonds.

## **ARTICLE VI PROGRAM COVENANTS**

The Series 2015 Bonds are being issued by the Issuer as part of its program to finance certain economic development projects under the Act (the "*Program*"). In carrying out its Program, the Issuer acquires obligations of nonprofit borrowers and governmental units ("*Acquired Program Obligations*") that are organizations described in Section 501(c)(3) of the Code and are exempt from federal income taxation under Section 501(a) of the Code, which are engaged in trades or businesses that are related to their exempt purposes ("*501(c)(3) Organizations*"). At least 95 percent of all Acquired Program Obligations acquired under the Program, by amount of cost outstanding, are evidences of loans to state or local government entities or 501(c)(3) Organizations. At least 95 percent of all amounts received by the Issuer with respect to Acquired Program Obligations will be used for one or more of the following purposes: to pay principal, interest or redemption premium on obligations issued by the Issuer in pursuance of the Program; to pay, or reimburse the Issuer for payment of, administrative costs or fees of issuing its obligations; to pay, or reimburse the Issuer for payment of, administrative and other costs and anticipated future losses directly related to the Program; to make additional loans for the general purposes of the Program; or to redeem and retire Issuer obligations at the next earliest possible date of redemption. Neither the Corporation nor any member of the same Controlled Group as Corporation shall purchase the Issuer's obligations in any amount related to the amount of obligations so acquired by the Issuer under the Loan Agreement and there is no arrangement, formal or informal, to the contrary.

## **ARTICLE VII DEFINITIONS**

*"Bond Counsel"* means Peck, Shaffer & Williams, a Division of Dinsmore & Shohl LLP, or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

*"Bond Year"* means each successive one-year period ending on any date within one year of the issuance of the Series 2015 Bonds chosen by the Corporation.

*"Capital Expenditures"* means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the Corporation was treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

*"Closing or Closing Date"* means the date of this Tax Agreement, which is the first date on which the Issuer is receiving the purchase price for the Series 2015 Bonds.

*"Code"* means the Internal Revenue Code of 1986, as amended.

*"Commingled Fund"* means any fund or account containing both Gross Proceeds and amounts in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

*"Controlled Group"* means a group of entities directly or indirectly controlled by the same entity or group of entities. An entity or group of entities (the *"controlling entity"*) directly controls another entity (the *"controlled entity"*), in general, if it possesses either of the following rights or powers and the rights or powers are discretionary and non- ministerial:

- (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.

A controlling entity indirectly controls all entities controlled, directly or indirectly, by an entity controlled by such controlling entity.

*"Costs of Issuance"* means the costs of issuing the Series 2015 Bonds, including certain legal fees.

*"External Commingled Fund"* means a Commingled Fund in which the Corporation and all members of the same Controlled Group as the Corporation own, in the aggregate, not more than ten percent of the beneficial interests.

*"GIC or Guaranteed Investment Contract"* means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate

and (b) any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

*"Gross Proceeds"* means the amounts contained in the funds listed in *Appendix A* to *Exhibit D* hereto and further means, with respect to the Series 2015 Bonds (a) amounts actually or constructively received from the sale of the Series 2015 Bonds, including amounts used to pay underwriter's discount or compensation and accrued interest other than accrued interest for a period not greater than one year before Closing and paid within one year after the Closing, including amounts derived from the sale of any right that is part of the terms of a Series 2015 Bond or is otherwise associated with a Series 2015 Bond (e.g., a redemption right), (b) all amounts in the funds and accounts created with respect to the Series 2015 Bonds (other than the Rebate Fund), (c) any other Replacement Proceeds, and (d) amounts actually or constructively received from the investment and reinvestment of amounts described in (a) and (b) above.

*"Issuer"* is defined in the preamble to this Tax Agreement.

*"Original Purchaser"* means PNC Bank, National Association, Columbus, Ohio.

*"Placed in Service"* means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

*"Project Certificate"* means the Certificate Regarding the Total Financed Property and the Expenditure of Funds, dated the date hereof and executed in connection with the issuance of the Series 2015 Bonds.

*"Qualified Administrative Costs of Investments"* means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions (other than a broker's commission paid on behalf of either the Issuer or the provider of a GIC or investments in a yield restricted defeasance escrow to the extent the aggregate broker's commission or similar fees paid with respect to all such investments relating to any issue of bonds exceeds \$110,000 and with respect to a particular investment or escrow, such commission or similar fee exceeds the lesser of \$39,000 and .2% of the computational base, or if more, \$4,000. (For this purpose, computational base shall mean in the case of GIC, the amount of gross proceeds the issuer reasonably expects as of the date the GIC is acquired to be deposited in the GIC over its term and in the case of a yield restricted defeasance escrow, the amount of gross proceeds initially invested in such investments.)), but not legal and accounting fees, record keeping, custody and similar costs; (b) all administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund; or (c) in the case of purpose investments, costs or expenses paid directly to purchase, carry, sell or retire the investment and costs of issuing, carrying, or repaying the Series 2015 Bonds, and any placement agent fee or underwriter's discount.

