



Second Party Opinion

EXECUTIVE SUMMARY

OBLIGOR

Equitable School Revolving Fund, LLC

OPINION ON

Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds Series 2021A (Social Bonds)

Arizona Industrial Development Authority Subordinate National Charter School Revolving Loan Fund Revenue Bonds Series 2021 (Social Bonds)

California Infrastructure and Economic Development Bank Senior National Charter School Revolving Loan Fund Bonds Series 2021B (Social Bonds)

Massachusetts Development Finance Agency Senior National Charter School Revolving Loan Fund Revenue Bonds Series 2021C (Social Bonds)

City of Albany Capital Resource Corporation Senior National Charter School Revolving Loan Fund Revenue Bonds Series 2021D (Social Bonds)

SOCIAL STANDARD AND CATEGORIES



- Access to Essential Services (Education)
- Socioeconomic Advancement and Empowerment

TARGET POPULATIONS

Children and adolescents who are economically disadvantaged or vulnerable, underserved by the US education system, and/or identify as Black, African American, Latinx, or of mixed races

EVALUATION DATE

September 10, 2021

SUMMARY

Kestrel Verifiers is of the opinion that the Equitable School Revolving Fund Series 2021A, Subordinate Series 2021, Series 2021B, Series 2021C, and Series 2021D (Social Bonds) conform with the four core components of the Social Bond Principles 2021 as follows:

▪ Use of Proceeds

Equitable School Revolving Fund intends to issue Social Bonds to finance low-cost, long-term, fixed-rate loans to high-performing charter schools that serve predominantly low-income communities and underserved students. The Bonds align with two eligible project categories under the Social Bond Principles: *Access to Essential Services (Education)* and *Socioeconomic Advancement and Empowerment*.

▪ Process for Project Evaluation and Selection

Borrowers are selected for loans from the Equitable School Revolving Fund based on comprehensive and rigorous screening criteria. Loan recipients must be 501(c)(3) charter schools in good standing and have demonstrated records of academic and operational success. Charter schools receiving Equitable School Revolving Fund loans must meet criteria that include addressing the needs of low-income students.

▪ Management of Proceeds

Bond proceeds shall be allocated to loans through the Equitable School Revolving Fund. Proceeds may be invested in short-term debt securities to increase funds available for lending to eligible schools.

▪ **Monica Reid, CEO**
monica.reid@kestrelverifiers.com
+1 541-399-6806

▪ **April Strid, Lead ESG Analyst**
april.strid@kestrelverifiers.com
+1 503-860-1125

▪ **Melissa Audrey, ESG Analyst**
melissa.audrey@kestrelverifiers.com
+1 856-495-5003

- **Reporting**

The Equitable School Revolving Fund will post continuing disclosures to the Municipal Securities Rulemaking Board (“MSRB”) annually through the Electronic Municipal Market Access (“EMMA”) system. Annual reports and notices posted to EMMA will provide metrics of positive social outcomes including school performance measurements of all loan recipients. The Equitable School Revolving Fund also intends to produce a single update report on the positive impact of the loans (see Appendix C for an example template of the report).

- **Impact and Alignment with United Nation Sustainable Development Goals**

By financing low-cost loans to nonprofit charter schools providing high-quality education to vulnerable youth in educationally underserved areas, the Bonds advance multiple UN SDGs, including Goals 4: *Quality Education*, 8: *Decent Work and Economic Growth*, and 10: *Reduced Inequality*.



