

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Revolving Fund (defined below), based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from State of Arizona income tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “TAX MATTERS” herein.



**OFFICIAL STATEMENT OF THE
EQUITABLE SCHOOL REVOLVING FUND**



Relating to the Original Issuance of

\$280,000,000

**ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
SENIOR NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND
REVENUE BONDS
Series 2023A – Social Bonds**

This cover page contains information for general reference only. It is not intended as a summary of these issues. Investors must read this entire Official Statement, including the appendices hereto, to obtain information essential to making an informed investment decision.

The bonds described above (the “Bonds”) are being issued as fixed rate bonds in the principal amounts, bearing interest at the rates and maturing on the dates shown on the inside cover page of this Official Statement. The Bonds will be issued by the Arizona Industrial Development Authority (the “Conduit Issuer”) pursuant to the Bond Indenture, dated as of December 1, 2023 (the “Bond Indenture”), among the Conduit Issuer, U.S. Bank Trust Company, National Association, as trustee thereunder (the “Bond Trustee”), and U.S. Bank National Association, as securities intermediary thereunder. The Conduit Issuer will loan the proceeds of the Bonds to Equitable School Revolving Fund, LLC, a single member Delaware limited liability corporation (the “Revolving Fund”), the sole member of which is Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation (the “Program Administrator”), pursuant to the Loan Agreement, dated as of December 1, 2023 (the “Loan Agreement”), by and between the Conduit Issuer and the Revolving Fund. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” herein.

The Bonds and the interest thereon are payable solely out of certain revenues and income received by the Revolving Fund and pledged to the Bond Trustee pursuant to the Bond Indenture, the Loan Agreement and the related Obligation for the Bonds (the “Series 2023 Obligation”), issued by the Revolving Fund in an amount equal to the aggregate principal amount of the Bonds, pursuant to a Second Amended and Restated Master Trust Indenture, dated as of August 1, 2020 (the “Master Indenture”), as supplemented and amended, including by a Supplemental Master Indenture for the Series 2023 Obligation (the “Series 2023 Supplemental Master Indenture”) by and among the Program Administrator, as representative of the Obligated Group, the Revolving Fund, as the initial member of the Obligated Group, and U.S. Bank Trust Company, National Association, as master trustee thereunder (the “Master Trustee”).

The proceeds of the Bonds will be used to (i) finance or reimburse the Revolving Fund for the cost of financing School Loans made or to be made by the Program Administrator and purchased by the Revolving Fund and (ii) pay the costs of issuance of the Bonds. The School Loans made to qualifying School Borrowers are for the purpose of financing or refinancing certain costs incurred by the public charter schools of the acquisition, construction, improvement, equipping and furnishing of certain public charter school facilities (as more fully described herein). The Bonds have been identified as “Social Bonds” by Kestrel Verifiers. See “DESIGNATION OF THE BONDS AS SOCIAL BONDS” and APPENDIX G herein.

Interest on the Bonds will be payable semiannually on each May 1 and November 1, commencing May 1, 2024. The Bonds are being issued as fully registered bonds and initially will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form (without physical certificates) in minimum denominations of \$5,000 and any integral multiple thereof. For so long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, (i) payments of the principal of and premium, if any, and interest on such Bonds will be made directly to Cede & Co. for payment to DTC participants for subsequent disbursement to the beneficial owners, and (ii) all notices, including any notice of redemption will be mailed only to Cede & Co. See APPENDIX E – “BOOK-ENTRY SYSTEM” herein.

The Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described under “THE BONDS” herein.

THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE CONDUIT ISSUER PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE CREATED UNDER THE BOND INDENTURE. THE BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE CONDUIT ISSUER, THE ARIZONA FINANCE AUTHORITY OR OF THE STATE OF ARIZONA, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY ARIZONA CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CONDUIT ISSUER, THE ARIZONA FINANCE AUTHORITY OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE CONDUIT ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE CONDUIT ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE BOND INDENTURE AND NOT OTHERWISE. THE CONDUIT ISSUER HAS NO TAXING POWER. See “THE CONDUIT ISSUER – The Conduit Issuer” herein.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, MEMBER, EMPLOYEE, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT, PROGRAM MANAGER, EXECUTIVE DIRECTOR OR AGENT OF THE CONDUIT ISSUER, OR THE ARIZONA FINANCE AUTHORITY, OR OF ANY SUCCESSOR TO THE CONDUIT ISSUER OR THE ARIZONA FINANCE AUTHORITY, EITHER DIRECTLY OR THROUGH THE CONDUIT ISSUER OR THE ARIZONA FINANCE AUTHORITY OR ANY SUCCESSOR TO THE CONDUIT ISSUER OR THE ARIZONA FINANCE AUTHORITY, AS APPLICABLE, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, COUNSEL, ADVISORS, CONTRACTORS, CONSULTANTS, PROGRAM MANAGERS, EXECUTIVE DIRECTORS OR AGENTS, IF ANY, AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

The Bonds are offered when, as and if issued by the Conduit Issuer and received by the Underwriters, subject to prior sale, modification or withdrawal of the offer without notice, and subject to the approval of legality of the Bonds by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Revolving Fund, and the approval of certain matters for the Conduit Issuer by its counsel, Kutak Rock LLP, approval of certain matters for the Underwriters by Squire Patton Boggs (US) LLP, as Underwriters’ Counsel, and the approval of certain matters for the Revolving Fund by Orrick, Herrington & Sutcliffe LLP. Lamont Financial Services Corporation (the “Financial Advisor”) is employed as Financial Advisor to the Revolving Fund. It is expected that the Bonds in definitive form will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about December 19, 2023.

SIEBERT WILLIAMS SHANK & CO., LLC

RBC Capital Markets

Goldman Sachs & Co. LLC

Stephens

Morgan Stanley

PNC Capital Markets LLC

MATURITY SCHEDULE

\$280,000,000 Series 2023A Bonds

<u>Maturity Date</u> <u>(November 1)</u>	<u>Maturity Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP No.*</u>
2027	\$ 3,510,000	5.000%	3.240%	106.344	04052FDT9
2028	150,000,000	5.000%	3.200%	107.277 [†]	04052FDU6
2029	2,425,000	5.000%	3.270%	109.163	04052FDV4
2030	1,505,000	5.000%	3.310%	110.300	04052FDW2
2031	2,390,000	5.000%	3.330%	111.470	04052FDX0
2032	3,305,000	5.000%	3.390%	112.236	04052FDY8
2033	3,400,000	5.000%	3.410%	112.074 [‡]	04052FDZ5
2034	2,815,000	5.000%	3.470%	111.587 [‡]	04052FEA9
2035	3,045,000	5.000%	3.600%	110.542 [‡]	04052FEB7
2036	3,090,000	5.000%	3.740%	109.429 [‡]	04052FEC5
2037	3,445,000	5.000%	3.870%	108.408 [‡]	04052FED3
2038	3,680,000	5.000%	3.940%	107.863 [‡]	04052FEE1
2039	4,935,000	5.000%	4.040%	107.090 [‡]	04052FEF8
2040	5,180,000	5.000%	4.130%	106.399 [‡]	04052FEG6
2041	4,260,000	5.000%	4.220%	105.714 [‡]	04052FEH4
2042	4,200,000	5.000%	4.290%	105.185 [‡]	04052FEJ0
2043	5,325,000	5.000%	4.330%	104.884 [‡]	04052FEK7

\$34,595,000 5.250% Term Bonds due November 1, 2048, Yield 4.420%, Price 106.028[‡] CUSIP No.* 04052FEL5

\$38,895,000 5.250% Term Bonds due November 1, 2053, Yield 4.570%, Price 104.906[‡] CUSIP No.* 04052FEM3

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[†] Priced to par call date of May 1, 2028.

[‡] Priced to par call date of November 1, 2032.

Revolving Fund

Equitable School Revolving Fund, LLC (ESRF)

Conduit Issuer

Arizona Industrial Development Authority

Conduit Issuer's Counsel

Kutak Rock LLP

Bond Counsel and Disclosure Counsel to ESRF

Orrick, Herrington & Sutcliffe LLP

Financial Advisor

Lamont Financial Services Corporation

Bond Trustee, Master Trustee, and Custodian

U.S. Bank Trust Company, National Association

School Loan Servicer

Alter Domus (US) LLC

Swap Advisor

Blue Rose Capital Advisors, LLC

Program Administrator

Equitable Facilities Fund, Inc. (EFF)

External Reviewer

Kestrel Verifiers

Senior Managing Underwriter

Siebert Williams Shank & Co., LLC

Underwriters' Counsel

Squire Patton Boggs (US) LLP

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REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the cover hereof. No person has been authorized by the Conduit Issuer (as defined herein), the Program Administrator, the Revolving Fund or the Underwriters to give any information or to make any representation, other than those contained in this Official Statement, and if given or made, such other information or representation not so authorized must not be relied upon as having been given or authorized by the Conduit Issuer, the Program Administrator, the Revolving Fund or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

None of the Arizona Industrial Development Authority (the “Conduit Issuer”), its past or present officers, counsel, executive directors, advisors, agents, contractors, consultants, members, program managers, employees, the Arizona Finance Authority, its past or present directors, members, officers, program managers, counsel, advisors, employees, agents, contractors, consultants, or executive director, or the State of Arizona have reviewed this Official Statement or investigated the statements or representations contained herein, except for those statements relating to the Conduit Issuer set forth under the captions “THE CONDUIT ISSUER” and “LITIGATION — The Conduit Issuer”, each only as to the Conduit Issuer’s information (together, the “Conduit Issuer Portion”). Except with respect to the information contained under the Conduit Issuer Portion, none of the directors of the Conduit Issuer, its officers, counsel, executive directors, advisors, agents, contractors, consultants, members, program managers or employees makes any representation as to the completeness, sufficiency and truthfulness of the statements set forth in this Official Statement. None of the directors of the Conduit Issuer, its officers, counsel, executive directors, advisors, agents, contractors, consultants, members, program managers, employees nor any other person executing the Bonds is or will be subject to personal liability by reason of the issuance of the Bonds. The Conduit Issuer assumes no responsibility for this Official Statement and has not reviewed or undertaken to verify any information contained herein.

The information set forth herein under the caption “UNDERWRITING” has been furnished by the Underwriters. The information set forth herein in APPENDIX E — “BOOK-ENTRY ONLY SYSTEM” has been furnished by DTC. All other information in this Official Statement has been provided by the Revolving Fund, the Program Administrator or obtained from other sources identified herein that are believed to be reliable.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of the Conduit Issuer, the Program Administrator, the Revolving Fund, DTC, or the Bond Trustee since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement contains statements that the Revolving Fund believes may be “forward-looking statements.” Words such as “plan,” “estimate,” “project,” “budget,” “scheduled,” “anticipate,” “expect,” “intend,” “believe” and similar terms are intended to identify forward-looking statements. The achievement of results or other expectations expressed or implied by such forward-looking statements involve known and unknown risks, uncertainties and other factors that are difficult to predict, may be beyond the control of the Revolving Fund and could cause actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such

forward-looking statements. The Revolving Fund undertakes no obligation, and does not plan, to issue any updates or revisions to any of the forward-looking statements in this Official Statement.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will pass upon the accuracy or adequacy of this Official Statement or approve the Bonds for sale. This Official Statement includes the cover page, the inside cover page and the appendices attached hereto.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, WITHOUT PRIOR NOTICE.

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- A CHARTER SCHOOL BORROWER METRICS
- B FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES
- C FORMS OF THE BOND INDENTURE AND LOAN AGREEMENT
- D FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL
- E BOOK-ENTRY ONLY SYSTEM
- F FORM OF CONTINUING DISCLOSURE AGREEMENT
- G KESTREL VERIFIERS' SECOND PARTY OPINION

OFFICIAL STATEMENT

\$280,000,000
ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
SENIOR NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND
REVENUE BONDS
Series 2023A – Social Bonds

SUMMARY

This Summary is only a brief general summary. You must read the entire Official Statement to obtain essential information for making an informed investment decision. Capitalized terms not defined in this Summary have the same meaning assigned to them in the body of this Official Statement.

Program Administrator Equitable Facilities Fund, Inc.	Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation (the “Program Administrator”) was established in 2017 to operate a pooled revolving loan program for the benefit of a class of public charities that operate to support public charter school facilities. The Program Administrator originates loans to qualifying public charter schools across the country, including a nine-step lending process from loan sourcing to portfolio management, for the purpose of financing and refinancing the costs of the acquisition, construction, improvement, equipping and furnishing of public charter school facilities (the “Charter School Facilities”).
The Revolving Fund Equitable School Revolving Fund, LLC	To facilitate the making of loans to public charter schools, the Program Administrator created the Equitable School Revolving Fund, LLC, a Delaware limited liability company (the “Revolving Fund”) and is its sole member. The Revolving Fund functions as a bankruptcy remote financing entity, for purposes of owning and holding loans originated by the Program Administrator (the “School Loans”) as security for the Bonds and making Required Payments on the outstanding Obligations under the Master Indenture. The Program Administrator sells the School Loans to the Revolving Fund and uses the proceeds of such sales to originate new School Loans. The School Loans purchased by the Revolving Fund and the repayments thereof, are pledged by the Revolving Fund to the Master Trustee under the Master Indenture as security to the holders of all Obligations, including the Series 2023 Obligation issued pursuant to the Master Indenture, evidencing the Revolving Fund’s repayment obligations under the Loan Agreement and with respect to the Bonds. The Revolving Fund received the Capitalization Grant (as described herein), and uses this philanthropic donation combined with economies of scale, transparency, liquidity, and overcollateralization levels to create an “A” rated credit structure, raise capital through municipal bond offerings in the public capital market, and finance credit-worthy charter schools.
Program Purpose	The program’s charitable purpose is to decrease school facility financing costs for qualifying public charter schools to allow those schools to spend more time and resources helping their students continue to achieve academic success. See “THE PROGRAM ADMINISTRATOR AND THE REVOLVING FUND” and “LOAN PROGRAM – The Purpose of the Program” herein.
Program Loans	The program is a national revolving loan fund that provides low-cost loans to proven, high-quality, financially sound public charter schools. The loans to

	<p>qualifying public charter schools are for the purpose of financing or refinancing certain costs incurred by the public charter schools of the acquisition, construction, improvement, equipping and furnishing of Charter School Facilities.</p>
The Capitalization Grants	<p>To date, the Program Administrator has received approximately \$339 million in charitable contributions from 20 donors, including its initial \$200 million capitalization grant. In addition, it has received commitments for approximately \$81 million in charitable contributions to be received.</p>
Use of Bond Proceeds	<p>The proceeds of the Bonds will be used to (i) finance or reimburse the Revolving Fund for the cost of financing School Loans made or to be made by the Program Administrator and purchased by the Revolving Fund and (ii) pay the costs of issuance of the Bonds. The School Loans to qualifying School Borrowers are for the purpose of financing or refinancing certain costs incurred by the public charter schools of the acquisition, construction, improvement, equipping and furnishing of Charter School Facilities (as more fully described herein).</p>
Redemption	<p>The Bonds are subject to redemption prior to maturity as described herein.</p>
Tax Exemption	<p>In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Revolving Fund (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, (i) interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and (ii) interest on the Bonds is exempt from State of Arizona income tax. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of the opinion of Bond Counsel is set forth in APPENDIX D – “FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL” hereto.</p>
Sources of Payment and Security for the Bonds	<p>The Bonds are special limited obligations of the Conduit Issuer, payable solely from amounts pledged as security therefor under the Bond Indenture. As security for its obligation under the Master Indenture, the Revolving Fund has pledged all School Loan repayments, associated first lien real estate collateral, and the Debt Service Reserve Fund for the outstanding Series 2019 Bonds, the outstanding Series 2020 Bonds, the outstanding Senior Series 2021 Bonds, the outstanding Series 2022 Bonds, the Bonds and any additional senior lien debt issued in the future (together, the “Related Senior Bonds”). The Bonds are not general obligations of the Conduit Issuer. The Conduit Issuer has no taxing power. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS”.</p>
Current Debt Outstanding	<p>The Revolving Fund currently has \$678,940,000 of senior debt and \$21,325,000 in subordinate debt outstanding, and in addition has entered into an interest rate hedge as described herein. See “DEBT SERVICE REQUIREMENTS” and “THE LOAN PROGRAM – Interest Rate Hedging Program.”</p>

Debt Service Reserve Funds for the Bonds	Upon the issuance of the Bonds, the Reserve Fund Requirement of \$23,382,825 for the related Senior Bonds will be satisfied. No proceeds of the Bonds will be deposited into the Debt Service Reserve Fund at closing.
Rating	Series 2023A Bonds Rating: S&P “A” (positive outlook).
Designation of the Bonds as Social Bonds	Kestrel Verifiers authored a Second Party Opinion of the Bonds as Social Bonds included herein as APPENDIX G. Kestrel Verifiers based its opinion solely on the Social Bond Principles June 2023 issued by the International Capital Market Association (“ICMA”) and does not make any representation or give any assurance with respect to any other matter relating to the Bonds. The term “Social Bonds” is solely for identification purposes and is not intended to provide or imply that the owners of the Bonds are entitled to any security other than that described under the heading “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” herein.
Senior Obligations	Senior Obligations consist of the Obligations related to the Series 2019 Bonds, the Series 2020 Bonds, the Senior Series 2021 Bonds, the Series 2022 Bonds, the Bonds (such Obligation relating to the Bonds, the “Series 2023 Obligation”) and any additional Obligations securing Related Senior Bonds.
Subordinate Obligations	Subordinate Obligations consist of the Obligation related to the Subordinate Series 2021 Bonds and any additional Obligations securing Related Subordinate Bonds. Subordinate Obligations are subordinate to Senior Obligations.
Second Subordinate Obligations	Second Subordinate Obligations consist of Obligations securing Related Second Subordinate Bonds. Second Subordinate Obligations are subordinate to Subordinate Obligations. As of the date of this Official Statement, no Second Subordinate Obligations are Outstanding.
Prior and Additional Bonds	The Revolving Fund may issue additional bonds and incur Indebtedness at future dates. The Revolving Fund makes no guarantee that the projected or anticipated debt issuance and loans described herein will occur. The Program Administrator may originate School Loans with maturities of five (5) or fewer years, and the Revolving Fund may issue, within 180 days of the date hereof, Additional Obligations with maturity dates that are similar to such School Loans for the purpose of acquiring or reimbursing the purchase of such School Loans. Within 180 days of the completion of this transaction, the Revolving Fund expects to have an estimated \$1,300,000,000 in School Loans pledged to the Master Trustee under the Master Indenture to an estimated \$980,265,000 in bonds outstanding. See “DEBT SERVICE REQUIREMENTS – Projected Debt Service Coverage Table” herein for additional detail.
Additional Bonds Test	For additional Senior Obligations, delivery of a sufficiency certificate that shows a minimum 1.15x projected debt service coverage of all Senior Obligations. For Subordinate Obligations, delivery of a sufficiency certificate that shows a minimum 1.05x projected debt service coverage of all Senior Obligations and Subordinate Obligations. For additional Second Subordinate Obligations, delivery of a sufficiency certificate that shows a minimum 1.00x projected debt service coverage of all Senior Obligations, Subordinate Obligations and Second Subordinate Obligations. See APPENDIX B — “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE — Limitations on Additional Indebtedness.”

<p>Ongoing Disclosure (Bonds)</p>	<p>The Revolving Fund will provide an Annual Report for the Bonds via EMMA that consists generally of the audited financial statements of the Revolving Fund and current information regarding the Loan Program and the Charter School Borrowers, but only of the type contained in the table in APPENDIX A entitled “PORTFOLIO TABLE BY ORIGINATION DATE” (except for the information under the column “Obligor Description”). Furthermore, the Revolving Fund has agreed to include in its Annual Report the financial statements of each Charter School Borrower (if any) which is a party to a Loan Agreement or Agreements under which outstanding aggregate principal amount owed under such Loan Agreement or Agreements during the most recently ended calendar year equaled or exceeded 20% of the outstanding aggregate principal amount owed under all Loan Agreements in such year. As of the date hereof, no Charter School Borrower exceeds the 20% threshold. See “CONTINUING DISCLOSURE.”</p>
<p>Staff & Leadership</p>	<p>The Program Administrator employs seventeen full-time professionals in various lending and operational capacities, whose collective prior professional experience includes senior roles as public finance investment bankers, commercial lender, not-for-profit lender, tax-exempt bond investor, rating agency analyst, as well as other staff members who held senior finance and operating roles at high-performing charter schools. In addition, the Program Administrator engages several consultants. The Program Administrator staff has specific charter school analytical experience, including approximately 300 charter school transactions for over \$3 billion and sector leadership in charter school research. The Revolving Fund engages the Program Administrator to provide staffing, administrative support, office space, credit underwriting for School Loans, and bond financing program administration, as more fully described herein.</p>
<p>School Loan Program: Loan Profile</p>	<p>As of November 1, 2023, 66 School Loans totaling \$1,099,378,553 in loan par have closed while 11 School Loans, totaling approximately \$200,000,000 are in the due diligence stage and are expected to be pledged by the Revolving Fund to the Master Trustee under the Master Indenture. Each of these 11 loans is expected to close within 180 days of the Closing Date of the Bonds. Combined, total School Loans pledged by the Revolving Fund to the Master Trustee under the Master Indenture are expected to total approximately \$1,300,000,000 within 180 days after the delivery of the Bonds.</p>
<p>School Loan Program: Loan Sourcing, Diligence and Approvals</p>	<p>The Program Administrator has a nine-step loan underwriting, approval, and monitoring process. These nine stages comprise: 1) pipeline generation; 2) borrower selection; 3) preliminary analysis; 4) full due diligence/underwriting; 5) loan approval; 6) loan closing; 7) loan servicing; 8) loan monitoring; and 9) portfolio monitoring.</p>

School Loan Program: Underlying Loan Ratings	School Loans comprising approximately 94% of loan par in the Loan Program closed to date have received an S&P rating of BB- or better.
School Loan Program: Loan Collateral	The typical underlying School Loan collateral includes a first lien on a Charter School Borrower’s revenues and a first lien on the financed property. This is the case with each of the pledged 66 School Loans and the Revolving Fund expects, though the Revolving Fund does not guarantee, similar requirements for future School Loans.
School Loan Program: Loan Covenants	The Revolving Fund generally requires that each School Loan contain (i) provisions requiring borrower liquidity between 30 – 60 days minimum cash on hand and minimum annual coverage ratio of 1.10x, (ii) borrower covenants similar to those found in the tax-exempt charter school bond market (however, such provisions may be omitted or revised for certain Charter School Borrowers as approved by the Revolving Fund) and (iii) enrollment and academic covenants. See, “THE LOAN PROGRAM – Structure of Loans in the Pool,” herein.

INTRODUCTION

The purpose of this Official Statement of Equitable School Revolving Fund, LLC, a single member Delaware limited liability company (the “Revolving Fund”), which includes the cover page, the inside cover page and the appendices hereto, is to set forth information with respect to the Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds (the “Bonds”). This Official Statement describes the Revolving Fund, the sole member of the Revolving Fund, Equitable Facilities Fund, Inc., a Delaware nonstock, nonprofit corporation (the “Program Administrator” or the “Obligated Group Representative”), and the purpose of the issuance of, terms and sources of payment of, and security for, the Bonds. The Revolving Fund is, as of the Closing Date, the only member of the Obligated Group. Additional Members may be added to the Obligated Group subject to satisfaction of the conditions set forth in the Master Indenture. The Revolving Fund and the Program Administrator have provided all financial and other data included herein, except where specifically attributed to other sources. Capitalized undefined terms used in this Official Statement have the meanings set forth in APPENDIX B – “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES” and in APPENDIX C – “FORMS OF THE BOND INDENTURE AND LOAN AGREEMENT.”

The Program Administrator is the sole member of the Revolving Fund. The Revolving Fund is organized as a single member Delaware limited liability company and a disregarded entity for federal tax purposes. See “THE PROGRAM ADMINISTRATOR AND THE REVOLVING FUND.”

On August 29, 2019, \$92,715,000 National Charter School Revolving Loan Fund Revenue Bonds, Series 2019A were issued by the Conduit Issuer and \$19,010,000 National Charter School Revolving Loan Fund Revenue Bonds, Series 2019B were issued by the California Infrastructure and Economic Development Bank (together, the “Series 2019 Bonds”). On August 27, 2020, \$122,710,000 Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2020A - Social Bonds were issued by the Conduit Issuer and \$48,115,000 Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2020B – Social Bonds were issued by the California Infrastructure and Economic Development Bank (together, the “Series 2020 Bonds”). On October 20, 2021, \$122,895,000 Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2021A – Social Bonds were issued by the Conduit Issuer, \$30,650,000 Senior National Charter School Revolving Loan Fund Revenue Bonds,

Series 2021B – Social Bonds were issued by the California Infrastructure and Economic Development Bank, \$17,925,000 Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2021C – Social Bonds were issued by the Massachusetts Development Finance Agency, and \$25,020,000 Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2021D – Social Bonds were issued by the City of Albany Capital Resource Corporation (together, the “Senior Series 2021 Bonds”). On August 30, 2022, \$153,525,000 Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2022A – Social Bonds were issued by the Conduit Issuer and \$65,885,000 National Charter School Revolving Loan Fund Revenue Bonds, Series 2022B – Social Bonds were issued by the California Infrastructure and Economic Development Bank (together, the “Series 2022 Bonds”).

The Series 2019 Bonds, the Series 2020 Bonds, the Senior Series 2021 Bonds, the Series 2022 Bonds, are on parity with the Bonds.

On October 20, 2021, \$21,325,000 Subordinate National Charter School Revolving Loan Fund Revenue Bonds, Series 2021 – Social Bonds were issued by the Conduit Issuer (the “Subordinate Series 2021 Bonds” and, together with the Senior Series 2021 Bonds, the “Series 2021 Bonds”). The Subordinate Series 2021 Bonds are subordinate to the Series 2019 Bonds, the Series 2020 Bonds, the Senior Series 2021 Bonds, the Series 2022 Bonds and the Bonds.

The Bonds are a limited obligation of the Conduit Issuer, the principal of, premium, if any, and interest on which will be payable solely from the revenues and other moneys pledged therefor by the Revolving Fund to secure such payment. The Senior Obligations of the Revolving Fund will be secured by, among other funds, a debt service reserve fund held under the Master Indenture. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” herein.

The Program Administrator operates a pooled revolving loan program (the “Loan Program”) for financing public charter school facilities. The Program Administrator makes loans to qualifying public charter schools across the country, for the purpose of financing and refinancing the charter school’s costs of the acquisition, construction, improvement, equipping and furnishing of public charter school facilities. The Program Administrator sells the loans to the Revolving Fund (the “School Loans”) and uses the proceeds of such sale to originate new loans. The Revolving Fund used a portion of the \$200,000,000 philanthropic contribution (the “Capitalization Grant”) to purchase the initial School Loans. The proceeds of the Series 2019 Bonds, Series 2020 Bonds, Series 2021 Bonds and Series 2022 Bonds were used to purchase additional School Loans. The School Loans purchased by the Revolving Fund and the repayments thereof are pledged by the Revolving Fund to the Master Trustee under the Master Indenture as security to the holders of all Obligations, including the Series 2023 Obligation issued pursuant to the Master Indenture. The Obligations issued pursuant to the Master Indenture evidence the Revolving Fund’s security for repayment of its obligations under the Loan Agreements and with respect to the related bonds. The Revolving Fund may incur additional indebtedness, including additional bond debt, on a parity, subordinate and second subordinate basis with the Bonds pursuant to the Master Indenture as described herein.