*"Rebate Fund"* means the 2015 Rebate Fund created hereby, which is not pledged to the payment of the Series 2015 Bonds.

*"Regulations"* means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

*"Related Person"* means any member of the same Controlled Group as the Issuer or the Corporation.

*"Replacement Proceeds"* means, (a) amounts in debt service funds, redemption funds, reserve funds, replacement funds or any similar funds, to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Series 2015 Bonds or the obligations under any credit enhancement or liquidity device with respect to the Series 2015 Bonds, (b) any amounts for which there is provided, directly or indirectly, a reasonable assurance, in substance, that the amounts will be available to pay principal of or interest on the Series 2015 Bonds or the obligations under any credit enhancement or liquidity device with respect to the Series 2015 Bonds or the Loan Agreement, even if the Issuer or the Corporation encounters financial difficulties, including any liquidity device or negative pledge to the extent described in Section 1.148-1(c)(3)(ii) of the Regulations and (c) any other amounts treated as replacement proceeds under Section 1.148-1(c) of the Regulations.

*"Sale Proceeds"* means amounts actually or constructively received from the sale of the Series 2015 Bonds, including (a) amounts used to pay underwriter's discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Series 2015 Bond or is otherwise associated with a Series 2015 Bond (e.g., a redemption right).

*"Tax Agreement"* means this Tax Exemption Certificate and Agreement.

*"Tax-Exempt Obligations"* means (a) obligations described in Section 103(a) of the Code, the interest on which is excludable from the gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code, (b) interests in regulated investment companies to the extent that at least 95 percent of the income to the holder of the interest is interest on that is excludable from the gross income of any owner thereof under Section 103 of the Code for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR part 344.

*"Yield"* means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Series 2015 Bonds, the issue price as established in Section 5.1), including accrued interest.

*"Yield Reduction Payment"* means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

**ARTICLE VIII  
CONCERNING THE SERVICING AGENT**

**Section 8.1. Servicing Agent Charges and Expenses; Other Expenses.** The Corporation hereby agrees to pay to the Servicing Agent all reasonable fees, costs and expenses of the Servicing Agent charged or incurred in connection with any extraordinary services as depository hereunder and any payments due the Servicing Agent under Section 8.3 hereof, including legal fees and expenses of agents such as accountants employed in connection with any calculations required to be made pursuant to this Tax Agreement. The Corporation shall pay all reasonable fees, charges and expenses, including attorney fees and expenses, of the Issuer incurred in connection with this Tax Agreement.

**Section 8.2. Reserved.**

**Section 8.3. Acceptance.** The Servicing Agent shall accept the duties imposed upon it by this Tax Agreement and agree to perform said duties.

The Servicing Agent shall not be under any liability for interest on any moneys received hereunder except as provided in this Tax Agreement with respect to the continuous investment of funds and except as may otherwise be agreed upon.

When any consent or other action by the Servicing Agent is called for pursuant to this Tax Agreement, it may defer such action pending such investigation or inquiry or receipt of such supporting evidence as it may require. The Servicing Agent shall be entitled to reimbursement for expenses reasonably incurred and advances reasonably made, with interest, in the performance of its obligations hereunder. Notwithstanding anything to the contrary herein, absent gross negligence or willful misconduct, the Servicing Agent shall not be liable to the Issuer or the Corporation or any Bondholders for any action taken or not taken hereunder. The Servicing Agent shall not be responsible for making the calculations required to be made pursuant to this Section, nor shall it have any responsibility to review the correctness or accuracy of the calculations or for determining whether the investment directions given by the Corporation comply with Section 148(f) of the Code.

The Servicing Agent will take such further action as the Corporation may request in a written direction to it, which written direction indicates that such action is required to comply with the rebate requirements contained in Section 148(f) of the Code.

**ARTICLE IX**  
**PROJECT CERTIFICATE; QUALIFIED TAX EXEMPT OBLIGATIONS;**  
**MISCELLANEOUS**

**Section 9.1. Project Certificate.** The Corporation covenants that it will take all actions that may be necessary to cause all representations and covenants in the Project Certificate with respect to future events to be true.

**Section 9.2. Termination; Interest of Corporation and Issuer in Rebate Fund.** This Tax Agreement shall terminate if (a) the Issuer shall have filed with the Original Purchaser and the Corporation a written notice of termination of this Tax Agreement, which notice shall contain a certification that the Series 2015 Bonds have been fully paid and retired at least 75 days prior to the effective date of termination, (b) all amounts due to the Servicing Agent under Section 8.1 hereof shall have been paid to the Servicing Agent, and (c) all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States. Notwithstanding the foregoing, the provisions of Section 3.3 hereof shall not terminate until the sixth anniversary of the date the Series 2015 Bonds are fully paid and retired. Termination of this Tax Agreement shall not affect the provisions of Section 8.3 hereof with respect to the duties and liabilities of the Servicing Agent.

The parties hereto recognize that amounts, if any, on deposit in the Rebate Fund are held for payment to the United States Treasury. The foregoing notwithstanding, the Corporation and the Issuer shall be deemed to have an interest in such amounts to the extent such amounts represent amounts available to satisfy the obligation of the Issuer and the Corporation to rebate certain amounts to the United States Treasury with respect to the Series 2015 Bonds.