Second Party Opinion

Obligor:	Equitable School Revolving Fund, LLC
Issue Description:	Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds Series 2021A (Social Bonds) Arizona Industrial Development Authority Subordinate National Charter School Revolving Loan Fund Revenue Bonds Series 2021 (Social Bonds) California Infrastructure and Economic Development Bank Senior National Charter School Revolving Loan Fund Bonds Series 2021B (Social Bonds) Massachusetts Development Finance Agency Senior National Charter School Revolving Loan Fund Revenue Bonds Series 2021C (Social Bonds) City of Albany Capital Resource Corporation Senior National Charter School Revolving Loan Fund Revenue Bonds Series 2021D (Social Bonds)
Project:	Equitable School Revolving Fund
Social Standard:	Social Bond Principles
Social Categories:	Access to Essential Services (Education) Socioeconomic Advancement and Empowerment
Target Populations:	Children and adolescents who are economically disadvantaged or vulnerable, underserved by the US education system, and/or identify as Black, African American, Latinx, or of mixed races
Par:	\$233,500,000*
Evaluation Date:	September 10, 2021

*Preliminary, subject to change

SOCIAL BONDS DESIGNATION

Kestrel Verifiers, an Approved Verifier accredited by the Climate Bonds Initiative, conducted an independent external review of these bonds to evaluate conformance with the Social Bond Principles (June 2021) established by the International Capital Market Association.

This Second Party Opinion reflects our review of the uses of proceeds and conformance of the bonds with the Social Bond Principles. In our opinion, the National Charter School Revolving Loan Fund Revenue Bonds Series 2021A, Subordinate Series 2021, Series 2021B, Series 2021C, and Series 2021D (Social Bonds) (collectively, "Bonds") to be issued by conduit entities Arizona Industrial Development Authority (Series 2021A and Subordinate Series 2021), California Infrastructure and Economic Development Bank (Series 2021B), Massachusetts Development Finance Agency (Series 2021C), and the City of Albany Capital Resource Corporation (Series 2021D), are aligned with the four core components of the Social Bond Principles and qualify for Social Bonds designation.

ABOUT THE ISSUER AND PROGRAM ADMINISTRATOR

Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation ("EFF") is a 501(c)(3) social impact fund that believes all children deserve a quality education. The Fund’s mission is to empower high-performing public charter schools with low-cost, long-term financing by innovatively combining mission-related investments and capital markets. Modeled after revolving loan funds used by states and municipalities to maximize grants and other flexible capital sources, EFF created the Equitable School Revolving Fund, LLC, a Delaware limited liability company ("ESRF" or "Issuer"), a single-member liability corporation, to hold school loans in a trust and issue bonds.

Public charter schools are publicly funded schools that operate under a contract with a state, district, or other entity that is referred to as an "authorizer." This contract, called a "charter," designates operational standards and describes specific goals. Most charter schools are managed by nonprofit organizations and have been particularly effective in supporting strong education and life outcomes for students in low-income communities. Unlike traditional school districts, charter schools often lack access to affordable financing options to construct, purchase, expand or renovate facilities.

EFF offers low-cost, long-term financing to exceptional public charter schools. ESRF originates direct loans that typically save schools millions of dollars on their debt service, origination and closing cost expenses. Through ESRF, bonds are issued to recapitalize the fund and provide additional loans. Charter schools receiving low-cost loans through ESRF are nonprofit charters that offer free education to all children and admit students using a lottery system. Charter schools may offer alternatives to low-performing public schools, or may even be the only local school in a community where public schools have been shut down or merged. Schools selected to receive ESRF loans must demonstrate high achievements in Math, English Language Arts, high school graduation rates, college matriculation and other standard student outcomes relative to their respective districts.

Kestrel Verifiers has served as an external reviewer for two of ESRF’s previous bond issuances: in 2019, a \$111.725 million bond offering secured a first cohort of loans for approximately 21,000 students at 41 schools across 7 states; in 2020, a \$170.825 million bond offering secured a second cohort of loans for approximately 33,000 students at 24 schools across 12 states. This issue in 2021 will be the third of three offerings for EFF’s "Fund 1" which provides approximately \$670 million in high-impact loans to schools serving over 55,000 students. The combined expertise of the EFF team in education and finance is unique and helps to ensure that EFF invests in, and provides ongoing support to, schools that have a long-term positive impact in low-income communities.