The Revolving Fund is organized as a separate corporate entity from the Program Administrator for purposes of credit structuring as more fully described herein. The relationship between the two entities is summarized as follows, and more fully described in this Official Statement:

1. The Revolving Fund engages the Program Administrator to provide staffing, administrative support, office space, credit underwriting for School Loans, portfolio administration, and bond financing program administration;
2. The Program Administrator sells approved School Loans to the Revolving Fund and, contemporaneously with the sale of such School Loans, uses the proceeds of such sale to originate such School Loans; and
3. The School Loans purchased by the Revolving Fund and the repayments thereof, are pledged by the Revolving Fund to the Master Trustee under the Master Indenture as

security to the Holders of all Obligations, including the Series 2023 Obligation, evidencing the security for the Revolving Fund’s repayment obligations under the Loan Agreement and with respect to the Bonds.

Each public charter school borrower under a School Loan (each, a “School Borrower” or a “Charter School Borrower”) is obligated solely for the repayment of its respective School Loan, and no School Borrower is responsible for repayment of any other School Borrower’s School Loan.

This Official Statement also includes descriptions of certain contractual arrangements of the Revolving Fund and the Program Administrator, characteristics of the School Loans, certain provisions of the Bonds, the Master Indenture securing the Bonds and certain other materials. See APPENDIX B – “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES,” and APPENDIX C – “FORMS OF THE BOND INDENTURE AND LOAN AGREEMENT.”

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds are issued under and pursuant to provisions of the Industrial Development Financing Act, Title 35, Chapter 5, Section 35-701 *et seq.*, Arizona Revised Statutes, as now in effect and as amended from time to time (the “Arizona Act”), a bond authorizing resolution (the “AZIDA Bond Resolution”), adopted by the Board of Directors of the Arizona Industrial Development Authority (the “Conduit Issuer”) on September 21, 2023 and, a Bond Indenture dated as of December 1, 2023 (the “Bond Indenture”), among U.S. Bank Trust Company, National Association (the “Bond Trustee”), U.S. Bank National Association, as securities intermediary, and the Conduit Issuer. The Conduit Issuer will loan the proceeds of the Bonds to the Revolving Fund pursuant to a Loan Agreement, dated as of December 1, 2023, between the Conduit Issuer and the Revolving Fund (the “Loan Agreement”). The Bonds are sold pursuant to a Bond Purchase Agreement dated December 6, 2023, by and among Siebert Williams Shank & Co., LLC (the “Representative”), acting on behalf of itself and the underwriters listed on the cover page of this Official Statement (collectively, the “Underwriters”), the Conduit Issuer and the Revolving Fund (the “Bond Purchase Agreement”).

The Bonds are authorized and issued on a parity basis (with respect to Pledged Revenues) to the outstanding Series 2019 Bonds, Series 2020 Bonds, Senior Series 2021 Bonds, Series 2022 Bonds, and with any other bonds that may be issued and secured by a Senior Obligation (collectively, the “Outstanding Senior Bonds”). The proceeds of the Bonds will be used to (i) finance or reimburse the Revolving Fund for the cost of financing School Loans made or to be made by the Program Administrator and purchased by the Revolving Fund and (ii) pay the costs of issuance of the Bonds. The School Loans to qualifying School Borrowers are for the purpose of financing or refinancing certain costs incurred by the public charter schools of the acquisition, construction, improvement, equipping and furnishing of certain public charter school facilities (collectively, the “Charter School Facilities”) (as more fully described herein).

SOCIAL BONDS

The Revolving Fund has designated the Bonds as “Social Bonds” to allow investors to invest directly in bonds that provide the Revolving Fund with funds to finance and refinance the costs of the acquisition, construction, improvement, equipping and furnishing of Charter School Facilities that enable the Charter School Borrowers to serve students from underserved communities; students living below the poverty line; students with parents that are undereducated; and homeless students. The Revolving Fund has determined that the projects to be financed and refinanced with the proceeds of the Bonds are “Social Projects” based on the social benefits of addressing socioeconomic advancement and empowerment of students from underserved communities; families with students living below the poverty line; students with parents that are undereducated; and homeless students. Each of the Program Administrator’s and the Revolving Fund’s mission is related to social sustainability. The Program Administrator and the Revolving Fund were established to provide funds to assist qualified nonprofit public charter schools in accessing secure, affordable funds for school buildings, equipment and other capital projects, all of which is intended

to contribute to and improve public education for the children of the United States. See “THE PROGRAM ADMINISTRATOR AND THE REVOLVING FUND” and “THE LOAN PROGRAM” herein.

The designation of the Bonds as “Social Bonds” is intended to generally comport with The Social Bond Principles promulgated by the International Capital Market Association (“ICMA”), updated as of June 2023. The term “Social Bonds” is neither defined in, nor related to, provisions in the Master Indenture, any Bond Indenture or any Loan Agreement. Owners of the Bonds do not have any security other than as described under “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” herein. “Social Projects” and “Social Bonds” are entirely self-designating labels lacking any objective guidelines or criteria. ICMA is a European-based entity with some members from the United States.

No party, including the Program Administrator, the Revolving Fund, any Charter School Borrower, any Conduit Issuer or the Underwriters, assumed any obligation to ensure that the School Loans comply with any legal or other standards or principles that may relate to “Social Projects” or that the Bonds comply with any legal or other standards or principles that may be related to “Social Bonds.” The designation of the Bonds as Social Bonds does not entitle the holders thereof to any benefit under the Internal Revenue Code of 1986, as amended.

THE CONDUIT ISSUER

Except for providing the information described in the following sentence, the Conduit Issuer has not participated in the preparation of this Official Statement. The Conduit Issuer has provided only the information with respect to itself under this caption and under the caption, “LITIGATION – The Conduit Issuer,” and aside from the provision of such information, the Conduit Issuer has not provided any of the information contained in this Official Statement. The lawful distribution of this Official Statement has been consented to by the Conduit Issuer. Such consent does not, however, constitute a representation or approval by the Conduit Issuer of the accuracy or sufficiency of any information contained herein except to the extent of the material with respect to the Issuer under the respective headings referenced in this paragraph.

The Conduit Issuer is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona incorporated with the approval of the Arizona Finance Authority, pursuant to the provisions of the Constitution and laws of the State of Arizona, including the Arizona Act. The Conduit Issuer is governed by a Board of Directors, presently consisting of five members who are appointed by the Governor of the State of Arizona to serve concurrently as directors of the Arizona Finance Authority, an authority established in the Governor’s Office of Economic Opportunity pursuant to Title 41, Chapter 53, Article 2, Arizona Revised Statutes, as amended.

Pursuant to the Arizona Act, the Conduit Issuer is empowered to issue its bonds to provide funds for financing and refinancing the costs of the acquisition, construction, improvement, equipping or operating of a “project,” as defined in the Arizona Act, including facilities such as the Charter School Facilities ultimately financed with certain proceeds of the Bonds initially loaned by the Conduit Issuer to the Revolving Fund.

The Conduit Issuer has assets and may attain additional assets in the future. However, such assets are not pledged to secure payment of the Bonds and the Conduit Issuer has no obligation or expectation of making such assets subject to the lien of the Bond Indenture. The Conduit Issuer has no taxing power and has committed no source of funds for payment of the Bonds other than the trust estate established under the Bond Indenture. The Conduit Issuer does not have the power to pledge its general credit or to pledge the general credit or taxing power of the State of Arizona or of any political subdivision thereof, including but not limited to, the Arizona Finance Authority. All payments made pursuant to the Loan Agreement will be made directly from the Revolving Fund to the Bond Trustee for disbursement to the Registered Owners of the Bonds.

The Conduit Issuer does not and will not in the future monitor the financial condition of the Revolving Fund or the Program Administrator or the uses of the Bond proceeds or the Charter School

Facilities ultimately financed therewith, nor will it otherwise monitor payment of the Bonds or compliance with the documents relating thereto. The responsibility for the use of the Bond proceeds will rest entirely with the Revolving Fund and not with the Conduit Issuer. The Conduit Issuer will rely entirely upon the Bond Trustee and the Revolving Fund, as applicable, to carry out their respective responsibilities under the Loan Agreement, the Bond Indenture, and the Tax Agreement (as defined in the Bond Indenture) and with respect to the School Loans financed or to be financed with certain proceeds of the Bonds.

The Conduit Issuer has determined that financial or operating data concerning the Conduit Issuer is not material to any decision to purchase, hold or sell the Bonds and the Conduit Issuer will not provide any such information.

None of the Conduit Issuer, its past or present directors, members, officers, program managers, counsel, advisors, employees, agents, contractors, consultants, or executive director, the Arizona Finance Authority, its past or present directors, members, officers, program managers, counsel, advisors, employees, agents, contractors, consultants, or executive director, or the State of Arizona has furnished, reviewed, investigated or verified the information contained in this Official Statement other than the information contained under this heading, "THE CONDUIT ISSUER" and the heading "LITIGATION – The Conduit Issuer" solely as such information relates to the Conduit Issuer. The Conduit Issuer has not, and will not, undertake any responsibilities to provide continuing disclosure with respect to the Bonds or the security therefor, and the Conduit Issuer will have no liability to holders of the Bonds with respect to any such disclosure.

THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON WILL BE SPECIAL LIMITED OBLIGATIONS OF THE CONDUIT ISSUER AND WILL BE PAYABLE EXCLUSIVELY FROM THE SOURCES DESCRIBED IN THE BOND INDENTURE. THE BONDS WILL NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE CONDUIT ISSUER, THE ARIZONA FINANCE AUTHORITY, THE STATE OF ARIZONA OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY ARIZONA CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CONDUIT ISSUER, THE ARIZONA FINANCE AUTHORITY OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS WILL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE CONDUIT ISSUER, BUT WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE CONDUIT ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE BOND INDENTURE, BUT NOT OTHERWISE. THE CONDUIT ISSUER HAS NO TAXING POWER.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds against any past, present, or future officer, director, employee, member, counsel, advisor, agent, contractor, consultant, program manager or executive director of the Conduit Issuer, the Arizona Finance Authority or of any successor to the Conduit Issuer or the Arizona Finance Authority, as such, either directly or through the Conduit Issuer or the Arizona Finance Authority or any successor to the Conduit Issuer or the Arizona Finance Authority, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, employees, members, counsel, advisors, agents, contractors, consultants, program managers or executive directors, as such is expressly waived and released as a condition of and consideration for the execution and issuance of the Bonds.

THE PROGRAM ADMINISTRATOR AND THE REVOLVING FUND

The Program Administrator. The Program Administrator was established for the benefit of a class of public charities described in Section 501(c)(3) and Section 509(a)(1) or (2) of the Internal Revenue Code (the "Code") that operate to support public charter school facilities, including the National Alliance for

Public Charter Schools (“NAPCS”) and the National Association of Charter School Authorizers (“NACSA”). NAPCS and NACSA, each exempt organizations under Section 501(c)(3), operate to, among other purposes, support public charter school facilities. The Program Administrator’s charitable purpose, in summary, is to support other public charities that themselves support public charter school facilities. The Program Administrator received a determination letter of federal tax-exempt status from the Internal Revenue Service (the “IRS”) on April 23, 2017.

The corporate governance of the Program Administrator is as follows: the Program Administrator is organized as a membership nonprofit corporation, with three charitable organization members: (1) NAPCS, (2) NACSA, and (3) the Walton Family Foundation, Inc. (“WFF” and, together with NAPCS and NACSA, the “Member Organizations”). The Board of Directors of the Program Administrator is appointed by the Member Organizations. The Board of the Program Administrator is comprised of five directors. The five current directors of the Program Administrator are: (1) Buddy Philpot, Board President, appointed by WFF; (2) Scott Pearson, Secretary, appointed by NACSA; (3) Kevin Hall, Treasurer, appointed by NAPCS; (4) Aarthi Sowrirajan, appointed by NACSA and (5) Nguyen Huynh, appointed by WFF.

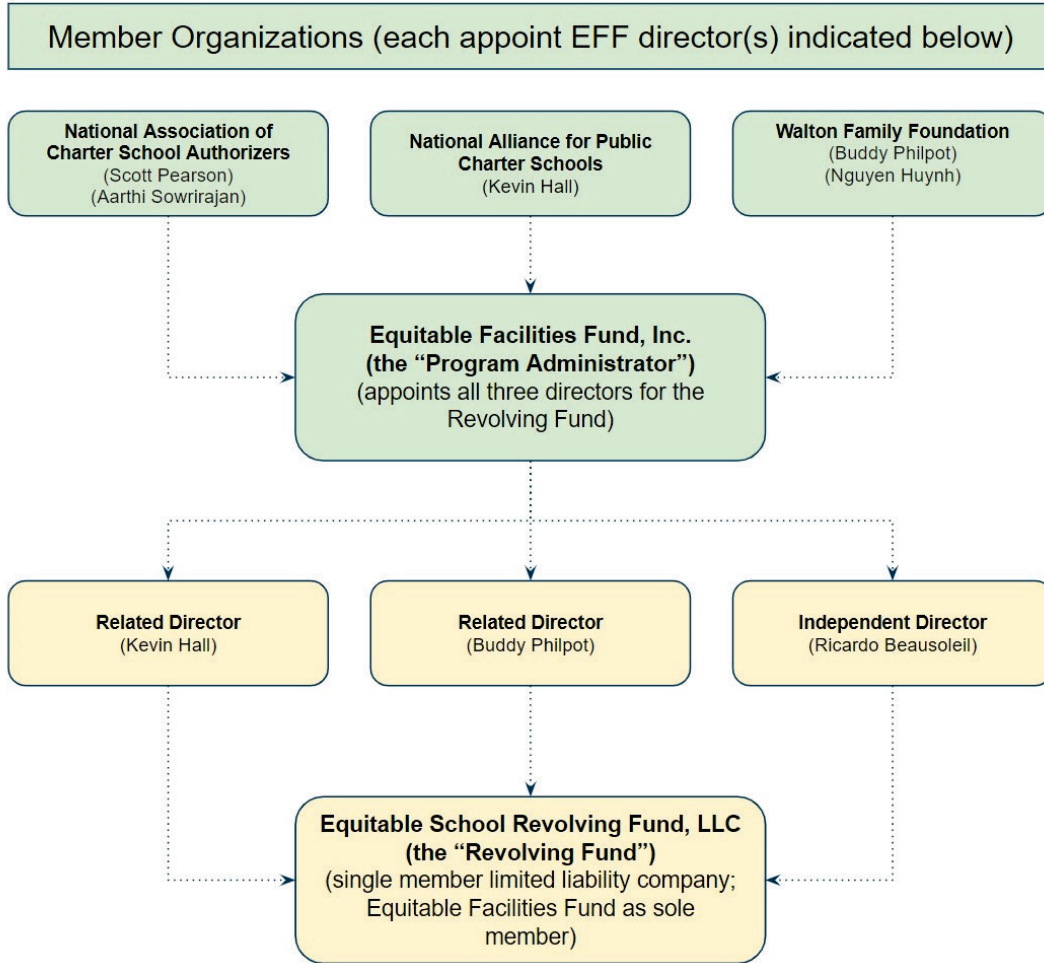
The Program Administrator formed the Revolving Fund, a controlled subsidiary company, for the purpose of structuring the repayment security for the Bonds, as more fully described herein.

The Revolving Fund. The Program Administrator is the sole member of the Revolving Fund. The Revolving Fund is organized as a disregarded entity for federal tax purposes. The corporate purpose of the Revolving Fund is to further the charitable purposes of the Program Administrator by making loans and otherwise participating in financing transactions to assist public charter schools, including the issuance of the Bonds. The Revolving Fund may not engage in activities which are not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code. The Revolving Fund has not been formed for profit or pecuniary benefit, and no assets, income or net earnings of the Revolving Fund may inure to the benefit of any manager, director, officer or employee of the Revolving Fund or any private individual.

The Revolving Fund is controlled by its sole member, the Program Administrator, in accordance with applicable law. The Board of Directors of the Revolving Fund is appointed by the Program Administrator. The Board of the Revolving Fund is comprised of three directors. The three current directors of the Revolving Fund are: (1) Buddy Philpot; (2) Kevin Hall; and (3) Ricardo Beausoleil, an independent director unaffiliated with the Program Administrator, the Member Organizations or any officer or director of either (the “Independent Director”). The Revolving Fund has no employees. The Revolving Fund retains the services of the Program Administrator to provide staffing, administrative support, office space, credit underwriting for School Loans, portfolio administration, and bond financing program administration, as more fully described herein.

The Revolving Fund was created by the Program Administrator to function as a bankruptcy remote financing entity, for purposes of owning and holding the School Loans as security for the Bonds. See, “Bankruptcy of the Program Administrator” under “CERTAIN LEGAL ASPECTS – Bankruptcy”, herein.

The following diagram illustrates the governance relationship between the Program Administrator and the Revolving Fund.



The Program Administrator and Revolving Fund Board Members. The Program Administrator’s Board of Directors is as follows:

Director	Board Role	Job Title
Buddy Philpot	President	Senior Advisor – Walton Enterprises Former Executive Director – Walton Family Foundation
Scott Pearson	Secretary	Former Executive Director of the DC Public Charter School Board
Kevin Hall	Treasurer	President & CEO – Charter School Growth Fund
Aarthi Sowrirajan	Member	Director, Senior Portfolio Manager, BlackRock
Nguyen Huynh	Member	Senior Advisor – Walton Family Foundation

The Revolving Fund’s Board of Directors is as follows:

Director	Board Role
Buddy Philpot	President
Kevin Hall	Director
Ricardo Beausoleil	Director (independent director)

Abbreviated biographies of the Program Administrator and Revolving Fund directors are as follows:

Buddy D. Philpot. Mr. Philpot serves as President of the Board of Directors of the Program Administrator and as President of the Board of Directors of the Revolving Fund. Mr. Philpot is Senior Family Adviser on the Walton Enterprises team, where he transitioned to in 2016 after almost 16 years as Executive Director of WFF. He joined WFF in 2001 after working for over 20 years in the commercial banking business, the last 13 years with the Arvest Bank Group where he was on the founding team and served as President of Arvest Bank Springdale. He continues to serve the bank as a member of the Board of Directors and on the Executive Loan Committee. Mr. Philpot has a BSBA in Finance and Banking from the University of Arkansas and a Graduate Degree in Banking from the Southwestern Graduate School of Banking at Southern Methodist University. Mr. Philpot has been active in national and community non-profit leadership currently serving as a Director of the Building Charters Fund, a member of the Northwest Arkansas Council and on the Finance Council at St. Joseph’s Catholic Church. Mr. Philpot has been active in many other Northwest Arkansas organizations, including being a founding Board Member of Crystal Bridges Museum of American Art, Camp War Eagle, Endeavor Foundation, and The Jones Center for Families.

Kevin Hall. Mr. Hall serves as Treasurer of the Board of Directors of the Program Administrator and as a member of the Board of Directors of the Revolving Fund. Mr. Hall is the President and CEO of the Charter School Growth Fund (“CSGF”). CSGF identifies the nation’s best charter schools, funds their expansion, and helps increase their impact. CSGF's portfolio of school investment includes 980 public charter schools that serve nearly 420,000 students. Before joining CSGF in 2009, Mr. Hall was Chief Operating Officer of WFF, where he led various aspects of WFF’s grant investment strategy. Prior to joining the Broad Foundation, he cofounded and led business development for Chancellor Beacon Academies, a manager of charter and private schools across the United States. Previously, he also ran a division of infoUSA and worked at McKinsey & Co., Goldman Sachs & Co., and Teach for America. Mr. Hall taught elementary school in central Los Angeles. He earned his Masters in Business Administration from Harvard Business School and Bachelor of Arts from Swarthmore College.

Scott Pearson. Mr. Pearson serves as Secretary of the Board of Directors of the Program Administrator. Mr. Pearson served from 2012 to 2020 as Executive Director of the DC Public Charter School Board (“DCPCSB”). Mr. Pearson implemented significant reforms in how the Board approves and oversees charter schools, making it a national model for charter school authorizing. Previously, Mr. Pearson served in the Obama Administration as the Deputy of the Office of Innovation and Improvement for the U.S. Department of Education. He also co-founded Leadership Public Schools, a network of college-preparatory public charter high schools in the San Francisco Bay Area. He is the former Board Chair of NACSA and serves as a director of the Building Charters Fund. Mr. Pearson is the former Vice President for Corporate Development at AOL, where he was responsible for acquisitions and strategic planning, and a former management consultant at Bain and Company. Mr. Pearson was elected in 2023 as Mayor Pro Tem of the Town of Mountain Village, Colorado. He holds a Bachelor of Arts in History from Wesleyan University, a Masters in Public Administration from Harvard’s Kennedy School of Government and a Masters in Business Administration from the Harvard Business School.

Aarthi Sowrirajan. Ms. Sowrirajan serves on the Board of Directors of the Program Administrator. Ms. Sowrirajan is a Senior Portfolio Manager at BlackRock. An experienced impact investor, Ms. Sowrirajan manages the implementation of the BlackRock Impact Opportunities (BIO) Fund – a private markets, multi-alternatives fund focused on investing through a racial equity lens. Previously, she worked for Turner Impact Capital, a real estate investor and developer, managing investment activities across its education and healthcare platforms. Ms. Sowrirajan formerly served as Chair of the Board of Directors for Equitas Charter School. She has a Bachelor of Arts in Economics from the University of Chicago and an Masters in Business Administration from the Wharton School.

Nguyen Huynh. Mr. Huynh serves on the Board of Directors of the Program Administrator. Mr. Huynh is a senior advisor for WFF’s Education Program focused on school facilities and affordable financing for school construction, development and improvements. He brings 20 years of debt capital market experience in support of WFF. Mr. Huynh also sits on the New Market Tax Credit Advisory Board of Civic Builders, Inc. and served as facilities chair and board member for Magnolia Charter Schools with ten campuses in Southern California. He received his Masters in Public Policy with a concentration in international trade and finance from Harvard Kennedy School and his Bachelor of Arts in political economy from the University of California at Berkeley.

Ricardo Beausoleil. Mr. Beausoleil serves as the Independent Director of the Revolving Fund pursuant to the Revolving Fund Operating Agreement which means a natural person who, for the five-year period prior to his or her appointment as Independent Director has not been, and during the continuation of his or her service as Independent Director is not: (i) an employee, director, stockholder, partner, equity holder, creditor, debtor or officer of the Revolving Fund, the Program Administrator or any of their affiliates (other than his or her service as an independent director of any special purpose bankruptcy remote entity); (ii) a customer or supplier of the Revolving Fund or any of its affiliates; or (iii) any member of the immediate family of a person described in (i) or (ii). The Independent Director is an employee of a nationally recognized corporate service provider.

The Program Administrator Senior Staff and Administration. The Program Administrator’s principal place of business is in the State of New York. The Program Administrator employs seventeen full-time professionals in various lending and operating capacities, whose collective prior professional experience includes senior roles as public finance investment bankers, commercial lender, not-for-profit lender, tax-exempt bond investor, rating agency analyst as well as other staff members who held senior finance and operating roles at high-performing charter schools. The Program Administrator staff has specific charter school analytical experience, including approximately 300 charter school transactions for over \$3 billion and sector leadership in charter school research. The Program Administrator currently employs three part time consultants. Senior management personnel of the Program Administrator are as follows:

Anand Kesavan, Chief Executive Officer and Founder. Mr. Kesavan founded the Revolving Fund combining his experience as a public finance investment banker, charter school chief financial officer (KIPP), and leader of a charter school philanthropic facilities fund. As a seasoned investment banker, charter school executive, and education philanthropist, Mr. Kesavan is passionate about creating efficient and transparent financial credit markets, optimizing school financial models, solving educational inequalities and using philanthropy to do so in a scalable and sustainable manner. Prior to founding the Revolving Fund, Mr. Kesavan led the Structured Finance group for the Charter School Growth Fund (CSGF), where he helped identify the nation’s best schools for investment. Prior to CSGF, he served as chief financial officer of KIPP Austin Public Schools. Prior to KIPP, Mr. Kesavan spent more than a decade in senior investment banking roles, financing more than \$10,000,000,000 in public projects, including state revolving funds and K-12 schools, with a specialty in credit ratings & quantitative structuring. Mr. Kesavan is a graduate of the University of Michigan Ross School of Business, the Harvard Kennedy School of Government, and the Education Pioneers Fellowship.

Michelle Getz, Chief Credit Officer and Partner. Ms. Getz is charged with building the Program Administrator’s credit platform and leading a thorough credit diligence and approval process for each charter school loan. Additionally, she leads the loan closing, loan servicing and portfolio management processes. She brings with her nearly 30 years of professional experience, including 18 years at Nuveen Asset Management. During her time at Nuveen, Ms. Getz developed and refined the firm’s charter school investment methodology and implemented it via analysis of over 300 charter school organizations to determine viability and creditworthiness for investment. Ms. Getz has also served as an internal auditor for the Coca-Cola Company and an external financial auditor with Deloitte & Touche. Ms. Getz earned a BS from Auburn University and an MS from the University of Houston. She is also a CPA in the states of Illinois and North Carolina.

Michael McGregor, Chief Operating Officer and Fiscal Officer / Assistant Treasurer. Mr. McGregor oversees the Program Administrator’s internal finance and operations teams, manages key stakeholder relationships, and supports the CEO in charting the Program Administrator’s long-term strategic direction. He is a mission-oriented leader with deep experience in financial and education management. He previously served as the Chief Operating Officer of the Great Oaks Foundation, where he managed the Charter Management Organization’s efforts to procure facilities, secure major grant revenues, and cultivate various stakeholders to support the expansion of the four-state Great Oaks Charter School network. Prior to Great Oaks, he served as an administrator and humanities teacher at Match Public Charter School, which consistently performed amongst the best high schools in Massachusetts during his tenure. Mr. McGregor earned an Masters in Business Administration with a concentration in finance and real estate from Columbia University and a Bachelor of Arts in American History from the University of Pennsylvania.

Relationship between the Revolving Fund and the Program Administrator. The relationship between the Revolving Fund and the Program Administrator is governed by three contractual agreements, each respectively relating to (1) the provision of staffing and administrative services, (2) the origination of School Loans, and (3) the administration of the program of periodic bond issuance by the Revolving Fund. The relationship between the Revolving Fund and the Program Administrator is designed to maintain the separateness of the Revolving Fund for bankruptcy law purposes, as described above and as more fully described herein. See “CERTAIN LEGAL ASPECTS – Bankruptcy – Bankruptcy of the Program Administrator” below.

- 1) Administrative services are provided by the Program Administrator to the Revolving Fund pursuant to an Amended and Restated Administrative Services and Premises Agreement, dated as of August 1, 2019 (the “ASPA”), between the Revolving Fund and the Program Administrator. Key provisions of the ASPA include:
 - The Revolving Fund engages the Program Administrator to provide administrative services to the Revolving Fund in exchange for an administration fee payable on the dates and in the amounts specified in the Fee Letter (defined below).
 - The administrative services the Program Administrator provides include: (a) clerical, bookkeeping, office administration, legal, and accounting services; (b) preparing or causing to be prepared franchise, withholding, income or other tax returns; (c) preparing or causing to be prepared all filings as may be necessary or appropriate; (d) providing equipment and services related to, and access to, computer and telecommunications systems and networks; (e) procuring, on behalf of and in the name of, or for the benefit of, the Revolving Fund, standard insurance loss protection; (f) managing the Revolving Fund’s funds; (g) preparing and providing recommendations and underwriting services relating to the purchase of conduit revenue bonds; and (h) providing such other administrative services related to the operation of the Revolving Fund as may be requested by the Revolving Fund.