**Section 9.3. No Common Plan of Financing.** Since June 29, 2015, neither the Issuer, the Corporation nor any Related Person to either of them has sold or delivered any other obligations that are reasonably expected to be paid out of substantially the same source of funds as the Series 2015 Bonds or will be paid directly or indirectly from the proceeds of the Series 2015 Bonds.

**Section 9.4. Reserved.**

**Section 9.5. No Investment-Type Property and Reasonable Expectations.** No portion of the Total Financed Property (as defined in the Project Certificate) is expected to be held principally as a passive vehicle for the production of income. In addition, no proceeds of the Series 2015 Bonds (including investment earnings thereon) will be used to make, directly or indirectly, a prepayment for property and services for the principal purpose of receiving an investment return from the time the prepayment is made until the time payment otherwise would be made. The Corporation reasonably expects, for the entire term of the Series 2015 Bonds, (i) that the Series 2015 Bonds will not meet the "private business tests" or the "private loan financing test" (all within the meaning of Section 1.141-1 and 2 of the Regulations) and (ii) that the Series 2015 Bonds will satisfy the ownership test of Section 145(a)(1) of the Code, all as modified or referenced in Section 1.145-2(b) of the Regulations.



**Section 9.6. Future Events.** The Issuer, the Servicing Agent and the Corporation acknowledge that any changes in facts or expectations from those set forth herein may result in different yield restrictions or rebate requirements from those set forth herein and in the letter of Bond Counsel attached hereto as *Exhibit D* and agree that Bond Counsel will be contacted if such changes do occur.

**Section 9.7. Permitted Changes; Opinion of Bond Counsel.** The yield restrictions contained in Section 5.2 or any other restriction or covenant contained herein need not be observed or may be changed if the Issuer, the Servicing Agent and the Corporation receive an opinion of Bond Counsel to the effect that such noncompliance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled.

**Section 9.8. Severability.** If any clause, provision or section of this Tax Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, sections or provisions hereof.

**Section 9.9. Counterparts.** This Tax 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.

**Section 9.10. Notices.** All notices, demands, communications and requests which may or are required to be given hereunder or by any party hereto shall be deemed given on the date on which the same shall have been mailed by registered or certified mail, postage prepaid, addressed as follows:

To the Issuer:	City of Gahanna, Ohio 200 South Hamilton Road, Gahanna, OH 43230 <u>Attention:</u> Clerk of Council and Finance Director
To the Corporation:	The Columbus Academy 4300 Cherry Bottom Road Gahanna, OH 43230 <u>Attention:</u> Chief Financial Officer
To the Original Purchaser:	PNC Bank, National Association 155 E. Broad Street Columbus, Ohio 43215 <u>Attention:</u> Patricia Jackson
To the Servicing Agent:	PNC Bank, National Association 155 E. Broad Street Columbus, Ohio 43215 <u>Attention:</u> Patricia Jackson

The Issuer, the Original Purchaser, the Servicing Agent and the Corporation may, by notice given to the others, designate any different addresses to which subsequent notices, demands, requests or communications shall be sent.

**Section 9.11. Successors and Assigns.** The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the Issuer, the Corporation, the Servicing Agent and the Original Purchaser.

**Section 9.12. Headings.** The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

**Section 9.13. Governing Law.** This Tax Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

**Section 9.14. Expectations.** The undersigned (including the undersigned officer of the Issuer responsible for issuing the Series 2015 Bonds) have reviewed the facts, estimates and circumstances presented by the Corporation and other persons in existence on the date of issuance of the Series 2015 Bonds. Such facts, estimates and circumstances, together with the expectations of the Issuer and the Corporation as to future events, are set forth in summary form in this Tax Agreement. The Corporation represents that such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein and in the Project Certificate, the undersigned have adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that the proceeds from the sale of the Series 2015 Bonds or any other moneys or property will be used in a manner that will cause the Series 2015 Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations. To the extent the Issuer is relying on the representations, expectations and covenants of the Corporation, it is reasonable and prudent for the Issuer to do so.

**Section 9.15. Immunity of Officers.** No recourse shall be had for the payment of any claim based on this Tax Agreement or upon any obligation, covenant or agreement in this Tax Agreement contained against any past, present or future officer or member of the governing body of the Issuer, or any officer, director or trustee of any successor entity, or of the State or any agency or political subdivision thereof, as such, either directly or through the Issuer or any successor entity, or of the State or any agency or political subdivision thereof, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers or members of the governing body is hereby expressly waived and released as a condition of and in consideration for the execution of this Tax Agreement.

**Section 9.16. Post-Issuance Compliance Policies and Procedures.** The Borrower, on behalf of the Issuer, will comply with the Post-Issuance Compliance Policies and Procedures attached hereto as *Exhibit G*.

IN WITNESS WHEREOF, the Issuer, the Corporation and the Servicing Agent have each caused this Tax Agreement to be executed in its own name and on its own behalf by its duly authorized officer or officers, all as of the date set forth above.