ALIGNMENT TO SOCIAL STANDARDS

Use of Proceeds

Equitable School Revolving Fund intends to issue National Charter School Revolving Loan Fund Revenue Bonds Series 2021A, Subordinate Series 2021, Series 2021B, Series 2021C, and Series 2021D (Social Bonds) (collectively, "Bonds") to finance low-cost, long-term, fixed-rate loans to high-performing charter schools that serve predominantly low-income communities. The Bonds align with two eligible project categories under the Social Bond Principles: *Access to Essential Services (Education)* and *Socioeconomic Advancement and Empowerment*.

Approximately 54,000 students on over 115 campuses are expected to benefit from 44 bond-financed loans made through ESRF and EFF, as shown in the preliminary list provided in Appendix B.¹ The expected savings from these loans is approximately \$3 million per school compared to typical financing routes for charter schools. These savings represent financial resources that can be directed to meet the educational

Social Standard



The Social Bond Principles

Eligible Project Categories:

- Access to Essential Services – Education (Education)
- Socioeconomic Advancement and Empowerment

¹ Appendix B lists the schools and data included in Kestrel's Second Party Opinion for National Charter School Revolving Loan Fund Revenue Bonds, Series 2020A and 2020B (Social Bonds). Additional loans financed by the National Charter School Revolving Loan Fund Revenue Bonds Series 2021A, Subordinate Series 2021, Series 2021B, Series 2021C, and Series 2021D will be included in an updated report in the final Official Statement.

needs of underserved students and communities. Additional loans not yet identified may also be pledged to the Series 2021 Bonds.

Low-interest loans offered through ESRF will improve access to essential services by supporting public charter schools. EFF uses an established underwriting and approval process so that Borrowers are selected based on rigorous screening criteria. The screening criteria prioritize underserved students and ensure the loans have positive social impacts, which include but are not limited to:

1. Supporting high-caliber schools in underserved and vulnerable communities.

EFF prioritizes investing in well-established, high-achieving schools. Approximately 90% of schools demonstrate higher Math and English Language Arts proficiency rates compared to their host school districts, and over 75% of students in EFF's current school portfolio qualify as low-income.

2. Increasing access to low-cost capital and affordable facilities, allowing schools to direct more resources toward education of students.

Charter schools face unique barriers to accessing capital for facilities. Additionally, schools often lack the financial credit to access affordable financing and, thus, resort to high-cost, short-term, and/or variable-rate loans to support their facility needs. The long-term, low-interest, fixed-rate loans provided by ESRF save schools millions of dollars and allow them to direct more resources to increasing student achievement in the classroom.

3. Prioritizing loans for schools that serve low-income communities.

Schools receiving ESRF loans serve a wide range of children and adolescents who are economically disadvantaged or vulnerable, and underserved by the US education system. Appendix B lists the percent of students that qualify for free and reduced-price lunches or related metrics indicative of low-income status. Schools with at least 50% of students qualifying for free and reduced-price lunches are considered "mid-high poverty" schools and those with more than 75% are "high poverty" schools.² Moreover, most ESRF borrower schools are in districts where a disproportionately high number of individuals have not completed high school. Between 2015 and 2019, 12% of the US population older than age 25 had not completed high school.³ In many of the school districts where ESRF borrower schools are located, this number can be double or even quadruple the national average.⁴

4. Providing ongoing support for schools receiving loans.

EFF supports schools throughout the lending process. With the goal of overcoming racial biases in access to school financing, EFF organizes proactive, targeted outreach to high-performing charters that predominantly serve students receiving free and reduced-price lunches, a common indicator of a school's low-income population, and who also identify as Black, African American or Latinx. Once schools become part of EFF's network, EFF helps schools determine the best financing option through ESRF loan programs. After a school receives financing, EFF fosters the "cohort experience" for schools in the network and encourages inter-charter communication. Moreover, the team prioritizes making loans that support charter schools with leaders who identify as persons of color and anticipates committing over \$500M to this end by 2025.