- The Program Administrator will not: (a) pay or incur any obligation or liability of the Revolving Fund; (b) execute any document, agreement or instrument in the name of the Revolving Fund; (c) initiate or compromise any claim or lawsuit in the name of the Revolving Fund; or (d) dispose of any assets of the Revolving Fund, whether by sale, pledge, or otherwise.
 - The Program Administrator will render the services called for under the ASPA in good faith, taking into consideration the best interests of the Revolving Fund. In no event will the Program Administrator be liable under the ASPA or in connection with services provided thereunder for any incidental, consequential, or indirect damages in tort, contract, or otherwise.
- 2) Proceeds of the Revolving Fund’s fundraising activities (including receipt of philanthropic donations, capitalization grants and proceeds of borrowing through the issuance of bonds, including the Bonds, from time to time) are used by the Revolving Fund to purchase School Loans originated by the Program Administrator. The Revolving Fund purchases School Loans from the Program Administrator for deposit into the revolving loan fund established pursuant to the Master Indenture (the “Loan Pool”). See “THE LOAN PROGRAM,” below. School Loans are purchased, from time to time, by the Revolving Fund from the Program Administrator pursuant to a Master Mortgage Loan Sale Agreement, dated as of September 1, 2018 (as amended, the “MMLSA” or “Master Mortgage Loan Sale Agreement”), between the Program Administrator and the Revolving Fund. The Program Administrator uses proceeds of the sale to the Revolving Fund of each School Loan to contemporaneously originate such School Loan. Once originated by the Program Administrator, purchased by the Revolving Fund and pledged to the Master Trustee in the Loan Pool, the School Loan repayment revenues serve as the primary source of security and repayment for the Bonds.* See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” below.
- 3) The plan of finance includes the issuance of bonds from time to time, including the Bonds, for the purposes described herein – see, “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS.” Administrative services regarding the periodic issuance of bonds are provided by the Program Administrator to the Revolving Fund pursuant to a Bond Program Agreement, dated as of April 9, 2019 (the “Bond Program Agreement”), by and between the Revolving Fund and the Program Administrator. Key provisions of the Bond Program Agreement include:
- The Revolving Fund will engage the Program Administrator to provide administrative services to the Revolving Fund in exchange for an administration fee payable on the dates and in the amounts specified in the Fee Letter (defined below).
 - The Program Administrator will: (a) advise and assist the Revolving Fund with respect to structuring and implementation of a bond program, including (i) advising the Revolving Fund with respect to the selection and retention of qualified advisors and professionals; (ii) advising the Revolving Fund with respect to different financing options that help the Revolving Fund achieve its goals, and the use of proceeds of such options; (iii) modeling financial options; (iv) advising the Revolving Fund with respect to possible legal structures to be used as part of a bond program; (v) obtaining investor

* The Revolving Fund also has authority to purchase School Loans from parties other than the Program Administrator, and to originate School Loans directly to Charter School Borrowers. School Loans can take the form of a loan agreement secured by a promissory note, or other forms of indebtedness, including governmental conduit revenue bonds issued on behalf of a Charter School Borrower. See “THE LOAN PROGRAM – Loan Underwriting Process” herein. All School Loans owned by the Revolving Fund, in whatever form, and however acquired or originated, are pledged to repayment of the Bonds pursuant to the Master Indenture.

feedback and assessing investor demand; (vi) assisting the Revolving Fund with respect to rating agency presentations and submissions; (vii) assisting the Revolving Fund with respect to the preparation of transaction documents and disclosure documents appropriate for a bond program; (viii) assisting the Revolving Fund in identifying potential conduit issuers and applying to the same; (ix) advising the Revolving Fund with respect to specific terms of a particular financing that is part of a bond program; (x) assisting the Revolving Fund in the retention of a service provider to provide post-closing compliance, including rebate compliance; (xi) advising the Revolving Fund with respect to its continuing disclosure obligations; and (xii) advising the Revolving Fund with respect to any other actions appropriate for the Revolving Fund to take after the issuance of bonds.

- The Program Administrator will not: (a) pay or incur any obligation or liability of the Revolving Fund; (b) execute any document, agreement or instrument in the name of the Revolving Fund; or (c) dispose of any assets of the Revolving Fund, whether by sale, pledge, or otherwise.
- The Program Administrator will render the services called for under the Bond Program Agreement in good faith, taking into consideration the best interests of the Revolving Fund. In no event will the Program Administrator be liable under the Bond Program Agreement or in connection with services provided thereunder for any incidental, consequential, or indirect damages in tort, contract, or otherwise.

The Program Administrator Mission. The Program Administrator describes its corporate mission as follows:

“EFF is a nonprofit social impact fund that believes all children deserve a quality education. We empower high-performing public charter schools with equitable access to low-cost, long-term financing by innovatively combining mission-related investments and capital markets.”

Diversity, Equity and Inclusion. In March 2021, the Program Administrator launched a comprehensive strategic plan that incorporates five goals to make the organization and its lending activities more diverse, equitable and inclusive (the “DEI Strategic Plan”). These five pillars include portfolio management and support, business policies and practices, talent systems, team and learning, accountability and communication. The DEI Strategic Plan is the culmination of a six-month process led by a national expert, FirstGen Partners, in which the Program Administrator gathered data and conducted extensive interviews with employees, consultants, School Borrowers and the Board of Directors. In December 2021, the Program Administrator committed to originate \$500 million in loans to schools led by a person of Color by 2026. As of November 1, 2023, the program has originated over \$270,000,000 in loans to schools run by leaders of color.

2021 Social Bond of the Year Award. The Revolving Fund was recognized by Environmental Finance as the 2021 Social Bond of the Year award for the United States municipal bond category. Environmental Finance is an online news and analysis service established in 1999 to report on sustainable investment, green finance and the people and companies active in environmental markets. This award is judged by an independent panel of investors and recognizes those that excel, innovate and contribute to the successful development of the market. This recognition is intended to highlight the Revolving Fund’s thought-leadership and best practices in this sector.

CHARTER SCHOOL BORROWERS

As of December 31, 2022, the Revolving Fund had originated 57 loans to 50 distinct Charter School Borrowers for a total of \$924,696,513 with \$904,389,847 in principal amount then outstanding. As of December 31, 2022, all 50 Charter School Borrowers had at least 30 days cash on hand with 47 Charter School Borrowers having more than 60 days cash on hand. 48 of the 50 Charter School Borrowers also

had a debt service coverage ratio greater than 1.25x. As of the end of the school year in the Spring of 2023, the Charter School Borrowers then comprising the portfolio enrolled approximately 78,176 students across 146 campuses.

As of November 1, 2023, there were 66 loans, representing 58 Charter School Borrowers participating in the Loan Program (the “Existing School Loans”). These 58 Charter School Borrowers enrolled approximately 85,000 students across 158 campuses as of the start of the school year in Fall of 2023. A total of \$1,099,378,553 in principal amount of Existing School Loans had been originated, with a principal balance of \$1,065,692,246 outstanding. A summary description of each Charter School Borrower and each project financed with School Loans as of November 1, 2023 is included in APPENDIX A “CHARTER SCHOOL BORROWER METRICS.” Further descriptions of one or more Charter School Borrowers and School Loans may be made in voluntary filings of the Revolving Fund on EMMA, such descriptions, if any are provided, are not subject to the continuing disclosure obligations of the Revolving Fund. See “CONTINUING DISCLOSURE” herein.

The following loans represent the top ten obligors in the Revolving Fund’s loan portfolio based on outstanding loan amounts as of November 1, 2023 for closed loans:

TOP 10 OBLIGORS					
Loan #	OBLIGOR NAME	STATE	OUTSTANDING EFF LOAN(S) (11/01/2023)	OBLIGOR % OF ESRF PORTFOLIO	S&P RATING
1	KIPP Northern California Public Schools	CA	\$57,755,318	5.4%	BBB
2	Blackstone Valley Prep	RI	\$42,387,123	4.0%	BB+
3	Odyssey Charter School	DE	\$41,415,016	3.9%	BBB-
4	Achievement First Rhode Island	RI	\$36,903,918	3.5%	BB+
5	Great Oaks Legacy	NJ	\$33,595,633	3.2%	BB+
6	Valor Collegiate Academy	TN	\$31,735,535	3.0%	BBB-
7	Paul Robeson Charter School	NJ	\$31,000,000	2.9%	NA
8	Mission Achievement and Success	NM	\$30,367,183	2.8%	BB
9	Equitas Academy	CA	\$30,105,146	2.8%	BB+
10	Compass Rose Public Schools	TX	\$29,577,110	2.8%	NA
Total:			\$364,841,982	34.2%	

As of the date of this Official Statement, eleven (11) additional School Loans totaling approximately \$200,000,000 are in the due diligence phases and are expected to close within 180 days of Closing Date of the Bonds. Combined, total School Loans pledged by the Revolving Fund to the Master Trustee under the Master Indenture are expected to total approximately \$1,300,000,000 within 180 days after the delivery of the Bonds. School Loans that are identified herein, but not yet closed as of the date hereof, and expected to close after the Closing Date of the Bonds, may not close. In such event, the Revolving Fund expects to use any unspent proceeds of such Bonds to purchase or originate additional School Loans to Charter School Borrowers not identified herein, pursuant to the Loan Program requirements described herein. The following table “Expected ESRF Loan Portfolio for 180 Days After the Bond Closing” is based on the assumptions stated in this paragraph.

EXPECTED ESRF LOAN PORTFOLIO FOR 180 DAYS AFTER THE BOND CLOSING	
Total Pledged Loans ^{1,2}	\$1,299,378,553
Total Series 2019, Series 2020, Series 2021, Series 2022 and the Bonds outstanding	\$980,265,000
Number of Loans ¹	77
Number of School Obligors (Eight repeat borrowers)	68
¹ Includes approximately eleven (11) pipeline loans that are expected to close within 180 days of the bond closing. ² The projected Charter School Loan repayments consist of debt service associated with \$1,299,378,553 of pledged loans. Of that amount, approximately \$1,099,378,553 accounts for loan par already closed as of November 1, 2023 and listed in APPENDIX A, and the eleven (11) additional loans expected to close in the approximate amount of \$200,000,000 within 180 days after the bond closing.	

PLAN OF FINANCE

The Bonds

The Bonds will be issued in the aggregate principal amount of \$280,000,000. The proceeds of the Bonds will be used to (i) finance or reimburse the Revolving Fund for the cost of financing School Loans made or to be made by the Program Administrator and purchased by the Revolving Fund and (ii) pay the costs of issuance of the Bonds. The School Loans to qualifying School Borrowers are for the purpose of financing or refinancing certain costs incurred by the public charter schools of the acquisition, construction, improvement, equipping and furnishing of certain public charter school facilities (as more fully described herein). Additional details regarding the application of proceeds of the Bonds are described under “THE LOAN PROGRAM” herein.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Bonds, are estimated to be applied as set forth below:

	Series 2023A
Sources of Funds:	
Par Amount of Bonds	\$280,000,000.00
Net Original Issue Premium	19,518,183.40
Swap Termination	2,031,400.00
Total Sources	\$301,549,583.40
Uses of Funds:	
Loan Program	\$298,836,403.48
Costs of Issuance ⁽¹⁾	2,713,179.92
Total Uses	\$301,549,583.40

⁽¹⁾ Costs of Issuance includes issuer fees, issuer’s counsel fees, Underwriters’ discount, cost of printing, estimated fees of disclosure counsel, bond counsel, counsel to the Underwriters, rating agency fee, Master Trustee and Bond Trustee fees, fees of counsel to the Master Trustee and Bond Trustee, and expenses and other costs.

DEBT SERVICE REQUIREMENTS

The Master Indenture provides various assumptions with respect to the calculation of the Obligated Group’s debt service requirements for purposes of covenant compliance. See APPENDIX B – “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES” for a summary of these covenants and assumptions.

<u>FY Ending 12/31</u>	<u>Series 2023A Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	-	\$12,292,562	\$12,292,562
2025	-	14,183,725	14,183,725
2026	-	14,183,725	14,183,725
2027	\$ 3,510,000	14,183,725	17,693,725
2028	150,000,000	14,008,225	164,008,225
2029	2,425,000	6,508,225	8,933,225
2030	1,505,000	6,386,975	7,891,975
2031	2,390,000	6,311,725	8,701,725
2032	3,305,000	6,192,225	9,497,225
2033	3,400,000	6,026,975	9,426,975
2034	2,815,000	5,856,975	8,671,975
2035	3,045,000	5,716,225	8,761,225
2036	3,090,000	5,563,975	8,653,975
2037	3,445,000	5,409,475	8,854,475
2038	3,680,000	5,237,225	8,917,225
2039	4,935,000	5,053,225	9,988,225
2040	5,180,000	4,806,475	9,986,475
2041	4,260,000	4,547,475	8,807,475
2042	4,200,000	4,334,475	8,534,475
2043	5,325,000	4,124,475	9,449,475
2044	5,585,000	3,858,225	9,443,225
2045	6,000,000	3,565,013	9,565,013
2046	6,585,000	3,250,013	9,835,013
2047	6,950,000	2,904,300	9,854,300
2048	9,475,000	2,539,425	12,014,425
2049	8,040,000	2,041,988	10,081,988
2050	8,245,000	1,619,888	9,864,888
2051	8,115,000	1,187,025	9,302,025
2052	8,035,000	760,988	8,795,988
2053	6,460,000	339,150	6,799,150
Total*	\$280,000,000	\$172,994,099	\$452,994,099

* Totals may not add due to rounding.

The following Projected Debt Service Coverage Table sets forth projected Pledged Revenues from School Loan repayments and other Funds, accounts and moneys pledged to the repayment of the Bonds divided by the debt service requirement of the Bonds and all other long-term Indebtedness of the Revolving Fund (currently comprised of the Series 2019 Bonds, the Series 2020 Bonds, the Series 2021 Bonds and the Series 2022 Bonds) outstanding after the issuance of the Bonds for each indicated fiscal year.

[Table begins on following page]

	Senior Bond Debt Service								Subordinate Bond Debt Service		MTI Cashflow
	A	B	C	D	E	F	G = A / F	H = A - F	I	J	K
Year	Contracted Pledged Loan Payments ⁽¹⁾	Outstanding Prior Senior Bond Debt Service ⁽²⁾	Series 2023A Bond Principal ⁽³⁾	Series 2023A Bond Interest	Series 2023A Bond Debt Service	Total Senior Bond Debt Service	Senior Coverage ⁽⁴⁾	Excess Cash Flow After Senior Bond Debt Service	Total Subordinate Bond Debt Service	Subordinate Coverage ⁽⁴⁾	Excess Cashflow After Senior and Subordinate Debt Service
2024	\$70,993,834	\$39,460,275	\$3,345,000	\$11,426,624	\$14,771,624	\$54,231,899	1.31	\$16,761,935	\$853,000	1.29	\$15,908,935
2025	78,800,219	41,189,212	2,625,000	13,039,598	15,664,598	56,853,810	1.39	21,946,409	853,000	1.37	21,093,409
2026	79,767,171	41,504,164	2,735,000	12,925,833	15,660,833	57,164,997	1.40	22,602,174	853,000	1.37	21,749,174
2027	79,783,897	41,586,383	6,365,000	12,807,301	19,172,301	60,758,684	1.31	19,025,213	853,000	1.29	18,172,213
2028	80,108,967	43,799,517	2,980,000	12,508,068	15,488,068	59,287,585	1.35	20,821,381	853,000	1.33	19,968,381
2029	80,217,399	43,175,720	5,535,000	12,378,918	17,913,918	61,089,638	1.31	19,127,761	853,000	1.30	18,274,761
2030	79,893,107	43,970,089	4,750,000	12,122,884	16,872,884	60,842,973	1.31	19,050,134	853,000	1.29	18,197,134
2031	79,862,407	43,136,828	5,775,000	11,906,999	17,681,999	60,818,827	1.31	19,043,580	853,000	1.29	18,190,580
2032	79,865,595	42,343,386	6,835,000	11,640,797	18,475,797	60,819,183	1.31	19,046,412	1,643,000	1.28	17,403,412
2033	79,781,744	42,349,614	7,085,000	11,322,560	18,407,560	60,757,174	1.31	19,024,569	1,646,400	1.28	17,378,169
2034	79,710,469	43,050,513	6,660,000	10,992,856	17,652,856	60,703,369	1.31	19,007,099	1,653,400	1.28	17,353,699
2035	79,965,556	43,154,533	7,055,000	10,685,468	17,740,468	60,895,001	1.31	19,070,555	1,658,800	1.28	17,411,755
2036	79,794,856	43,132,325	7,275,000	10,359,429	17,634,429	60,766,754	1.31	19,028,102	1,647,600	1.28	17,380,502
2037	79,653,631	42,822,790	7,810,000	10,023,556	17,833,556	60,656,346	1.31	18,997,286	1,650,400	1.28	17,346,886
2038	79,908,356	42,953,281	8,235,000	9,662,131	17,897,131	60,850,412	1.31	19,057,944	1,661,600	1.28	17,396,344
2039	80,392,294	42,258,046	9,685,000	9,280,722	18,965,722	61,223,768	1.31	19,168,525	1,680,800	1.28	17,487,725
2040	80,613,966	42,421,489	10,140,000	8,828,112	18,968,112	61,389,601	1.31	19,224,365	1,672,600	1.28	17,551,765
2041	78,826,417	42,239,810	9,435,000	8,354,151	17,789,151	60,028,961	1.31	18,797,456	1,608,000	1.28	17,189,456
2042	78,214,843	42,051,858	9,595,000	7,916,872	17,511,872	59,563,730	1.31	18,651,113	1,589,200	1.28	17,061,913
2043	78,151,105	41,084,085	10,955,000	7,473,058	18,428,058	59,512,143	1.31	18,638,962	1,584,400	1.28	17,054,562
2044	77,775,870	40,807,443	11,460,000	6,962,810	18,422,810	59,230,253	1.31	18,545,617	1,573,000	1.28	16,972,617
2045	76,751,673	39,901,632	12,130,000	6,414,981	18,544,981	58,446,613	1.31	18,305,060	1,600,200	1.28	16,704,860
2046	76,747,261	39,630,656	12,980,000	5,834,314	18,814,314	58,444,970	1.31	18,302,291	1,594,400	1.28	16,707,891
2047	76,751,798	39,615,114	13,620,000	5,211,449	18,831,449	58,446,563	1.31	18,305,236	1,601,800	1.28	16,703,436
2048	76,415,095	37,201,108	16,435,000	4,557,503	20,992,503	58,193,611	1.31	18,221,485	1,566,800	1.28	16,654,685
2049	70,957,488	34,974,739	15,305,000	3,758,426	19,063,426	54,038,165	1.31	16,919,322	1,381,000	1.28	15,538,322
2050	64,012,796	29,902,009	15,825,000	3,021,469	18,846,469	48,748,478	1.31	15,264,318	1,130,400	1.28	14,133,918
2051	53,712,091	22,621,596	16,020,000	2,260,097	18,280,097	40,901,693	1.31	12,810,398	592,800	1.29	12,217,598
2052	46,313,716	17,491,023	16,285,000	1,491,465	17,776,465	35,267,488	1.31	11,046,227	-	1.31	11,046,227
2053	33,685,939	9,876,000	15,065,000	712,082	15,777,082	25,653,082	1.31	8,032,857	-	1.31	8,032,857
2054	18,693,061	8,520,500	-	-	-	8,520,500	2.19	10,172,561	-	2.19	10,172,561
2055	13,484,259	8,519,750	-	-	-	8,519,750	1.58	4,964,509	-	1.58	4,964,509
2056	11,744,912	7,157,450	-	-	-	7,157,450	1.64	4,587,462	-	1.64	4,587,462
2057	5,711,824	2,446,500	-	-	-	2,446,500	2.33	3,265,324	-	2.33	3,265,324
Total⁽⁵⁾	\$2,287,063,615	\$1,186,349,438	\$280,000,000	\$255,880,535	\$535,880,535	\$1,722,229,973		\$564,833,643	\$37,560,600		\$527,273,043

(1) Projected Pledged Revenues include School Loan repayments associated with approximately \$1,300,000,000 of School Loans comprised of approximately \$1,099,378,553 of closed School Loans (as listed in Appendix A) and approximately \$200,000,000 of additional School Loans expected to close within 180 days of the delivery of the Bonds.

(2) Represents outstanding principal and interest payments due on the Series 2019 Bonds, the Series 2020 Bonds, the Senior Series 2021 Bonds and the Series 2022 Bonds.

(3) Assumes repayment of \$150,000,000 November 1, 2028 maturity of the Series 2023A Bonds in substantially equal payments between November 1, 2024 and November 1, 2053 at a rate of 4.33%, as required by the Master Indenture.

(4) Calculated by dividing the amount listed in each Fiscal Year under the column "Contracted Pledged Loan Repayments" by the amount listed in each Fiscal Year under the column "Total Senior Bond Debt Service" and "Total Subordinate Bond Debt Service," respectively. The ratios are rounded to the nearest hundredth.

(5) Totals may not add due to rounding.

THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds and to the Bond Indenture for the provisions relating to the Bonds and the provisions of the Bond Indenture included in APPENDIX C hereto for a more complete description. The discussion herein is qualified by such reference.

Whenever used herein with respect to the Bonds, “Holder” or “Bondholder” means the person in whose name such Bond is registered; provided, however, that any time the Bonds are held in a book-entry system, “Holder” or “Bondholder” will mean the Beneficial Owner of the Bonds. References herein to “Bond Indenture” or “Bond Trustee” mean, unless the context otherwise requires, the Bond Indenture pursuant to which the related Series of the Bonds were issued, and the Bond Trustee under such Bond Indenture.

General

The Bonds are being issued pursuant to the Bond Indenture in the aggregate principal amount set forth on the inside cover of this Official Statement. Purchases of beneficial interests in the Bonds will be made in book-entry-only form (without physical certificates) in minimum denominations of \$5,000 and any integral multiple thereof. The Bonds will be registered initially in the name of “Cede & Co.,” as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds (the “Securities Depository”) and the Bonds will be evidenced by one Bond for each maturity of the Bonds in the principal amount of such maturity.

The Bonds will bear interest from their date of initial delivery to the Underwriters at the per annum rates set forth on the inside cover of this Official Statement. Interest will be payable semiannually on May 1 and November 1 in each year (each, an “Interest Payment Date”), commencing May 1, 2024 to the person whose name appears on the bond registration books of the Bond Trustee as the Holder thereof as of the close of business on the Record Date (which will be the fifteenth day of the month preceding the month in which such Interest Payment Date occurs, whether or not such day is a Business Day) for such Interest Payment Date. Interest on the Bonds will be calculated on a 360-day year basis of twelve (12) 30-day months.

The Bonds will be transferable and exchangeable as set forth in the Bond Indenture. One fully-registered Bond will be issued for each maturity of the Bonds in the total aggregate principal amount due on such maturity and will be deposited with DTC or its agent. Ownership interests in the Bonds may be purchased in book-entry form only, in the denominations set forth above. See APPENDIX E - “BOOK-ENTRY SYSTEM.”

So long as Cede & Co. is the registered owner of the Bonds, the principal of, premium, if any, and interest on the Bonds are payable by wire transfer by the Bond Trustee to Cede & Co., as nominee for DTC, which, in turn, will remit such amounts to DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. See APPENDIX E - “BOOK-ENTRY SYSTEM.”

If the book-entry only system for the Bonds is discontinued, payment of interest on the Bonds will be made to the person whose name appears on the bond registration books of the Bond Trustee as the Holder thereof as of the close of business on the Record Date for each Interest Payment Date, such interest to be paid by check mailed by first class mail on each Interest Payment Date to the Holder at such Holder’s address as it appears on such registration books or at such address as such owner may have filed with the Bond Trustee for that purpose as of the close of business on the Record Date; provided that in the case of any Holder of Bonds in an aggregate principal amount in excess of \$1,000,000 as shown on the Registration Books who, prior to the Record Date next preceding any Interest Payment Date, shall have provided the Bond Trustee with written wire transfer instructions for an account within the United States, interest payable on such Bonds shall be paid in accordance with the wire transfer instructions provided by the Holder of such Bond. If the book-entry only system for the Bonds is discontinued, payment of the principal or

Redemption Price of the Bonds will be payable upon surrender or presentation thereof at the Global Corporate Trust Office of the Bond Trustee.

Redemption of the Bonds

Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA). The Tax Increase Prevention and Reconciliation Act of 2005 (“TIPRA”) imposed new requirements and conditions for the interest on bonds issued by state and local governments for pooled financing programs to be and remain exempt from federal income taxation. Among those requirements are the following: (i) as of the date of issuance of an issue of bonds, the issuer must reasonably expect that within the 1-year period beginning on the date of issuance, at least 30% of the net proceeds of the issue would be used directly or indirectly to make or finance loans to ultimate borrowers (the “1-year Requirement”); (ii) to the extent the 1-year Requirement is not met, the Conduit Issuer must use an amount of proceeds equal to the 1-year Requirement less the amount actually used to make loans by the close of such 1-year period to redeem outstanding bonds within 90 days after the end of such 1-year period; (iii) as of the date of issuance of an issue of bonds, the issuer must reasonably expect that within the 3-year period beginning on the date of issuance, at least 95% of the net proceeds of the issue would be used directly or indirectly to make or finance loans to ultimate borrowers (the “3-year Requirement”); and (iv) to the extent the 3-year Requirement is not met, the Conduit Issuer must use an amount of proceeds equal to the 3-year Requirement less the amount actually used to make loans by the close of such 3-year period to redeem outstanding bonds within 90 days after the end of such 3-year period. The Conduit Issuer in reliance on representations of the Revolving Fund, and the Revolving Fund have made representations that they reasonably expect to satisfy the 1-year Requirement and the 3-year Requirement. The Series 2019 Bonds, the Series 2020 Bonds, the Series 2021 Bonds and the Series 2022 Bonds have each satisfied the 1-year Requirement. The Series 2019 Bonds, and the Series 2020 Bonds have each satisfied the 3-year Requirement.

Optional Redemption of the Bonds. The Bonds maturing on and after November 1, 2033 are subject to redemption prior to their respective stated maturities, at the option of the Revolving Fund, in whole or in part, in such amounts and such maturities as may be specified by the Revolving Fund, or, if the Revolving Fund fails to designate such maturities, in inverse order of maturity, on any date on or after November 1, 2032, at a Redemption Price equal to 100% of the principal amount of such Bonds called for redemption, plus accrued and unpaid interest thereon, if any, to the date fixed for redemption. Additionally, the Bonds maturing on November 1, 2028 are subject to redemption prior to their stated maturity, at the option of the Revolving Fund, in whole or in part, in such amounts as may be specified by the Revolving Fund, on any date on or after May 1, 2028, at a Redemption Price equal to 100% of the principal amount of such Bonds called for redemption, plus accrued and unpaid interest thereon, if any, to the date fixed for redemption.

