

APPENDIX B

PARTICIPATING PUBLIC CHARTER SCHOOLS SUMMARY

THE INFORMATION CONTAINED HEREIN IS NOT SUBJECT TO CONTINUING DISCLOSURE.

*As described in “The Loan Program” above in body of this Official Statement, the Program Administrator performs an underwriting process in order to approve School Loans, and the Revolving Fund board considers the recommendation of the Program Administrator in the determination to purchase a School Loan into the Loan Pool. Charter School Borrowers provide certain information described above in “The Loan Program” for purposes of the Program Administrator loan underwriting, and pursuant to each School Loan Agreement have represented to the Program Administrator, among other things, that materials and factual information furnished to the Program Administrator by such Charter School Borrower in connection with such School Loan are accurate and complete in every material respect as of the date as of which the information was dated or certified. This Appendix B contains a summary of certain information provided by the Charter School Borrowers to the Program Administrator as aforesaid. Certain information included herein has been provided to the Program Administrator after the closing of the School Loan. **None of the Revolving Fund, the Program Administrator, the Conduit Issuers, the Underwriter, the Master Trustee or their counsels has undertaken any responsibility for the accuracy or completeness of the information provided in this Appendix B. Certain information may have changed since the School Loan closing date and may be subject to future changes.***

[Summaries begin on following page]

ALLIANCE FOR COLLEGE READY PUBLIC SCHOOLS

Los Angeles, California

~\$28,505,677* EFF Financing / Expected Closing: 10/15/2019* / Expected Final Maturity: 10/1/2049*

This loan has not closed as of the date of this Official Statement. The Revolving Fund's intention is to close this loan as soon as possible; however, there is no guarantee that this will close, and therefore there is no guarantee that this will be a part of the loan portfolio which secures the Bonds.

Obligor Overview

Alliance for College Ready Public Schools, a California nonprofit corporation ("Alliance"), was formed in 2003 and opened its first charter school in 2004. Alliance operates as a nonprofit charter management organization ("Alliance CMO") that focuses on educating students in grades 6 – 12 in Los Angeles.

The mission of Alliance is "to operate a network of small, high-performing public charter schools serving students in grades 6 – 12 in historically underachieving, low-income communities in California that can achieve year-to-year student academic achievement growth and prepare students for success in college."

Alliance aims to offer:

- an educational model based on high expectations of students;
- small personalized campuses;
- a longer school year and a longer instructional day than traditional public schools in the Los Angeles Unified School District (the "LAUSD") area;
- a team of highly qualified teachers and principals; and
- parents as partners in their child's educational success.

For the 2018-2019 academic year, Alliance provided services to twenty-five charter schools, as listed below (collectively, the "Alliance CMO Schools"), all within the boundaries of the Los Angeles Unified School District. Alliance entered into an administrative services agreement with each charter school in the Alliance CMO. Alliance received 10% of each school's revenues in return for administrative and instructional support, fundraising, and operational and financial services.

The source of annual principal and interest payments on the obligation is the rental payments paid by fifteen charter schools within the Alliance CMO Schools (the "Alliance Obligated Group Schools") to fifteen limited liability companies holding real estate title to the Alliance Obligated Group Schools (collectively, the "Alliance Obligated Group Members").

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* Preliminary, subject to change.

Alliance CMO Schools	Alliance Obligated Group School
Alliance Marine-Innovation and Technology High School and Middle School (6-12 Complex)	YES
Alliance Ted K. Tajima High School	YES
Alliance Marc & Eva Stern Math and Science School	YES
Alliance Cindy & Bill Simon Technology Academy High School	YES
Alliance Piera Barbaglia Shaheen Health Services Academy	YES
Alliance Judy Ivie Burton Technology Academy High School	YES
Alliance Renee & Meyer Luskin Academy High School	YES
Alliance Ouchi-O'Donovan High School and Middle School (6-12 Complex)	YES
Alliance Collins Family College-Ready High School	YES
Alliance College-Ready Middle Academy #4	YES
Alliance Virgil Roberts Leadership Academy	YES
Alliance College-Ready Middle Academy #12	YES
Alliance Jack H. Skirball Middle School	YES
Alliance Kory Hunter Middle School	YES
Alliance College-Ready Middle Academy #8	YES [†]
Alliance Dr. Olga Mohan High School	NO
Alliance Gertz-Ressler/Richard Merkin High School and Middle School (6-12 Complex)	NO
Alliance Leichtman-Levine Family Foundation Environmental Science High School	NO
Alliance Susan & Eric Smidt Technology High School	NO
Alliance Tennenbaum Family Technology High School	NO
Alliance Morgan McKinzie High School	NO
Alliance Patti & Peter Neuwirth Leadership Academy	NO
Alliance Margaret M. Bloomfield High School	NO
Alliance Alice M. Baxter College-Ready High School	NO
Alliance College-Ready Middle Academy #5	NO

Alliance for College Ready Public Schools Facilities Corporation (“AFCRPSFC”), formed in 2011 to support Alliance charter schools, is the sole member of each of the single member limited liability companies that comprise the Alliance Obligated Group, and acts as the legal borrower on the School Loan and as the real estate affiliate of Alliance.

For the 2018-2019 academic year, 93% of Alliance’s student body qualified for free and reduced lunch.

Management & Governance

Alliance is governed by a twenty-three-member Board of Directors (the “Alliance Board”). The Alliance Board established the Academic, Executive, Facilities, and Finance, Development and External Relations, Governance and Nominating, and Legal and Audit committees to further the Alliance Board’s goal of enhancing the operations of the Alliance Board and providing additional oversight.

Senior staff of Alliance includes a President and Chief Executive Officer, Chief Business Officer, Chief of Staff, Chief Advancement Officer, General Counsel, Chief College Officer, Chief Talent Officer, Chief Schools Officer, and Chief Academic Officer. Biographies of Alliance Board members and senior staff are included on Alliance’s website.[‡]

[†] This property is currently secured with a new market tax credit transaction. Due to such new market tax credit transaction, the corresponding Alliance Obligated Group Member’s rights, obligation, representations, and covenants as a Member of the Alliance Obligated Group will not become effective until the new market tax credits are no longer subject to recapture and the Alliance Obligated Group Member is no longer liable for the obligation under the new market tax credit financing. Until such date the School Loan is secured on a parity basis by the Alliance Obligated Group Members other than the Member corresponding to Middle Academy #8.

[‡] Information contained on the Alliance website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

Charter Contract

Alliance CMO Schools are authorized by the LAUSD. No application for renewal of any of the Alliance CMO Schools has been denied. The LAUSD has approved more than one charter renewal for six of the Alliance Obligated Group Schools and approved one charter renewal for eight of the Alliance Obligated Group Schools. One Alliance Obligated Group School, Alliance Marine-Innovation and Technology High School and Middle School, operates under its original charter agreement with an expiration date of June 30, 2020.

Enrollment & Student Information

Alliance for College Ready Public Schools Historical Obligated Group Student Enrollment FY16 – FY19

<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
6,957	7,506	7,817	8,154

For the 2018-2019 academic year, the Alliance CMO Schools enrolled 12,982 students. Of those students, the Alliance Obligated Group Schools enrolled 8,154, representing approximately 63% of the Alliance CMO Schools' total student enrollment.

As of March 9, 2019, waitlists (as a percentage of enrollment) at the Alliance Obligated Group Schools ranged from 1% at Alliance Cindy & Bill Simon Technology Academy High School to approximately 58% at Alliance College-Ready Middle Academy #12, with an average waitlist of approximately 19% of the Alliance Obligated Group Schools. For academic year 2017-2018, median student retention for the Alliance Obligated Group Schools was 92%, slightly above Alliance CMO Schools' median of 91% and similar to the prior year. Across all Alliance Obligated Group Schools, student retention ranged from a low of 82% to a high of 99%.

Academic Program & Results

For the 2017-2018 academic year, the number of students attending Alliance Obligated Group Schools eligible for Free and Reduced Lunch ranged from 86% to a high of 98% for an overall rate of 93.7%. Despite the high need population served, Alliance reported that during this period the schools in the Alliance Obligated Group materially exceeded the LAUSD and the State of California averages for English Language Arts Standards ("ELA") for the categories of "All Students" as well as "Economically Disadvantaged Students." ELA results for the highest grade tested, 11th grade, show that the Alliance Obligated Group schools significantly outperformed the LAUSD by 39.5%.

For the same academic year, the Alliance CMO Schools exceeded the LAUSD average on the math standardized test but did not outperform the California state average for all students. When isolating students who are economically disadvantaged, results in both the Alliance CMO Schools and the Alliance Obligated Group Schools exceeded the LAUSD and California averages. Math results for the highest grade tested, 11th grade, show that the Alliance Obligated Group schools outperformed the LAUSD by 66.1%.