School Choice and Equitable Education

Nonprofit charter schools aim to prioritize the needs of students, families, and communities. High-quality, nonprofit charter schools that focus on supporting historically Black, African American, and Latinx neighborhoods can improve access to quality education for Black, African American, and Latinx students. Historically, students of color throughout the US have had fewer academic opportunities, such as access to science, technology, engineering and mathematics ("STEM") courses or extracurricular activities. Disparities can be especially acute when those students of color are living at or below the national poverty line. In other words, race and socioeconomic status have been, and continue to be, the most consistently powerful

² *National Center for Education Statistics*, accessed September 3, 2021, <https://nces.ed.gov/>

³ *United States Census Quick Facts*, accessed September 3, 2021, <https://www.census.gov/quickfacts/fact/table/US/HSD410219>

⁴ *National Center for Education Statistics*, accessed September 3, 2021, <https://nces.ed.gov/>

determinants of student achievement gaps in the United States.⁵ This can be explained through the “neighborhood effect,” a phenomenon in which Black and Brown individuals living in low-income neighborhoods suffer disparities in childhood education, which in turn affect college outcomes and overall socioeconomic mobility later in life.⁶

Nonprofit charter schools that serve low-income, Black, African American, and Latinx neighborhoods have potential to address these educational disparities because they provide families with high-quality school options. School choice is a privilege that wealthier families, who can pay into a more affluent education system through property taxes, possess. Families from middle-upper to upper wealth quartiles can buy property and use homeownership as a vehicle to gain access to high-performing school districts or private school systems. Families from disenfranchised neighborhoods, who are often families of color, do not have the same power to buy property as a pathway to enroll their children in high-quality schools. Thus, high-performing charter schools that aim to support impoverished neighborhoods have potential to improve accessibility and optionality for families with school-aged children. Moreover, nonprofit charter schools with rigorous educational programs and open enrollment policies have proven to be highly effective at closing achievement gaps for low-income students and students of color in comparison to white and more affluent students. Open enrollment allows students to attend any school of their choice (pending selection through blind lottery systems), regardless of their resident district.

Kestrel Verifiers acknowledges that the introduction of charter schools has sometimes been a polarizing and divisive political issue. We also acknowledge that the American public education system sometimes fails to provide quality education and related resources to Black, African American, and Latinx youth. It is our view that ESRF, in financing loans for high-performing charter schools, which are free public alternatives to traditional K-12 school districts and private schools, is helping ensure that students in the most economically disadvantaged communities have access to quality education. Therefore, Kestrel Verifiers has determined that ESRF’s Bonds directly support students designated as target populations: children and adolescents who are economically disadvantaged or vulnerable, underserved by the public education system, and/or identify as Black or African American, Latinx, or of mixed races. A vast majority of students served through ESRF’s bond-financed loans can be classified as economically disadvantaged: approximately 75% of students served through ESRF loans qualify for free and reduced-price lunches. Moreover, approximately 80% of students served through ESRF loans identify as Black, African American, and Latinx. While some may point to the isolation of students of color in charter schools receiving loans, Kestrel Verifiers understands that diversity and integration in student body is not equivalent to racial equity in neighborhoods that are predominantly minority. Every community deserves great schools, especially neighborhoods with historically marginalized populations, that is, populations whose identities have been treated as peripheral to whiteness, wealth, and privilege.⁷

Process for Project Evaluation and Selection

EFF’s overarching mission, Board of Directors, and underwriting criteria guide decision-making regarding loans and financings for charter schools. EFF’s mission is anchored in the belief that all students deserve access to a great education and that greater access to quality education enables students to be more successful in their post-secondary education and in their careers. EFF commits to improving access to quality education in the US and combating systemic inequities in education for low-income students by financing affordable loans for high-performing charter schools.

⁵ Reardon, Sean, “School Segregation and Racial Academic Achievement Gaps (CEPA Working Paper No.15-12),” Stanford Center for Education Policy Analysis, October 2015, <https://cepa.stanford.edu/content/school-segregation-and-racial-academic-achievement-gaps>.