**CITY OF GAHANNA, OHIO**

\_\_\_\_\_  
Mayor

**THE COLUMBUS ACADEMY**

By: \_\_\_\_\_

Name: Victor M. Thorne

Title: Vice President

**PNC BANK, NATIONAL ASSOCIATION**

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

**Acknowledged by:**

**PNC BANK, NATIONAL ASSOCIATION**  
as Holder

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

**EXHIBIT A**  
**SOURCES AND USES OF FUNDS**

**SOURCES:**

Series 2015 Bonds Par Amount	\$15,000,000
TOTAL	<u>\$15,000,000</u>

**USES:**

Project Costs	\$14,949,999
Costs of Issuance	\$50,001
TOTAL	<u>\$15,000,000</u>

**EXHIBIT B**  
**PROJECT FUND DRAWDOWN SCHEDULE**

<u>DATE ON WHICH NEW MONEY PROCEEDS ARE EXPECTED TO BE EXPENDED</u>	<u>AMOUNT EXPECTED TO BE EXPENDED FOR THE PROJECT</u>
July 2015	\$96,119
August 2015	2,413,115
September 2015	1,992,095
October 2015	1,563,568
November 2015	1,367,411
December 2015	1,170,164
January 2016	720,253
February 2016	696,778
March 2016	713,261
April 2016	333,974
May 2016	242,817
June 2016	231,422
July 2016	242,380
August 2016	865,678
September 2016	730,880
October 2016	588,623
November 2016	749,956
December 2016	281,506
<b>TOTAL*</b>	<b><u>\$15,000,000</u></b>

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\*Represents the sum of the Project Fund deposit to be used for Project costs, excluding estimated investment earnings insofar as the Series 2015 Bonds are drawdown bonds and little to no investment earnings are expected.

**EXHIBIT C**  
**CERTIFICATE OF ORIGINAL PURCHASER**

July 13, 2015

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 City of Gahanna, Ohio (the “*Issuer*”) has authorized the issuance of \$15,000,000 of its Economic Development Revenue Bonds, Series 2015 (The Columbus Academy Project) (the “*Series 2015 Bonds*”). The undersigned, as an officer of PNC Bank, National Association (the “*Original Purchaser*”) and purchaser of the Series 2015 Bonds hereby certifies as follows:

1. The Original Purchaser agrees to purchase the Series 2015 Bonds as disbursed, pursuant to a Bond Purchase Agreement (the “*Bond Purchase Agreement*”) among the Issuer, The Columbus Academy, the Original Purchaser and PNC Bank, National Association, as Servicing Agent, dated as of July 13, 2015 (the “*Sale Date*”). The Bond Purchase Agreement has not been modified since its execution on the Sale Date.

2. The Original Purchaser is purchasing the Series 2015 Bonds as disbursed, pursuant to the Bond Purchase Agreement, at par plus accrued interest of \$-0- and the purchase price of the Series 2015 Bonds is not less than its own determination of the fair market value of the Series 2015 Bonds on the Sale Date.

3. The Original Purchaser is buying the Series 2015 Bonds as an investment for its own account for investment purposes and not with a present view of public distribution or resale thereof.

Dated: July 13, 2015

**PNC BANK, NATIONAL ASSOCIATION**

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

**EXHIBIT D**  
**INSTRUCTION LETTER**

July 13, 2015

City of Gahanna, Ohio

The Columbus Academy

PNC Bank, National Association

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

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on this date of the above-referenced Bonds (the "*Bonds*"). In a Tax Exemption Certificate and Agreement delivered by each of you this date (the "*Tax Agreement*"), the City of Gahanna, Ohio (the "*Issuer*") and The Columbus Academy (the "*Corporation*") have agreed to comply with the arbitrage rebate requirements of Section 148 of the Internal Revenue Code of 1986, and PNC Bank, National Association, as purchaser of the Bonds and PNC Bank, National Association, as servicing agent have agreed to comply with certain of such requirements. The purpose of this letter is to set out generally the rules that you must follow to comply with the Tax Agreement. This letter does not describe how to actually compute the amount to be rebated to the United States, and due to the complexity involved, the computation will, in all likelihood, require consultation with an expert.

The Internal Revenue Service has issued final and temporary regulations relating to arbitrage and rebate matters. This letter is based upon these regulations, which are subject to change in the future. Such changes may require future recalculation of rebate amounts. For these reasons, it is very important for you and your tax advisors to keep abreast of developments in this area.

The following advice is based on factual information contained in the Tax Agreement. If the facts or expectations stated therein change, please call us to determine whether this results in a change in the following rules. Please note that the rules governing permissible yield on investments set forth in the Tax Agreement are in addition to the rebate rules and although you might be allowed to earn a yield in excess of Bond Yield under the yield restrictions rules, such excess may still be required to be rebated. In some cases, the payment of rebate may assist in compliance with the yield restriction requirements. Thus, rebate compliance and yield restriction may operate together rather than independently. In any case, rebate compliance is essential to the maintenance of the tax exemption of interest on the Bonds even if no amounts are subject to yield restriction. Terms not defined herein shall have the meanings set forth in the Tax Agreement. Yield is defined in Article VII of the Tax Agreement.