The Project

Proceeds of the \$28 million loan will be used to advance refund the Alliance's Series 2011 Bonds as well as refinance a new market tax credit loan which was used to construct facilities for Alliance Middle School #8.

Prior debt obligations financed the construction of three facilities. These three schools will join the current twelve-school Obligated Group Schools on the date of closing of the loan resulting in a fifteen-member Alliance Obligated Group with revenues of over \$100 million and total debt outstanding of approximately \$55 million.

Financial Information

Certain historical financial information for the Alliance Obligated Group Schools is listed below. These metrics will be updated and included in the Equitable School Revolving Fund ("ESRF") continuing disclosure annual report.

**Alliance for College Ready Public Schools
Historical Financial Information**

<u>Obligated Group Metric</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Revenue (TR)	\$98,014,726	\$103,407,863	\$108,357,615
DS Coverage Ratio	2.23x	1.30x	1.14x
DS Coverage (subordinating Management fees)	3.11x	2.33x	2.21x
Debt Burden (% of TR)	8.7	10.0%	9.8%
Days Cash on Hand	110.7	140.5	135.3

Rating: S&P: BBB

Website: <https://www.laalliance.org>*

* Information contained on the Alliance website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**Alliance for College Ready Public Schools
Security and Loan Covenants**

Security	First lien deed of trust on all Alliance Obligated Group Schools (subject to the new market tax credit notes above) and a pledge of and lien on Gross Rental Revenues of Alliance Obligated Group Members on a parity basis, such liens run to the master trustee under the master indenture
Debt Service Coverage Ratio	1.00x for the Alliance Obligated Group Members; 1.10x for the Alliance Obligated Group Schools
Additional Bonds Test	Consolidated Base Rent Coverage Ratio for each of the three consecutive fiscal years is 1.20x starting the earlier of either: 1) first full fiscal year of initial use of revenue producing facilities; or 2) when debt service payments, not otherwise provided for, begins. In addition, coverage for the fiscal year immediately preceding the issuance, and taking such additional debt into consideration, is at 1.00x (or greater than it would have been otherwise).
Liquidity Covenant	60 days cash on hand (consolidated) of the Alliance Obligated Group Members; 45 days cash on hand for the Alliance Obligated Group Schools
Academic Covenant	In process
Enrollment Covenant	In process

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**ARIZONA SCHOOL FOR THE ARTS
Phoenix, Arizona**

\$10,620,000 EFF Financing / Closed: February 12, 2019 / Final Maturity: July 1, 2048

Obligor Overview

Arizona School for the Arts (“ASA”) was founded in 1995 and in the academic year 2018-2019 served approximately 840 students in grades 5-12 at a single campus near downtown Phoenix, Arizona.

ASA’s mission is to “inspire critical thinkers and leaders through providing an innovative concentration in college preparation informed by the performing arts.”

Charter Contract

ASA operates under a charter contract with the Arizona State Board for Charter Schools (“ASBCS”). ASA was initially awarded a fifteen-year charter in 1995 and the charter was renewed in 2011 for an additional twenty years (to 2031). For fiscal year 2018, ASA met the ASBCS expectations in its academic, financial, and operational dashboards.

Management & Governance

ASA is governed by a Board of Directors of up to fifteen persons pursuant to its bylaws (the “ASA Board”), and currently has eleven board members. The ASA Board has a formal conflict of interest policy and no ASA Board member or senior staff is considered to be a related party.

Senior staff includes a Head of School/CEO who has led ASA since 2007 and was a founding faculty member. Senior management includes a Principal, Development Director, Business Director, Arts Director and Vice Principal of Student Services, Vice Principal of Student Support and Assessment, and an Operations Manager. Biographies of board members and senior staff are included on the ASA website.*

Enrollment & Student Information

ASA’s 100-day student count (the basis for Arizona per pupil funding) for the past four fiscal years is as follows:

Arizona School for the Arts Historical Student Enrollment FY16 – FY19			
<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
839	845	840	843

While ASA may experience some additional growth in its higher grades, the school expects its enrollment to remain relatively stable. For the past several years, student retention has been in the 85% to 90% range and waitlists have been in the 260 to 290 student range, representing approximately 33% of total enrollment.

ASA students currently come from 106 zip codes throughout Maricopa County. For academic year 2018-2019, students are approximately 60% Caucasian, 25% Hispanic, 5% black, 4% Asian, 1% native American and 5% two more ethnicities. ASA’s free and reduced lunch and special education student populations are approximately 12% and 4%, respectively.

Academic Program & Results

Key aspects of the ASA program include: (i) a curriculum based on state and national standards relying on professional teachers/content experts and teaching artists to design relevant curriculum and to select high quality sources rather than depending on textbooks; (ii) college prep curriculum offering AP courses and the opportunity to earn honors

* Information contained on the ASA website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

credits in all junior and senior level classes and dual college credit in select courses; (iii) at least two hours of daily artistic study, including music (choral and instrumental), theater or ballet/dance; (iv) formal academic presentations with a jury of faculty and parents; (v) senior capstone project; and (vi) community engagement, including service projects, special performances, and internships.

Based on Arizona standardized testing results, ASA has earned an “A” academic rating each of the past three school years (and received Arizona’s highest academic rating in every year such a rating was assigned). For the most recently completed Arizona exams, ASA proficiency rates in ELA for 11th grade students were 80% and 69% for math. The Arizona average for 11th grade students was 29% for ELA and 34% for math. For the 2017-2018 academic year, ASA students scored an average of 27 on the ACT exam (135% of the Arizona average) and 1220 on the SAT exam (109% of the Arizona average).

The Project

ASA operates on a single campus located at 1413 North 2nd Street near downtown Phoenix, Arizona. The campus comprises three buildings (approximately 61,000 square feet) and open space, including a small amphitheater, on 3.2 acres of land.

The ASA campus secures the EFF financing, as well as approximately \$8.4 million of Series 2011 parity bonds. The EFF financing was completed for the purpose of refinancing ASA’s 2008 Bonds used to initially acquire portions of the campus. As a result of the refinancing, ASA will reduce its debt service costs by approximately \$175,000 per year through the 2048 maturity.

Financial Information

Certain historical financial information for ASA is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

**Arizona School for the Arts
Historical Financial Information**

<u>Metric</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Revenue (TR)	\$7,905,633	\$8,114,101	\$8,446,689
DS Coverage Ratio	1.44 x	1.21x	1.09x
Debt Burden (% of TR)	18.2%	19.7%	18.8%
Days Cash on Hand	109.0	110.6	98.1

Rating: S&P: BB+

Website: www.goasa.org*

* Information contained on the ASA website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**Arizona School for the Arts
Security and Loan Covenants**

Security	First lien deed of trust on all of the ASA's campus and a pledge of and lien on gross revenues on a parity basis, such liens run to the trustee under ASA's indenture
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20
Liquidity Covenant	60 days cash on hand
Academic Covenant	State grade of "B" or better
Enrollment Covenant	Minimum of 805 students

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ARLINGTON CLASSICS ACADEMY

Arlington, Texas

\$15,635,234.39 EFF Financing / Closed: March 21, 2019 / Final Maturity: August 1, 2040

Obligor Overview

Arlington Classics Academy (“ACA”), opened in 1999, is a nonprofit corporation operating three facilities under a single charter in the Arlington, Texas area; enrollment for the 2018-2019 academic year was approximately 1,549 students in grades K-9.

ACA was established in 1997 and began operating its first charter school in August 1999. ACA was formed by several parents who desired their children to experience an accredited curriculum that included Spanish, Art, and Music, relatively small class sizes, and a strict code of conduct. ACA’s students enroll from districts in Tarrant, Dallas, and Johnson counties and are taught in three separate facilities on two campuses approximately 5.3 miles apart.

The mission of Arlington Classics Academy is “to equip a diverse student body with a comprehensive education, including a special focus on Western civilization. Students will develop a commanding knowledge of the origins of our liberty and the ability to sustain it through moral leadership. We aim to accomplish this goal through a high level of academic instruction and high behavioral expectations.”

Charter Contract

ACA operates under a charter contract authorized by the Texas Education Agency and its current ten-year charter renewal expires on July 31, 2023.

Management & Governance

ACA is governed by a ten-member Board of Directors (the “ACA Board”). Nine members of the ACA Board are appointed by majority vote of the ACA Board while one member is appointed by the Parent Teacher Organization.

Senior staff includes an Executive Director, Director of Business Operations, Director of Academic Services, and Director of Human Resources and Student Services. No board member or senior staff person is considered a related party.

