



PUBLIC SCHOOL CREDIT ENHANCEMENT PROGRAM

October 17, 2017

FUND CERTIFICATE NO. 3

Under the authority granted by Article 11 of Chapter 16 of Title 15 of the Arizona Revised Statutes (the “**Enabling Statutes**”), the payment of the principal of and interest on the issuance by the Arizona Industrial Development Authority (the “**Issuer**”) of its \$3,830,000 Education Revenue Bonds (BASIS Schools Projects), Series 2017C (the “**Obligations**”) in the amounts and on the dates shown on the attached Exhibit A is guaranteed by the Arizona Public School Credit Enhancement Fund (the “**Fund**”) pursuant to the Arizona Public School Credit Enhancement Program (the “**Program**”) administered by the Credit Enhancement Eligibility Board (the “**Board**”) established by the Enabling Statutes. The guarantee under this Fund Certificate shall terminate automatically in its entirety upon the defeasance or payment in full of the Obligations.

Payment by the Arizona State Treasurer (the “**Treasurer**”) on behalf of the Fund to BOKF, NA, or its successor (the “**Trustee**”/“**Paying Agent**”) for the benefit of the Owners shall, to the extent thereof, discharge the obligations of the Fund and the Board under this Fund Certificate. For purposes of this Fund Certificate, the term “**Owner**” shall mean, as to the Obligations, a person (other than the Issuer, BASIS Schools, Inc., or any other party whose direct or indirect obligation constitutes the underlying security for the Obligations) who at the time of payment under this Fund Certificate is a registered owner as indicated in the books maintained by the Trustee/Paying Agent and is entitled under the terms of the Obligations to payment thereof.

Payments of interest and principal on the Obligations shall be guaranteed under this Fund Certificate only in the amounts and on the dates set forth on the attached Exhibit A. No other obligations or amounts are guaranteed under this Fund Certificate. Payments of principal shall not be payable under this Fund Certificate on any earlier date on which payment of principal is due by reason of call for redemption, acceleration or other advancement of maturity unless the Board shall elect, in its sole discretion, to pay such principal due upon such acceleration, together with any accrued interest to the date of acceleration.

The guarantee provided by the Fund under the Program is not covered by any insurance guaranty fund specified in Title 20 of the Arizona Revised Statutes. The obligations of the Fund and the Board are payable exclusively from the monies in the Fund and do not constitute a debt or a loan

of credit or a pledge of the full faith and credit or taxing power of the State of Arizona, or any political subdivision thereof, within the meaning of any State of Arizona constitutional provision or statutory limitation and will never constitute nor give rise to a pecuniary liability of the State of Arizona. The Board has no taxing authority.

IN WITNESS WHEREOF, the Board has caused this Fund Certificate to be executed on its behalf by its duly authorized representative.

CREDIT ENHANCEMENT ELIGIBILITY BOARD

By:



Title:

Governor's Designee and Authorized Signatory

EXHIBIT A

TO FUND CERTIFICATE NO. 3

Schedule of Interest and Principal Payments

Date	Principal	Interest	Total Debt Service
1/1/2018		\$34,461.39	\$34,461.39
7/1/2018		83,825.00	83,825.00
1/1/2019		83,825.00	83,825.00
7/1/2019		83,825.00	83,825.00
1/1/2020		83,825.00	83,825.00
7/1/2020		83,825.00	83,825.00
1/1/2021		83,825.00	83,825.00
7/1/2021	\$55,000	83,825.00	138,825.00
1/1/2022		82,725.00	82,725.00
7/1/2022	60,000	82,725.00	142,725.00
1/1/2023		81,525.00	81,525.00
7/1/2023	60,000	81,525.00	141,525.00
1/1/2024		80,325.00	80,325.00
7/1/2024	65,000	80,325.00	145,325.00
1/1/2025		79,025.00	79,025.00
7/1/2025	65,000	79,025.00	144,025.00
1/1/2026		77,725.00	77,725.00
7/1/2026	70,000	77,725.00	147,725.00
1/1/2027		76,325.00	76,325.00
7/1/2027	70,000	76,325.00	146,325.00
1/1/2028		74,925.00	74,925.00
7/1/2028	75,000	74,925.00	149,925.00
1/1/2029		73,425.00	73,425.00
7/1/2029	80,000	73,425.00	153,425.00
1/1/2030		71,825.00	71,825.00
7/1/2030	80,000	71,825.00	151,825.00
1/1/2031		70,225.00	70,225.00
7/1/2031	85,000	70,225.00	155,225.00
1/1/2032		68,525.00	68,525.00
7/1/2032	90,000	68,525.00	158,525.00
1/1/2033		66,725.00	66,725.00
7/1/2033	90,000	66,725.00	156,725.00
1/1/2034		64,925.00	64,925.00
7/1/2034	95,000	64,925.00	159,925.00
1/1/2035		63,025.00	63,025.00
7/1/2035	100,000	63,025.00	163,025.00
1/1/2036		61,025.00	61,025.00
7/1/2036	105,000	61,025.00	166,025.00
1/1/2037		58,925.00	58,925.00
7/1/2037	110,000	58,925.00	168,925.00
1/1/2038		56,725.00	56,725.00
7/1/2038	115,000	56,725.00	171,725.00
1/1/2039		53,850.00	53,850.00
7/1/2039	120,000	53,850.00	173,850.00
1/1/2040		50,850.00	50,850.00
7/1/2040	125,000	50,850.00	175,850.00
1/1/2041		47,725.00	47,725.00
7/1/2041	135,000	47,725.00	182,725.00
1/1/2042		44,350.00	44,350.00
7/1/2042	140,000	44,350.00	184,350.00

Date	Principal	Interest	Total Debt Service
1/1/2043		40,850.00	40,850.00
7/1/2043	145,000	40,850.00	185,850.00
1/1/2044		37,225.00	37,225.00
7/1/2044	155,000	37,225.00	192,225.00
1/1/2045		33,350.00	33,350.00
7/1/2045	160,000	33,350.00	193,350.00
1/1/2046		29,350.00	29,350.00
7/1/2046	170,000	29,350.00	199,350.00
1/1/2047		25,100.00	25,100.00
7/1/2047	180,000	25,100.00	205,100.00
1/1/2048		20,600.00	20,600.00
7/1/2048	190,000	20,600.00	210,600.00
1/1/2049		16,800.00	16,800.00
7/1/2049	195,000	16,800.00	211,800.00
1/1/2050		12,900.00	12,900.00
7/1/2050	205,000	12,900.00	217,900.00
1/1/2051		8,800.00	8,800.00
7/1/2051	215,000	8,800.00	223,800.00
1/1/2052		4,500.00	4,500.00
7/1/2052	225,000	4,500.00	229,500.00
	\$3,830,000	\$3,889,586.39	\$7,719,586.39