City of Gahanna, Ohio  
The Columbus Academy  
PNC Bank, National Association  
July 13, 2015  
Page 2

General Rule. Except in the case of certain exceptions as summarized below, every five years and at the final retirement of all of the Bonds you must compute and pay (as described below) to the United States the difference (the "*Excess Earnings*") between the amount earned on all investments and reinvestments of "Gross Proceeds" (as defined in the Tax Agreement) of the Bonds ("*Actual Earnings*") and the amount that would have been earned if Gross Proceeds had been invested at Bond Yield (the "*Allowable Earnings*"). Earnings to be taken into account are not determined under normal tax accounting principles. In addition to taking into account earnings received (either actually or constructively), receipts with respect to investments that have not been liquidated are computed by assuming that such investments are, in essence, converted to cash as of each computation date (as such dates are described below). The "cash value" of investments determined in this manner is subject to many special rules. Under many circumstances, the "market value" of an investment may be used. The application of these rules is complex and requires a comprehensive understanding of the rebate regulations.

To properly plan for the eventual payment of rebate to the United States, we suggest that you make annual calculations estimating rebate liability. The Tax Agreement establishes a "rebate fund" into which you may also wish to deposit annual estimates of rebate liability so that the payment to the United States may be made from amounts set aside. Federal tax law does not however, require such set asides. In any event, we strongly encourage you to make an annual estimate of the rebate liability. The calculations can be lengthy and often produce surprising results. Experience in operating our rebate calculation service indicates that the calculation is far more difficult as the period of time for which the calculation is being performed increases.

Phantom Income. With certain exceptions, amounts paid for administrative costs are not treated as increasing earnings for the purpose of rebate calculations. Administrative costs that do not increase earnings are reasonable, direct administrative costs, other than carrying costs, and generally include brokerage commissions for the purchase of investment agreements (but only to the extent that the commission meets the safe harbor limitations in the definition of "Qualified Administrative Costs of Investments" in the Tax Agreement) and separately stated brokerage or selling commissions, but not legal and accounting fees, record keeping, custody and similar costs and expenses.

Computation Dates. Each calculation of Excess Earnings should be made as of a "Computation Date." The Computation Date should be the same date in each calendar year (except that the final Computation Date should be the date on which all of the Bonds are actually retired). As indicated above, a Computation Date is required at least every five years. The Final Computation Date must be on or before the fifth anniversary of the issuance of the Bonds. Each Computation Date, other than the Final Computation Date, is the end of a bond year. A bond year ends on any date you choose within one year of the issuance of the Bonds. If you do not



City of Gahanna, Ohio  
The Columbus Academy  
PNC Bank, National Association  
July 13, 2015  
Page 3

choose an ending date for a bond year, it will be the date immediately prior to the anniversary date of the issuance of the Bonds.

Excess Earnings on a fixed Yield issue are determined by comparing Actual Earnings as of a Computation Date with Allowable Earnings as of the same date. Allowable Earnings are based on the Bond Yield as of such Computation Date. Bond Yield may change, but for reasons described below under "Bond Yield" it is unlikely to change over the life of the Bonds. If Bond Yield decreased as of a particular Computation Date, rebate (or additional rebate) may be due with respect to investments that have previously matured and the proceeds thereof spent.

On a variable yield issue, Excess Earnings are computed for the period of time between Computation Dates (or from the date of issue of the Bonds in the case of the first Computation Date) by calculating Allowable Earnings based on Bond Yield for the period of time and comparing it with Actual Earnings for the same period. Once calculated for each such period, rebate for that period cannot change- *i.e.*, a snapshot for that period is taken and it never changes. Prior to the first date on which a rebate payment is required, you may choose to treat the end of any bond year as a Computation Date for purposes of the snapshot approach. After such date, you must consistently treat either the end of each bond year or the end of each fifth bond year as Computation Dates, and you may not change these Computation Dates after the first required rebate payment date.

Bond Yield. For fixed rate issues, generally, Bond Yield is calculated based upon expected payments of principal of and interest on the Combined Bonds (including amounts treated as interest). Bond Yield on a fixed rate issue is generally not required to be recalculated after the date of issuance except under certain limited circumstances. Generally, recomputation is required upon changes in hedging transactions (e.g., purchase or termination of a swap) or the transfer of rights associated with the Bonds (e.g., sale of call option). The actual rules for computing Bond Yield are quite complex, and if Bond Yield must be calculated or recalculated, an expert should be consulted.

For variable Yield issues, as discussed above, Bond Yield is computed as of each Computation Date for the period from the prior Computation Date (or from the date of issue of the Bonds in the case of the first Computation Date) to the current Computation Date, and it is based upon (i) the actual payments of principal and interest on the Bonds (including amounts treated as interest) and (ii) the assumed receipt on such date of an amount equal to the value of the outstanding Bonds. You may select the Computation Dates, using all information available, so as to minimize rebate liability. Such selection may be made at any time up to the first required payment date (generally 5 years after the date of issue). Periods as short as one year or as long as five years may be selected. Following the selection, all subsequent periods must be one year or

five year periods. The choice of Computation Dates may affect the time when rebate computations and payments must be made. As with the calculation of yield on a fixed rate issue, the actual rules for computing Bond Yield are quite complex and an expert should be consulted. If you, at any time, enter into any "qualified hedges," as defined by the Regulations (which include, for example, certain types of interest rate swaps or interest rate caps), with respect to the Bonds, payments made or received under the qualified hedge must be taken into account in calculating Bond Yield.