Enrollment & Student Information

ACA’s student count for the current and past four fiscal years is as follows:

Arlington Classics Academy			
Historical Student Enrollment			
FY16 – FY19			
<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
1,443	1,486	1,533	1,549

ACA opened its first school in 1999 with 311 children and has increased its student count every year to its current level of 1,549 students. Two of ACA’s three schools are effectively fully enrolled with the primary (grades K – 2) and intermediary (grades 3 – 5) schools at capacity of 530 and 525, respectively. The middle school (grades 6 – 9) has approximately fifty more seats available until it meets capacity limits. Thereafter, ACA expects its enrollment to remain relatively stable. ACA would eventually like to expand to a full high school option, but it has no immediate plans to do so.

ACA reports a history of sound student retention rates ranging over the past eight years from a low of 75% in academic year 2014-2015 to a high of 89% in academic 2012-2013. During the most recent years, student retention rates have been increasing, including 82% and 83% in 2016 and 2017, respectively. The School’s K – 9 waitlist for academic year 2018-2019 totaled 556 students, or more than a third of total enrollment.

ACA serves a student population which is 22% economically disadvantaged with 59% reporting as non-white.

Academic Program & Results

ACA’s educational philosophy is to “ensure that all students possess a knowledge of history and western heritage, a capacity to think critically and logically, the ability to articulate their thoughts both orally and in written expression, a knowledge of the natural world which the study of science and natural history provides, and an appreciation of great works of art, music, and poetry.”

ACA has maintained the highest accountability rating from the Texas Education Agency since 2007. For the 2017-2018 academic year, 90% of ACA students assessed met the passing standard compared to the Texas average of 79% and regional average of 80% in math assessments. In ELA, 92% of ACA students assessed met the standard compared to the Texas average of 72% and the regional average of 75%.

The Project

ACA’s students enroll from districts in Tarrant, Dallas, and Johnson counties and are taught in three separate facilities, totaling just under 115,000 square feet, on two campuses which are approximately 5.3 miles apart in the Arlington, Texas area.

The EFF financing was completed for the purpose of advance refunding ACA’s Series 2010 Bonds. As a result of the refinancing, ACA has reduced its debt service by more than \$250,000 per year through the 2040 maturity, representing a total debt service savings of approximately \$6.5 million or more than \$3.7 million on a net present value basis. The EFF financing is secured under a master indenture on a parity basis with approximately \$8,400,000 of debt.

Financial Information

Certain historical financial information for ACA is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

Arlington Classics Academy Historical Financial Information

<u>Metric</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Revenue (TR)	\$11,843,495	\$12,736,875	\$13,153,030
DS Coverage Ratio	1.76x	1.73x	1.67x
Debt Burden (% of TR)	13.3%	15.1%	14.6%
Days Cash on Hand	152.5	172.9	236.6

Rating: S&P: BBB-

Website: www.acaedu.net*

* Information contained on the ACA website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**Arlington Classics Academy
Security and Loan Covenants**

Security	First lien deed of trust on current campuses and a pledge of and lien on Gross Revenues on a parity basis, such liens run to the master trustee under ACA's master indenture
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	45 days cash on hand
Academic Covenant	a Texas Education Agency overall accountability letter grade of "B" or better; and a percentage of students' passing rate on the State's STAAR standardized tests, across all grade levels for ELA and Math, that exceeds the State's average passing rate
Enrollment Covenant	

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BLACKSTONE VALLEY PREP
Cumberland, Rhode Island
\$16,000,000 EFF Financing / Closed: April 26, 2019 / Final Maturity: May 1, 2049

Obligor Overview

The Rhode Island Mayoral Academy Blackstone Valley (“BVP”), established in 2009, is a six-school network operating under a single charter and a single Rhode Island nonprofit corporation, with Average Daily Membership enrollment count on March 15, 2019 of 1,965 students in grades K-12.

BVP was intentionally established as an economically diverse school and reserves 50% of its available seats to families who indicate that they qualify to receive free meals through the National School Lunch Program. Based on this planned economic diversity, BVP pulls students from two relatively high income suburban districts, Cumberland and Lincoln, as well as two high poverty urban districts, Pawtucket and Central Falls.

The mission of Blackstone Valley Prep is “to prepare every scholar for success in college and the world beyond.”

BVP’s vision is to be a model of rigorous college and career preparatory public education by:

- Creating an intentionally diverse and inclusive school community;
- Collaborating with educators across Rhode Island; and
- Proving what is possible for all kids.

Charter Contract

All charter schools in Rhode Island are authorized by the Rhode Island Department of Education (“RIDE”). Rhode Island is one of only seven states in the nation to have a sole authorizer. Rhode Island authorizes three types of charters: 1) district charter schools that are established by school districts; 2) independent charter schools that are created by colleges or universities or a Rhode Island non-profit, and 3) mayoral academies created by a mayor or elected official of any city or town within the State. BVP is a mayoral academy, and a mayor must serve on the school’s Board of Directors as Chair. Unlike the other two types of charter schools, mayoral academies may elect out of statutory requirements relating to paying prevailing wages and benefits, participating in the state teacher’s retirement system, and providing teachers tenure. Charter terms are up to five years and the renewal process is clear. To date, RIDE has never closed a charter school. BVP’s was recently renewed for its third five-year term through June 30, 2024.

Management & Governance

BVP is governed by a thirteen-member Board. Due to its establishment as a mayoral academy, it has three local chief executives on its Board of Directors (the “BVP Board”). The BVP Board also includes the Rhode Island’s Lieutenant Governor who is a founding member. No BVP Board member or senior staff person is considered a related party.

Senior staff includes a Chief Executive Officer, Chief Operating Officer, Chief Academic Officer, Chief Schools Officer, and a Chief Financial Officer. Biographies of Board members and senior staff are included on the BVP website.*

Enrollment & Student Information

BVP’s student count for the past four fiscal years is as follows:

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**Blackstone Valley Prep
Historical Student Enrollment
FY16 – FY19**

<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
1,378	1,641	1,833	1,965

BVP is a part of a charter network of six schools, which is Rhode Island’s largest charter network, and enrolled a total of 1,965 students in grades K – 12 for the 2018-2019 academic year. BVP expects to continue growing into its chartered enrollment figure of 2,360 by academic year 2027-2028. Much of this growth is expected to come from an expansion project for the high school that would increase student capacity from around 350 to 550 to meet the need of rising middle school students expected in the coming years.

For academic year 2017-2018, BVP received an average of 7.5 times as many applications as available seats, 2,209 applications to 292 open seats. Students who are not offered a seat are automatically placed on the waitlist. Data for the 2018-2019 academic year shows a waitlist of 1,946 names, an increase of 10.7% over last year and represents 98.4% of enrollment. Moreover, BVP’s student retention rate for the most recent year was 92%.

BVP serves a high needs population, i.e., 76% economically disadvantaged, 63% non-white, 8% ESL, and 14% special education at the high school level and on a network level, approximately 65% of the network’s overall student body is eligible for free and reduced lunch and 55% is non-white.

Academic Program & Results

The Academy’s culture is founded on the core PRIDE values:

- **P**erseverance;
- **R**espect;
- **I**ntegrity;
- **D**iscipline; and
- **E**nthusiasm

For the 2017–2018 academic year, BVP’s Middle School 1 6th graders earned the highest math proficiency score in Rhode Island at 72%. This compares to the Rhode Island average of only 25.3%. What’s more, 13.4% of the Middle School 1 6th graders earned “exceeds expectations” on math, the highest percentage of students in Rhode Island 11x the State average.

BVP’s high school ranked in the top ten of all high schools in Rhode Island in the 2017–2018 academic year, based on RIDE’s previous composite index score. BVP’s first graduation class in 2018 had a four-year graduation rate greater than 90% and was recognized by the U.S. News as a “Best High School”— one of only eleven schools in Rhode Island to be included on the list.

The Project

Proceeds of the thirty-year loan were used to finance the acquisition of its 39,482 square foot high school building it had been leasing from Civic Builders. The high school (grade 9 – 12) is fully enrolled and serves approximately 350 students. As a result of the refinancing, BVP expects to reduce its facility costs by approximately \$250,000 per year and more than \$5 million through the 2049 maturity. The loan is secured on parity with \$4,790,000 of debt.