⁶ A study by the Federal Reserve of St. Louis proved the neighborhood effect, in finding that (1) K-12 academic quality is correlated with disparities in college outcomes between Black and white students, and (2) if these Black students lived in more-affluent neighborhoods during childhood, they would likely have had improved economic and health outcomes. Dr. Beth Ann Bovino et al., “How the Advancement of Black Women Will Build a Better Economy for All,” S&P Global, last updated June 8, 2021, https://www.spglobal.com/en/research-insights/featured/how-the-advancement-of-black-women-will-build-a-better-economy-for-all?utm_campaign=corporatepro&utm_medium=dailyupdate&utm_source=June8.

⁷ “New York School Segregation Report Card,” UCLA Civil Rights Project, 2021, https://www.civilrightsproject.ucla.edu/research/k-12-education/integration-and-diversity/nyc-school-segregation-report-card-still-last-action-needed-now/ES-from-NYC_6-09-final-for-post.pdf.

EFF's Board of Directors and evaluation team include finance experts and charter school veterans who are qualified to evaluate all aspects of charter schools, and oversee the process for evaluation of selection of schools. Loan recipients must be 501(c)(3) public charter schools in good standing and have demonstrated records of academic and operational success. Borrowers are selected based on comprehensive and rigorous screening criteria that specifically target students living below the poverty line, undereducated, underserved, and vulnerable youth. EFF targets an aggregate portfolio composition of at least 65% of students who qualify for free and reduced-price lunches or meet a similar low-income metric (weighted by project size). Further scrutiny of potential Borrowers includes thoroughly analyzing enrollment, academic performance, leadership, governance, and teacher quality; and using benchmarks to confirm that schools are providing strong educational options for all students as demonstrated by academic performance and/or growth compared to surrounding schools. As oversight, EFF requires each Borrower to provide financial information on a quarterly basis. The Board of Directors is also responsible for updating lending policies, improving underwriting criteria, tracking school portfolio statistics, and monitoring loans.

Management of Proceeds

Proceeds will be used to finance or reimburse ESRF for loans that have been made or will be made by EFF to public charter schools that have been vetted through the underwriting process. EFF is the direct lender in all transactions and funding activities. A portion of proceeds will also be used to finance related costs of issuance. Bond proceeds will be held in separately managed subaccounts. EFF may temporarily invest proceeds in temporary investment instruments ("Permitted Investments") to increase funds available for lending to eligible schools. These Permitted Investments include, but are not limited to: obligations of the US government, certificates of deposit, and money market funds.

Reporting

ESRF has committed to reporting on allocation of proceeds and social impact metrics. ESRF will submit continuing disclosures to the Municipal Securities Rulemaking Board ("MSRB") through the conduit issuers for as long as the Bonds are outstanding. EFF also expects to produce a single update report on the total percent completion of loan-financed projects and the positive impacts of the loans. This report will be posted on EFF's website (eqfund.org). An example report template is provided in Appendix C.

ESRF's Annual Reports currently posted to EMMA will continue to provide updated information about each borrower and the current portfolio of School Loans. Data for EFF's current portfolio are available in Appendix A of the official statement. Annual reports will include student enrollment, waitlists, and school performance measures such as Math and English Language Arts proficiencies.

In addition to annual reports, ESRF completes voluntarily filing for each new loan acquisition event. These notices provide detail about each obligor such as the charter contract, management and governance of the school, enrollment, academic performance, and the intended uses of proceeds. Profiles of each charter school and the savings resulting from the ESRF loan are available on EFF's website (eqfund.org). EFF currently conducts regular "sub-group" academic performance analyses for racial and socioeconomic demographics for all charters receiving ESRF loans. Each loan is also reviewed periodically and annually for financial performance, significant events, academic performance and meeting disclosure expectations of EFF.

IMPACT AND ALIGNMENT WITH UN SDGS



The school loans support and advance the vision of the UN SDGs. A comprehensive list of Targets and background on UN SDGs 4, 8, and 10 are available on the United Nations website: www.un.org/sustainabledevelopment. Full text for each Target is available in Appendix A.