Generally, upon conversion of a variable Yield issue to a fixed Yield issue, the Yield on the issue after the conversion date will be calculated under the fixed Yield rules discussed above. Certain special rules and elections apply upon such a conversion and an expert should be consulted.

Gross Proceeds. Gross Proceeds for the Bonds is defined in Article VII of the Tax Agreement. Based upon the facts and expectations presented in the Tax Agreement, the Gross Proceeds for the Bonds are all moneys and investments in the funds and accounts (regardless of where held) listed on *Appendix A*. If, contrary to the expectations described in the Tax Agreement, moneys or investments are pledged or otherwise set aside for payment of principal of or interest on the Bonds, such amounts may also constitute Gross Proceeds. Please call us if this occurs.

Universal Cap. Gross Proceeds will cease to be allocated to the Bonds (and will therefore be treated as if spent) if the amount of Gross Proceeds exceeds the outstanding amount of the Bonds (the "*Universal Cap*"). Although special rules are applicable in the case of discount bonds, the outstanding amount of bonds is roughly equal to the outstanding principal amount. Generally, but not always, the market value of investments is used to test the amount of Gross Proceeds. The Universal Cap may cause allocations on the second anniversary of the issue date and as of the first day of each bond year thereafter.

Commingled Funds. Funds allocated to two or more issues, or containing amounts that are not Gross Proceeds of the Combined Bonds and amounts that are Gross Proceeds of the Bonds (including, for example, parity reserve funds) in which amounts are invested collectively without regard to source of funds must be treated as commingled funds. Investment earnings on commingled funds must be allocated to the Gross Proceeds of the Bonds according to a consistently applied reasonable ratable allocation method. Such method, for example, may be based on average daily balances. Investments in commingled funds must generally be valued annually to properly allocate unrealized gain or loss to the Gross Proceeds of the Bonds. This marked to market requirement does not apply to commingled debt service and debt service

City of Gahanna, Ohio  
The Columbus Academy  
PNC Bank, National Association  
July 13, 2015  
Page 5

reserve funds and will generally not apply if the weighted average maturity of all investments held in the commingled fund during a particular fiscal year does not exceed eighteen months.

Bona Fide Debt Service Fund Exception to the General Rule. Based upon the information in the Tax Agreement delivered in connection with the Bonds, there is no bond fund which would be a bona fide debt service fund.

Six-Month Exception to the General Rule. If all Gross Proceeds (including earnings thereon) of the Bonds are spent within six months of the date the Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required, except as described below in the case of an issue secured by a reasonably required reserve fund. If all Gross Proceeds of the Bonds (including earnings thereon) required to be spent are so spent within this six-month period, except for an amount not to exceed 5 percent of Bond proceeds, and you spend such amount (plus earnings thereon) within one year from the Closing, no rebate is required, except as described below in the case of any issue secured by a reasonably required reserve fund. If the issue is secured by a reasonably required reserve fund, rebate is required on the reserve fund from the date the Bonds are issued, but not on the other funds. To qualify for the six-month exception, there must be no collateral having a yield (as contrasted with a mortgage of real property) pledged to, or otherwise available for, the payment of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if you qualify for this exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date. If this occurs, please call us for advice.

Eighteen-Month Exception to the General Rule. If all Gross Proceeds of the Bonds other than those in a reasonably required reserve or replacement fund, or a bona fide debt service fund, are expended at least as quickly as 15 percent within 6 months from the issue date of the Bonds, 60 percent within 12 months, and 100 percent within 18 months, then rebate will be required only with respect to a reasonably required reserve or replacement fund, if any, as described below. To test these percentages for the six-month and 12-month periods, earnings reasonably expected at closing are used to calculate the total to which the percentages are applied. Actual earnings are used for the eighteen-month period test. If you exercise due diligence to complete the financed project and an amount not exceeding the lesser of 3 percent of the issue price of the Bonds or \$250,000 remains unspent as of the end of the eighteenth month, you will be treated as satisfying the final expenditure requirement. In addition, a reasonable retainage of up to five percent of the net sale proceeds of the Bonds need not be spent until 30 months after the issue date of the Bonds. If the issue is secured by a reasonably required reserve fund, rebate is required on the reserve fund from the date the Bonds are issued, but not on the other funds. To qualify for the eighteen-month exception, there must be no collateral having a

yield (as contrasted with a mortgage of real property) pledged to, or otherwise available for, the payment of the Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if you qualify for this exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date. If this occurs, please call us for advice.

