

# REID TRADITIONAL SCHOOLS

14841 N. Black Canyon Highway  
Phoenix, Arizona 85023

[www.ReidTraditional.com](http://www.ReidTraditional.com)

Phone: (623) 478-2344

Fax: (623) 478-2333



## CERTIFICATE OF COMPLIANCE/NO DEFAULT

**The Industrial Development Authority of the County of Maricopa**

**Education Revenue Bonds  
(Reid Traditional Schools Projects)**

**Series 2016**

I, Heidi Mitchell, DO HEREBY CERTIFY AND DECLARE that I am an authorized Representative, duly qualified and acting as such as of the date hereof, Reid Traditional Schools, Inc. (the "Borrower"), and pursuant to that certain Loan Agreement, dated June 2, 2016 (the "Loan Agreement"), between the Issuer, the Borrower, and the Administrator, as supplemented and amended, I FURTHER CERTIFY AND DECLARE on behalf of the Borrower as follows:

- a. I have reviewed the applicable financing document covenants.
- b. I have reviewed the annual audited financial statements of the Members with respect to the Pledged Schools.
- c. The applicable financing document conditions and covenants for which this certification has been made has been complied with.

Date of Certificate Execution: 12/07/17

IN WITNESS WHEREOF, I have herunto set my hand on behalf of the Borrower as of this 7<sup>th</sup> day of December, 2017.

**Reid Traditional Schools, Inc.**

By Heidi Mitchell

Name: Heidi Mitchell

Title: CEO

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## DAYS CASH ON HAND CERTIFICATION

The Industrial Development Authority of the County of Maricopa  
Education Revenue Bonds

### Reid Traditional Schools Projects

Series 2016

I, Heidi Mitchell, DO HEREBY CERTIFY AND DECLARE that I am an Authorized Representative, duly qualified and acting as such, as of the date hereof, of Reid Traditional Schools Projects (the "Borrower"), and pursuant to that certain Loan Agreement, dated June 2, 2016 as supplemented and amended, I FURTHER CERTIFY AND DECLARE;

Definition of "*Days Cash on Hand*" shall mean (a) the sum of Cash and Cash Equivalents of the Borrower, as shown on the Borrower's audited financial statements for each Fiscal Year, and any State Payments accrued to such Fiscal Year and scheduled to be received within the two months following the end of such Fiscal Year ("Cash on Hand"); divided by the (b) quotient of Operating Expenses, as shown on the audited financial statements for the preceding Fiscal Year, divided by 365.

\*Days Cash on Hand Requirement is 45 Days

I certify that the Audited Days Cash on Hand for Fiscal Year ending **June 30, 2017** is: 126.

Based on the definitions above and the calculation attached, the Days Cash on Hand Requirement;

- a) Has been met X
- b) Has not been met

**Reid Traditional Schools, Inc.**

Signature: Heidi Mitchell

Title CEO

Date: 12/7/17

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## DEBT SERVICE COVERAGE RATIO CERTIFICATION

The Industrial Development Authority of the County of Maricopa  
Education Revenue Bonds

### Reid Traditional Schools Projects Series 2016

I, Heidi Mitchell, DO HEREBY CERTIFY AND DECLARE that I am an Authorized Representative, duly qualified and acting as such, as of the date hereof, of Reid Traditional Schools Projects (the "Borrower"), and pursuant to that certain Loan Agreement, dated June 2, 2016 as supplemented and amended, I FURTHER CERTIFY AND DECLARE;

Definition of "*Debt Service Coverage Ratio*" shall mean the ratio obtained by dividing the Net Income Available for Debt Service by the Debt Service Requirement (as defined in Appendix D of the Offering Statement) for such fiscal year.

\*Debt Service Coverage Ratio requirement is 1.20

I certify that the Debt Service Coverage Ratio for Fiscal Year ending **June 30, 2017** is: 1.33.

Based on the definitions above and the calculation attached, the Debt Service Coverage Ratio Requirement;

- a) Has been met X
- b) Has not been met

**Reid Traditional Schools, Inc.**

Signature: Heidi Mitchell

Title CEO

Date: 12/7/17

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## CERTIFICATE OF INSURANCE COMPLIANCE

**The Industrial Development Authority of the County of Maricopa**

**Education Revenue Bonds  
(Reid Traditional Schools Projects)**

**Series 2016**

I, Heidi Mitchell, DO HEREBY CERTIFY AND DECLARE that I am an authorized Representative, duly qualified and acting as such as of the date hereof, Reid Traditional Schools, Inc. (the "Borrower"), and pursuant to that certain Loan Agreement, dated June 2, 2016 (the "Loan Agreement"), between the Issuer, the Borrower, and the Administrator, as supplemented and amended, I FURTHER CERTIFY AND DECLARE on behalf of the Borrower as follows:

The Members are in compliance with the insurance requirements set forth in Section 3.12 of the Master Indenture. Evidence of such compliance has been delivered to the Master Trustee on or about the date of the delivery of this Certificate and the Borrower hereby authorizes the Master Trustee to make such evidence available to the holders of the Bonds upon their request.

Date of Certificate Execution: 12/07/17

IN WITNESS WHEREOF, I have herunto set my hand on behalf of the Borrower as of this 7<sup>th</sup> day of December, 2017.

**Reid Traditional Schools, Inc.**

By

Heidi Mitchell

Name:

Heidi Mitchell

Title:

12 CEO