By financing low-cost loans to nonprofit charter schools providing high-quality education to vulnerable youth in educationally underserved areas, the Bonds advance Targets 4.1, 4.5, 4.6, 8.3, 8.6 8.10, and 10.3. Charter schools receiving ESRF loans may offer alternatives to low-performing public schools or may even be the only local school in a community where public schools have been shut down or merged. Schools selected to receive ESRF loans must have demonstrated high achievements in Math, English Language Arts, and other standard student outcomes relative to their respective districts.



Quality Education (Targets 4.1, 4.5, 4.6)

Possible Indicators

- Number of students enrolled
- Number of students attaining standard for education level
- Graduation rates at elementary, middle, and high schools
- Employment and college admission rates of graduating students
- School performance metrics



Access to Essential Services (Targets 8.3, 8.6, 8.10)

Possible Indicators

- Attendance and attrition rates
- Employment and college admission rates of graduating students
- Number of students moving upward in income quartiles later in life
- Amount of low-interest financing made available to high-performing schools



Reduced Inequalities (Target 10.3)

Possible Indicators

- Parity indices for the following: Black or African American versus white, disability versus able-bodied, students living below the poverty line versus students living above the poverty line

CONCLUSION

Based on our independent external review, the Bonds conform, in all material respects, with the Social Bond Principles (2021) and are in complete alignment with the *Access to Essential Services (Education)*, and *Socioeconomic Advancement and Empowerment* eligible project categories. By offering low-cost loans to high-performing schools in underserved and vulnerable communities, EFF improves access to high-quality education and encourages opportunities for socioeconomic empowerment and advancement.

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ABOUT KESTREL VERIFIERS



For 20 years Kestrel has been a trusted consultant in sustainable finance. Kestrel Verifiers, a division of Kestrel 360, Inc. is a Climate Bonds Initiative Approved Verifier qualified to verify transactions in all asset classes worldwide. Kestrel is a US-based certified Women's Business Enterprise.

For more information, visit www.kestrelverifiers.com

DISCLAIMER

This Opinion aims to explain how and why the discussed financing meets the ICMA Social Bond Principles based on the information which was available to us during the time of this engagement (August-September 2021) only. By providing this Opinion, Kestrel Verifiers is not certifying the materiality of the projects financed by the Social Bonds. It was beyond Kestrel Verifiers' scope of work to review for regulatory compliance and no surveys or site visits were conducted. Furthermore, we are not responsible for surveillance on the project or use of proceeds. Kestrel Verifiers relied on information provided by the ESRF and publicly available information. The Opinion delivered by Kestrel Verifiers does not address financial performance of the Social Bonds or the effectiveness of allocation of its proceeds. This Opinion does not make any assessment of the creditworthiness of the ESRF, or its ability to pay principal and interest when due. This is not a recommendation to buy, sell or hold the Bonds. Kestrel Verifiers is not liable for

consequences when third parties use this Opinion either to make investment decisions or to undertake any other business transactions. This Opinion may not be altered without the written consent of Kestrel Verifiers. Kestrel Verifiers reserves the right to revoke or withdraw this Opinion at any time. Kestrel Verifiers certifies that there is no affiliation, involvement, financial or non-financial interest in the ESRF or the projects discussed. Language in the offering disclosure supersedes any language included in this Second Party Opinion.

Use of the United Nations Sustainable Development Goal (SDG) logo and icons does not imply United Nations endorsement of the products, services or bond-financed activities. The logo and icons are not being used for promotion or financial gain. Rather, use of the logo and icons is primarily illustrative, to communicate SDG-related activities.

Appendix A.

UN SDG TARGET DEFINITIONS

Target 4.1

By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and Goal-4 effective learning outcomes

Target 4.5

By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations

Target 4.6

By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy

Target 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

Target 8.6

By 2030, substantially reduce the proportion of youth not in employment, education or training

Target 8.10

Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

Target 10.3

Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discrimination

Appendix B.

ESRF LOANS⁸

Table 1. ESRF loans pledged to the Bonds. ELA = English Language Arts; FRL = Free and reduced-price lunch (an indicator of a school's low-income population).

Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District*	Expected Use of Proceeds
The Soulsville Charter School	Memphis, TN	\$10,330,106	669	92%	103% / 99%	Refinancing
Village Tech	Duncanville, TX	\$8,385,000	1,224	41%	112% / 102%	Construction
Arizona School for the Arts	Phoenix, AZ	\$10,620,000	844	12%	368% / 308%	Refinancing
Choices in Learning	Winter Springs, FL	\$9,199,407	687	21%	139% / 148%	Advance Refunding
KIPP Northern California	Bay Area, CA	\$16,000,000	989	77%	158% / 178%	Refinancing
Arlington Classics Academy	Arlington, TX	\$15,635,234	1,561	20%	174% / 130%	Advance Refunding
Blackstone Valley Prep	Cumberland, RI	\$16,000,000	2,095	62%	158% / 197%	Acquisition
KIPP Nashville	Nashville, TN	\$10,500,000	2,337	73%	109% / 184%	Refinancing
Rocketship United Academy	Nashville, TN	\$7,282,964	544	85%	121% / 114%	Acquisition
James Irwin Charter Schools	Colorado Springs, CO	\$24,580,313	2,090	37%	123% / 173%	Refinancing
Itineris Early College High School	West Jordan, UT	\$7,965,982	414	27%	144% / 203%	Refinancing
Alliance College Ready Public Schools	Los Angeles, CA	\$26,916,709	8,151	95%	120% / 144%	Refinancing
Caliber: Changemakers Academy	Richmond, CA	\$14,219,046	754	71%	146% / 193%	Refinance & Renovation
KIPP NJ: Team	Newark, NJ	\$21,500,000	4,754	88%	130% / 106%	Acquisition & Renovation
Renaissance Arts Academy	Los Angeles, CA	\$16,121,412	540	65%	169% / 138%	Refinancing

⁸ Appendix B lists the schools and data included in Kestrel's Second Party Opinion for National Charter School Revolving Loan Fund Revenue Bonds, Series 2020A and 2020B (Social Bonds). Additional loans financed by the National Charter School Revolving Loan Fund Revenue Bonds Series 2021A, Subordinate Series 2021, Series 2021B, Series 2021C, and Series 2021D will be included in an updated report in the final Official Statement.

Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District*	Expected Use of Proceeds
NYOS	Austin, TX	\$25,295,892	1,063	30%	124% / 11%	Construction
Scuola Vita Nuova	Kansas City, MO	\$8,885,903	279	95%	185% / 340%	Refinance & Construction
KIPP Nashville (2 nd deal)	Nashville, TN	\$16,991,883	see above	73%	109% / 184%	Refinance & Construction
Arizona School for the Arts (2 nd deal)	Phoenix, AZ	\$8,536,764	see above	12%	368% / 308%	Advance Refunding
Brookside Academy	Kansas City, MO	\$5,655,705	705	100%	186% / 227%	Refinance & Acquisition
Sarasota School of Arts and Sciences	Sarasota, FL	\$8,935,316	752	40%	118% / 106%	Refinancing
Dayspring Academy for Education and the Arts	Port Richey, FL	\$10,682,688	911	51%	172% / 195%	Refinance & Construction
Public Preparatory Charter School Academies (Boys Prep)	Bronx, NY	\$6,200,000	643	92%	200% / 299%	Refinancing
IDEA Baton Rouge	Baton Rouge, LA	\$16,300,000	861	100%	77% / 63%**	Acquisition
<i>Total/Average</i>		<i>\$322,740,325</i>	<i>32,867</i>	<i>61%</i>	<i>159% / 177%</i>	

*Based on highest grade tested and SAT/ACT when necessary, i.e., insufficient test data.

**While IDEA Baton Rouge proficiency rates lag the host district's, students typically enter the school far behind academically and demonstrate very strong academic progress while at IDEA.

Appendix C.

EXAMPLE TEMPLATE REPORT

Total Percent Completion of Loan-Financed Projects	Example: "As of <u>Month/Day/Year</u> , xx% of the projects financed with the loans are complete."
Positive Impacts	Example positive impacts: "The project serves xx number of students." "The types of projects completed include but are not limited to: XYZ."