Two-Year Construction Expenditure Exception to the General Rule. Rebate can also be avoided if 75 percent of the "available construction proceeds" of the Bonds are expected to be used for construction expenditures (with respect to property that is owned by a governmental unit or a 501(c)(3) organization) and the proceeds of which are spent in accordance with the spend-down requirements set forth below. In general, amounts deposited in a bona fide service fund (other than original proceeds of the Bonds and investment earnings thereon) are not subject to rebate if the exception described above applies, but amounts in a reasonably required reserve fund are subject to rebate as of the earlier of substantial completion of construction or the date two years from the date of issuance of the Bonds. Generally, the spend-down requirements are as follows:

<u>PERIOD</u>	<u>SPEND-DOWN REQUIREMENT</u>
6 months	10%
12 months	45%
18 months	75%
24 months	100%
	(except for reasonable retainages up to 5%)
36 months	All reasonable retainages must be spent

In addition, if you exercise due diligence to complete the Project, an amount not exceeding the lesser of three percent of the issue price of the issue or \$250,000 may be disregarded in testing compliance with the 24 month spend-down requirement, if the reasonable retainage is not used, or the 36 month spend-down requirement, if the reasonable retainage is used.

Gross Proceeds of the Bonds used to pay costs of issuance are not available construction proceeds and expenditures for costs of issuance do not count towards meeting the spending requirements. If however, the requirements, are met, and all costs of issuance are paid within 2 years, no rebate is required on amounts used to pay such costs.

City of Gahanna, Ohio  
The Columbus Academy  
PNC Bank, National Association  
July 13, 2015  
Page 7

Available construction proceeds include earnings on other available construction proceeds. For the first three periods reasonable expectations regarding investment earnings are used in calculating such expenditure requirements.

Even if you qualify for this exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Bonds at a later date. Please call us for advice if this occurs.

Tax Exempt Obligation Exception to the General Rule. To the extent that any gross proceeds are invested in Tax Exempt Obligations (as defined in Article VII of the Tax Agreement), the earnings thereon would not be considered when calculating Excess Earnings. To the extent that 100 percent of gross proceeds are continually invested in Tax Exempt Obligations, there would be no rebate requirement. Please call us for advice if you plan to use this exception.

Investment of Rebate Fund and Other Funds. Investments of moneys in the Rebate Fund and any other fund must be made in arm's length transactions in a manner that does not reduce the amount to be rebated to the United States. Investment decisions (other than the decision to invest in Tax Exempt Obligations to avoid rebate) must be made on the basis of normal investment criteria of safety, yield and when the money will be needed. All interest rates and yields must be market rates and yields. Money must not be allowed to remain uninvested except for small amounts or for short periods of time, as provided in Section 3.4 of the Tax Agreement. Specific rules exist for certificates of deposit and investment agreements (including repurchase agreements) as set forth in Section 3.4 of the Tax Agreement.

Rebate Payments. Within 60 days after the Computation Date that is the end of the fifth bond year and every fifth bond year thereafter, at least 90 percent of the Excess Earnings and all earnings on the Excess Earnings (net of an appropriate credit, which depends on whether unexpended Gross Proceeds continue to exist) must be paid to the United States. Within 60 days of final payment of principal and interest on the Bonds to the Bondholders, all Excess Earnings and all earnings on the Excess Earnings (net of the credit), must be paid to the United States. Mailing instructions are contained in **Appendix B**.

Respectfully submitted,

**Appendix A**  
**Gross Proceeds\***

- 1) Project Fund
- 

\* If, contrary to the expectations described in the Tax Agreement, moneys or investments are pledged or otherwise set aside for payment of principal or of interest on the Bonds, any amounts are derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (*e.g.*, a redemption right) or the Corporation or Related Person enters into any agreement to maintain certain levels of types of assets for the benefit of a holder of a bond or any credit enhancement with respect to the Bonds such amounts may also constitute gross proceeds of the Bonds. Further, if any portion of the Total Financed Property (as defined in the Project Certificate) is sold or otherwise disposed of, contrary to the expectations described in the Tax Agreement, any amounts received from such sale or other disposition may also constitute gross proceeds of the Bonds. Please call us if any of these events occur.

## **Appendix B**

### **Mailing Instructions**

All payments to the United States will be by check mailed to:

Internal Revenue Service Center  
Ogden, Utah 84201

or to such other address as may be provided by the Internal Revenue Service of the United States for such payments. Payment shall be accompanied by a Form 8038- T. Form 8038- T must be signed by the issuer of the obligations with respect to which rebate is being paid.

**EXHIBIT E**  
**CERTIFICATE OF HEDGE PROVIDER**

This certificate is being delivered by PNC Bank, National Association, (the “Swap Counterparty”), as counterparty to an interest rate swap, entered into under an ISDA Master Agreement and Schedule, dated as of July 13, 2015, and a Confirmation, dated as of July 13, 2015 (together, the “Swap Agreement”) between the Swap Counterparty and The Columbus Academy (the “Corporation”), which Confirmation is attached hereto as Appendix A. We have been informed by the Corporation that the Corporation is entering into the Swap Agreement in connection with the issuance of The City of Gahanna Economic Development Revenue Bonds, Series 2015 (in the aggregate principal amount of \$15,000,000 (the “Bonds”), which are being issued on July 13, 2015. In connection with the foregoing, the Swap Counterparty represents as follows:

1. No payments have been or are expected to be made by the Swap Counterparty, directly or indirectly, to the Corporation or by the Corporation to the Swap Counterparty in connection with the Swap Agreement except as set forth in the Swap Agreement. Neither the Swap Counterparty nor any of its affiliates has made or expects to make any payments to third parties for the benefit of the Corporation in connection with the Swap Agreement.