Extraordinary Optional Redemption of the Bonds. The Bonds are subject to redemption prior to their respective stated maturities, at the option of the Revolving Fund, so long as the Bonds have not been defeased in accordance with the Bond Indenture, in whole or in part, out of amounts prepaid on the Series 2023 Obligation, at a Redemption Price equal to 100% of the principal amount of such Bonds called for redemption, plus accrued and unpaid interest thereon, if any, to the date fixed for redemption, in the case of a pre-payment of a School Loan due to damage or destruction to or condemnation of any Charter School Facilities financed or refinanced with a loan or loans made by the Revolving Fund and refinanced with the proceeds of the Bonds if the net proceeds of the insurance or condemnation award exceeds \$1,000,000 and the affected charter school determines not to use such net proceeds to repair, rebuild or replace such Charter School Facilities.

Sinking Fund Redemption of the Bonds. The Bonds maturing on November 1, 2048 are subject to redemption prior to their stated maturity in part on and after November 1, 2044, from the Sinking Fund Installments set forth below, at the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium:

Year (November 1)	Amount
2044	\$5,585,000
2045	6,000,000
2046	6,585,000
2047	6,950,000

The remaining principal amount of \$9,475,000 is payable at maturity on November 1, 2048 (unless redeemed earlier by optional redemption).

The Bonds maturing on November 1, 2053 are subject to redemption prior to their stated maturity in part on and after November 1, 2049, from the Sinking Fund Installments set forth below, at the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium:

Year (November 1)	Amount
2049	\$8,040,000
2050	8,245,000
2051	8,115,000
2052	8,035,000

The remaining principal amount of \$6,460,000 is payable at maturity on November 1, 2053 (unless redeemed earlier by optional redemption).

Upon the purchase or redemption of any Bonds for which Sinking Fund Installments have been established, other than by application of Sinking Fund Installments, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited by the Bond Trustee against future Sinking Fund Installments in direct chronological order, unless otherwise instructed in writing by the Revolving Fund at the time of such purchase or redemption.

Extraordinary Mandatory Redemption. The Bonds are subject to extraordinary mandatory redemption, in whole or in part, at a redemption price set forth below, plus interest accrued to the date fixed for redemption, by the Revolving Fund as a result of a failure to meet the 3-year Requirement, such redemption to be made on December 19, 2026, or as otherwise permitted by the Code, in an amount approximating the excess of 95% of the net proceeds of the Bonds over the amount of proceeds actually used to make loans to one or more School Borrowers; provided that, if such amount is not equal to an integral multiple of \$5,000, the amount to be redeemed shall be rounded to the nearest such integral multiple. The particular Bonds to be redeemed will be selected in such amounts and from such maturities as shall be determined by the Revolving Fund, upon advice from Bond Counsel.

Maturity (November 1)	Interest Rate	CUSIP	Redemption Price*
2027	5.000%	04052FDT9	101.422
2028	5.000%	04052FDU6	102.791
2029	5.000%	04052FDV4	104.477
2030	5.000%	04052FDW2	105.800
2031	5.000%	04052FDX0	107.096
2032	5.000%	04052FDY8	108.096
2033	5.000%	04052FDZ5	108.403
2034	5.000%	04052FEA9	108.388
2035	5.000%	04052FEB7	107.877

Maturity (November 1)	Interest Rate	CUSIP	Redemption Price*
2036	5.000%	04052FEC5	107.231
2037	5.000%	04052FED3	106.589
2038	5.000%	04052FEE1	106.276
2039	5.000%	04052FEF8	105.749
2040	5.000%	04052FEG6	105.261
2041	5.000%	04052FEH4	104.755
2042	5.000%	04052FEJ0	104.361
2043	5.000%	04052FEK7	104.146
2048	5.250%	04052FEL5	105.301
2053	5.250%	04052FEM3	104.413

* The redemption prices set forth above are approximately 102% of the accreted value of each maturity on December 19, 2026.

The Revolving Fund expects to meet the 1-year Requirement within three months of the date of issuance of the Bonds.

Selection of Bonds for Redemption. Whenever provision is made in the Bond Indenture for the redemption of less than all of the Bonds or a given portion of the Bonds, except as provided in the Bond Indenture, the Bond Trustee will select the Bonds to be redeemed, from all Bonds subject to redemption or such given portion thereof not previously called for redemption, as directed by the Revolving Fund or, in the absence of such direction, by lot in any manner which the Bond Trustee in its sole discretion shall deem appropriate. Notwithstanding the foregoing, the amounts and maturities of the Bonds to be redeemed pursuant to the extraordinary mandatory redemption described above will be selected as directed by the Revolving Fund in writing delivered to the Bond Trustee accompanied by an Opinion of Bond Counsel to the effect that redemption of such Bonds will not in and of itself cause interest on the Bonds to be included in the gross income of the Holders thereof for federal income tax purposes.

Notice of Redemption for the Bonds. Notice of redemption will be mailed by the Bond Trustee by first-class mail, not less than twenty (20) nor more than sixty (60) days prior to the redemption date, to the Conduit Issuer and the respective Holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Bond Trustee. If the Bonds are no longer held by the Securities Depository or its successor or substitute, the Bond Trustee will also give notice of redemption by overnight mail or by other acceptable means to such securities depositories and/or securities information services as shall be designated in a certificate of the Revolving Fund. Each notice of redemption will state the date of such notice, the date of issue of the Bonds, the redemption date, the method of determining the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Bond Trustee), the maturity (including CUSIP numbers, if any), and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered. Notice of redemption of Bonds will be given by the Bond Trustee, at the expense of the Revolving Fund, for and on behalf of the Conduit Issuer. Failure by the Bond Trustee to give notice pursuant to the Bond Indenture to any one or more of the securities information services or depositories designated by the Revolving Fund, or the insufficiency of any such notice, will not affect the sufficiency of the proceedings for redemption. Failure by the Bond Trustee to mail notice of redemption pursuant to the Bond Indenture to any one or more of the respective Holders of any Bonds designated for redemption will not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

Conditional Notice and Rescission of Notice. Any notice of redemption given pursuant to the Bond Indenture may, if the Revolving Fund has so instructed the Bond Trustee, state that it is conditioned upon the receipt of moneys or any other event. Additionally, any notice of redemption given pursuant to the Bond Indenture may be rescinded by written notice given to the Bond Trustee by the Revolving Fund no later than four (4) Business Days prior to the date specified for redemption. The Bond Trustee will give notice of such rescission, as soon thereafter as practicable, in the same manner, to the same Persons, as notice of such redemption was given pursuant to the Bond Indenture.

Effect of Redemption. Notice of redemption having been duly given in accordance with the Bond Indenture, and moneys for payment of the Redemption Price of the Bonds (or portions thereof) so called for redemption being held by the Bond Trustee, on the date fixed for redemption designated in such notice, the Bonds (or portions thereof) so called for redemption will become due and payable at the Redemption Price specified in such notice, interest on the Bonds so called for redemption will cease to accrue, said Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Bond Indenture, and the Holders of said Bonds will have no rights in respect thereof except to receive payment of said Redemption Price from funds held by the Bond Trustee for such payment.

Purchase in Lieu of Redemption. Any Bonds subject to optional redemption and cancellation pursuant to the Bond Indenture will also be subject to optional call for purchase by the Revolving Fund and, at the option of the Revolving Fund, holding, resale or cancellation by the Revolving Fund at the same time and at a price not exceeding the Redemption Price applicable to the optional redemption of such Bonds. To exercise such option, the Revolving Fund will give the Bond Trustee a written notice exercising such option within the time period specified in the Bond Indenture as though such written notice were a written notice for redemption, and the Bond Trustee will thereupon give the Holders of the Bonds to be purchased notice of such purchase in the manner specified in the Bond Indenture as though such purchase by the Revolving Fund were a redemption and the purchase of such Bonds will be mandatory and enforceable against the Holders. On the date fixed for purchase pursuant to any exercise of such option, the Revolving Fund or its assignee will pay the purchase price of the Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee will pay the same to the sellers of such Bonds against delivery thereof. Following such purchase, the Bond Trustee will cause the Bonds to be registered in the name of the Revolving Fund or its assignees and will deliver them to the Revolving Fund or its assignee. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased will be selected in accordance with the Bond Indenture. No purchase of the Bonds pursuant to the Bond Indenture will operate to extinguish the indebtedness of the Conduit Issuer evidenced thereby. Notwithstanding the foregoing, no purchase in lieu of redemption will be made unless an opinion of Bond Counsel has been delivered to the Conduit Issuer, the Revolving Fund, and the Bond Trustee to the effect that such action is permitted under the Bond Indenture and will not, in and of itself, result in the inclusion of interest on the Bonds in gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

Book-Entry System

The Bonds will be issued in book-entry form. As described above, DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond will be issued for each maturity of the Bonds in the total aggregate principal amount due on such maturity date and will be deposited with or held at the direction of DTC. See APPENDIX E — "BOOK-ENTRY SYSTEM."

The Conduit Issuer, the Bond Trustee and the Revolving Fund cannot and do not give any assurances that DTC will distribute to DTC Participants or that DTC Participants or others will distribute to the Beneficial Owners payments of principal and Redemption Price of and interest on the Bonds or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. Neither the Conduit Issuer, the Bond Trustee nor the Revolving Fund

is responsible or liable for the failure of DTC or any DTC Participant or DTC Indirect Participant (as defined herein) to make any payments or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto.

THE LOAN PROGRAM

Purpose of the Program

The Program Administrator and the Revolving Fund established the Loan Program for the charitable purpose of assisting qualified nonprofit public charter schools in accessing secure, affordable funds for school buildings, equipment, and other capital projects. The Loan Program is intended to contribute to improved public education for children in the United States.

Public charter schools are a unique form of public school: similar to traditional public schools, they do not charge tuition and receive funds from the state or local government to operate, however, they are operated by private organizations pursuant to a charter contract approved by a governmental agency or not-for-profit entity. Depending on the applicable state statutory and regulatory framework, public charter schools have a certain level of independence from operational and curricular mandates applicable to local school districts. One of the challenges public charter schools confront in many states is locating and paying for physical facilities, particularly in jurisdictions that do not provide dedicated facility funding. Public charter schools that are not able to access dedicated public funds for facilities typically rely upon their operating budgets and philanthropy to provide facilities to students. Land, buildings, and educational equipment costs generally increase over time, especially in urban areas where public charter schools offer services to underserved children, and public charter schools do not always have access to low-cost facility financing on the same terms as traditional school districts.

Traditional public school districts are generally allowed to take advantage of tax-exempt financing secured by local property taxes to pay for facilities. Without that independent, dedicated form of security to offer lenders, public charter schools seeking to borrow funds for facilities generally face higher interest costs, less favorable debt terms, and uncertain market access. The Program Administrator was formed by other charitable organizations active in the public charter school sector to address this problem. See “THE PROGRAM ADMINISTRATOR AND THE REVOLVING FUND,” above. The School Loans are intended to position public charter schools on more equitable footing with traditional public school districts in their ability to finance facilities and other capital assets.

Benefits to Schools

The Loan Program was created to give effect to the charitable purpose and mission of the Revolving Fund and the Program Administrator. As such, the Loan Program is designed to create certain benefits for the nonprofit public charter schools that access the Loan Program. Charter School Borrowers that access the Loan Program are expected to benefit in several ways, compared to other available sources of facility financing for charter schools, including:

- A generally lower long-term fixed interest rate—closer to traditional K-12 school district financing terms;
- Full project financing, i.e., loan amount up to 100% of project costs plus transaction costs;
- Fixed rate for the entire loan term, typically 30 years for long-term loans and 5 years for short-term loans;
- Reduction or elimination of the typical sector requirement of a debt service reserve fund;
- Reduced transaction costs, as compared to traditional public capital markets tax-exempt bond issuance; and
- Ongoing financial guidance, technical assistance, help with annual disclosure, and early intervention, if necessary.

Loan Program Capital

The Program Administrator received an initial \$200 million Capitalization Grant in 2017 from national philanthropists. As of November 1, 2023, the program administrator had obtained approximately \$420 million in charitable contributions and grant commitments, of which approximately \$339 million has been received (including the Capitalization Grant). The Program Administrator has a goal of raising a total \$500 million in charitable contributions by 2028 from private and public sources.

The charitable contributions committed and received are not loans and must remain with the Revolving Fund in perpetuity, constituting the corpus of the Loan Program's capital (the "Program Capital"). Pursuant to the Gift Agreements, the Program Capital is held in a subaccount (the "Contribution Account") of the trust account (the "Loan Program Fund") created within the Master Indenture. The Program Capital is used from time to time to purchase or originate School Loans, pursuant to the terms of the Master Indenture more fully described below. As School Loans are repaid, and as the Revolving Fund issues bonds through conduit governmental issuers from time to time, including the Bonds, the Program Capital revolves and can be re-used for the purposes set forth in the Master Indenture.

A portion of the proceeds of sale of the Bonds will be used to reimburse the Revolving Fund for previous expenditures of Program Capital from the Contribution Account incurred to originate School Loans (the "Reimbursement Proceeds"). See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. The Reimbursement Proceeds will be deposited in a separate subaccount (the "Reimbursement Account") of the Loan Program Fund. As of November 1, 2023, the balance of the Contribution Account was \$0.00, and the balance of the Reimbursement Account was \$11,613,435.00. Funds held in the Loan Program Fund are not pledged to payment of the Bonds and may, at the direction of the Program Administrator, be used solely for the following purposes:

- (i) to make one or more deposits to the Debt Service Reserve Fund created under the Master Indenture;
- (ii) to purchase or originate all or a portion of a School Loan, or to purchase debt obligations of a public charter school ("Local Charter School Bonds") issued by a local governmental entity or governmental conduit issuer pursuant to a School Loan Agreement;
- (iii) to pay to the Program Administrator the purchase price of any School Loan pursuant to the MMLSA;
- (iv) to pay for any purpose permitted under a particular Gift Agreement; and
- (v) from the Reimbursement Account held within the Loan Program Fund, to make a deposit to the Revenue Fund, to make Required Payments as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments ratably without any discrimination or preference.

Pursuant to the terms of the Master Indenture described above, money held in the Contribution Account of the Loan Program Fund may not be used to pay debt service on the Bonds. However, money held in the Reimbursement Account of the Loan Program Fund may, at the discretion of the Program Administrator, be used to pay debt service on the Bonds. For further discussion of the pledged and unpledged accounts held under the Master Indenture, and sources of payment and security for the Bonds, see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS," below.

The United States Department of Education Charter School Credit Enhancement Program

On September 28, 2020, the Program Administrator was awarded an \$8,000,000 grant from the United States Department of Education ("DOE") pursuant to Title IV, Part C, Section 4304 of the

Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act (“ESSA”). The proceeds of such grant were transferred to the Master Trustee for deposit into the Debt Service Reserve Fund. The Program Administrator was awarded an additional \$12,000,000 grant from DOE on September 27, 2021 pursuant to ESSA. These grant funds are not subject to repayment unless the Program Administrator fails to make substantial progress towards its performance obligations or if the grant funds are improperly used in accordance with ESSA.

The Program Administrator Operating Funding and Revenues

The Program Administrator derives operating revenues from providing services for the Revolving Fund pursuant to the ASPA, MMLSA, and Bond Program Agreement (the “Program Administrator Revenues”), which are not pledged to or available for the repayment of the Bonds. The Program Administrator Revenues are held separately by, and expended for the operations of, the Program Administrator.

The Program Administrator Earned Revenues are specified in a Third Amended and Restated Fee Letter, dated as of January 13, 2022 (the “Fee Letter”), by and between the Program Administrator and the Revolving Fund. Key provisions of the Fee Letter include:

- The administration fee payable pursuant to the ASPA comprised of the General Administrative Overhead Fee (which includes the fees for the loan monitoring services provided by the Program Administrator) and the Portfolio Management Fee (each as defined and computed pursuant to the terms of the Fee Letter).
- The underwriting fee, payable pursuant to the MMLSA, and the debt obligation loan underwriting fee, payable pursuant to the ASPA, each of which will be calculated pursuant to the terms of the Fee Letter.
- The bond program fee, which will be calculated pursuant to the terms of the Fee Letter.

The above-described categories of fees will be paid as an annual fee of \$5,006,351, due and payable in equal semiannual installments on July 10 and January 10 of each Fiscal Year, commencing on January 10, 2022. The annual fee set forth in the Fee Letter is effective from January 1, 2022 through December 31, 2026. Commencing on January 1, 2027, the annual fee will be computed as: thirty-five hundredths of one percent (0.35%) of the average principal amount of loans outstanding pursuant to all School Loan Agreements during the previous semi-annual period (January 1 through June 30, and July 1 through December 31, respectively).

Fees payable by the Revolving Fund to the Program Administrator are included in the definition of Administrative Fees payable under the Master Indenture, however such Administrative Fees payable to the Program Administrator are excluded from the payment of other Administrative Fees from the Revenue Fund. Administrative Fees payable to the Program Administrator are only payable from available monies in the Surplus Fund. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” herein.

The Program Administrator Temporary Funding for Loan Origination

On July 5, 2023, the Program Administrator entered into a loan agreement (the “Bridge Loan”) with a nonprofit charitable foundation for the purpose of borrowing funds on a short-term basis to originate loans to approved public charter school borrowers prior to the date the Revolving Fund purchases such loans pursuant to the MMLSA. The Bridge Loan terms include: (1) proceeds of the Bridge Loan may only be used by the Program Administrator for the purpose of originating loans to approved public charter schools and not for any other purpose, (2) payment obligations under the Bridge Loan are unsecured obligations of the Program Administrator, (3) draw-down loan pursuant to one or more advances not to exceed an aggregate of \$50,000,000, with a 0% interest rate charged on all outstanding balances, (4) prepayment in part or in full on any date, and (5) maturity date is the earlier of (i) December 31, 2023, or (ii) the date of issuance of any bonds, notes or other evidences of indebtedness secured by an Obligation issued under the Master Indenture, the proceeds of which are available to the Revolving Fund to pay the

purchase price of School Loans under the MMSLA. The Revolving Fund is not party to, and has no obligations under, the Bridge Loan. Loans originated by the Program Administrator using proceeds of advances under the Bridge Loan are not pledged to the Master Trustee and are not available as security for the Bonds unless and until purchased by the Revolving Fund. The Bridge Loan may be renewed for an additional year subject to the terms and conditions thereof.

The Program Administrator draws advances under the Bridge Loan only in the event that an approved loan is scheduled to close and there are insufficient funds available in the Loan Program Fund of the Master Indenture for the Revolving Fund to purchase such loan pursuant to the MMSLA, providing a temporary source of funding to the Program Administrator until such time as the Revolving Fund issues additional bonds under the Master Indenture to reimburse the Loan Program Fund. As of the date hereof, the Program Administrator has drawn approximately \$48 million of the Bridge Loan to fund two School Loans. The Revolving Fund will apply a portion of the proceeds of the Bonds to pay the purchase price of the three School Loans originated by the Program Administrator from advances under the Bridge Loan on or near the closing date of the Bonds.

Structure of School Loans in the Loan Pool

Projects: Eligible projects for School Loans include refinancing of existing facilities and related debt (both public and private debt), new money loans to exercise a purchase option on a new or an existing leased facility, new money construction loans for expansion or refurbishment of new or existing facilities, new money loans for long term improvements at a leased facility, new money loans for the acquisition and/or construction of new facilities, and new money loans for procurement of furniture, fixtures, equipment, and technology.

School Loan Structures: The legal structure of each School Loan varies depending on the existing debt structure of the Charter School Borrower, size of the Charter School Borrower's organization, ownership of the project, future debt needs, state lending laws, and other financial and legal factors.

The primary form of School Loan in the Loan Program is a direct loan to a Charter School Borrower. A direct loan can be evidenced by a stand-alone loan agreement and set of collateral documents or can be a loan agreement secured by a master indenture, intercreditor agreement or other parity collateral instrument. In a stand-alone credit structure, the Charter School Borrower's collateral is pledged directly to the Program Administrator and the Program Administrator has the exclusive right to exercise remedies against the collateral upon an event of default. In a parity collateral structure, the Charter School Borrower's collateral may be pledged to a third-party trustee and the Program Administrator's remedies against the collateral under the documents may be contingent on what is provided in the master indenture, intercreditor agreement or other parity collateral instrument. Generally, under a parity collateral structure, the consent of a majority of holders of the Charter School Borrower's parity debt is required to exercise remedies against the parity collateral.

In some instances, the Charter School Borrower under the School Loan may not be the operator of the public charter school operating at the project nor holder of the charter agreement, but rather an affiliated supporting organization landlord entity or charter management organization ("CMO"). In these instances, in order to obtain privity of contract between the Program Administrator and the operator of the public charter school operating in the project, the Program Administrator enters into a tax agreement and/or continuing covenant agreement with the operator or charter holder to enforce certain covenants against the operator or charter holder.

In some states, the Program Administrator is required to enter into tri-party School Loan agreements with a local governmental conduit issuer and the Charter School Borrower. The conduit issuer structure requires that the Charter School Borrower be responsible for all payments under the tri-party School Loan agreement and that the conduit issuer assign and pledge its interest in the collateral to the Program Administrator or to a third-party trustee on behalf of the Program Administrator.

In addition, from time to time the Revolving Fund may purchase Local Charter School Bonds being offered by a broker-dealer in the public capital market. Such bonds may conform to any of the School Loan structures listed above. However, when purchasing Local Charter School Bonds, the Revolving Fund may not have the ability to change School Loan covenants to conform entirely to the standard School Loan provisions described herein.

Standard School Loan Provisions: Generally, each School Loan in the Loan Program contains the following standard provisions (however, such provisions may be omitted or revised for certain Charter School Borrowers as approved by the Revolving Fund and its Board):

Additional Debt: Each Charter School Borrower is restricted from entering into additional indebtedness unless certain conditions are met. Additional parity debt is permitted upon the delivery of a certificate of the Charter School Borrower stating that: (i) for the Charter School Borrower's most recently completed fiscal year, the School Debt Service Coverage Ratio (as defined below) equaled at least 1.10x prior to the issuance of the additional debt; and the (ii) School Debt Service Coverage Ratio is projected to be at least 1.20x on all debt outstanding and the proposed additional debt in the first fiscal year following the issuance of the additional debt, taking into account certain assumptions as set forth in the School Loan Agreement. Subordinate debt and short-term debt are restricted subject to approval of the lender. Non-recourse debt is generally limited to an aggregate of \$500,000 outstanding.

Interest Rate: School Loans bear interest at a fixed rate determined in the underwriting process.

Prepayment: School Loans are generally prepayable ten (10) or five (5) years from the date of the School Loan.

Security: School Loans are secured by a perfected first lien interest in the revenues of either the Charter School Borrower, applicable affiliate entity or the operator of the project and are secured by a first lien mortgage or leasehold mortgage against either the project or all property of the Charter School Borrower or applicable affiliate entity. Such security may be on parity with other lenders or bondholders.

Financial Reporting: Charter School Borrowers are required to provide annual audited financial statements within 180 days after the fiscal year end and a compliance certificate calculating the Days Cash on Hand Requirement and the School Debt Service Coverage Ratio set forth below. The Charter School Borrowers are also required to provide, in conjunction with the audited financials, reports related to student retention data, waiting list by grade, faculty and staff information, teacher retention ratios, enrollment by grade, student demographics, competitive data, accountability ratings, and test scores by grade. Quarterly requirements include quarterly, unaudited income statements and balance sheets within sixty days of the end of each fiscal quarter, and the Charter School Borrower's annual fiscal year budget within sixty days of the commencement of each fiscal year.

Insurance: Charter School Borrowers are required to maintain: (i) property insurance; (ii) business interruption insurance; (iii) during the course of any construction, builder's risk insurance; (iv) general liability insurance; (v) worker's compensation insurance as required by the laws of the state of the Charter School Borrower; and (vi) flood insurance to the extent applicable.

Notice of Certain Events: Each Charter School Borrower is required to notify the Program Administrator in writing of: (a) the occurrence of any "Event of Default" under a School Loan; (b) any default by the Charter School Borrower under any Legal Requirement, or any default by the Charter School Borrower in the performance of any obligation which results in a material adverse effect on the School Loan; (c) any litigation instituted or threatened against the Charter School Borrower or any development in any such litigation which results in a material adverse effect on

the School Loan; (d) any labor controversy pending or threatened in writing against the Charter School Borrower or any material development therein which results in a material adverse effect; (e) any change in the Charter School Borrower's name, officers or school leadership (e.g., principals or executive director); (f) any material correspondence from the chartering authority, including but not limited to: any meetings in which the Charter School Borrower is before a state agency or chartering authority, copies of any approvals or denials of any charter amendments, review or revocation notice regarding any charter and copies of written complaint notifications from chartering authority, along with the Charter School Borrower's responses thereto; and (g) any change in any rating of the Charter School Borrower's long-term debt by any rating agency.

School Debt Service Coverage Ratio: Each Charter School Borrower (or appropriate affiliate entity) agrees to maintain a ratio, determined by dividing the available net income for such period by the annual debt service for such period ("School Debt Service Coverage Ratio"), calculated at the end of each Fiscal Year, of not less than 1.10x for such Fiscal Year. However, failure to maintain the School Debt Service Coverage Ratio shall not constitute an "Event of Default" so long as such Charter School Borrower timely engages an independent consultant within thirty (30) days. Within sixty (60) days of engaging an independent consultant, such independent consultant shall prepare a report with recommendations for meeting the required School Debt Service Coverage Ratio. As soon as practicable, but no later than thirty (30) days after receipt of such report, the Charter School Borrower is required to implement the independent consultant's recommendations. Failure of the Charter School Borrower to maintain a School Debt Service Coverage Ratio of not less than 1.0:1.0 shall immediately constitute an "Event of Default" under a School Loan. For legal structures where the Charter School Borrower or affiliate entity leases the project facility, the School Loan Agreement may require similar lease payment coverage ratios applicable to the charter school operator of the financed project.

Days Cash on Hand: Each Charter School Borrower (or appropriate affiliate entity) agrees to maintain not less than forty-five (45) or sixty (60) Days Cash on Hand (such threshold determined by the Program Administrator) in each fiscal year. However, failure to maintain the required Days Cash on Hand shall not constitute an "Event of Default" so long as the Charter School Borrower timely engages an independent consultant within thirty (30) days. Within sixty (60) days of engaging an independent consultant, such independent consultant shall prepare a report with recommendations for meeting the required Days Cash on Hand. As soon as practicable, but no later than thirty (30) days after receipt of such report, the Charter School Borrower shall implement the independent consultant's recommendations. Failure of the Charter School Borrower to maintain the required Days Cash on Hand for two consecutive Fiscal Years shall immediately constitute an "Event of Default" under a School Loan. Generally, "Days Cash on Hand" means, as of any date of determination, the product obtained by multiplying 365 by the quotient determined by dividing (a) all unrestricted cash, cash equivalents, liquid investments, and unrestricted marketable securities (valued at the lower of cost or market) of the Charter School Borrower as reported in the Charter School Borrower's most recent audited financial statements by (b) the total Expenses, net of depreciation, and interest expense of the Charter School Borrower for the prior fiscal year.

Charter: Charter School Borrowers are required to maintain their charter(s) at all times.