Certain historical financial information for BVP is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

**Blackstone Valley Prep
Historical Financial Information**

<u>Metric</u>			
Total Revenue (TR)	\$20,803,242	\$23,223,829	\$27,181,161
DS Coverage Ratio	1.56x	2.09x	1.83x
Debt Burden (% of TR)	8.7%	8.2%	9.1%
Days Cash on Hand	40.0	69.5	59.1

Rating: S&P: BB+

Website: <http://blackstonevalleyprep.org>*

**Blackstone Valley Prep
Security and Loan Covenants**

Security	First lien deed of trust on high school campus and a pledge of and lien on Gross Revenues on a parity basis, such liens run to the master trustee under the master indenture
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	60 days cash on hand
Academic Covenant	(i) earn and maintain a RIDE overall accountability Star Rating of “3” or better; (ii) exceed sending school districts, on a weighted average basis, the percentage of students proficient in math and ELA on the State assessment—currently the Scholastic Aptitude Test (SAT); (iii) outperform the state average for high school students proficient in math and ELA on the State assessment, currently the SAT; and (iv) exceed the state four year and/or five year high school graduation rate
Enrollment Covenant	Minimum of 1,800 students

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CHOICES IN LEARNING
Winter Springs, Florida
\$9,199.407.41 EFF Financing / Closed: February 25, 2019 / Final Maturity: November 1, 2043

Obligor Overview

Choices in Learning (“Choices”) was founded in 2001 with a School Year 2018-2019 enrollment of 686 students in grades PK – 5 at a single campus in Winter Springs, Florida.

Choices’ mission is to “help students develop basic academic skills, to educate them to the greatest extent possible so that they become active learners, and to teach them to be responsible citizens.”

Charter Contract

Choices operates under a charter contract with the School Board of Seminole County, Florida. Choices was initially awarded a three-year charter in 2001, which was renewed for fifteen years in 2009 (to June of 2024). For academic year 2017-2018, Choices received a rating of “A”, the highest achievement available, from the State of Florida based on academic achievement and learning gains.

Management & Governance

Choices is governed by a Board of Directors (the “Choices Board”) of at least three persons and no more than seven under its bylaws. Choices currently has a five-member board. The Choices Board has a formal conflict of interest policy and no Choices Board member or senior staff member is considered a related party.

Senior staff includes the Principal, who has led Choices for ten years and who has overseen teacher effectiveness, and a Dean, who has monitored classroom management since 2012. Senior management also includes a Business Manager.

Enrollment & Student Information

Choices’ student count for the past four fiscal years is as follows:

Choices in Learning			
Historical Student Enrollment			
FY16 – FY19			
<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
669	684	686	686

Choices’ facility is at capacity and Choices expects its enrollment to remain relatively stable. For the past three years, student retention has been at least 95% and waitlists have been in the 153 to 314 student range, representing 21% to 44% of total enrollment.

46% of students identify as ethnic minorities. Choices’ free and reduced lunch and special education student populations are approximately 32% and 10%, respectively.

Academic Program & Results

Choices credits its success to using “Success for All,” a curriculum developed by researchers at Johns Hopkins University. The curriculum promotes mastery of skills through a cycle of effective instruction and a cooperative learning model that is enhanced by on-going monitoring assessments. The curriculum promotes teamwork, individual accountability, and personal responsibility.

Choices is one of Florida’s strongest performers, having reached the Florida Dept of Education’s highest score of “A” since 2008. Of the more than 3,000 public schools in Florida that were assessed in 2018, only 30% received a grade of “A”.

The Project

Choices operates on a single campus located at 1100 E State Road 434 just north of Orlando in Winter Springs, Florida. The campus comprises one building (approximately 51,200 total square feet) on 8.70 acres of land.

The EFF financing was completed for the purpose of advance refunding its Series 2010A Bonds. The Series 2010A Bonds were originally used to refinance debt and to construct its campus building. As a result of the refinancing, Choices will reduce its debt service by approximately \$185,000 per year through 2042.

Financial Information

Certain historical financial information for Choices is listed below. These metrics will be updated and included in ESRF's continuing disclosure annual report.

Choices in Learning Historical Financial Information

Metric	FY16	FY17	FY18
Total Revenue (TR)	\$5,334,466	\$5,517,773	\$5,724,621
DS Coverage Ratio	1.29x	1.37x	1.35x
Debt Burden (% of TR)	14.8%	14.3%	13.8%
Days Cash on Hand	148.7	155.5	156.1

Rating: S&P: BBB-

Website: <https://www.choicesinlearning.org>*

Choices in Learning Security and Loan Covenants

Security	Pledged revenues and a first lien mortgage on the land and real estate on which the school is located
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	60 days cash on hand
Academic Covenant	State grade of "C" or better
Enrollment Covenant	Minimum of 650 students

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* Information contained on the Choices website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**JAMES IRWIN CHARTER SCHOOLS
Colorado Springs, CO**

~\$26,414,793* EFF Financing / Expected Closing: August 31, 2019* / Expected Final Maturity: September 1, 2049*

This loan has not closed as of the date of this Official Statement. The Revolving Fund’s intention is to close this loan as soon as possible; however, there is no guarantee that this will close, and therefore there is no guarantee that this will be a part of the loan portfolio which secures the Bonds.

Obligor Overview

James Irwin Charter Schools (“JICS”) is a charter school network founded in 1999 with an enrollment of approximately 1,982 students in grades K – 12 in the 2018-2019 academic year. The network comprises five different schools located on three campuses across Colorado Springs, Colorado. JICS leases all properties from the James Irwin Foundation.

JICS’ mission is to “help guide students in the development of their character and academic potential through academically rigorous, content-rich educational programs.”

Charter Contract

JICS’ five schools operate under five distinct charter contracts with its respective authorizers: Harrison District 2, Charter School Institute, and Falcon District 49.

School Name	Authorizer	Year of initial charter	Year of most recent renewal
James Irwin Charter High School (JICHS)	Harrison School District 2	2000	All 3 Harrison schools renewed 4/29/04; extended to 4/29/34
James Irwin Charter Middle School (JICMS)		2003	All 3 Harrison schools renewed 4/29/04; extended to 4/29/34
James Irwin Charter Elementary School (JICES)		2005	All 3 Harrison schools renewed 4/29/04; extended to 4/29/34
James Irwin Charter Academy (JICA)	Charter School Institute	2013	Renewed 7/1/18; extended to 7/1/23
Power Technical Early College (PTEC)	Falcon School District 49	2015	N/A; initial charter to 7/1/21

Management & Governance

JICS is governed by a Board of Directors (the “JICS Board”) with no fewer than five and up to seven persons pursuant to its bylaws. JICS has seven board members and one adjunct member. The JICS Board has a formal conflict of interest policy and no JICS Board member or senior staff is considered a related party. Biographies of Board members are included on the network’s website.†

Senior staff includes a CEO who has led JICS since 2007 and was a founding member of JICHS. Senior management includes a CFO, a Principal for each school, Director of Transportation and Maintenance, Director of Advancement, Director of Admissions and Academic Advising, and a Business Manager.

* Preliminary, subject to change.

† Information contained on the JICS website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

Enrollment & Student Information

JICS’ daily average attendance student count for the past four fiscal years is as follows:

**James Irwin Charter Schools
Historical Student Enrollment
FY16 – FY19**

FY16	FY17	FY18	FY19
1,722	1,900	1,983	1,982

As the PTEC campus continues to grow, the network expects its enrollment to grow to 2,201 (or 11%) by academic year 2023-2024. For the past two years, student retention has been in the 87% to 90% range and waitlists have been in the 800 to 816 student range, representing approximately 40% of total enrollment.

JICS students come from 15 different school districts throughout El Paso County, Colorado. Academic Year 2018-2019 students were approximately 41% Caucasian, 41% Hispanic, 7% Black, 3% Asian, 1% Native American and 7% two or more ethnicities. JICS’ free and reduced lunch and special education student populations are approximately 39% and 5%, respectively.

Academic Program & Results

JICS believes that key aspects of its program include providing students and parents with a high-quality educational choice, based on rigorous academics, and development of noble character. Additionally, the school believes that through a sound curriculum based on the great ideas and values of our western heritage, students will be prepared to become active and responsible members of the community.

Based on the Colorado Measures of Academic Success (CMAS) standardized testing, academic achievement is measured by the percentage of students that meet or exceed expectations in certain subjects, including ELA and math. The JICES, JICMS, and JICHS schools were either on par or exceeded their respective host district as well as Colorado averages for both ELA and math subjects for the last two years. JICA also exceeded its host district and Colorado averages in ELA and math for the last two years. PTEC, the newest campus, places an emphasis on preparing students to enter the workforce in trade. Given its limited years of operations and focus on technical and trade courses, PTEC did not exceed its host district nor Colorado averages in any CMAS subject.