2. Amounts paid or payable by the Corporation pursuant to the Swap Agreement do not include any payment for underwriting or other services unrelated to the Swap Counterparty's performance of its obligations under the Swap Agreement.

3. The terms of the Swap Agreement have been negotiated independently of any other transaction or transactions between the Swap Counterparty and the Corporation, including, without limitation, the purchase of the Bonds. The Swap Agreement is transferable by the Swap Counterparty independently of any transfer of the Bonds (or any of them) by the Swap Counterparty or any person or entity related to the Swap Counterparty. The Bonds (and any of the Bonds) are transferable by the Swap Counterparty independently of any transfer of the Swap Agreement.

The certifications and the information set forth herein are provided for information purposes only, and, except as expressly set forth herein, are not intended for use by any third party; the rates described in the certifications do not necessarily reflect the Swap Counterparty's internal bookkeeping or any single theoretical model-based valuation for the Swap Agreement, and in particular, certain factors, including, for example, the notional amount of a transaction, credit spreads, underlying volatility, costs of carry and/or use of capital and profit, may substantially affect the value of any specific transaction, and our conclusions may vary significantly from estimates available from other sources. We understand that the representations contained herein may be relied upon by the Corporation in making certain of the representations contained in a tax certificate executed by the Corporation in connection with the issuance of the Bonds, and further understand that Peck, Shaffer & Williams, a division of Dinsmore & Shohl LLP, as bond counsel may rely upon this certificate, among other things, in providing its opinion with respect to the exclusion from gross income of the interest on the Bonds pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the “Code”). Notwithstanding the foregoing, the Swap Counterparty makes no representation as to



the legal sufficiency of the factual matters set forth herein. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws, and in particular the regulations under Section 148 of the Code or the application of any laws to these facts.

PNC BANK, NATIONAL ASSOCIATION, as  
Swap Counterparty

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPENDIX A  
CONFIRMATION

**EXHIBIT F**  
**SWAP IDENTIFICATION LETTER**

July 13, 2015

TO: The City of Gahanna, Ohio (the "Issuer")

FROM: The Columbus Academy (the "Borrower")

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

This letter is being provided to the Issuer on the date hereof in order to be made a part of the Issuer's books and records maintained for the above-captioned Obligations for the purpose of identifying the executed confirmation of an interest rate swap agreement (the "Swap") by and between PNC Bank, National Association (the "Swap Provider") and the Borrower, dated as of July 13, 2015, relating to the Obligations (the "Hedged Obligations"), a copy of which is attached hereto as Exhibit A, as a "qualified hedge" with respect to the Obligations under the provisions of Treas. Reg. Section 1.148-4(h)(2) and 1.148-4(h)(3). The Hedged Obligations were issued on July 13, 2015, in notional amount of \$15,000,000 and a maturity date of December 31, 2036. The Hedged Obligations bear interest at variable interest rates reset on a monthly basis with monthly interest payments.

The Borrower has entered into the Swap primarily to modify its risk of interest rate changes with respect to the Hedged Obligations. The Swap is reasonably expected to meet the requirements of Treas. Reg. Sections 1.148-4(h)(2) and 1.148-4(h)(3) because:

- (a) the Swap does not contain any significant investment element because no portion of any payment by one party under the Swap relates to a conditional or unconditional obligation by the other party to make a payment on a different date;
- (b) the Swap is entered into between the Borrower and a party that is not Related Person (within the meaning of Treas. Reg. Section 1.150-1(b)) to the Borrower or the Issuer;
- (c) the Swap covers, in whole or in part, all of one or more groups of the Issuer's Obligations;
- (d) the Swap is primarily interest based because the Obligations are variable rate debt instruments without regard to the Swap and would be substantially similar to fixed rate bonds treating all payments on (and receipts from) the Swap as additional payments on (and receipts from) the Obligations;

(e) payments, if any, to the counterparty under the Swap are reasonably expected to be made from the same source of funds that, absent the Swap, would be reasonably expected to be used to pay principal and interest on the Hedged Obligations; and

(f) payments are to be received by the Borrower under the Swap within 15 days of the date of the related payment with respect to the Hedged Obligations is required to be made by the Borrower.

The existence of the Swap will be noted on the Form 8038 and all other forms filed with the Internal Revenue Service for the Obligations. Please have an authorized representative of the Issuer maintain and identify this letter within three days of the date hereof on the books and records maintained by the Issuer for the Obligations.

Acknowledged as to factual information

**THE COLUMBUS ACADEMY**

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A  
TO SWAP IDENTIFICATION LETTER

SWAP CONFIRMATION

**EXHIBIT G**  
**POST-ISSUANCE COMPLIANCE POLICIES AND PROCEDURES FOR TAX-**  
**EXEMPT OBLIGATIONS**