Academic Covenant: Charter School Borrowers covenant to maintain high academic performance as set forth in each School Loan Agreement. However, failure to maintain the required academic performance shall not constitute an "Event of Default" so long as the Charter School Borrower timely engages an independent consultant within thirty (30) days. Within sixty (60) days of engaging an independent consultant, such independent consultant shall prepare a report with recommendations for meeting the academic standards. As soon as practicable, but no later than

forty-five (45) days after receipt of such report, the Charter School Borrower shall implement the independent consultant's recommendations.

Enrollment Covenant: Charter School Borrowers covenant to maintain annual enrollment levels as set forth in each School Loan Agreement ("Enrollment Requirement"). However, failure to maintain the Enrollment Requirement shall not constitute an "Event of Default" so long as (i) the Charter School Borrower maintains a second (lower) annual enrollment level and within sixty (60) days of the direction of the Program Administrator, prepares and provides to the Program Administrator an internal enrollment plan to increase enrollment to the Enrollment Requirement ("Enrollment Plan") and within thirty (30) days of approval of such Enrollment Plan by the Program Administrator, implements the Enrollment Plan; or (ii) the Charter School Borrower maintains a third (lowest) annual enrollment level and the Charter School Borrower timely engages an independent consultant within thirty (30) days of the direction of the Program Administrator. Within sixty (60) days of engaging an independent consultant, such independent consultant shall prepare a report with recommendations for meeting the required Enrollment Requirement. As soon as practicable, but no later than thirty (30) days after receipt of such report, the Charter School Borrower shall, to the extent legally permissible, implement the independent consultant's recommendations.

TEFRA: Charter School Borrowers must provide evidence of local governmental approval under Tax Equity and Fiscal Responsibility Act authorizing the Program Administrator or the Revolving Fund to refinance or reimburse the School Loan through the issuance of the Bonds.

Loan Underwriting Process

As part of the Loan Program, and pursuant to the ASPA and the MMLSA, the Revolving Fund engages the Program Administrator to underwrite each School Loan. The Program Administrator's underwriting procedures include multiple approval stages, generally one informal preliminary credit committee review, two formal credit committee reviews, and final Board approval. The Program Administrator's analysis also results in a credit memo that includes various stress tests—all specific to the individual borrower. The Program Administrator's process also requires a site visit, often two visits prior to loan closing, as part of the due diligence work.

The Loan Program was established to help public charter schools reduce their facility costs. Unless otherwise prohibited by law, most of the Charter School Borrowers are generally expected to have the following credit characteristics:

- Standardized test proficiency scores that exceed district averages and often exceed state averages;
- Strong leadership at board/network/school level that is partially observed during required site visits;
- Sound financial position indicated by liquidity and operating measures;
- Manageable project delivery and enrollment risk;
- Designation as not-for-profit organization; and

As described above under "Standard School Loan Provisions," Loan Program loans include standard financial covenants, including debt service coverage, additional debt, and liquidity thresholds, with an event of default as a possible outcome due to non-compliance. Unlike most other public charter school lenders, however, the Loan Program also imposes academic and enrollment covenants on each of its borrowers. Non-compliance with these covenants does not trigger an event of default, however, it does provide an early warning system for the detection of potential deteriorating conditions.

Finally, School Loans comprising approximately 94% of loan par in the Loan Program closed to date have received an S&P rating of BB- or better. See "SCHOOL LOANS" and APPENDIX A –

“CHARTER SCHOOL BORROWER METRICS” herein. Future loan cohorts may or may not have this same requirement.

The Program Administrator follows a Loan Policy Manual as adopted by its Board to determine whether a loan should be made to a Charter School Borrower and whether such Charter School Borrower is likely to be able to continue to pay on an ongoing basis the principal amounts, including the interest thereon, required under its proposed School Loan Agreement. The Program Administrator Credit Committee and Board review the Loan Policy Manual and all related policies and procedures on a periodic basis. The Credit Committee prepares and presents the Board with a summary report and recommends any necessary changes to the Loan Policy Manual. The Board is then asked to review and formally approve any of the recommended changes to the Loan Policy Manual. Pursuant to the Loan Policy Manual, the Program Administrator lending process currently consists of nine phases: Identifying Potential Borrowers, Selecting Charter School Borrowers, Preliminary Analysis, Underwriting, Loan Approval, Loan Closing and Transfer, Loan Servicing, Loan Monitoring and Portfolio Monitoring.

Loan Servicing

After transfer of the School Loan from the Program Administrator to the Revolving Fund, the Revolving Fund is responsible for servicing each School Loan and contracts with a third-party to assist in this process.

The Revolving Fund entered into a Loan Servicing Agreement with Alter Domus (US) LLC, a Delaware limited liability company (the “Servicer”), dated as of August 10, 2021 (the “Loan Servicing Agreement”), under which the Servicer will service all School Loans. The Loan Servicing Agreement shall be effective between the parties until terminated and either party may terminate the Loan Servicing Agreement upon a 60 days’ written notice. In addition, the Loan Servicing Agreement also includes various events of default which also result in a termination.

Founded in 2003, the Servicer is an international company that provides asset management services to alternative investment funds. The Servicer has more than 20 years of experience as a direct and master loan servicer. The Servicer provides servicing solutions for a variety of asset types including commercial real estate, community facilities, residential mortgages, equipment, and more. The Servicer provides the Revolving Fund online access with customized views for the School Loans.

When a School Loan is made, the Servicer enters the School Loan into its servicing system and provides a letter to the Charter School Borrower regarding its loan and how to access its School Loan portal where the Charter School Borrower can find its loan information and payment information. The Servicer provides billing statements based on the billing dates and terms of the School Loan and each School Loan is set up for Automatic Clearing House (ACH) payments, unless an alternative wire transfer or other automated payment mechanism is required under the School Loan documents. The Servicer collects and deposits any payments made pursuant to the School Loans to the Revolving Fund’s lock box account, and provides the Revolving Fund with monthly loan balances, aged delinquency, principal and interest collections, any new loans, and paid loans. The Servicer also monitors the insurance coverage, expiration dates and requests renewal certificates as required in each School Loan.

The Loan Servicing Agreement excludes, and the Revolving Fund is responsible for (i) ensuring that all Charter School Borrowers comply with the agreed terms in the School Loan Agreement, (ii) confirming that all collateral agreements are on file, (iii) assisting requests from Charter School Borrowers to assist with the required IRS annual Form 1098 tax reporting, (iv) providing loan payoffs including lien release documents, (v) reviewing requests for modifications to loan terms, including repayment plans, forbearance agreements, deferments, extensions, short sales, or negotiated releases of collateral, obligors or guarantors, and (vi) performing special servicing actions and steps for loans subject to formal legal proceedings, including bankruptcy, foreclosure, deed-in-lieu of foreclosure, collections suits, repossession, and charge-offs involving either an obligor(s) or guarantor(s).

The Revolving Fund entered into a Custodial Agreement, dated as of October 1, 2018, between the Revolving Fund and the Master Trustee as custodian (the “Custodian”), providing for the Custodian’s obligations to accept and hold in custody on behalf of the Master Trustee all School Loan documentation, including loan agreements, promissory notes, mortgages, UCC financing statements, security agreements, and other collateral.

Loan Monitoring

The Revolving Fund is responsible for coordinating periodic reviews of each loan in the portfolio and ensuring compliance with the disclosure requirements of the School Loan documents as the Charter School Borrowers submit required information. The Revolving Fund engages the Program Administrator pursuant to the ASPA to perform these reviews and ensure Charter School Borrower compliance.

Each of the Charter School Borrowers is required to provide financial and reporting information on both a quarterly and annual basis. Charter School Borrowers upload both the quarterly and annual information, or they otherwise make the information available to the Revolving Fund, for the annual and quarterly reviews of the Charter School Borrowers.

Each School Loan is subject to periodic reviews (often quarterly) and a standard annual review after the Charter School Borrower’s audited financial statements are submitted or made available. The reviews quantitatively and qualitatively assess the Charter School Borrower’s performance based on disclosure requirements from the Charter School Borrower and any other significant developments since the last review. The Loan Program requirements include a site visit to the Charter School Borrower’s pledged campus(es) as needed but no less than once every three years to observe operations and report on the performance of such Charter School Borrower, and a determination whether additional information will be required for more rigorous monitoring or for technical assistance.

Portfolio Monitoring

The Chief Executive Officer, with support from the Chief Credit Officer, is responsible for reviewing the Loan Pool portfolio mix to determine if the portfolio meets the targeted goals, contributes toward strategic interests, and adheres to the Loan Program policies. The Chief Executive Officer prepares necessary dashboards describing the impact the portfolio has on the goals and the strategic interests of the Loan Program. To ensure best practices, the Credit Committee may request management to conduct an independent review of the portfolio by a third-party auditor. The independent audit of the portfolio may be conducted on an annual basis. The auditor would analyze a sample of the loan portfolio and would review each loan file to evaluate quality and thoroughness, as well as consistency between the loan underwriting, documentation and ongoing loan servicing/monitoring and the Program Administrator’s written policies and industry best practices, including: underwriting analysis; approval decisions; loan documentation; collateral files; loan monitoring activities; credit rating system; and, adherence to financial and reporting covenants. The auditor would prepare a summary of findings, identify any significant weaknesses and make selected recommendations, as appropriate.

Interest Rate Hedging Program

As described above, the Revolving Fund uses funds held in the Contribution Account and the Reimbursement Account of the Loan Program Fund, as well as funds held in the Loan Origination Fund, to originate and acquire School Loans from time to time on a continuous basis throughout each fiscal year, in some circumstances as early as a year ahead of the anticipated issuance date. As further described above, School Loans are typically structured as fixed-rate, long-term, fully amortizing loans. In expectation of periodic issuances of fixed-rate long-term bonds, including the Bonds, for the purpose of purchasing, reimbursing or originating School Loans, the Revolving Fund may seek to mitigate all or a portion of the potential interest rate difference between the interest rates fixed on each School Loan and the corresponding interest rate fixed on each series of related bonds. The primary purpose of the Revolving Fund’s hedging

program is to mitigate near-term interest rate risk related to School Loans that have not been reimbursed while minimizing transaction costs.

The Revolving Fund’s Board of Directors has adopted a swap policy (the “Swap Policy”) to govern all hedging transactions, including interest rate swap agreements and other derivatives transactions. The Swap Policy includes the requirements that:

- Interest rate swaps must be used for the purpose of hedging loans and bonds without speculation.
- Swap notional amount, term, index, and rate must be sufficiently tied to the upcoming or completed School Loan origination.
- Blue Rose Capital Advisors, LLC, the Revolving Fund’s independent swap advisor (the “Swap Advisor”) is used to monitor adherence to the applicable swap policies, proper hedge matching, cost management, pricing opinions, and swap monitoring/unwinding.
- The Swap Advisor will provide a written report to the Revolving Fund subsequent to each hedge execution confirming pricing accuracy, hedge appropriateness, and swap policy compliance.
- Quarterly Board updates are provided to the Revolving Fund Board of Directors and the Program Administrator Board of Directors.

The Revolving Fund may enter into hedging arrangements in the form of forward starting interest rate swaps (the “Hedges”) in conjunction with each individual School Loan closing or periodically in conjunction with multiple School Loans to mitigate portfolio interest rate risk in conjunction with the School Loans outstanding. As of the date hereof, the Revolving Fund is party to one Hedge pursuant to that certain 2002 ISDA Master Agreement dated as of November 6, 2018, as amended and supplemented from time to time, between Goldman Sachs Bank USA and the Revolving Fund as described below. The Revolving Fund will terminate the Hedge on or about the Closing Date of the Bonds, under guidance from its Swap Advisor, receiving approximately \$2,031,400 in proceeds from the termination of Hedge number 1 in the following chart, which summarizes the outstanding Hedge:

INTEREST RATE HEDGE

Hedge number	Hedge Date	School Loans Hedged	Notional Amount	Mandatory Termination
1	6/15/2023	Valor (5-23), Valor (9-22), eStem, MSE, BMI A, BMI B, BVP 3, Elevate, Etoile, and Great Oaks 2	\$60,639,842	12/15/2023

For more information on the School Loans referenced in the Interest Rate Hedge chart, above, see APPENDIX A – “CHARTER SCHOOL BORROWER METRICS” herein.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

References herein to the Master Indenture describe the terms of the Second Amended and Restated Master Trust Indenture, dated as of August 1, 2020 (as supplemented and amended, the “Master Indenture”), by and among the Program Administrator, as representative of the Obligated Group, the Revolving Fund, as the initial member of the Obligated Group, U.S. Bank Trust Company, National Association, as master trustee (the “Master Trustee”), and U.S. Bank National Association, as securities intermediary. See “AMENDMENTS TO THE MASTER INDENTURE,” herein.

General

The Bonds are limited obligations of the Conduit Issuer thereof and are payable solely from the amounts pledged under the Bond Indenture, which includes all Revenues and any other amounts held in any fund or account established pursuant to the Bond Indenture (other than the Rebate Fund). Pursuant to the Bond Indenture, “Revenues” means all amounts received by the Conduit Issuer or the Bond Trustee for the account of the Conduit Issuer pursuant to or with respect to the Loan Agreement or the Series 2023 Obligation, including, without limiting the generality of the foregoing, Loan Repayments required to be made by the Revolving Fund pursuant to the Loan Agreement (including both timely and delinquent payments and any late charges, and whether paid from any source), Required Payments required to be made by the Revolving Fund pursuant to the Master Indenture, prepayments and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Bond Indenture, but not including any Additional Payments (i.e., certain fees and taxes), other moneys required to be paid pursuant to the Reserved Rights or any moneys required to be deposited in the Rebate Fund. Pursuant to the Bond Indenture, the Conduit Issuer pledges and assigns to the Bond Trustee, as security for the payment of the Bonds, all of the Revenues and any other amounts (but excluding Additional Payments and payments made pursuant to the Reserved Rights) held in any fund or account established pursuant to such Bond Indenture (other than the Rebate Fund).

The Loan Agreement requires payments by the Revolving Fund, and the Series 2023 Obligation requires payments by the Obligated Group, of amounts sufficient to provide for the timely payment of the principal of, premium, if any, and interest on the Bonds, paying such series of bonds in order of priority with those bonds designated to be “Related Senior Bonds” (being the Bonds, the Series 2019 Bonds, the Series 2020 Bonds, the Senior Series 2021 Bonds, the Series 2022 Bonds and any future Related Senior Bonds) having the first priority, followed by the Subordinate Series 2021 Bonds, any future Subordinate Bonds, and any future Second Subordinate Bonds that may be issued at a later date. The Revolving Fund is the only Member of the Obligated Group under the Master Indenture; therefore, references herein to the Obligated Group are references to the Revolving Fund. Additional Members may be added to the Obligated Group in the future; however, there are no current plans or expectations that any additional Members will be added to the Obligated Group. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – The Master Indenture – Changes in Obligated Group Membership” below.

The obligation of the Obligated Group to make payments on the Series 2023 Obligation is secured by the Master Indenture. The security provided by the Master Indenture includes a pledge of and security interest in the Pledged Assets of the Obligated Group, including the School Loans originated by the Program Administrator and purchased by the Revolving Fund. Under the Master Indenture, “Pledged Assets” means all School Loan Agreements (including, without limitation, all rights to payment thereunder), all Pledged Revenues, the Mortgages securing the School Loans originated by the Program Administrator, purchased by the Revolving Fund and assigned to the Master Trustee, each fund or account (other than the Loan Program Fund and any account within said fund and any other fund or account created and excluded pursuant to a Related Supplement executed after the Master Indenture) established under the Master Indenture, all financial assets, instruments, money and other property credited to or on deposit in any such fund or account, and the proceeds thereof. “Pledged Revenues” means all revenues, income, receipts and money received by or on behalf of the Members from all lawfully available sources, including (a) Pledged Loan Payments; (b) gifts, grants, bequests, donations, and contributions, exclusive of any gifts, grants, bequests, donations, and contributions to the extent specifically restricted by the donor thereof to a particular purpose inconsistent with their use for the payment of Required Payments; (c) proceeds derived from (i) accounts receivable, (ii) securities and other investments, (iii) inventory and other tangible and intangible property, and (iv) contract rights and other rights and assets owned by each Member; (d) rentals received from the lease of space; and (e) investment earnings on and other income from amounts held in the Revenue Fund; *provided, however*, that Pledged Revenues do not include (1) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on any

defeased Obligations; (2) any gains or losses resulting from the sale, exchange or other disposition of property not in the ordinary course of business, or the reappraisal, reevaluation or write-up of assets, or any other extraordinary gains or losses; (3) net unrealized gain (losses) on investments and Financial Products Agreements; (4) proceeds of borrowing; (5) net amounts received in connection with the termination or unwinding of Financial Products Agreements; and (6) income derived from, or accounts receivable for, repayment to any Member of loans made by any other Member or Members. See “— The Master Indenture” below and APPENDIX B — “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES” herein (for additional information, including the definitions of certain capitalized terms).

THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON WILL BE SPECIAL LIMITED OBLIGATIONS OF THE CONDUIT ISSUER AND WILL BE PAYABLE EXCLUSIVELY FROM SOURCES DESCRIBED IN THE BOND INDENTURE. THE BONDS WILL NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE CONDUIT ISSUER, THE ARIZONA FINANCE AUTHORITY, THE STATE OF ARIZONA OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY ARIZONA CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE CONDUIT ISSUER, THE ARIZONA FINANCE AUTHORITY OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS WILL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE CONDUIT ISSUER, BUT WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE CONDUIT ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE BOND INDENTURE, BUT NOT OTHERWISE. THE CONDUIT ISSUER HAS NO TAXING POWER.

The Loan Agreement

Under the Loan Agreement, the Revolving Fund makes the Loan Repayments and certain additional payments (generally ongoing costs and expenses of the Conduit Issuer under the Loan Agreement and the Bond Trustee under the Bond Indenture, which expenses are associated with the Bonds issued pursuant to the Bond Indenture), which Loan Repayments are expected to be derived primarily from the Pledged Revenues. Pledged Revenues are available for the Loan Repayments relating to the Subordinate Series 2021 Bonds, any future Subordinate Bonds or Second Subordinate Bonds only to the extent they are not needed for Loan Repayments of the Outstanding Senior Bonds.

So long as the Bonds remain outstanding, the obligation of the Revolving Fund to make the Loan Repayments with respect to such Bonds under the Loan Agreement are absolute and unconditional. By virtue of the Series 2023 Obligation, however, each Member of the Obligated Group is jointly and severally liable for all debt service on the Bonds. As stated above, the Revolving Fund is the only member of the Obligated Group upon the issuance of the Bonds. The obligation of the Conduit Issuer to make a loan to the Revolving Fund as provided in the Loan Agreement is subject to (i) the receipt by such Conduit Issuer of the proceeds of the issuance and sale of the Bonds issued under the Bond Indenture and (ii) the issuance of the Series 2023 Obligation in respect thereof, among other conditions.

The Bond Indenture

Assignment to Bond Trustee. Pursuant to the Bond Indenture, the Conduit Issuer assigns to the Bond Trustee, as security for the payment of the Bonds (or Series of Bonds) issued thereunder, substantially all of the Conduit Issuer’s rights under the Loan Agreement (other than certain Reserved Rights) and the Series 2023 Obligation, including the Conduit Issuer’s rights and interests in the Loan Repayments with respect to the Bonds payable under the Loan Agreement and the moneys and investments held in certain funds established under the Bond Indenture.

The Master Indenture

The Obligated Group. As of the date of this Official Statement, the Revolving Fund is the only member of the Obligated Group. The Program Administrator is not a member of the Obligated Group. Other persons may join the Obligated Group upon satisfaction of the conditions set forth in the Master Indenture; however, the Obligated Group has no current plans to add additional members to the Obligated Group. With the exception of the Initial Member, Members of the Obligated Group may withdraw from the Obligated Group upon the satisfaction of certain conditions set forth in the Master Indenture.

Changes in Obligated Group Membership. The Master Indenture provides that entities may be admitted to the Obligated Group from time to time upon the satisfaction of certain conditions. Any Member, except the Revolving Fund (as the Initial Member) of the Obligated Group may withdraw from the Obligated Group upon the satisfaction of certain conditions. Changes to the composition of the Obligated Group may result in an Obligated Group that is financially and operationally different from the current Obligated Group. See APPENDIX B — “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE — Members of the Obligated Group” and “— Withdrawal from the Obligated Group.” The Revolving Fund and the Program Administrator have no present plan or expectation for new Members to join the Obligated Group.

The Series 2023 Obligation. The obligation of the Revolving Fund to pay Loan Repayments with respect to the Bonds under the Loan Agreement are secured by the Series 2023 Obligation that is being issued as a Senior Obligation to the Bond Trustee by the Obligated Group pursuant to a Related Supplement. The Bond Trustee agrees not to assign or transfer the Series 2023 Obligation other than to a successor Bond Trustee for the Bonds.

The Series 2023 Obligation is the joint and several obligation of the Obligated Group under the Master Indenture. The Series 2023 Obligation is secured by a security interest granted to the Master Trustee in all of the Obligated Group’s right, title and interest, whether owned by each Member upon the execution of the Master Indenture or acquired at any time thereafter while any Obligation is Outstanding, in, to and under all Pledged Assets. In connection with a School Loan Agreement, a Charter School Borrower may provide collateral security in the form of a mortgage, including a leasehold deed of trust, deed of trust, security agreement, assignment of rents and leases, and/or financing statement encumbering such Charter School Borrower’s property, plant and equipment or other property or assets. See APPENDIX B — “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE” herein.

Outstanding Obligations. The Obligated Group previously issued:

- an Obligation on November 6, 2018 (“Obligation No. 1”) to Goldman Sachs Bank USA (the “Swap Counterparty”) evidencing the Obligated Group’s payment obligations arising under an interest rate hedging arrangement (the “Swap Agreement”) entered into with the Swap Counterparty for the purposes described herein. See “THE LOAN PROGRAM – Interest Rate Hedging Program” herein. Pursuant to Obligation No. 1, the Program Administrator is required to direct the Master Trustee to transfer amounts on deposit in the Loan Program Fund to an account (the “Collateral Account”) established under the Supplemental Master Indenture pursuant to which Obligation No. 1 was issued to the extent amounts on deposit in such account are insufficient to meet the collateral requirements under Swap Agreement, including any termination payment. Upon delivery of Obligation No. 1, the Revolving Fund directed the Master Trustee to transfer the amount of \$250,000 from the Loan Program Fund to the Collateral Account. Amounts on deposit in the Collateral Account are transferred to or received from the Swap Counterparty from time to time as required under the Swap Agreement. The balance of the Collateral Account as of November 1, 2023 was \$3,800,000. See “THE LOAN PROGRAM – Interest Rate Hedging Program” herein;

- an Obligation on August 29, 2019 (“Obligation No. 2”) in the aggregate principal amount of \$92,715,000 pursuant to Supplemental Master Indenture for Obligation No. 2 dated as of August 1, 2019, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2019A Bonds;
- an Obligation on August 29, 2019 (“Obligation No. 3”) in the aggregate principal amount of \$19,010,000 pursuant to Supplemental Master Indenture for Obligation No. 3 dated as of August 1, 2019, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2019B Bonds;
- an Obligation on August 27, 2020 (“Obligation No. 4”) in the aggregate principal amount of \$122,710,000 pursuant to Supplemental Master Indenture for Obligation No. 4 dated as of August 1, 2020, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2020A Bonds; and
- an Obligation on August 27, 2020 (“Obligation No. 5”) in the aggregate principal amount of \$48,115,000 pursuant to Supplemental Master Indenture for Obligation No. 5 dated as of August 1, 2020, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2020B Bonds.
- an Obligation on October 20, 2021 (“Obligation No. 6”) in aggregate principal amount of \$122,895,000 pursuant to Supplemental Master Indenture for Obligation No. 6 dated as of October 1, 2021, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2021A Bonds.
- an Obligation on October 20, 2021 (“Obligation No. 7”) in aggregate principal amount of \$30,650,000 pursuant to Supplemental Master Indenture for Obligation No. 7 dated as of October 1, 2021, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2021B Bonds.
- an Obligation on October 20, 2021 (“Obligation No. 8”) in aggregate principal amount of \$17,925,000 pursuant to Supplemental Master Indenture for Obligation No. 8 dated as of October 1, 2021, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2021C Bonds.
- an Obligation on October 20, 2021 (“Obligation No. 9”) in aggregate principal amount of \$25,020,000 pursuant to Supplemental Master Indenture for Obligation No. 9 dated as of October 1, 2021, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2021D Bonds.
- a Subordinate Obligation on October 20, 2021 (“Subordinate Obligation No. 1”) in aggregate principal amount of \$21,325,000 pursuant to Supplemental Master Indenture for Subordinate Obligation No. 1 dated as of October 1, 2021, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group

Representative, and U.S. Bank Trust Company, National Association as Subordinate Bond Trustee, related to the Subordinate Series 2021 Bonds.

- an Obligation on August 30, 2022 (“Obligation No. 10”) in aggregate principal amount of \$153,525,000 pursuant to Supplemental Master Indenture for Obligation No. 10 dated as of August 1, 2022, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2022A Bonds.
- an Obligation on August 30, 2022 (“Obligation No. 11”) in aggregate principal amount of \$65,885,000 pursuant to Supplemental Master Indenture for Obligation No. 11 dated as of August 1, 2022, among the Revolving Fund, as initial member of the Obligated Group, the Program Administrator, as Obligated Group Representative, and U.S. Bank Trust Company, National Association as Master Trustee, related to the Series 2022B Bonds.

Obligation No. 1, Obligation No. 2, Obligation No. 3, Obligation No. 4, Obligation No. 5, Obligation No. 6, Obligation No. 7, Obligation No. 8, Obligation No. 9, Obligation No. 10 and Obligation No. 11 are each Senior Obligations under the Master Indenture, and Subordinate Obligation No. 1 is a Subordinate Obligation under the Master Indenture.

Additional Indebtedness. The Master Indenture permits the members of the Obligated Group to incur additional Indebtedness upon compliance with the terms and conditions and for the purposes described therein. Such additional Indebtedness may be issued as an Obligation under the Master Indenture or as other Indebtedness and may be secured or unsecured and may be issued on a parity with, subordinate to, or second subordinate to any other existing Obligations issued and to be issued under the Master Indenture as defined therein. See APPENDIX B — “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE” herein.

The Program Administrator may originate School Loans with maturities of five (5) or fewer years, and the Revolving Fund may incur, within 180 days of the date hereof, Additional Indebtedness with maturity dates that are similar to such School Loans for the purpose of acquiring or reimbursing the purchase of such School Loans.

Additional Obligations. The Master Indenture permits the Obligated Group to issue additional Obligations in accordance with the Master Indenture. Additional Obligations may be issued to secure additional bonds issued pursuant to a bond indenture therefor for the benefit of the Borrower or to evidence or secure other additional indebtedness of the Obligated Group. Any additional Obligations may be issued on a parity with, subordinate to, or second subordinate to any other Obligations issued and to be issued under the Master Indenture. All members of the Obligated Group are jointly and severally liable for payment of all Indebtedness evidenced by any Obligations issued under the Master Indenture. See APPENDIX B — “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE” herein.