The Project

JICS operates across the following three campuses:

Campus Name	School(s) that are part of the Campus	Address	Building Size(Square Feet)	Appraisal Date	Market Value
Astrozon	JICES, JICMS, JICHS	5525 Astrozon Blvd, Colorado Springs, CO 80916	208,927 sq. ft. (on a 45.06-acre site)	6/9/2015	\$24,000,000
JICA	JICA	1801 Howard Ave, Colorado Springs, CO 80909	32,820 sq. ft. (on a 10.53-acre site)	6/9/2015	\$3,880,000
PTEC	PTEC	2525 Canada Drive, Colorado Springs, CO 80922	33,269 sq. ft. (on a 8.74-acre site)	4/6/2016	\$7,400,000 (upon completion of construction)

The EFF financing was completed for the purpose of refinancing the 2015 and 2016 bank notes held by Sunflower Bank. The 2015 bank note was used to: 1) to acquire the JICA campus; and 2) to consolidate all debt for all the campuses through an advance refunding of the Series 2007 Bonds which were used to: 1) construct JICES and renovate JICMS and 2) to advance refund the Series 2004 bonds, originally used to acquire and expand the Astrozon campus. The 2016 bank note served as a \$3 million supplement to the 2015 bank note; use of funds were tied to the acquisition and construction of the Power Tech campus. James Irwin Educational Foundation is the Borrower under the EFF financing and leases the campuses to JICS.

Financial Information

Certain historical financial information for JICS is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

**James Irwin Charter Schools
Historical Financial Information**

<u>Metric</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Revenue (TR)	\$13,178,153	\$15,423,127	\$16,465,827
DS Coverage Ratio	1.66x	1.81x	1.68x
Debt Burden (% of TR)	7.8%	9.8%	9.9%
Days Cash on Hand	197.9	207.9	217.0

Rating: S&P: BBB

Website: <https://jamesirwin.org>*

**JICS and James Irwin Foundation
Security and Loan Covenants**

Security	Pledged of James Irwin Educational Foundation revenues and a first lien mortgage on the land and real estate on all three campuses, such lien runs to the master trustee under the master indenture
Lease Payment Coverage Covenant Ratio	1.10x for JICS
Additional Bonds Test	Consolidated Base Rent Coverage Ratio of 1.20x for James Irwin Educational Foundation
Liquidity Covenant	60 days cash on hand of JICS
Academic Covenant	In process
Enrollment Covenant	In process

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KIPP BAY AREA PUBLIC SCHOOLS

Oakland, California

\$16,000,000 EFF Financing / Closed: March 14, 2019 / Final Maturity: April 1, 2049

Obligor Overview

KIPP Bay Area Public Schools (KBAPS) is a California nonprofit corporation established in 2002 with the opening of the first KIPP Bay Area school, KIPP Bridge Academy in the City of Oakland. Today, the network operates fifteen schools via fourteen authorized charters that educate more than 5,700 students. Two are elementary schools, seven are middle schools, two are TK-8, and four are high schools—all in the San Francisco Bay Area. The legal borrower, KIPP Bay Real Estate (KBARE), is the real estate affiliate of KBAPS.

A group of two schools, KIPP Bridge Academy (“KIPP Bridge”) and KIPP Heritage Academy (“KIPP Heritage”, together with KIPP Bridge, the “KBAPS Obligated Group Schools”), represent the portion of the network whose rent will be the source of debt repayment as paid to Seven Trees School LLC and 1700 Market School LLC as the initial members of the obligated group (the “KBAPS Obligated Group Members”).

While KBAPS’ fifteen schools are all located in the same region, they are located in six demographically distinct communities:

- San Francisco;
- Oakland;
- San Jose;
- East Palo Alto;
- San Lorenzo; and
- Redwood City.

KBAPS schools are authorized by nine different authorizers, eight of which are local school districts and one of which is the California State Board of Education.

The mission of KBAPS is “to operate high-achieving public schools in educationally underserved communities, developing in our students the knowledge, skills, and character essential to thrive in college, shape their futures, and positively impact the world.” The “KIPP difference” includes high expectations; safe, structured, and nurturing environments; highly effective teachers and leaders; focus on character; and KIPP Through College.

Charter Contract

The authorizers for the two KBAPS Obligated Group Schools, KIPP Bridge and KIPP Heritage, are the Oakland Unified School District and the Franklin-McKinley School District, respectively.

The KIPP Bridge charter was renewed in 2017 for a five-year term ending June 30, 2022 by its authorizer, the Oakland Unified School District. KIPP Heritage was also recently renewed for a five-year term ending June 30, 2024 by its authorizer, the Franklin-McKinley School District.

Management & Governance

KBAPS’ Board of Directors (the “KBAPS Board”) supports the mission of KBAPS and seeks to ensure that its twenty directors represent a broad area of expertise and cross-section of the community at large. KBAPS Board members are elected to serve three-year terms and may serve up to three consecutive terms. The KBAPS Board has established five committees to enhance the operations of the Board and provide additional oversight: Finance and Investment, Governance, Audit and Risk Management, Grievance, and Executive.

Senior staff includes a Chief Executive Officer (founding CEO), Chief of Schools, Managing Director of Finance, Chief Equity and Inclusion Officer, Chief External Affairs and Communications Officer, Chief People Officer, and

Chief of Growth, Real Estate, Advocacy, and Community Engagement. Biographies of Board members and senior staff are included on the KBAPS website.*

Enrollment & Student Information

KBAPS Obligated Group Schools’ student count for the past four fiscal years is as follows:

**KIPP Bay Area Public Schools
Obligated Group Schools
Historical Student Enrollment
FY16 – FY19**

FY16	FY17	FY18	FY19
534	929	1,017	989

For the 2018-2019 academic year, the KBAPS Obligated Group Schools had an enrollment of 989, which included 537 students across grades TK-8 at KIPP Bridge and the balance of 452 middle school students enrolled in KIPP Heritage. Full enrollment of 985 for the KBAPS Obligated Group Schools is expected to be achieved in 2022 when KIPP Bridge is projected to complete its elementary grade expansion efforts.

One of the KBAPS Obligated Group Schools, KIPP Heritage, is fully enrolled and enrollment has remained static since 2017. KIPP Heritage has no current plans to expand grades or enrollment.

KIPP Heritage maintains a waitlist of 377 students of July 1, 2018, or greater than 84% of its total enrollment, as of the same date. Student retention was 91% for the most recent period, slightly above KBAPS’ average of 90%.

KIPP Bridge was the first school opened by KBAPS in 2002. A material revision to the charter was secured in 2016 to add elementary grades and grow to serve up to 800 students as part of its strategy to operate full K – 12 pipelines in each of its communities. The annex to be refinanced with the loan was completed earlier this year to accommodate this enrollment growth.

In academic year 2016-2017, KIPP Bridge added transitional kindergarten (TK) along with grades kindergarten to 4th (one homeroom in TK and two homerooms in grades K – 4), growing its enrollment by 87% over the previous year. The expansion was the first time in the organization’s history that it opened a school with more than two grade levels. Additionally, the school attracted a higher number of students with special needs and KIPP Bridge needed to implement specialized programs to serve these students. As a result, academic results declined, school leadership turnover occurred, and teacher retention suffered.

To help correct these issues, in January 2018, KIPP Bridge decided to slow by one year its planned enrollment growth to approximately 800 students. As a result of this decision, KIPP Bridge’s overall enrollment declined, as indicated above. In the 2018-2019 academic year, student count at KIPP Bridge totaled 537 as of September 20, 2018, which was thirty-one fewer students than the prior year, and 152 students lower than originally projected. TK, Kindergarten, and 5th grades showed the weakest demand.

On a network basis, KBAPS plans to continue its expansion efforts. Two new schools opened in 2018, including an elementary school in San Francisco and a high school in San Jose. Over the next five years, future replication plans call for seven additional schools, including one in East Palo Alto (high school), five in Stockton (two elementary schools, two middle schools, and one high school) and one in San Lorenzo (elementary school). At full capacity in 2029, these new schools—combined with the completed expansion of KBAPS’ currently operating schools—are expected to serve a total of approximately 11,000 students and would represent an increase of 91.8% over the 2018-2019 academic year enrollment.

* Information contained on the KBAPS website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

KBAPS' serves a high needs population with 77% of those enrolled qualify for free and reduced lunch; the current student body also comprises 96% persons of color.

Academic Program & Results

For the most recent academic year with available scores, 2017-2018, 59% of KBAPS students met the passing standard compared to the California average of 49% in ELA assessments. In math, 47% of KBAPS students met standard compared to the State average of 38%.

KBAPS has received the following recognitions:

- KIPP Heritage recognized as one of the top 10 Bay Area public schools for underserved students;
- Seven California Distinguished School awards, including KIPP Bridge in 2011;
- Two National Blue Ribbon schools;
- Two high schools listed in Washington Post's Most Challenging High Schools; and
- Two high schools ranked among the top in the country by U.S. News and World Report.

On a network basis, 85% of KBAPS alumni have matriculated to college — higher than the national average of 64% and the socio-economically disadvantaged average of 45%.

The Project

Proceeds of the thirty-year loan were used to refinance a construction loan from Pacific Charter School Development and to reimburse KBAPS for prior equity contributions. The first of the two loans refinanced was used to construct the KIPP Heritage facility, a \$10 million middle school project. This facility, completed in 2017, is located on a portion of the Los Arboles Elementary School site and consists of eight one-story structures totaling 30,095 square feet. The school shares a parking lot with the district school. The Franklin-McKinley School District is the owner and lessor of the property (as well as the school's authorizer).

The second loan refinanced is related to an annex to KIPP Bridge Academy, a \$10 million expansion project to house the middle school grades when the school expanded from middle school to offering grades K – 8. This facility, completed in 2018, is located in the City of Oakland next to the KIPP Bridge's main school building which is leased to KBAPS by the District. The annex is 21,326 square feet while the main building, built in 1949 and renovated in 1996, is 53,144 square feet for a total of 74,470 square feet. The Oakland Unified School District is the owner and lessor of the property (and is also the school's authorizer).

Financial Information

Certain historical financial information for the KBAPS Obligated Group Schools is listed below. These metrics will be updated and included in ESRF's continuing disclosure annual report.

KIPP Bay Area Public Schools Obligated Group Schools Historical Financial Information

Metric	FY16	FY17	FY18
Total Revenue (TR)	\$5,544,374	\$10,024,878	\$10,274,424
Lease Coverage Ratio	13.71x	35.93x	1.19x
Lease Coverage Ratio (subordinating management fees)	31.29x	53.51x	2.62x
Debt Burden (% of TR)	1.0%	0.6%	7.5%
Days Cash on Hand	293.7	152.3	141.5

Rating: S&P: BBB

Website: <https://www.KBAPS.org>*

* Information contained on the KBAPS website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**KIPP Bay Area Public Schools
Obligated Group Schools
Security and Loan Covenants**

Security	First lien leasehold deed of trust on KIPP Heritage Academy, located at 423 Los Arboles Street, San Jose, CA 95111, and, to be delivered in the future, KIPP Bridge Academy, located at 1700 Market Street, Oakland, CA 94607 and a pledge of and lien on Gross Revenues of the KBAPS Obligated Group Members
Debt Service Coverage Ratio	1.00x for the KBAPS Obligated Group; 1.10x for the KBAPS Obligated Group Schools
Additional Bonds Test	Consolidated Base Rent Coverage Ratio of 1.20x for KBAPS
Liquidity Covenant	60 days cash on hand of KBAPS; 60 days cash on hand of KBAPS Obligated Group Schools
Academic Covenant	<p>At least (i) 50% of the Schools (as defined in the Master Indenture of Trust) will exceed the percentage of students proficient in math and ELA on the State assessment in their respective host district's State Assessment or (ii) 75% of the Schools will exceed the percentage of socio-economic disadvantaged students (i.e., SED Students) proficient in math and ELA on the State Assessment in their respective host district.</p> <p>KIPP Bridge Academy for any academic year during the Academic Performance Monitoring Term must meet or exceed the Minimum Performance Threshold or (i) KBAPS shall adopt and submit to the Lender a written five year intervention plan (which may include, without limitation, administrative support (AP, Instructional Coach, Dean of Culture), mental health support (counselor, behavior specialist), instructional (literacy specialist, elective teacher, instructional aide) with the goal of improving academic performance at KIPP Bridge Academy and (ii) allocate philanthropic funds raised by KBAPS, in an amount up to \$500,000 during each academic year included in the intervention plan, to KIPP Bridge Academy in order to implement the intervention plan. The intent of the additional supports is for KBAPS to continue supporting KIPP Bridge Academy in a manner similar to the 2017-18 and 2018-19 academic years. Any such intervention plan shall be updated, and KBAPS shall submit such updated plan to the Lender, at least annually during the five year period covered by the intervention plan.</p> <p>"Minimum Performance Threshold" means, for any applicable academic year, the average percent of all students who are enrolled at each of the Neighborhood Schools and percent of all Socioeconomically Disadvantaged/ Low Income Students (i.e., SED) Students in the Oakland Unified School District who are administered the California SBAC Test with scores indicating "Standard Met" or "Standard Exceeded" on both ELA and Math components of the test.</p>
Enrollment Covenant	Minimum of 900 students between Obligated Group School
Other	Intercept of Lease Payments made by the KBAPS Obligated Group Schools to the KBAPS Obligated Group Members

KIPP Nashville
Nashville, Tennessee
\$10,500,000 EFF Financing / Closed: June 5, 2019 / Final Maturity: June 1, 2049

Obligor Overview

KIPP Nashville was the second charter school to open in Nashville, opening its middle school (KIPP Academy Nashville) in 2005. Since then, KIPP Nashville has founded an additional five schools, with the seventh opening in academic year 2019-2020, and has a total enrollment of 2,038 students across grades K – 12 for the 2018-2019 academic year. KIPP Nashville currently operates its schools in a mix of leased and owned facilities, comprising of clusters located on the north and east sides of Nashville (Highland Heights, Kilpatrick, and Ewing Park) and on the southeast side of Nashville (Antioch).

The mission of KIPP Nashville is to “prepare our students with the character and academic skills needed to succeed in top colleges and life beyond.” The vision of KIPP Nashville is “that one day every student in Nashville will have access to a high-quality, college-preparatory seat in a public school”.

Charter Contract

KIPP Nashville has seven charter school agreements with two different authorizers. The first school, KIPP Academy Nashville was renewed in 2015 with the remainder schools scheduled for renewals between 2024 and 2026. The term of the initial charter contract in Tennessee is ten years. The term of a renewal contract is ten years.

School	Founded	Authorizer	Next Renewal
KIPP Academy Nashville (“KAN”)	2005	Metro Nashville Public Schools	2025
KIPP Nashville Collegiate HS (“KNCH”)	2014	Metro Nashville Public Schools	2024
KIPP Kirkpatrick ES (“KIRK”)	2015	Metro Nashville Public Schools	2025
KIPP Nashville College Prep MS (“KNCP”)	2014	Metro Nashville Public Schools	2024
KIPP Nashville College Prep ES (“KNCPE”)	2014	Metro Nashville Public Schools	2024
KIPP Antioch College Prep ES	2016	TN State Board of Education	2026
KIPP Antioch College Prep MS	2016	TN State Board of Education	2026

Management & Governance

KIPP Nashville is governed by a sixteen-person Board of Directors (the “KIPP Nashville Board”). The KIPP Nashville Board has a formal conflict of interest policy and no KIPP Nashville Board member or senior staff is considered a related party.

KIPP Nashville is led by a five-person senior management team, including the Executive Director who joined the organization in 2005. Other team members include the Chief of Schools, Chief of Finance and Operations, Director of Development, and Head of School Operations. Biographies of board members and senior staff are included on the KIPP Nashville website.*

Enrollment & Student Information

KIPP Nashville’s student count for the past four fiscal years is as follows:

* Information contained on the KIPP Nashville website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**KIPP Nashville
Historical Student Enrollment
FY16 – FY19**

FY16	FY17	FY18	FY19
1,050	1,310	1,544	2,038

KIPP Nashville expects enrollment to continue to grow as KIPP Nashville expands existing schools, and builds new schools, reaching projected full enrollment of 4,504 students in academic year 2025-2026. For the past several years, gross student retention has ranged between 88% and 91%, with “first choice” waitlists averaging 19% and total submitted applications exceeding enrollment levels.

KIPP Nashville’s students come from a range of cultures, neighborhoods, and socio-economic backgrounds. In the 2018-2019 academic year, 93% of students were African American or Latino. KIPP Nashville’s economically disadvantaged and special education student populations are approximately 95% and 11%, respectively. While most children live in or near neighborhoods where schools are strategically placed, children travel from thirty-three zip codes.

Academic Program & Results

KIPP Nashville is part of a national network of KIPP schools that strive to offer a rigorous college preparatory program. The model emphasizes the “KIPP difference” that aims to emphasize high expectations; safe, structured, and nurturing environments; highly effective teachers and leaders; focus on character; and KIPP Through College. KIPP Nashville’s approach is directed at leveraging small group learning; independent thinking; individualized counseling; enrichment activities; and the balancing of academics, arts, physical education, and extracurricular activities. KIPP Nashville schools feature an extended day and longer calendar year as compared to the District.

Academic performance across the network has generally outperformed the district and state in math and reading. Academic achievements include:

- KAN and KNCP achieved the highest year to year growth (level 5) in academic year 2017-2018.
- The KNCH class of 2018 had an average ACT score of 22.1. KIPP Nashville’s goal is for students to exceed an ACT score of a 21 – the minimum requirement to be eligible for Tennessee’s HOPE Scholarship. Within the class of 2019, 69% of students had an ACT composite score of 21 or better. Additionally, 87% entered college in the Fall and 94% graduated high school.
- KIPP Nashville students by select subgroups (economically disadvantaged and minority) outperformed comparable groups on a district and state level by at least 20%.
- KIPP Nashville’s averages perform above the average of the KIPP National Network on the NWEA/MAP exam.