The Program Administrator may originate School Loans with maturities of five (5) or fewer years, and the Revolving Fund may issue, within 180 days of the date hereof, Additional Obligations with maturity dates that are similar to such School Loans for the purpose of acquiring or reimbursing the purchase of such School Loans.

School Loan Agreements. For so long as the Series 2023 Obligation is Outstanding, each Member of the Obligated Group assigns and grants to the Master Trustee an assignment of and a security interest in all present or future “School Loan Agreements” which, under the Master Indenture, means any loan agreement, financing agreement, debt obligation or other comparable instrument (and related collateral and security agreements) entered into, or acquired, by a Member evidencing a loan to a Charter School Borrower

financed with Bond Proceeds (including proceeds of the Bonds) or from amounts in the Loan Program Fund. Each Member covenants and agrees under the Master Indenture to fix, charge and collect, or cause to be fixed, charged and collected, rental rates, fees and charges due from the Charter School Borrowers under the School Loan Agreements so that Pledged Revenues, together with other available moneys, are sufficient to make all Required Payments when due. Each Member further covenants under the Master Indenture to deliver all Pledged Loan Payments received by any Member, or to direct the delivery of all Pledged Loan Payments received by any Person, including any loan servicer, at the direction of any Member, to the Master Trustee for deposit in the Revenue Fund. However, notwithstanding anything to the contrary contained in the Master Indenture, upon receipt by the Master Trustee of an Officer's Certificate directing the same and a Sufficiency Certificate, any loan originated pursuant to a School Loan Agreement, and the Pledged Loan Payments due thereunder, is exempted from the pledge of the Master Indenture and any security interest created thereunder, and will be released from the pledge of the Master Indenture and any security interest created thereunder; provided that, for any School Loan Agreement exempted and released under these provisions the principal payments outstanding for which constitute greater than five percent (5%) of all Pledged Assets (as reasonably determined by the Obligated Group Representative and evidenced by an Officer's Certificate), the Master Trustee must also receive a Rating Confirmation. See APPENDIX B — "FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE."

Master Indenture Funds and Accounts. As security for the obligations of the Obligated Group under the Master Indenture, the Obligated Group has granted to the Master Trustee, pursuant to the Master Indenture, for the benefit of the holders of all Obligations issued under the Master Indenture, a security interest in each fund or account established under the Master Indenture, all financial assets, instruments, money and other property credited to or on deposit in any such fund or account, and the proceeds thereof. As of the date of this Official Statement, the funds and accounts established under the Master Indenture include (in addition to the Loan Program Fund and other administrative funds) the Revenue Fund, the Excess Revenue Fund, the Surplus Fund, the Loan Origination Fund, the Debt Service Reserve Fund and the Subordinate Obligations Fund.

Revenue Fund. The Master Trustee is to deposit into the Revenue Fund, as and when such amounts are received, (i) all Pledged Revenues, including all Pledged Loan Payments, (ii) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (iii) any other amounts required to be deposited therein pursuant to the Master Indenture and any Related Supplement. The Master Trustee is to use and withdraw amounts in the Revenue Fund from time to time and apply such amounts (1) first, to the payment of any unpaid fees and expenses of the Master Trustee; (2) second, at the written direction of the Obligated Group Representative, to the Person or Persons (other than the Obligated Group Representative) set forth in such written direction for the purpose of paying any Administrative Fees set forth in such written direction; (3) third, to make Required Payments with respect to Senior Obligations as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts are not sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Senior Obligations ratably without any discrimination or preference; (4) fourth, for transfer to the Debt Service Reserve Fund, (a) the greater of (i) the amount designated for deposit thereto in a written direction of the Obligated Group Representative, and (ii) the aggregate amount of each prior withdrawal from the Debt Service Reserve Fund for the purpose of making up a deficiency in the Revenue Fund (until deposits on account of such withdrawals are sufficient to fully restore the amount withdrawn), provided that no deposit need be made into the Debt Service Reserve Fund if the balance in said fund is at least equal to the Reserve Account Requirement, and (b) in the event the balance in the Debt Service Reserve Fund is less than the Reserve Account Requirement due to the valuation of the Permitted Investments deposited therein in accordance with the Master Indenture, the amount necessary to increase the balance in said account to an amount at least equal to the Reserve Account Requirement (until deposits on account of such valuation deficiency are sufficient to increase the balance in said fund to said amount); (5) fifth, to the Subordinate Obligations Account of the Subordinate

Obligations Fund, an amount to be set forth in a Related Supplement with respect to Subordinate Obligations, as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts are not sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Subordinate Obligations ratably without any discrimination or preference; (6) sixth, to the Second Subordinate Obligations Account of the Subordinate Obligations Fund, an amount to be set forth in a Related Supplement with respect to Second Subordinate Obligations, as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts are not sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Second Subordinate Obligations ratably without any discrimination or preference; and (7) seventh, to the payment of any amount arising under indemnification provisions of any contract with any Person (excluding the Obligated Group Representative) pursuant to which Administrative Fees are payable. On or before the last Business Day of each calendar month, the Master Trustee is to transfer from the Revenue Fund to the Excess Revenue Fund the amount of any excess on deposit in the Revenue Fund, after taking into account amounts necessary to remain on deposit in the Revenue Fund in order to make any of the payments described in clauses (1) through (7) of the preceding sentence coming due during both the balance of such calendar month and the immediately succeeding calendar month; provided that, the Master Trustee will retain such additional amounts in the Revenue Fund as indicated pursuant to the written direction of the Obligated Group Representative.

Excess Revenue Fund. The Master Trustee is to deposit into the Excess Revenue Fund, as and when such amounts are received, (i) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (ii) any other amounts required to be deposited therein pursuant to the Master Indenture and any Related Supplement. Investment earnings on amounts on deposit in the Excess Revenue Fund will be retained therein. On the second Business Day immediately preceding the first day of each calendar month, to the extent there are insufficient funds on deposit in the Surplus Fund to make any transfer required pursuant to following paragraph, the Master Trustee is to withdraw from the Excess Revenue Fund and transfer to the Revenue Fund an amount equal to the difference between the amount required to be transferred to the Revenue Fund and the amount, if any, actually transferred to the Revenue Fund as described in the following paragraph; provided that, the Master Trustee will transfer such additional amounts to the Revenue Fund as indicated pursuant to the written direction of the Obligated Group Representative. On each January 1 and July 1, provided that the applicable transfer to the Revenue Fund described in the preceding sentence has been made, the Master Trustee is to transfer all amounts on deposit in the Excess Revenue Fund in excess of the Excess Revenue Requirement to the Surplus Fund; provided that, the Master Trustee will retain such additional amounts in the Excess Revenue Fund as indicated pursuant to the written direction of the Obligated Group Representative.

Surplus Fund. The Master Trustee is to deposit into the Surplus Fund, as and when such amounts are received, (i) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (ii) any other amounts required to be deposited therein pursuant to the Master Indenture and any Related Supplement. Investment earnings on amounts on deposit in the Surplus Fund are to be retained therein. On the second Business Day immediately preceding the first day of each calendar month, the Master Trustee is to withdraw from the Surplus Fund and transfer to the Revenue Fund an amount equal to the difference between the amount on deposit in the Revenue Fund and the amount of all payments to be made therefrom pursuant to the Master Indenture coming due during such calendar month. After such transfers, if any, and after any transfers as may be required by a Related Supplement, at the written direction of the Obligated Group Representative, the Master Trustee is to transfer from the Surplus Fund the amount set forth in such written direction (i) to the Master Indenture fund or account, including the Loan Origination Fund described below, set forth in such written direction, and/or (ii) to the Revolving Fund free and clear of the lien of the Master Indenture to be used for any lawful and proper corporate purposes of the Revolving Fund.

Loan Origination Fund. The Master Trustee is to deposit into the Loan Origination Fund, as and when such amounts are received, (i) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (ii) any other amounts required to be deposited therein pursuant to the Master Indenture and any Related Supplement. Investment earnings on amounts on deposit in the Loan Origination Fund are to be retained therein. At the written direction of the Obligated Group Representative, the Master Trustee is to transfer from the Loan Origination Fund the amount set forth in such written direction (i) provided that such written direction includes confirmation that the applicable Loan Program Fund Disbursement Conditions have been satisfied, to the Person or Persons set forth in such written direction for the purpose of originating all or a portion of a School Loan Agreement or purchasing a School Loan Agreement, (ii) to the Obligated Group Representative to pay the purchase price for any School Loan Agreement pursuant to the MMLSA, or (iii) to the Revenue Fund to make Required Payments as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts are not sufficient to pay in full all such payments due on any date, then to the payment of Required Payments ratably without any discrimination or preference.

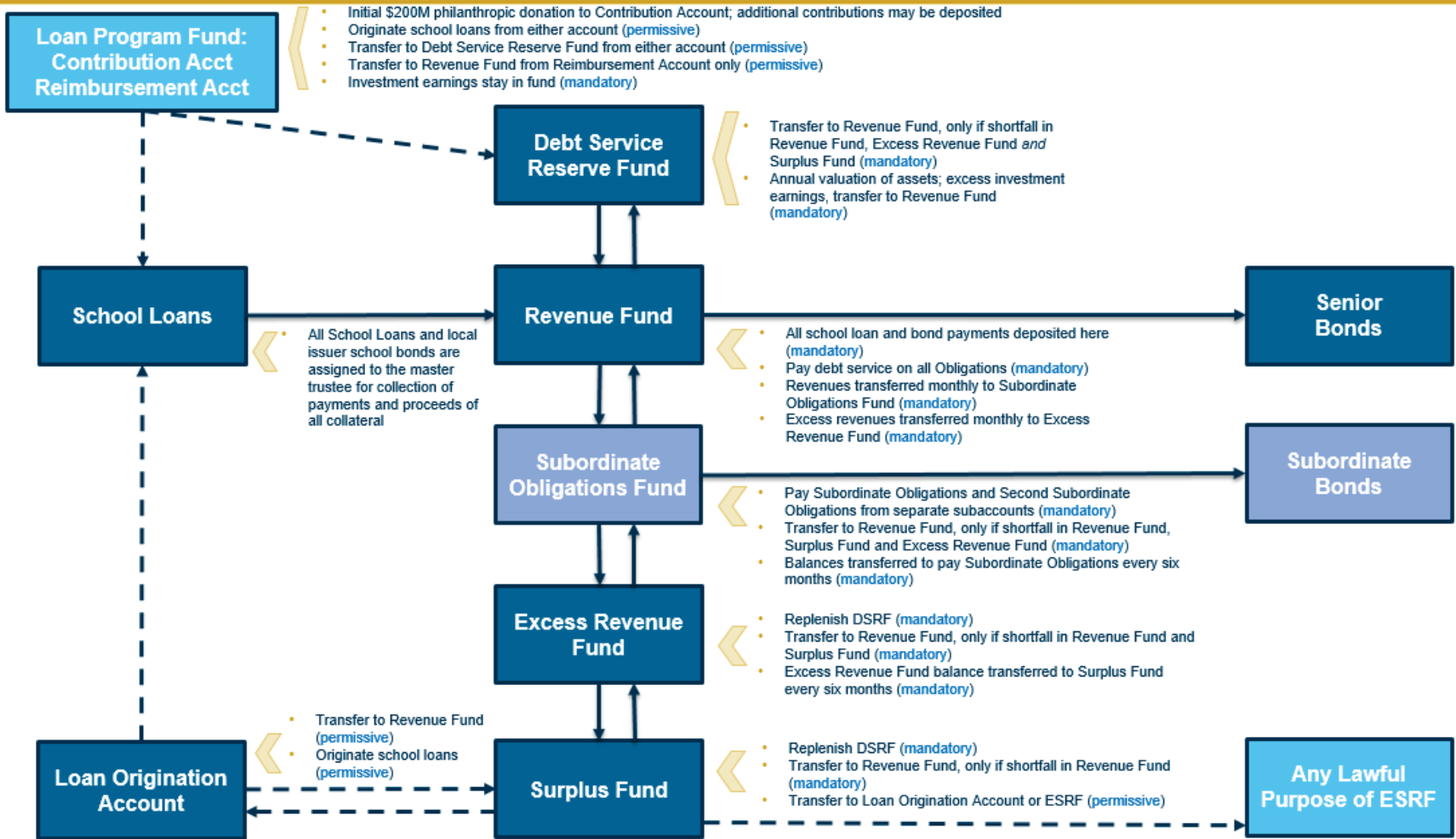
Debt Service Reserve Fund. The Master Trustee is to deposit into the Debt Service Reserve Fund, as and when such amounts are received, (i) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (ii) any other amounts required to be deposited therein pursuant to the Master Indenture and any Related Supplement. Upon the issuance of the Bonds the Reserve Fund Requirement of \$23,382,825 will be satisfied without a deposit of bond proceeds into the Debt Service Reserve Fund. Investment earnings on amounts on deposit in the Debt Service Reserve Fund will be retained therein. Amounts on deposit in the Debt Service Reserve Fund will be valued by the Master Trustee at their fair market value on each July 1, and the Master Trustee is to notify the Obligated Group Representative of the results of such valuation. If the amount on deposit in the Debt Service Reserve Fund on the first Business Day following such valuation is less than 100% of the Reserve Account Requirement, then the Master Trustee is to make the transfer to the Debt Service Reserve Fund described in clause (4) of the second sentence in the above paragraph entitled "Revenue Fund". If the amount on deposit in the Debt Service Reserve Fund on the first Business Day following such valuation is greater than the Reserve Account Requirement, any such excess may be transferred to the Revenue Fund. All amounts in the Debt Service Reserve Fund are to be used and withdrawn by the Master Trustee solely for the purposes of making up any deficiency in the Revenue Fund solely with respect to Senior Obligations or (together with other moneys available therefor) for the payment or redemption of all Related Senior Bonds then Outstanding. On the Business Day immediately preceding the first day of each calendar month, the Master Trustee is to withdraw from the Debt Service Reserve Fund and transfer to the Revenue Fund an amount equal to the difference between the amount on deposit in the Revenue Fund (taking into account any amounts transferred from the Subordinate Obligations Fund to the Revenue Fund pursuant to the Master Indenture, any amounts transferred from the Excess Revenue Fund to the Revenue Fund pursuant to the Master Indenture, any amounts transferred from the Surplus Fund to the Revenue Fund pursuant to the Master Indenture, any amounts transferred from the Loan Origination Fund to the Revenue Fund pursuant to the Master Indenture and any amounts transferred from the Reimbursement Account of the Loan Program Fund to the Revenue Fund pursuant to the Master Indenture) and the amount of all payments to be made from the Revenue Fund and coming due during such calendar month. Notwithstanding the foregoing, amounts in the Debt Service Reserve Fund will be used and withdrawn by the Master Trustee, at the written direction of the Obligated Group Representative, for the payment or redemption of Related Senior Bonds identified in such written direction as necessary to maintain the tax-exempt status of Related Senior Bonds in connection with any prepayment received by a Member on any School Loan Agreement or the refunding of Related Senior Bonds; provided however that any such use or withdrawal by the Master Trustee will not, unless otherwise permitted by the Master Indenture, cause a reduction in the Reserve Account Requirement. Under the Master Indenture, "Reserve Account Requirement" means, as of any date of calculation, the aggregate of all Related Reserve Account Requirements; provided, however, that any decrease thereto must be accompanied by a Sufficiency Certificate and a Rating Confirmation delivered to the Master Trustee.

Subordinate Obligations Fund. The Master Trustee is to deposit into the Subordinate Obligations Account of the Subordinate Obligations Fund, as and when such amounts are received, (i) each month and to the extent provided in the Master Indenture, the amounts required to be deposited from the Revenue Fund into the Subordinate Obligations Account pursuant to the Master Indenture, (ii) to the extent provided in the Master Indenture, any amounts from the Surplus Fund required to be deposited into the Subordinate Obligations Account pursuant to the Master Indenture, (iii) all amounts delivered by or at the direction of the Obligated Group Representative to the Master Trustee for deposit therein, and (iv) any other amounts required to be deposited therein pursuant to the Master Indenture and any Related Supplement. The Master Trustee is to deposit into the Second Subordinate Obligations Account of the Subordinate Obligations Fund, as and when such amounts are received, (i) each month and to the extent provided hereunder, the amounts required to be deposited from the Revenue Fund pursuant to the Master Indenture, (ii) all amounts delivered by or at the direction of the Obligated Group Representative to the Master Trustee for deposit therein, and (iii) any other amounts required to be deposited therein pursuant to the Master Indenture and any Related Supplement. Investment earnings on amounts on deposit in each account in the Subordinate Obligations Fund will be retained therein. On the second Business Day immediately preceding the first day of each calendar month, to the extent there are insufficient funds on deposit in the Surplus Fund to make any transfer required by the Master Indenture and insufficient funds on deposit in the Excess Revenue Fund to make any transfer required by the Master Indenture, the Master Trustee is to withdraw from the Subordinate Obligations Fund (first, from the Second Subordinate Obligations Account until such account balance is zero (\$0), then from the Subordinate Obligations Account) and transfer to the Revenue Fund an amount equal to the difference between the amount required to be transferred to the Revenue Fund, respectively, and the amount, if any, actually transferred to the Revenue Fund, respectively all pursuant to the Master Indenture. On each January 1 and July 1, provided that the applicable required transfer has been made, and that no Event of Default has occurred or is continuing, the Master Trustee is to transfer: (i) from the Subordinate Obligations Account of the Subordinate Obligations Fund to the Related Bond Trustee to make Required Payments with respect to Subordinate Obligations as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts are not sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Subordinate Obligations ratably without any discrimination or preference, and (ii) from the Second Subordinate Obligations Account of the Subordinate Obligations Fund to the Related Bond Trustee to make Required Payments with respect to Second Subordinate Obligations as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts are not sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Second Subordinate Obligations ratably without any discrimination or preference. If no Subordinate Obligations remain Outstanding, the balance in the Subordinate Obligations Fund will be transferred to the Revenue Fund.

For additional information regarding the funds and accounts pledged pursuant to the Master Indenture, see APPENDIX B — “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE” and “— THE SUPPLEMENTAL MASTER INDENTURE.”

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Flow of Funds



Notes:

(1) Dark blue boxes represent pledged accounts under the MTI and series Indentures.

(2) Solid arrows represent mandatory transfers by the Master Trustee, as required under the MTI. Dotted arrows represent discretionary transfers, upon direction of ESRF, under the MTI.

The Controlling Party

Pursuant to the Master Indenture, “Controlling Party” means (a) so long as any Senior Obligations are Outstanding, the Holders of at least a majority of the aggregate Principal Amount of the Senior Obligations then Outstanding; (b) while any Subordinate Obligations are Outstanding and no Senior Obligations are Outstanding, the Holders of at least a majority of the aggregate Principal Amount of the Subordinate Obligations, and (c) while any Second Subordinate Obligations are Outstanding and no Senior Obligations or Subordinate Obligations are Outstanding, the Holders of at least a majority of the aggregate Principal Amount of Second Subordinate Obligations then Outstanding. The Controlling Party approves amendments to the Master Indenture and related bond documents, approves the appointment and substitution of any successor to the Master Trustee, approves the exercise of remedies by the Master Trustee during the occurrence and continuation of an Event of Default under the Master Indenture and has other rights, all as set forth more fully in the Master Indenture. So long as any Senior Obligations are outstanding, Holders of Subordinate Obligations and Second Subordinate Obligations will not approve the actions or have the rights described above in this paragraph. See APPENDIX B — “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE.”

Amendments to the Master Indenture, Bond Indenture and Loan Agreements

Amendments to the Master Indenture. The provisions of the Master Indenture may be modified or amended in certain instances without the consent of the Controlling Party. See APPENDIX B — “FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE — Supplements and Amendments to the Master Indenture.”

Amendments to Bond Indenture and Loan Agreement. Certain modifications or amendments to the Bond Indenture or the Loan Agreement may be made from time to time and at any time without the consent of Holders or with the written consent of not less than Holders of a majority in aggregate principal amount of the Bonds then outstanding. See APPENDIX C — “FORMS OF THE BOND INDENTURE AND LOAN AGREEMENT — THE BOND INDENTURE — Amendments to the Bond Indenture” and “— THE LOAN AGREEMENT — Amendment of the Loan Agreement.”

Security and Enforceability

Perfection of a Security Interest. Each Member of the Obligated Group has granted to the Master Trustee a security interest in the Pledged Assets, which consist of all School Loan Agreements (including, without limitation, all rights to payment thereunder), all Pledged Revenues, the Mortgages securing the School Loans originated by the Program Administrator, purchased by the Revolving Fund and assigned to the Master Trustee, each fund or account (other than the Loan Program Fund and any account within said fund and any other fund or account created and excluded pursuant to a Related Supplement executed after the date hereof) established under the Master Indenture, all financial assets, instruments, money and other property credited to or on deposit in any such fund or account, and the proceeds thereof. The Members of the Obligated Group intend to perfect the grant of a security interest in such collateral to the extent, and only to the extent, that such security interest may be perfected by the filing of financing statements under the Uniform Commercial Code and by the execution and delivery of account control agreements under the New York Uniform Commercial Code. Such actions may not be sufficient to perfect a security interest in all of the Pledged Assets. In particular, it may not be possible to perfect a security interest in any manner whatsoever in certain types of receivables prior to actual receipt by any Member of funds for deposit into the Revenue Fund. To the extent that the Master Trustee’s security interest is not perfected in certain of the Pledged Assets, other creditors or transferees of the Members may be able to obtain an interest in such Pledged Assets that has priority over the security interest of the Master Trustee (and thus the Bond Trustee and the holders of the Bonds). Even if the security interest of the Master Indenture is perfected when the Bonds are issued, the lien could become unperfected if the applicable UCC financing statements are not properly maintained. Even if the security interest of the Master Indenture is perfected in specific Pledged Assets, the lien may not be of first priority. The security interest in Pledged Assets may be subordinated to

the interests and claims of others in several circumstances (for example, statutory liens, liens in favor of the United States or an agency thereof, and equitable liens imposed by courts). In addition, a Member of the Obligated Group may have deliberately or inadvertently granted a lien on Pledged Assets prior to granting a security interest under the Master Indenture. If the interest, claim, or security interest of another person or entity has priority over the security interest of the Master Indenture, the Master Trustee (and thus the Bond Trustee and the holders of the Bonds) is generally able to assert rights to the applicable Pledged Assets only after the other person or entity has been paid in full.

Enforceability of the Master Indenture, the Loan Agreement and the Obligation. The legal right and practical ability of the Bond Trustee to enforce its rights and remedies against the Revolving Fund under the Loan Agreement and related documents and of the Master Trustee to enforce its rights and remedies against the Obligated Group Members under the Master Indenture and the Series 2023 Obligation may be limited by laws relating to bankruptcy, insolvency, reorganization, fraudulent conveyance or moratorium and by other similar laws affecting creditors' rights. In addition, the Bond Trustee's and the Master Trustee's ability to enforce such terms depends upon the exercise of various remedies specified by such documents which may in many instances require judicial actions that are often subject to discretion and delay or that otherwise may not be readily available or may be limited.

The joint and several obligation described herein of each Member of the Obligated Group to pay debt service on the Series 2023 Obligation may not be enforceable under any of the following circumstances:

(1) to the extent payments on the Series 2023 Obligation are requested to be made from assets of a Member which are donor-restricted or which are subject to a direct, express or charitable trust that does not permit the use of such assets for such payments;

(2) if the purpose of the debt created and evidenced by the Series 2023 Obligation is not consistent with the charitable purposes of the Member from which such payment is requested or required, or if the debt was incurred or issued for the benefit of an entity other than a nonprofit corporation that is exempt from federal income taxes under Sections 501(a) and 501(c)(3) of the Code and is not a "private foundation" as defined in Section 509(a) of the Code; or

(3) if and to the extent payments are requested to be made pursuant to any loan violating applicable usury laws.

These limitations on the enforceability of the joint and several obligations of the Members of the Obligated Group on the Series 2023 Obligation also apply to their obligations on all Obligations. If the obligation of a particular Member of the Obligated Group to make payment on an Obligation is not enforceable and payment is not made on such Obligation when due in full, then Events of Default will arise under the Master Indenture.

In addition, common law authority and authority under state statutes exists for the ability of courts in such states to terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes. Such court action may arise on the court's own motion or pursuant to a petition of the attorney general of such states or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

The various legal opinions delivered concurrently with the issuance of the Bonds are qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, policy and decisions affecting remedies and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights or the enforceability of certain remedies or document provisions.

Financial Status of the Obligated Group. Past financial and balance sheet information is not indicative of current functions and performance. The Revolving Fund is obligating itself to provide future audited financial statements as part of its continuing disclosure obligation. See “CONTINUING DISCLOSURE,” herein. In addition, the Revolving Fund expects to report future audited financial statements in disclosure documents for future issuances of bonds. Plante & Moran, PLLC, independent auditor of the Program Administrator, has not been involved in the preparation of this Official Statement.

CERTAIN LEGAL ASPECTS

Bankruptcy Risks

Bankruptcy of the Program Administrator

The Program Administrator will sell School Loans to the Revolving Fund. Each of the Program Administrator and the Revolving Fund intends for each transfer of School Loans to be an absolute sale and not a secured loan. Nonetheless, if the Program Administrator were to go into bankruptcy, and a party in interest (including the Program Administrator) were to assert that any transfer of School Loans from the Program Administrator to the Revolving Fund is not a sale, but rather should be recharacterized as the grant of a security interest in the School Loans to secure a borrowing of the Program Administrator, delays in payments on the Bonds could result. If a court were to adopt such a position, then delays or reductions in payments on, or other losses with respect to, Bonds could result.

The Program Administrator and the Revolving Fund have taken steps to reduce the risk that in the event the Program Administrator were to become the debtor in a bankruptcy case, a court would order that the assets and liabilities of the Revolving Fund be substantively consolidated with those of the Program Administrator. These steps include the creation of the Revolving Fund as a separate, limited purpose entity. Nonetheless, if a party in interest (including the Program Administrator) asserted that the assets and liabilities of the Revolving Fund should be consolidated with those of the Program Administrator, delays in payments on the Bonds could result. If the court ordered that the assets and liabilities of the Revolving Fund be consolidated with those of the Program Administrator, there could be delays or reductions in payments on, or other losses with respect to, the Bonds.

Should the Program Administrator go into bankruptcy, there could be other adverse effects that could result in delays or reductions in payments on, or other losses with respect to, the Bonds. These adverse effects could include, but may not be limited to, one or more of the following. The automatic stay provisions of the bankruptcy laws could prevent (unless approval of the bankruptcy court was obtained) any action by the Bond Trustee, the Master Trustee, the Conduit Issuer or any holder of Bonds to enforce any obligations of the Program Administrator under any transaction document or to collect any amount owing by the Program Administrator under any transaction document.

In addition, with the authorization of the bankruptcy court, the Program Administrator may be able to repudiate any of the transaction documents to which it is a party. Such a repudiation would excuse the Program Administrator from performing any of its obligations under that transaction document. The rights of the Revolving Fund under the repudiated transaction document may be limited or eliminated. Such a repudiation could also excuse the other parties to the repudiated transaction document from performing any of their obligations. In particular, the Program Administrator may be able to repudiate its obligation to repurchase School Loans, as required by the transaction documents, or it may be able to repudiate its obligations to perform the services with respect to the Revolving Fund, the School Loans, the Obligations, and the Bonds that it has agreed to perform under the transaction documents. If the Program Administrator repudiates its obligations to perform any or all of these services, it may be difficult or impossible to find another entity to perform these services.