The Project

Proceeds of the EFF financing were used to refinance existing debt associated with the 2017 acquisition and renovation of the Ewing Park campus, and to finance the expansion and improvements to the school building.

The Ewing Park campus is located at 3410 Knight Dr. Nashville, Tennessee, 37207. The two-story 82,000 sq. ft. school building was constructed in 1967 and sits on a 19.3-acre lot.

Financial Information

Certain historical financial information for KIPP Nashville is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

**KIPP Nashville
Historical Financial Information**

<u>Metric</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Revenue (TR)	\$13,377,252	\$16,215,111	\$21,313,777
DS Coverage Ratio	3.20x	3.97x	4.09x
Debt Burden (% of TR)	5.1%	4.3%	4.3%
Days Cash on Hand	173.1	172.2	137.0

Rating: S&P: BBB-

Website: <https://kippnashville.org>*

**KIPP Nashville
Security and Loan Covenants**

Security	Senior parity pledge of and lien on the borrower's revenues and a priority deed of trust on the Ewing Park campus., such lien runs to the master trustee under the master indenture
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	45 days cash on hand
Academic Covenant	If any school (a) (i) fails to earn at least a Tennessee Value-Added Assessment System Level 3 for two consecutive years, and (ii) has math and reading achievement levels below the average district achievement levels for economically disadvantaged students; or (b) if a school is classified as a Priority School, the Borrower agrees that it shall (i) within thirty (30) days of such failure, at its own expense, engage an Independent Management Consultant, acceptable to the Lender; (ii) within sixty (60) days of engaging the Independent Management Consultant, provide the Lender a detailed written report of such Independent Management Consultant of all action taken or to be taken to address and correct such deficiency; and (iii) within forty-five (45) days after receipt of the Independent Management Consultant's report, the Borrower shall implement or begin to implement all the recommendations of the Independent Management Consultant, to the extent legally permissible.
Enrollment Covenant	Annual enrollment of at least 1,900

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* Information contained on the KIPP Nashville website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

ROCKETSHIP UNITED ACADEMY

Nashville, Tennessee

\$7,282,964.14 EFF Financing / Closed: May 31, 2019 / Final Maturity: June 1, 2049

Obligor Overview

Rocketship United Academy (“RUA”) was founded in 2015 and during academic year 2018-2019 served approximately 550 students in grades K – 5 at a single campus south of downtown Nashville, Tennessee.

RUA is part of a multi-state Charter Management Organization (“CMO”) called Rocketship Education, dba Rocketship Public Schools, (“Rocketship”), which enrolls over 9,000 student in elementary schools across California and in Milwaukee, Nashville, and Washington D.C. Rocketship is committed to fostering parent leadership, use of digital learning tools to personalized instruction, and a willingness to innovate, test, and revise its instructional practices. Launchpad Development Two Nashville, LLC is the landlord and the Borrower in the EFF transaction. The larger Launchpad entity has multiple LLCs for each property it owns. Each company is organized as a single purpose LLC for the specific property of each school.

Rocketship’s mission is to “catalyze transformative change in low-income communities through a scalable and sustainable public school model that propels student achievement, develops exceptional educators, and partners with parents who enable high-quality public schools to thrive in their community.” Rocketship schools focus on three pillars: personalized learning, talent development, and parent power.

Charter Contract

RUA operates under a charter contract with the Metro Nashville Public School (“MNPS”). RUA was initially awarded a ten-year charter in 2014, which expires in 2024.

Management & Governance

RUA is governed by a five-member local Board of Directors. Additionally, the Rocketship national office provides leadership and functional capacity in service to all the Rocketship schools, including RUA. The Rocketship national Board of Directors has fourteen members. Both boards have a formal conflict of interest policy and no board member or senior staff is considered a related party.

Senior staff includes local and regional leadership, including, a Regional Director of Schools and school Principal, Assistant Principal, Business Manager, and Office Manager. RUA’s Principal was a founding member of the school in 2015. Her bio is available on the Rocketship website.

Enrollment & Student Information:

RUA’s student count for the past four fiscal years is as follows:

Rocketship United Academy Historical Student Enrollment FY16 – FY19			
<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
366	560	536	556

RUA expects its enrollment to remain relatively stable. For the past several years, student retention has been approximately 83%. Historically, RUA has not maintained a waitlist.

RUA serves a student population which is 74% economically disadvantaged. During the 2018-2019 academic year, the student body included students of African, African American, Arabic, Somali, Latino, and Kurdish descent. RUA’s free and reduced lunch and special education student populations are approximately 95% and 7.5%, respectively.

Academic Program & Results

Key aspects of the Rocketship program include: (i) rotation between four content blocks every day: Humanities, STEM, Learning Lab and Enrichment; (ii) learning process for every single student in both whole group grade level and differentiated individual level instruction; (iii) supplemental social emotional learning and positive behavior interventions; and (iv) deep engagement with families/parents as key part of student’s academic life and school community.

RUA was name a “Reward School” by the Tennessee Department of Education for the 2017-2018 academic year. This reward is the Tennessee’s highest recognition for student performance and progress, and only eleven of Nashville’s 139 Title 1 schools earned this honor. RUA also earned the highest rating under the Tennessee Value-Added Assessment System of Level 5.

The Project

RUA is a single campus located at 320 Plus Park Blvd, five miles southeast of downtown Nashville, Tennessee. The campus consists of one building (approximately 35,000 square feet) on 2.28 acres of land.

The EFF financing was completed for the purpose of financing RUA’s purchase of the building from Turner Capital, the previous owner of the property. As a result of the financing, RUA will reduce its facility related costs by approximately \$220,000 per year through the 2049 maturity.

Financial Information

Certain historical financial information for RUA is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

Rocketship United Academy Historical Financial Information

<u>Metric</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Revenue (TR)	\$4,533,463	\$5,660,365	\$6,081,302
DS Coverage Ratio	0.54x	0.91x	0.96x
DS Coverage Ratio (ESRF loan in lieu of lease payment)	0.91x	1.49x	1.84x
Debt Burden (% of TR)	16.0%	12.5%	13.6%
Days Cash on Hand	4.8	28.2	45.7

Rating: S&P: Not Rated*

Website: <https://www.rocketshipschools.org/schools/united-academy>[†]

* A third-party rating from S&P was not obtained for RUA. While the loan closed in May 2019, it was one of Equitable Facilities Fund’s (“EFF’s”) first loans to go through the underwriting process prior to EFF instituting a rating requirement for the majority of the loans in the Loan Program.

[†] Information contained on the RUA website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**Rocketship United Academy
Security and Loan Covenants**

Security	First lien deed of trust on the RUA campus and pledge of and lien on gross revenues of Launchpad Development Two Nashville, LLC and RUA
Lease Payment Coverage Ratio	1.10x for RUA
Additional Bonds Test	Lease Payment Coverage Ratio of 1.20x for RUA
Liquidity Covenant	30 days cash on hand for FY 19; 45 days cash on hand each FY thereafter of RUA
Academic Covenant	Maintain Tennessee Value Added Assessment System Level 3 or higher and math and reading achievement levels at or above district average and not be classified as a priority school.
Enrollment Covenant	Minimum 430 students

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THE SOULSVILLE CHARTER SCHOOL

Memphis, Tennessee

\$10,330,105.94 EFF Financing / Closed: October 12, 2018 / Final Maturity: October 1, 2048

Obligor Overview

The Soulsville Charter School (“TSCS”) was founded in 2005 and in School Year 2018-2019 served approximately 660 students in grades 6-12 at a single campus in the Soulsville neighborhood of Memphis, Tennessee in the 2018-2019 academic year.

The mission of TSCS is to “prepare students for success in college and life in an academically rigorous, music-rich environment.”

Charter Contract

TSCS operates under a charter contract with the Shelby County Schools (“SCS”). TSCS was initially awarded a five-year charter in 2005 and renewed the charter for ten years in 2010 (to June of 2020). For academic year 2017-2018, TSCS received a rating of “Excellent”, the highest achievement available, from SCS based on academic rating and operations/finance/compliance rating.

Management & Governance

TSCS is governed by a Board of Directors (the “TSCS Board”) of at least five persons pursuant to its bylaws. TSCS currently has seven board members. The TSCS Board has a formal conflict of interest policy and no TSCS Board members or senior staff is considered a related party.

Senior staff includes an Executive Director, who has led TSCS for thirteen years, and a Chief Finance Officer, who has been assisting TSCS since 2012. Senior management for both the high school and middle school includes a Director (Principal), two Dean of Students, Dean of Curriculum and Instruction, Director of Operations, Managing School Director, and an Operations Manager.

Enrollment & Student Information

TSCS’s student count for the past four fiscal years is as follows:

The Soulsville Charter School Historical Student Enrollment FY16 – FY19			
<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
636	639	643	660

TSCS is at capacity and expects its enrollment to remain relatively stable. For the past several years, student retention has been over 90% and waitlists have been in the 110 to 244 student range, representing 17% to 38% of total enrollment.

Nearly all of TSCS students are considered at-risk, with 51% direct certification. In addition, the student profile is 99% African American. The School has an over 95% graduation rate and a 100% college acceptance rate for graduates. TSCS’s free and reduced lunch (based on direct certification) and special education student populations are approximately 95% and 8%, respectively.

Academic Program & Results

TSCS believe that when rigorous, college-preparatory instructions in core academic areas is combined with robust musical experiences and unique enrichment opportunities in a highly structured environment with dedicated administrators, teachers, and staff, a school will motivate students to learn and inspire them to achieve greatness through varied life opportunities. This founding belief can be summarized as follows:

Academics + Music + Enrichment + Environment ----> Learning & Achievement

Based on its Shelby County School Performance Framework, TSCS earned top scores with an overall rating of “Excellent” for the past three school years. Over the same time period, TSCS also earned the highest rating overall under the Tennessee Value-Added Assessment System of Level 5. For the 2017-2018 academic year, TSCS students scored an average of 19.7 on the ACT exam vs. the average Shelby County score of 17.8.

The Project

TSCS operates on a single campus located at 1115 College Street in the Soulsville neighborhood of Memphis, Tennessee. The campus comprises two buildings (approximately 60,300 total square feet) on 1.67 acres of land.

The EFF financing was completed for the purpose of refinancing a SunTrust Bank Loan which bridged TSCS from an NMTC exit to permanent long-term financing. The NMTC financing was initially used to acquire, construct and renovate the campus buildings.

Financial Information

Certain historical financial information for TSCS is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

**The Soulsville Charter School
Historical Financial Information**

<u>Metric</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>
Total Revenue (TR)	\$7,008,520	\$7,186,473	\$6,756,098
DS Coverage Ratio	4.05x	3.63x	1.34x
Debt Burden (% of TR)	3.6%	3.2%	3.5%
Days Cash on Hand	296.6	330.6	286.1

Rating: S&P: Not Rated*

Website: <https://soulsvillecharterschool.org>[†]

* A third-party rating was not obtained for TSCS as it was EFF’s first loan and was closed prior to EFF instituting a rating requirement for the majority of the loans in the Loan Program.

[†] Information contained on the TSCS website **shall not** be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**The Soulsville Charter School
Security and Loan Covenants**

Security	First lien deed of trust on the current campus, owned by the Soulsville Foundation, and a pledge of and lien on gross revenues
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	60 days cash on hand
Academic Covenant	Tennessee Value Added Assessment System Level 3 or higher and a Good (3.00) or higher on the Shelby County Academic Component of the School Performance Framework
Enrollment Covenant	Minimum 640 students
Other	Conditional Grant Agreement from Poplar Foundation

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**Village Tech Schools
Duncanville, TX
\$8,385,000 EFF Financing / Closed: December 20, 2018 / Final Maturity: August 15, 2048**

Obligor Overview

Village Tech Schools (“Village Tech”) began operations in the 2013-2014 academic year. For School Year 2018-2019, VTS operated one open-enrollment charter school serving 1,096 students in grades PreK – 12 in Duncanville, Texas (the Duncanville Campus) in the 2018-2019 academic year. The Duncanville Campus opened in 2018 when Village Tech consolidated two leased campuses located in Cedar Hill, Texas.

The mission of Village Tech Schools is to “provide students with great teachers who work together to cultivate character, design real challenges, and establish authentic community.”

Charter Contract

Village Tech operates under a charter contract with the Texas State Board of Education (“SBOE”) dated April 13, 2013. SBOE renewed the charter contract for a ten-year term on July 1, 2018. Village Tech’s charter contract allows for a maximum student enrollment of 1,400 and allows Village Tech to operate in the geographic boundary encompassing eleven independent school districts. Village Tech met SBOE expectations in student achievement, student progress, and closing performance gaps in the 2017-2018 academic year. Village Tech also earned performance distinction in social studies and post-secondary readiness in the same year.

Management & Governance

Village Tech is governed by a five-member Board of Directors (the “Village Tech Board”). The Village Tech Board has a formal conflict of interest policy and no Village Tech Board members or senior staff are related parties.

School leadership includes a CEO/Superintendent who has led Village Tech since inception and was a founding team member. Senior leadership also includes an Assistant Superintendent, Curriculum & Innovation Director, Forge Director, grades 6 – 12 Campus Director, PreK – 5 Campus Director, Culture & Character Director, Special Services Director, Chief Technology Officer, and Chief Finance Officer. Four of the Village Tech’s founding team members were instrumental in leading Bray Elementary School in Cedar Hill, TX to a Blue Ribbon, a national award signifying its status as one of the top thirteen elementary schools in the State of Texas.

Enrollment & Student Information

Village Tech’s enrollment for the past four fiscal years is as follows:

**Village Tech Schools
Historical Student Enrollment
FY16 – FY19**

<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
725	807	929	1,096

Village Tech expects to experience additional growth over the next several years as it reaches capacity at each grade level. Full enrollment of 1,270 students is expected to be achieved by the 2023-2024 academic year. For the past several years, student retention has been in the 81% to 98% and waitlists have been in the 228 to 468 student range, representing 22% to 44% of total enrollment.

Village Tech students come from over nine independent school districts with a majority concentrated in four of those districts. The student body for the academic year of 2018-2019 was comprised of 37% African American, 33% Hispanic, 22% White, 1.3% Asian, and 6.7% two more ethnicities. Village Tech’s free and reduced lunch and special education student populations are approximately 40% and 5%, respectively.

Academic Program & Results

Village Tech believes that key aspects of the Village Tech program include the following distinctions: (i) Leadership development through Leader in Me; (ii) Design Thinking – a practice for creative problem solving practiced at IDEO and Stanford’s school; (iii) The Forge – a design studio/makerspace with collaboration zones, digital labs, construction labs and art lab; and (iv) Mastery Based Grading – a philosophy of assessment focused on building competency over “receiving grades”.

Additionally, Village Tech was built around five design principles: (i) integrity and empathy are at the heart of design (EMPATHY); (ii) teachers design meaningful work (DESIGN); (iii) all students have something to contribute (VOICE); (iv) integrate subjects, skills, and the world (CONNECTION); and (v) build genuine relationships with students (BELONGING).

Based on its state standardized testing results, Village Tech has earned a “Met Standard” rating each of the past four school years (Texas’ highest accountability rating). For the most recently completed Texas standardized exams, Village Tech scored 108% and 91% of the host district average in the ELA and math assessments, respectively. For 2018, Village Tech students scored an average of 20 on the ACT exam (100% of the State average) and 969 (94% of the State average) on the SAT exam.

The Project

Village Tech operates a single campus located at 402 W. Daniieldale Road, 13 miles southwest of Dallas, Texas. The campus comprises a 47,000 sq. ft. permanent building for instructional classroom space for grades 8 – 12, a multi-purpose area, art studio, and computer labs; as well as, temporary modular buildings for grades PreK – 7 instructional classrooms, parking, a playground area, and a design studio/makerspace with collaboration zones, digital labs, constructions labs, and art labs known as “the Forge.”

The Village Tech campus secures the EFF financing, as well as \$20,515,000 of Village Tech 2017 parity bonds. The EFF loan was used for financing the cost of constructing, improving and equipping of a storm shelter that will also serve as a practice and competition gymnasium, additional classroom spaces that can be converted for use by the theatre program and the installation of three additional portable units. As a result of the refinancing, Village Tech reduced its debt service costs by approximately \$27,000 per year through the 2048 maturity.

Financial Information

Certain historical financial information for Village Tech is listed below. These metrics will be updated and included in ESRF’s continuing disclosure annual report.

Village Tech Schools Historical Financial Information

Metric	FY16	FY17	FY18
Total Revenue (TR)	\$6,019,386	\$6,705,270	\$8,020,595
DS Coverage Ratio	1.01x	1.41x	1.42x
Debt Burden (% of TR)	18.6%	15.4%	22.1%
Days Cash on Hand	43.2	43.2	101.7

Rating: S&P: BB

Website: <https://www.villagetechschoools.org>*

* Information contained on the Village Tech website shall not be construed as being incorporated herein by reference nor should any decisions relating to the Bonds be made in reliance upon any information from the website.

**Village Tech Schools
Security and Loan Covenants**

Security	First lien deed of trust on the Duncanville Campus and a pledge of and lien on gross revenues on a parity basis, such lien runs to the master trustee under the master indenture
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.10x look back and 1.20x look forward
Liquidity Covenant	45 days cash on hand
Academic Covenant	N/A
Enrollment Covenant	N/A

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