Any event of default under the Bonds or the Obligations that relates to the bankruptcy of the Program Administrator may be unenforceable.

The occurrence of any of these events could result in delays or reductions in payments on, or other losses with respect to, the Bonds. There may also be other possible effects of a bankruptcy or insolvency of the Program Administrator that could result in delays or reductions in payments on, or other losses with respect to, the Bonds.

Regardless of any ruling made by a court, moreover, the mere fact that the Program Administrator has become insolvent or gone into bankruptcy could have an adverse effect on the value of the School Loans or on the liquidity and value of the Bonds.

Bankruptcy of the Servicer

If the Servicer were to go into bankruptcy, it may stop performing its functions as Servicer. Because the School Loans are highly specialized, it may be difficult, if not impossible, to find a third party to act as successor servicer. Alternatively, the Servicer may take the position that unless the amount of its compensation is increased or the terms of its obligations are otherwise altered, it will stop performing its functions as Servicer. Because it may be difficult, if not impossible, to find a third party to act as successor Servicer, the parties, as a practical matter, may have no choice but to agree to the demands of the Servicer. The Servicer may also have the power, with the approval of the bankruptcy court, to assign its rights and obligations as Servicer to a third party, without the consent, and even over the objection, of the Revolving Fund, the Conduit Issuer, the Bond Trustee, the Master Trustee, or the holders of the Bonds, and without complying with the requirements of the transaction documents.

The automatic stay provisions of the Bankruptcy Code would prevent (unless approval of the bankruptcy court was obtained) any action by the Conduit Issuer, the Revolving Fund, the Bond Trustee, the Master Trustee, or the holders of the Bonds to enforce any obligations of the Servicer under the applicable documents, to collect any amount owing by the Servicer under the transaction documents, or to terminate or replace the Servicer, regardless of the provisions of the transaction documents.

Collections on the School Loans may be commingled with assets of the Servicer for up to three (3) business days before they are remitted to the Master Trustee. In the event the Servicer goes into bankruptcy, the Bond Trustee and the holders of the Bonds may not have a perfected or priority interest in any collections that are in the possession of the Servicer or that have not been remitted to the Master Trustee at the time of the commencement of the bankruptcy. The Servicer may not be required to remit to the Master Trustee any collections that are in its possession or under its control at the time it enters bankruptcy. To the extent that the Servicer has commingled collections on the School Loans with its own funds, the holders of the Bonds may be required to return to the Servicer as preferential transfers payments received on the Bonds.

If a bankruptcy trustee for the Servicer were to argue that any of its administrative expenses relate to the School Loans or the transaction documents, those expenses could be paid from collections on the School Loans before the Master Trustee receives any collections.

The occurrence of any of these events could result in delays or reductions in payments on, or other losses with respect to, the Bonds. There may also be other possible effects of a bankruptcy of the Servicer that could result in delays or reductions in payments on, or other losses with respect to, the Bonds. Regardless of any specific adverse determinations in a bankruptcy case of the Servicer, the fact that such a case has been commenced could have an adverse effect on the value of the School Loans or the liquidity and value of the Bonds.

Bankruptcy of a Member of the Obligated Group

If a Member of the Obligated Group is in bankruptcy, the parties (including the Bond Trustee, the Master Trustee, and the holders of the Bonds) may be prohibited from taking any action to collect any amount from such Member or to enforce any obligation of such Member, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Bond Trustee and the Master Trustee

from making payments to the holders of the Bonds from funds in the possession of the Bond Trustee or the Master Trustee. The covenant of the Member to collect sufficient amounts from the Charter Schools so that all Required Payments will be made may not be enforceable in bankruptcy by any party (including the Bond Trustee, the Master Trustee, and the holders of the Bonds).

If a Member goes into bankruptcy, any Pledged Assets generated, collected, or acquired by that Member after it goes into bankruptcy may not be subject to the lien of the Master Indenture, unless such Pledged Assets are proceeds of Pledged Assets that were Pledged Assets prior to the commencement of the bankruptcy. If a Member is in possession of collections on Pledged Assets when it goes into bankruptcy, the Member may not be required to turn them over to the Master Trustee or the Bond Trustee.

The Bond Trustee and the Master Trustee may be required to return to any Member of the Obligated Group that is in bankruptcy any Pledged Assets that became subject to the lien of the Master Indenture within the 90 days (or possibly one year) immediately preceding the filing of the bankruptcy petition. Payments previously made to the holders of the Bonds during the 90 days (or possibly one year) immediately preceding the filing of the bankruptcy petition may be avoided as preferential payments, so that the holders would be required to return such payments to the Member of the Obligated Group in bankruptcy.

Whether or not a Member of the Obligated Group is in bankruptcy, the obligation of such Member to make Required Payments on behalf of another Member of the Obligated Group may be unenforceable if a court determines that such Member did not receive reasonably equivalent value in return for assuming the obligation to make Required Payments on behalf of the other Member and such Member was insolvent at the time the Bonds were issued, at the time such Member became a Member, or at the time such Member made Required Payments on behalf of another Member. If such obligation of such Member is unenforceable, then Required Payments previously made to the holders of the Bonds by such Member on behalf of another Member may be avoided as fraudulent or voidable transfers, so that the holders would be required to return such payments to such Member.

A Member of the Obligated Group that is in bankruptcy may be able to borrow additional money that is secured by a lien on any of its property (including the Pledged Assets), which lien could have priority over the lien of the Master Indenture, as long as the bankruptcy court determines that the rights of the Bond Trustee, the Master Trustee, and the holders of the Bonds will be adequately protected. Such Member may be able to cause some of the Pledged Assets to be released to it, free and clear of the lien of the Master Indenture, as long as the bankruptcy court determines that the rights of the Bond Trustee, the Master Trustee, and the holders of the Bonds will be adequately protected.

If a Member of the Obligated Group is in bankruptcy it may be able, without the consent and over the objection of the Bond Trustee, the Master Trustee, and the holders of the Bonds, to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

Actions could be taken in a bankruptcy of a Member of the Obligated Group that could adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

There may be delays in payments on the Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of a Member of the Obligated Group that could result in delays or reductions in payments on the Bonds, or result in losses to the holders of the Bonds. Regardless of any specific adverse determinations in a bankruptcy of a Member of the Obligated Group, the fact of a bankruptcy of a Member of the Obligated Group could have an adverse effect on the liquidity and value of the Bonds.

Bankruptcy of a Charter School Borrower

Should a Charter School Borrower become the subject of a bankruptcy case, there could be adverse effects on the holders of the Bonds that could result in delays or reductions in payments on, or other losses with respect to, the Bonds.

The automatic stay provisions of the Bankruptcy Code could prevent any action to collect any amount from the Charter School Borrower or any action to enforce any obligation of the Charter School Borrower, unless the permission of the bankruptcy court is obtained. In particular, the Bond Trustee, the Master Trustee, and other parties may be prevented from foreclosing on any part of the collateral that secures the related School Loan. These restrictions may also prevent the Bond Trustee and the Master Trustee from making payments to the holders of the Bonds from funds in the possession of the Bond Trustee or the Master Trustee during the pendency of the bankruptcy case. Any “intercept” or similar mechanism may no longer be enforceable and the Charter School Borrower may be able to require that all funds owing to it be paid directly to it.

The Charter School Borrower may be able to borrow additional money that is secured by a lien on any of its property (including the collateral that secures the related School Loan), which lien could have priority over the lien of the School Loan, as long as the bankruptcy court determines that the rights of the Master Trustee will be adequately protected. The Charter School Borrower may be able to cause some of the collateral that secures the related School Loan to be released to it, free and clear of the lien of the School Loan, as long as the bankruptcy court determines that the rights of the Master Trustee will be adequately protected.

The Charter School Borrower may be able, without the consent and over the objection of the Master Trustee, the Bond Trustee, the Revolving Fund, the Conduit Issuer, and the holders of the Bonds, to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the School Loan, as long as the bankruptcy court determines that the alterations are fair and equitable.

The Master Trustee, the Bond Trustee, and the holders of the Bonds may be required to return to the Charter School Borrower any property that became subject to the lien of the School Loan within the 90 days (or in some cases one year) immediately preceding the filing of the bankruptcy petition. Payments previously made to the holders of the Bonds during the 90 days (or in some cases one year) immediately preceding the filing of the bankruptcy petition may be avoided as preferential payments, so that the holders would be required to return such payments to the Charter School Borrower.

The lien of the School Loan may not attach to any property, including any revenues of the Charter School Borrower, that the Charter School Borrower acquires after the filing of a bankruptcy petition, unless such property is proceeds of property that was subject to the lien of the School Loan prior to the bankruptcy filing.

Actions could be taken in a bankruptcy of the Charter School Borrower that could adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

There may be delays in payments on the Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of a Charter School Borrower that could result in delays or reductions in payments on the Bonds or result in other losses to the holders of the Bonds. Regardless of any specific adverse determinations in a bankruptcy of a Charter School Borrower, the fact of a bankruptcy of a Charter School Borrower could have an adverse effect on the liquidity and value of the Bonds.

Cyber Security

Information technology systems are vulnerable to a range of cyber security-related risks. These risks include, without limitation, data breaches and system compromises resulting from, ransomware attacks, attacks from hackers, email phishing campaigns, computer viruses, physical or electronic break-

ins, insider threats, system misconfigurations, and other methods of compromise that have become increasingly sophisticated. Such events or issues could lead to the disclosure of personally identifiable information or other confidential or proprietary information, could have an adverse effect on the ability of the Program Administrator, the Revolving Fund, the Servicer or any Charter School Borrower to operate, and could result in significant exposure and substantial costs to the Revolving Fund. No assurance can be given that the Program Administrator, the Revolving Fund, the Servicer or any Charter School Borrower will not be exposed to cyber threats or attacks or that such incidents will not have a material adverse effect on the operations and financial condition of the Revolving Fund.

Other Risks to Public Charter Schools

General Risks to Public Charter Schools

The ability of each Charter School Borrower to generate sufficient revenues to make debt service payments on their respective School Loans is dependent on a number of elements, including charter renewal, state budget pressures, demand for charter schools, the ability of the Charter School Borrower to provide the educational services and classes demanded by parents or to attract students generally, changes in the level of confidence in the local public school systems, reputational damage to public charter schools in general or to a particular Charter School Borrower, competition, faculty recruitment, demographic changes, statutory changes, governmental regulations, changes in immigration policy, litigation and the Charter School Borrowers' ability to achieve sufficient enrollment, attendance and fundraising levels. These elements, in turn, are affected by numerous circumstances outside the control of any individual public charter school, including the continuation of necessary governmental policies, laws, regulations and programs with respect to public charter schools; the competitive appeal and perceived quality of a public charter school's curriculum; and the benevolence of donors to such schools.

Potential purchasers of the Bonds should be aware that public charter schools face constant competition for students and there can be no assurance that a public charter school will continue to attract and retain the number of students needed to generate revenues sufficient to make payments on the School Loans. Public charter schools compete against traditional public schools, each other and, in some cases, private schools for students. Various proposals offering private school vouchers to families to assist with the cost of private schools have been considered across the country and enacted in several locations. The enactment or expansion of a private school voucher program in the geographic vicinity of a public charter school may lead to increased competition, decreased public charter school enrollment and corresponding decreases in revenue.

Funding Risks

The School Loans are expected to be secured by the Charter School Borrowers' property and revenues, including per student payments the Charter School Borrowers receive from their state or local government. A decrease in enrollment or daily attendance may impair an individual Charter School Borrower's ability to make debt service payments to the Program Administrator. Various state requirements, including audits, may result in a public charter school returning payments to the state government. Many jurisdictions prohibit public charter schools from charging tuition or fees. Public charter schools do not have taxing authority. The amount of state and local government assistance to public charter schools, including per student payments, is based on a variety of factors, which may include the state or locality's economic performance. The availability of state funds for public education is a function of constitutional and statutory provisions affecting school districts' revenues and expenditures, the condition of a state's economy (which affects total revenue available to all of the state's public schools, including public charter schools) and a state's budget process. If a state legislature decreases or eliminates funding for public charter schools no liability would accrue to the state and the state would not be obligated or liable for any future payments or any damages. If a state or local government withholds per student payments or other assistance to a public charter school for any reason, even for a reason that is ultimately determined to be invalid or unlawful, the school may be forced to cease operations.

General Legal and Regulatory Risks

State laws and regulations governing public charter schools are evolving and amendments are made relatively frequently and legislative and public attitudes are still forming. It is likely additional changes will be made in the future, some of which may be adverse to public charter schools and may affect their financial viability. An authorizer may decline to renew or revoke a public charter school's charter for contractual or regulatory violations which may include failure to meet or pursue any of the pupil outcomes identified in such school's charter, failure to meet generally accepted accounting principles or fiscal mismanagement. Public charter schools in different states are subject to different state laws and regulations. The Charter School Borrowers are located in and operate public charter schools in many states including but not limited to Rhode Island, California, Texas, Arizona, Tennessee and Florida.

Construction Risks

Where School Loans are for new facility construction or renovation they will be subject to typical construction-related risks. Such risks include, among others, the impacts of inflation, labor disputes, defective building materials, schedule delays, shortages in various labor trades, fire or other property or casualty damage, unanticipated subsoil conditions and financial difficulties on the part of or disputes with a construction manager, key suppliers, contractors or subcontractors. There can be no assurance that construction problems of the types described above, or other problems, will not frustrate the planned completion of any part of a Charter School Borrower's School Loan financed facility or impair a Charter School Borrower's repayment of a School Loan.

Climate Change related Risks

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. Over the next 25 to 100 years, such extreme events and conditions are expected to increasingly disrupt and damage critical infrastructure and property as well as regional economies and industries that depend on natural resources and favorable climate conditions. Disruptions could include more frequent and longer-lasting power outages, fuel shortages and service disruptions. Coastal public infrastructure may be threatened by the continued increase in the frequency and extent of high-tide flooding due to sea level rise, and inland infrastructure, including access to roads, the viability of bridges and the safety of pipelines, may be affected by increases in the severity and frequency of heavy precipitation events. Real property that is at or near sea level may be at increased risk of substantial flood damage over time. The real property and facilities of Charter School Borrowers may be damaged by such events. A Charter School Borrower's per pupil enrollment may decline if local communities experience climate change related population declines.

Environmental Risks

There are risks relating to liabilities for environmental hazards with respect to the ownership of any real property. If hazardous substances are found to be located on a property, Charter School Borrowers', as owners of such property that may be pledged as collateral for the School Loans, may be held liable for costs and other liabilities related to the removal of such substances which costs and liabilities could exceed the value of the property. Real property mortgaged under School Loans will be subject to various federal, state, and local laws and regulations governing health and the environment. In general, these laws and regulations could result in liability to a Charter School Borrower for remediating adverse environmental conditions on or relating to such real property, whether arising from pre-existing conditions or conditions as a result of activities conducted in connection with school construction, ownership, or operation. Public charter schools in seismically active regions are at risk of suffering substantial damage to property and their ability to operate due to seismic activity.

Outbreak of Disease; Public Health Risks

The extent to which current or future variants of the Coronavirus disease or a future public health crisis may impact operations and finances of public charter schools will depend on public health measures and future developments including future viral variants, which are highly uncertain and cannot be predicted by the Program Administrator or the Revolving Fund. Future disease outbreaks may also cause material declines in enrollment of students in public charter schools. For example, if it is perceived that competitors to a Charter School Borrower, including traditional public schools or other public charter schools, are better equipped to handle the spread of contagious diseases or to provide in-person, virtual or hybrid learning, a Charter School Borrower's enrollment may decline and adversely impact a Charter School Borrower's ability to service its School Loan.

Labor and Management Risks

The creation of, and the philosophy of teaching in, public charter schools may initially reflect the commitment of a few key persons on the board of directors and/or the upper management of the public charter school or its management organization. A Charter School Borrower's loss of any such key personnel and the inability to retain appropriate replacements could adversely affect a school's operations and financial results.

Public charter school employees are not widely unionized. Should teachers and staff of a Charter School Borrower become unionized while a School Loan is outstanding, contractual terms with the union could adversely affect the operational flexibility of a Charter School Borrower and/or increase costs, thus adversely impacting the Charter School Borrower's ability to generate sufficient revenues to service its School Loan.

Limitations on Enforceability of Remedies

There exists common law authority and authority under various state statutes pursuant to which courts may terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that the corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out its stated charitable purposes. In addition to the foregoing, the realization of any rights under any agreement related to the School Loans, including remedies for nonpayment of debt service charges, may require judicial action which is subject to discretion and delay.

Real Property Risks

Real property mortgaged under School Loans and the facilities thereon at any given time will be directly affected by market and financial conditions which are not in the control of the parties involved in this transaction or the School Loans transactions. At any time there may be a difference between the actual market value of a Charter School Borrower's mortgaged property and the amount of School Loans such borrower has outstanding, and that difference may be material and adverse to the Revolving Fund in its capacity as owner of an individual School Loan. School Loans will require various insurance coverages including property insurance and builder's risk insurance and flood insurance where applicable. See "THE LOAN PROGRAM."

Tax-Exempt Status of the Revolving Fund

The Revolving Fund is a Delaware limited liability company whose sole member is the Program Administrator, which is a Delaware nonstock, nonprofit corporation that has been determined by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Code. Under present federal law, regulations and rulings, the income and revenue of nonprofit, 501(c)(3) qualified exempt organizations are exempt from federal income tax, except for any unrelated business income as defined in the Code, and their revenues are exempt from the State sales tax except for certain services. If the Program Administrator fails to meet the requirements necessary to preserve its status as a nonprofit corporation and

a tax-exempt charitable organization under Section 501(c)(3) of the Code, the Revolving Fund, as a disregarded entity of the Program Administrator for federal income tax purposes, could experience expenses which are greater than those projected and revenues which are lower than those projected, which would adversely affect the Revolving Fund's ability in the future to pay its respective Loan Repayments under the applicable Loan Agreement and the Obligation representing debt service on the Bonds. In addition, if the Program Administrator were to lose its status as a nonprofit corporation and a tax-exempt organization, the federal tax-exempt status of the Bonds would also be adversely affected.

Tax-Exempt Status of the Charter School Borrowers

The Charter School Borrowers are each public charter schools and considered nonprofit education corporations. Each Charter School Borrower has been determined by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Code. Under present federal law, regulations and rulings, the income and revenue of nonprofit, 501(c)(3) qualified exempt organizations are exempt from federal income tax, except for any unrelated business income as defined in the Code. If the Charter School Borrowers fail to meet the requirements necessary to preserve their status as nonprofit education corporations and tax-exempt charitable organizations under Section 501(c)(3) of the Code, the Charter School Borrowers could experience expenses which are greater than those projected and revenues which are lower than those projected, which would adversely affect the applicable Charter School Borrower's ability to (a) make the payments required under their respective loan agreements, and therefore the ability of the Revolving Fund to make payments under the applicable Loan Agreement and the Obligation representing debt service on the Bonds. In addition, if a Charter School Borrower were to lose its status as a nonprofit education corporation and a tax-exempt organization, the tax-exempt status of the Bonds could also be adversely affected.

INVESTMENTS

The Master Indenture provides that, except as otherwise provided in a Related Supplement, all moneys in any of the funds and accounts established pursuant to the Master Indenture and held by the Master Trustee are to be invested by the Master Trustee at the written direction of the Obligated Group Representative solely in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in the Master Indenture. Permitted Investments purchased under any investment agreement may be deemed to mature on the date or dates on which the Master Trustee may redeem such Permitted Investments under such agreement.

The Master Trustee may sell at the best price obtainable, or present for redemption, any Permitted Investments so purchased whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and, subject to the provisions of the Master Indenture, the Master Trustee will not be liable or responsible for any loss resulting from any investment made in accordance with provisions of the Master Indenture. Any Permitted Investments that are registrable securities are to be registered in the name of the Master Trustee.

If the Master Trustee has not received written investment directions from the Obligated Group Representative with respect to any moneys, such moneys are to be deposited in the Master Trustee's Money Market Deposit Account, provided that such qualifies as a Permitted Investment. All income earned on investments of moneys in the funds and accounts will be treated as income of the Obligated Group Representative for federal income tax purposes.

Under the Master Indenture, "Permitted Investments" means, unless otherwise provided in a Related Supplement, any of the following: (a) negotiable instruments or securities represented by instruments in bearer or registered or in book-entry form which evidence (i) obligations fully guaranteed by the United States of America; (ii) obligations of any agency of the United States of America; (iii) time deposits in, or bankers acceptances issued by, any depository institution or trust company incorporated

under the laws of the United States of America or any state thereof and subject to supervision and examination by Federal or state banking or depository institution authorities; provided, however, that at the time of investment or contractual commitment to invest therein, the certificates of deposit or short-term deposits, if any, or long-term unsecured debt obligations (other than such obligation whose rating is based on collateral or on the credit of a Person other than such institution or trust company) of such depository institution or trust company must have a credit rating from Moody's and S&P of at least "P-1" and "A-1," respectively, in the case of the certificates of deposit or short-term deposits, or a rating not lower than one of the two highest investment categories granted by Moody's and by S&P; (iv) certificates of deposit having, at the time of investment or contractual commitment to invest therein, a rating from Moody's and S&P of at least "P-1" and "A-1," respectively; or (v) investments in money market funds (including those owned or managed by the Master Trustee) rated in the highest investment category or otherwise approved in writing by Moody's and S&P; (b) demand deposits and cash escrows in any depository institution or trust company (including those owned or managed by the Master Trustee) referred to in (a)(iii) above; (c) commercial paper (having original or remaining maturities of no more than 30 days) having, at the time of investment or contractual commitment to invest therein, a credit rating from Moody's and S&P of at least "P-1" and "A-1," respectively; (d) Eurodollar time deposits having a credit rating from Moody's and S&P of at least "P-1" and "A-1," respectively; (e) repurchase agreements involving any of the Permitted Investments described in clauses (a)(i), (a)(ii), (a)(iv) and (d) of this definition so long as the other party to the repurchase agreement has at the time of investment therein, a short-term rating from Moody's or S&P of at least "P-1" or "A-1," respectively, or long-term ratings of at least "A3" or "A-," respectively; (f) investment agreements constituting direct obligations of any bank, insurance company or other financial institution with long-term ratings by Moody's or S&P of at least "A3" or "A-," respectively; (g) any other investment permitted by such Related Supplement and which satisfies any Rating Agency conditions; and (h) solely with respect to the investment funds held in any account established under the Master Indenture that is specifically excluded from the pledge and lien created by the Master Indenture, any other investment directed by the Obligated Group Representative.

For additional information regarding the funds and accounts pledged pursuant to the Master Indenture and the investment thereof, See APPENDIX B — "FORMS OF THE MASTER AND SUPPLEMENTAL TRUST INDENTURES — THE MASTER INDENTURE — PLEDGE; PLEDGED FUNDS; INVESTMENTS; SECURITIES INTERMEDIARY; CUSTODIAL ACCOUNT" and "— SUPPLEMENTAL MASTER INDENTURE NUMBER THREE."

LITIGATION

The Conduit Issuer

As of the date hereof, there is no litigation pending (as to which the Conduit Issuer has received service of process) or, to the actual knowledge of the Conduit Issuer, overtly threatened in writing, directly against the Conduit Issuer affecting the existence of the Conduit Issuer or the title of any officers of the Conduit Issuer to their respective offices, or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or any proceedings of the Conduit Issuer with respect to the issuance or sale thereof, or the pledge or application of any monies or security for the Bonds.

The Program Administrator and the Revolving Fund

To the knowledge of the Program Administrator, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Program Administrator seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Program Administrator taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, the validity or enforceability of the documents executed by the Program Administrator in connection with the Bonds or any School Loan, the completeness or accuracy of this Official Statement or the existence or powers of the Program Administrator relating to the sale of the Bonds or any School Loan.

To the knowledge of the Revolving Fund, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Revolving Fund seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Revolving Fund taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, the validity or enforceability of the documents executed by the Revolving Fund in connection with the Bonds or any School Loan, the completeness or accuracy of this Official Statement or the existence or powers of the Revolving Fund relating to the sale of the Bonds or any School Loan.

KIPP New Jersey Litigation

In April 2020, the Board of Education of the City of Newark, New Jersey (the “Newark Board of Education”), filed a complaint (the “Newark Litigation”) in the Superior Court of New Jersey, Chancery Division, Essex County (the “Superior Court”), Dkt. No. ESX-C-62-20 against the Program Administrator, the Revolving Fund, the Master Trustee and others in connection with the sale of property by the Housing Authority of the City of Newark (the “Housing Authority”) to 33 Maple Urban Renewal, LLC and the subsequent sale of the property by 33 Maple Urban Renewal, LLC to The Friends of TEAM Charter Schools, Inc. (“FTCS”). The Newark Litigation identifies the property as Maple Avenue School, located in Newark, New Jersey (the “Maple Avenue School”). On March 19, 2020, the Revolving Fund purchased from the Program Administrator a School Loan (the “KIPP New Jersey Loan”) for FTCS (as a Charter School Borrower under the KIPP New Jersey Loan and as landlord to KIPP New Jersey charter schools in Newark, New Jersey (“KIPP New Jersey”)), and assigned the KIPP New Jersey Loan and all related collateral, including a mortgage on the Maple Avenue School, to the Master Trustee pursuant to the Master Trust Indenture.

The Newark Litigation alleges that the sale of the Maple Avenue School violates an agreement entered into by the Newark Board of Education and the Housing Authority, which agreement was effective at the time the Newark Board of Education sold the Maple Avenue School to the Housing Authority. Specifically, the Newark Board of Education alleges that a Site Disposition and Development Agreement (the “Development Agreement”) entered into by the Newark Board of Education and the Housing Authority permits the transfer of the Maple Avenue School on the condition that the property be used for one of three purposes: housing, redevelopment, or economic development opportunity. The Newark Board of Education avers that the sale of the Maple Avenue School to FTCS satisfies none of these purposes. Furthermore, the Newark Board of Education claims that the Development Agreement sets forth certain development milestones, none of which were established or met.

In the Newark Litigation, the Newark Board of Education seeks to enforce what it claims is a reversionary interest in the Maple Avenue School established in the Development Agreement. The Newark Board of Education thus seeks a judgment that would require the Program Administrator, the Revolving Fund and the Master Trustee to relinquish any interest they may have in the Maple Avenue School. The Newark Board of Education also seeks monetary damages, but only against the Housing Authority, 33 Maple Urban Renewal, LLC and FTCS.

On August 31, 2020, the Newark Board of Education filed a Second Amended Complaint (the “SAC”) adding an allegation that the Housing Authority and 33 Maple Urban Renewal, LLC colluded with respect to the acquisition of an unrelated property. On October 1, 2020, the Housing Authority filed a motion to dismiss and on October 2, 2020, FTCS, the Program Administrator, the Revolving Fund, the Master Trustee and 33 Maple Urban Renewal, LLC filed motions to dismiss. A hearing was held on November 17, 2020 and the motions to dismiss were denied by order dated December 15, 2020.

On February 18, 2021, the Housing Authority, 33 Maple Urban Renewal, LLC, FTCS, the Program Administrator, the Revolving Fund and the Master Trustee responded and also alleged certain counterclaims and cross-claims against the Newark Board of Education, the Housing Authority, 33 Maple Urban Renewal, LLC and FTCS. No counterclaims or cross-claims were made in the responsive pleadings against the Program Administrator, the Revolving Fund or the Master Trustee, except for a cross-claim filed by the Housing Authority for contribution against all defendants in the Newark Litigation.

The parties have conducted two mediation sessions, but they did not result in a resolution of the matter. The Superior Court has not yet set a date for trial, but the parties expect the trial to occur in 2024.

The claims set forth in the Newark Litigation do not challenge the obligation of FCTS to make timely payments under the KIPP New Jersey Loan, and solely relate to the mortgage provided as collateral therefor. Should the Newark Board of Education obtain the relief sought in the Newark Litigation, the mortgage of the Maple Avenue School provided as collateral for the KIPP New Jersey Loan could be terminated. However, at this stage, neither the Program Administrator nor the Revolving Fund can predict the outcome of the Newark Litigation.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Revolving Fund, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from State of Arizona income tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. Complete copies of the proposed forms of the opinions of Bond Counsel are set forth in APPENDIX D – “FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL” hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond

premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Conduit Issuer, the Revolving Fund, the Program Administrator and the Charter School Borrowers have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Bond Counsel has relied on, among other things, various opinions of different counsel to the different Charter School Borrowers ("School Counsel") delivered at the time loans were made to each Charter School Borrower regarding the then current qualification of the Charter School Borrowers as organizations described in Section 501(c)(3) of the Code. Such opinions are subject to a number of qualifications and limitations. Bond Counsel has also relied on representations and covenants of the Revolving Fund, the Program Administrator and the Charter School Borrowers concerning their "unrelated trade or business" activities as defined in Section 513(a) of the Code. Neither Bond Counsel nor School Counsel has given any opinion or assurance concerning Section 513(a) of the Code and neither Bond Counsel nor School Counsel can give or has given any opinion or assurance about the future activities of the Revolving Fund, the Program Administrator or the Charter School Borrowers, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the Internal Revenue Service. Failure of either of the Program Administrator or any of the Charter School Borrowers to be organized and operated in accordance with the IRS's requirements for the maintenance of their respective status as organizations described in Section 501(c)(3) of the Code, or to undertake activities or operate the facilities financed by the Bonds in a manner that is substantially related to their respective charitable purposes under Section 513(a) of the Code, may result in interest payable with respect to the Bonds being included in federal gross income, possibly from the date of the original issuance of the Bonds.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, interest on the Bonds is exempt from State of Arizona income tax, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause amounts treated as interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for or marketability of, the Bonds. Prospective

purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of any Conduit Issuer, the Revolving Fund, the Program Administrator, and the Charter School Borrowers, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Conduit Issuer, the Revolving Funds, the Program Administrator and the Charter School Borrowers have covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend any Conduit Issuer, the Revolving Fund, the Program Administrator, the Charter School Borrowers or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than an Issuer, the Revolving Fund, the Program Administrator and their appointed counsel, such as the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which a Conduit Issuer, the Revolving Fund or the Program Administrator legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds, and may cause a Conduit Issuer, the Revolving Fund, the Program Administrator or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

CONTINUING DISCLOSURE

The Bonds are special limited obligations of the Conduit Issuer, payable by the Conduit Issuer solely from amounts received by the Conduit Issuer from the Revolving Fund. The Revolving Fund has determined that no financial or operating data concerning the Conduit Issuer is material to an evaluation of the offering of the Bonds or to any decision to purchase, hold or sell the Bonds, and the Conduit Issuer will not provide any such information. The Revolving Fund has undertaken all responsibilities for any continuing disclosure to Holders of the Bonds as described below, and the Conduit Issuer will have no liability to the Holders of the Bonds or any other person with respect to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule").

The Revolving Fund has entered into a Continuing Disclosure Agreement with U.S. Bank Trust Company, National Association dated as of the date of delivery of the Bonds to the Underwriters (the “Continuing Disclosure Agreement”) for the benefit of Holders of the Bonds to provide certain financial and operating information (the “Annual Report”) not later than the June 30th following the end of the preceding calendar year, commencing June 30, 2024, and to provide notices of certain enumerated events. Specifically, the Revolving Fund agrees to provide the Annual Report to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) system and to provide notice of the occurrence of the enumerated events to the MSRB through the EMMA system.

The Annual Report for the Bonds will consist generally of the audited financial statements of the Revolving Fund and information regarding the Loan Program and the Charter School Borrowers but only of the type contained in the table in APPENDIX A entitled “PORTFOLIO TABLE BY ORIGINATION DATE” (except for the column “Obligor Description”). Furthermore, the Revolving Fund has agreed to include in its Annual Report the financial statements of each Charter School Borrower (if any) which is a party to a Loan Agreement or Agreements under which outstanding aggregate principal amount owed under such Loan Agreement or Agreements during the most recently ended calendar year equaled or exceeded 20% of the outstanding aggregate principal amount owed under all Loan Agreements in such year. Any of the above-described financial and operating information may be supplied by the Revolving Fund including in its Annual Report by specific reference to information previously supplied to the MSRB through its EMMA system, or to the Securities and Exchange Commission (the “SEC”). Information will not be included by reference to a final official statement unless such final official statement is available from the MSRB.

The Continuing Disclosure Agreement is being executed by the Revolving Fund to assist the Underwriters in complying with the Rule. The Revolving Fund has agreed to give notice in a timely manner to the MSRB through its EMMA system of any failure to supply the information required to be provided in the Continuing Disclosure Agreement; however, any such failure will not constitute a default under any Bond Indenture or the terms of the Bonds. See APPENDIX F – “FORM OF CONTINUING DISCLOSURE AGREEMENT.”

For purposes of the Rule, the Revolving Fund has filed its Annual Reports in a timely manner as required under its prior continuing disclosure agreements entered into in connection with the Series 2019 Bonds, Series 2020 Bonds, Senior Series 2021 Bonds and the Series 2022 Bonds. However, in 2020, the Revolving Fund failed to make a timely event notice filing concerning an interest rate swap that the Revolving Fund had entered into as part of its hedging program. A notice was filed on EMMA in April 2021 providing the relevant information. The Revolving Fund has instituted internal procedures to ensure timely notifications in the future. The Revolving Fund has timely submitted all other disclosures required pursuant to the continuing disclosure agreements.

Any commitment or obligation for continuing disclosure with respect to the Bonds, the Program Administrator or the Revolving Fund has been undertaken solely by the Revolving Fund.

LEGAL OPINIONS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Revolving Fund. The signed legal opinion dated as of, and premised on the transcript of proceedings examined and the law in effect on, the date of original delivery of the Bonds, will be delivered to the Underwriters at the time of that original delivery.

A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX D hereto. Orrick, Herrington & Sutcliffe LLP, as disclosure counsel to the Revolving Fund, will provide certain other legal services for the Revolving Fund. The legal opinion to be delivered may vary from that text, if necessary, to reflect facts and law on the date of delivery. The opinion will speak only as of their date, and subsequent distribution of the opinions by recirculation of the Official Statement or otherwise

shall create no implication that Bond Counsel has reviewed, or expresses any opinion concerning, any of the matters referred to in its opinion subsequent to the opinion's date.

Certain legal matters will be passed on for the Program Administrator and the Revolving Fund by its bond and disclosure counsel, Orrick, Herrington & Sutcliffe LLP and certain legal matters will be passed on for the Underwriters by their counsel, Squire Patton Boggs (US) LLP. Orrick has previously served and may in the future serve as bond counsel to certain of the Charter School Borrowers. Squire Patton Boggs (US) LLP has previously and may in the future serve as bond counsel to certain public charter schools, which may include one or more of the Charter School Borrowers.

FINANCIAL ADVISOR

Lamont Financial Services Corporation (the "Financial Advisor") is employed as Financial Advisor to the Revolving Fund. The fees paid to the Financial Advisor for services rendered in connection with the issuance and sale of the Bonds are based on fixed fees for pricing activities and hourly fees for various bond and credit structuring activities, and the payment of such fees is contingent on the sale and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

SWAP ADVISOR

Blue Rose Capital Advisors, LLC (the "Swap Advisor"), has been retained by the Revolving Fund to provide certain advisory services including monitoring adherence to the swap policies, proper hedge matching, cost management, pricing opinions, and swap monitoring/unwinding. The Swap Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of the information set forth in this Official Statement, nor has it participated in the preparation of this Official Statement except for providing the language in this section. The Swap Advisor is not a public accounting firm and has not been engaged by the Revolving Fund to compile, review, examine or audit any information in this Official Statement in accordance with accounting standards. The Swap Advisor is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board in accordance with applicable federal securities laws, is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities, and will not participate in the underwriting of the Bonds. The fees to be paid to the Swap Advisor are based on a non-contingent ongoing service fee and a fixed fee for each swap transaction which is contingent on completion of the transaction.

The Swap Advisor is under common ownership with HedgeStar, LLC ("HedgeStar"). HedgeStar provides hedge accounting, fair value accounting, and valuation services for financial instruments including, but not limited to, fixed-income securities and derivatives, which services may have been used in the preparation of the Revolving Fund's financial statements.

UNDERWRITING

The Representative, as representative of itself and the Underwriters, has agreed, subject to certain conditions, to purchase the Bonds at a price of \$298,354,485.03 (consisting of the par amount thereof (\$280,000,000.00) plus original issue premium (\$19,518,183.40) less Underwriters' Discount of \$1,163,698.37). The Underwriters are obligated to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold by the Underwriters to certain dealers at prices lower than the public offering prices, and the public offering prices may be changed from time to time.

The obligation of the Underwriters to purchase the Bonds is subject to (a) the terms and conditions set forth in the Bond Purchase Agreement (b) the approval of certain legal matters by Bond Counsel, (c) the existence of no material adverse change (not in the ordinary course of business) in the condition of the Revolving Fund from that set forth in this Official Statement and the Appendices hereto and (d) certain other conditions. The Bond Purchase Agreement provides that the Underwriters will not be obligated to

purchase the Bonds if all the Bonds are not available for purchase and requires the Revolving Fund to indemnify the Underwriters against losses, claims, damages and liabilities arising out of any incorrect or incomplete statement or information contained in this Official Statement pertaining to the Revolving Fund and other matters.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices. The public offering prices may be changed after the initial offering by the Underwriters.

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

The Underwriters and their respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriters and their respective affiliates may actively trade debt and, if applicable, equity securities (or derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Conduit Issuer. The Underwriters and their respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Revolving Fund.

RATING

S&P Global Ratings has assigned to the Bonds a rating of “A” (positive outlook). Any explanation of the significance of the rating may only be obtained from the rating agency. Generally, rating agencies base their ratings on information and materials furnished to them and other investigations, studies and assumptions they deem appropriate. The ratings are not recommendations to buy, sell or hold the Bonds. There can be no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn entirely by the respective rating agency, if in its judgment circumstances so warrant. Any revision or withdrawal of a rating may have an effect on the marketability and/or market price of the Bonds.

DESIGNATION OF THE BONDS AS SOCIAL BONDS

The information set forth below concerning (i) International Capital Market Association (“ICMA”) and the Social Bond Principles, and (ii) Kestrel Verifiers in its role as an external reviewer with respect to the Second Party Opinion (“SPO”) of the Bonds as Social Bonds, all as more fully described below, has been extracted from materials provided by ICMA and Kestrel Verifiers.

ICMA is a not-for-profit membership association, headquartered in Switzerland, that serves the needs of its wide range of member firms in global capital markets. ICMA works on mobilizing the bond market for green, social, and sustainability solutions. ICMA has established principles and guidelines that provide criteria for eligible projects to be considered a Social Bond. The ICMA Social Bond Principles June 2023 are used globally by bond issuers, governments, investors and the financial markets to prioritize investments which genuinely contribute to addressing social change. Per the International Capital Market Association (ICMA), Social Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Social Projects and which

are aligned with the four core components of the Social Bond Principles. The four core components are: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting.

The SPO also notes alignment with certain United Nations Sustainable Development Goals.

The term “Social Bonds” is solely for identification purposes and is not intended to provide or imply that the owners of the Bonds are entitled to any security other than that described under the heading “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” herein.

The SPO of the Bonds as Social Bonds was addressed solely to the Program Administrator’s Board and is not a recommendation to any person to purchase, hold or sell the Bonds and such review does not address the market price or suitability of the Bonds for a particular investor. The external review also does not address the merits of the decision by the Revolving Fund, the Program Administrator or any third party to participate in any nominated project and does not express and should not be deemed to be an expression of an opinion as to the Program Administrator or any aspect of the Loan Program other than with respect to conformance with ICMA’s standards for Social Bonds.

In issuing or monitoring, as applicable, the SPO, Kestrel Verifiers has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to Kestrel Verifiers. Kestrel Verifiers does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any nominated project or the Revolving Fund.

In addition, Kestrel Verifiers does not assume any obligation to conduct (and have not conducted) any physical inspection of any nominated project. The SPO may only be used with the Bonds and may not be used for any other purpose without Kestrel Verifier’s prior written consent.

The SPO does not and is not in any way intended to address the likelihood of timely payment of interest when due on the Bonds and/or the payment of principal at maturity or any other date.

The SPO may be withdrawn at any time in the Kestrel Verifier’s sole and absolute discretion and there can be no assurance that such SPO will not be withdrawn.

EXTERNAL REVIEWER FOR SECOND PARTY OPINION OF SOCIAL BOND

The Program Administrator has engaged Kestrel Verifiers to provide a verification on the bond’s conformance with the Social Bond Principles. Kestrel Verifiers has determined that the projects to be financed with the proceeds of the Bonds satisfy the Social Bond Principles and the project categories of Access to Essential Services and Socioeconomic Advancement and Empowerment by reaching the Target Populations as described in the SPO as set forth in APPENDIX G hereto. Accredited as an “Approved Verifier” by the Climate Bonds Initiative, Kestrel Verifiers is qualified to evaluate bonds against the ICMA Green and Social Bonds Principles in all sectors. Kestrel’s Second Party Opinion can be found in APPENDIX G.

For over 20 years, Kestrel Verifiers has been consulting in sustainable finance. Kestrel Verifiers, a division of Kestrel 360, Inc. is an Approved Verifier accredited by the Climate Bonds Initiative (CBI) and an Observer for the ICMA Green Bond Principles and Social Bond Principles. Kestrel Verifiers reviews transactions in all asset classes worldwide for alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Climate Bonds Initiative Standards and criteria.

The Second Party Opinion issued by Kestrel Verifiers does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the bonds. Designations by Kestrel Verifiers are not a recommendation to any person to purchase, hold, or sell the bonds and such labeling does not address the market price or suitability of these bonds for a particular investor and does

not and is not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second Party Opinion, Kestrel Verifiers has assumed and relied upon the accuracy and completeness of the information made publicly available by the Program Administrator or that was otherwise made available to Kestrel Verifiers.

CONCLUDING STATEMENT

Any quotations from and summaries and explanations of the Bonds, Loan Agreement, the Master Indenture and the Bond Indenture do not purport to be complete, and reference is made to the pertinent provisions of such documents for their complete provisions.

To the extent that any statements in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, those statements are made as such and not as representations of fact or certainty, and no representation is made that any of these statements will be realized. Information in this Official Statement has been derived by the Revolving Fund from official and other sources and is believed by the Revolving Fund to be reliable, but information other than that obtained from official records of the Program Administrator or the Revolving Fund has not been independently confirmed or verified by the Revolving Fund and its accuracy is not guaranteed. This Official Statement is not to be construed as a contract or agreement between the Revolving Fund, the Program Administrator or the Conduit Issuer and the Underwriters, any Holder of any of the Bonds or subsequent Book-Entry Interest Owners.

The Revolving Fund and the Conduit Issuer have authorized and approved the use and lawful distribution of this Official Statement, although the Conduit Issuer has not reviewed or approved any information in this Official Statement except the information contained under the captions “THE CONDUIT ISSUER” and “LITIGATION — The Conduit Issuer”, each only as to the Conduit Issuer’s information (together, the “Conduit Issuer Portion”). The Conduit Issuer will bear no responsibility for the accuracy, sufficiency or completeness of any such information in this Official Statement other than that information which is directly provided by the Conduit Issuer in the sections of the Conduit Issuer Portion directly related to it. Except as otherwise stated herein, the Conduit Issuer does not make any representation or warranty whatsoever with respect to the information contained herein.

Language under the headings captioned “THE BONDS –Book-Entry System” and in APPENDIX E - “BOOK-ENTRY ONLY SYSTEM” was summarized from information provided by DTC.

Additional copies of this Official Statement are available upon request to the Underwriters. Copies of other relevant documents including the Master Indenture, Bond Indenture and Loan Agreement are available upon request to Revolving Fund.

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This Official Statement has been prepared, approved and delivered, for and on behalf of the Revolving Fund and executed by the undersigned in their official capacity.

EQUITABLE SCHOOL REVOLVING FUND, LLC,
a Delaware limited liability company

By: /s/ Anand Kesavan

Name: Anand Kesavan

Title: Chief Executive Officer

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APPENDIX A

CHARTER SCHOOL BORROWER METRICS

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Portfolio Table by Origination Date											
Loan #	LOAN ORIGINATION DATE	OBLIGOR NAME	LOCATION	OBLIGOR DESCRIPTION	YEAR OPENED	ORIGINAL EFF LOAN \$	OUTSTANDING EFF LOAN(S) (11/1/2023)	OBLIGOR % OF ESRF PORTFOLIO (as of 11/1/23)	LOAN MATURITY DATE	LOAN PAYMENT CURRENT?	Public S&P RATING
1	10/12/2018	The Soulsville Charter School	Memphis, TN	Single campus school	2005	\$10,330,106	\$9,472,879	0.9%	10/1/2048	Yes	NA
2	12/20/2018	Village Tech Academy	Duncanville, TX	Single campus school	2013	\$8,385,000	\$7,825,000	0.7%	8/15/2048	Yes	BB
3	2/12/2019	Arizona School for the Arts	Phoenix, AZ	Single campus school	1995	\$10,620,000	\$9,701,685	1.6%	7/1/2048	Yes	BB+
4	2/25/2019	Choices in Learning Academy	Winter Springs, FL	Single campus school	2001	\$9,199,407	\$8,115,004	0.8%	11/1/2043	Yes	BBB-
5	3/14/2019	KIPP Northern California Public Schools	Northern California	6 school Obligated Group (19 school network)	2002	\$16,000,000	\$14,648,887	5.4%	4/1/2049	Yes	BBB
6	3/21/2019	Arlington Classics Academy	Arlington, TX	3 schools on 2 campuses	1999	\$15,635,234	\$13,292,236	1.2%	8/1/2040	Yes	BBB-
7	4/26/2019	Blackstone Valley Preparatory Academy	Providence, RI Region	6 school network	2009	\$16,000,000	\$14,699,381	4.0%	5/1/2049	Yes	BB+
8	5/31/2019	Rocketship United Academy	Nashville, TN	Single school Obligated Group (3 school network)	2015	\$7,282,964	\$6,699,898	0.6%	6/1/2049	Yes	NA
9	6/5/2019	KIPP Nashville	Nashville, TN	7 school network	2005	\$10,500,000	\$9,633,790	2.4%	6/1/2049	Yes	BBB ⁻¹
10	8/30/2019	James Irwin Charter Schools	Colorado Springs, CO	5 school network	1999	\$24,580,313	\$22,634,973	2.1%	8/1/2049	Yes	BBB
11	10/17/2019	Itineris	West Jordan, UT	Single campus school	2004	\$7,965,982	\$7,373,733	0.7%	12/1/2049	Yes	BB
12	12/5/2019	Alliance for College-Ready Public Schools	Los Angeles, CA	15 school Obligated Group (23 school network)	2003	\$26,916,709	\$24,922,486	2.3%	7/1/2049	Yes	BBB
13	2/27/2020	Caliber: ChangeMakers Academy	Vallejo, CA	Single school Obligated Group (2 school network)	2014	\$14,219,046	\$13,190,361	1.2%	2/1/2050	Yes	BBB ⁻¹
14	3/19/2020	TEAM Academy: KIPP NJ	Newark, NJ	14 school network	2001	\$21,500,000	\$21,500,000	2.0%	9/1/2050	Yes	BBB
15	3/31/2020	Renaissance Arts Academy	Los Angeles, CA	Single campus school	2003	\$16,121,412	\$15,429,373	1.4%	5/1/2056	Yes	BBB-
16	5/14/2020	Not Your Ordinary School (NYOS)	Austin, TX	Single campus school	1998	\$25,295,892	\$24,543,944	2.3%	6/1/2050	Yes	BB
17	5/29/2020	Scuola Vita Nuova	Kansas City, MO	Single campus school	1999	\$8,885,903	\$8,446,696	0.8%	6/1/2050	Yes	BB+
18	6/22/2020	KIPP Nashville	2nd Loan for Obligor - See Loan #9 for school information			\$16,991,883	\$16,346,393	See Loan #9 ²	7/1/2050	See Loan #9	
19	6/29/2020	Arizona School for the Arts	2nd Loan for Obligor - See Loan #3 for school information			\$8,536,764	\$7,584,059	See Loan #3 ²	7/1/2041	See Loan #3	
20	6/30/2020	Brookside	Kansas City, MO	Single campus school	2002	\$5,655,705	\$5,285,114	0.5%	7/1/2050	Yes	BB
21	7/22/2020	Sarasota School for the Arts	Sarasota, FL	Single campus school	1997	\$8,935,316	\$7,883,875	0.7%	7/1/2040	Yes	BBB-
22	7/24/2020	Dayspring Academy	New Port Richey, FL	5 campuses (expansion to 6 in 2024)	2000	\$10,682,688	\$10,200,269	1.0%	8/1/2050	Yes	BB
23	7/31/2020	Public Prep: Boys Prep	Bronx, NY	Single school Obligated Group (4 charter network on 5 campuses)	2005	\$7,029,431	\$6,588,181	0.6%	8/1/2050	Yes	BBB ⁻¹
24	10/2/2020	Alma del Mar Charter School	New Bedford, MA	2 schools on 2 campuses	2011	\$21,000,000	\$20,506,634	1.9%	11/1/2050	Yes	BB

25	10/30/2020	IDEA Louisiana	Baton Rouge, LA	Single school Obligated Group (2 school network)	2018	\$17,500,000	\$16,644,904	1.6%	11/1/2050	Yes	NA
26	12/4/2020	KIPP Capital Region (formerly KIPP Albany)	Albany, NY	3 charter network (6 campuses)	2005	\$24,537,152	\$23,418,982	2.2%	12/1/2050	Yes	BBB-
27	12/22/2020	Equitas	Los Angeles, CA	6 schools, 5 campuses	2009	\$30,811,625	\$30,105,146	2.8%	12/1/2055	Yes	BB+
28	3/5/2021	Blackstone Valley Preparatory Academy	2nd Loan for Obligor - See Loan #7 for school information			\$15,955,000	\$15,093,047	See Loan #7 ²	3/1/2051	See Loan #7	
29	3/5/2021	Austin Achieve	Austin, TX	3 schools, 2 campuses	2012	\$29,756,423	\$29,277,434	2.7%	6/1/2048	Yes	BBB-
30	3/19/2021	Impact Public Schools	Seattle, WA	Single OG school (4 schools, 3 campus network)	2016	\$10,102,561	\$9,816,155	0.9%	3/1/2056	Yes	NA
31	4/16/2021	Great Oaks Legacy Charter School	Newark, NJ	5 campus network	2011	\$14,897,472	\$14,576,978	3.2%	4/1/2051	Yes	BB+
32	4/28/2021	KIPP Northern California Public Schools	2nd Loan for Obligor - See Loan #5 for school information			\$11,733,266	\$11,328,997	See Loan #5 ²	3/1/2056	See Loan #5	
33	6/24/2021	Paramount School of Excellence	Indianapolis, IN	4 schoool network (3 brick and mortar and 1 virtual)	2010	\$11,521,111	\$11,121,648	1.0%	7/1/2051	Yes	BB+
34	7/9/2021	Memphis Rise Academy	Memphis, TN	Single campus school	2014	\$9,680,868	\$9,325,841	0.9%	7/1/2051	Yes	BBB-
35	8/10/2021	LISA Academy	Little Rock Region, AR	5 campus network	2004	\$16,189,436	\$16,189,436	1.5%	8/1/2056	Yes	BB+
36	10/14/2021	Fortune School of Education	Sacramento Region, CA	2 school Obligated Group (9 school network)	2010	\$6,764,111	\$6,619,986	0.6%	11/1/2056	Yes	NA
37	10/15/2021	KIPP Jacksonville	Jacksonville, FL	4 school network	2010	\$18,166,983	\$17,807,267	2.3%	10/1/2056	Yes	BBB-
38	11/5/2021	Palm Beach School for Autism	Palm Beach, FL	Single campus school	2003	\$15,073,410	\$14,525,262	1.4%	11/1/2051	Yes	BB+
39	12/30/2021	Western Academy	Royal Palm Beach, FL	Single campus school	2003	\$14,245,004	\$14,245,004	1.3%	12/1/2051	Yes	BB
40	1/28/2022	Mission Achievement and Success (MAS)	Albuquerque, NM	2 campus school	2012	\$30,700,119	\$30,367,183	2.8%	3/1/2052	Yes	BB
41	2/16/2022	Tulsa Honor Academy	Tulsa, OK	2 school network	2015	\$10,602,566	\$10,588,367	1.0%	2/1/2052	Yes	BB
42	2/18/2022	Vista College Prep	Phoenix, AZ	3 school network	2013	\$19,879,787	\$19,650,218	1.8%	2/1/2051	Yes	BB+
43	3/11/2022	Freedom Preparatory Academy	Memphis, TN	5 school network (4 campuses)	2009	\$18,979,986	\$18,550,035	1.7%	3/1/2052	Yes	BBB-
44	3/23/2022	Environmental Charter Schools	Los Angeles, CA	3 school Obligated Group (4 school network)	2010	\$27,782,757	\$27,322,009	2.6%	3/1/2057	Yes	BB+
45	4/7/2022	Achievement First Rhode Island	Providence and Cranston, RI	7 school network	2013	\$36,952,867	\$36,903,918	3.5%	4/1/2052	Yes	BB+
46	5/27/2022	KIPP Jacksonville	2nd Loan for Obligor - See Loan #37 for school information			\$6,870,271	\$6,737,219	See Loan #37 ²	10/1/2056	See Loan #37	
47	6/2/2022	KIPP Northern California	3rd Loan for Obligor - See Loan #5 for school information			\$32,226,266	\$31,777,434	See Loan #5 ²	5/1/2057	See Loan #5	
48	7/21/2022	Freire Wilmington	Wilmington, DE	Single campus school	2016	\$10,668,632	\$10,482,237	1.0%	7/1/2052	Yes	BB
49	8/15/2022	Compass Rose	San Antonio and Austin, TX	6 campus network	2017	\$30,000,000	\$29,577,110	2.8%	9/1/2027	Yes	NA
50	8/31/2022	Partnerships to Uplift Communities Valley (PUC)	Los Angeles, CA	3 school OG on two campuses (5 school network)	2007	\$22,881,484	\$22,193,571	2.1%	8/1/2044	Yes	BB+

51	9/2/2022	Valor Collegiate Academies	Nashville, TN	3 school network on single campus	2014	\$32,298,198	\$31,735,535	3.0%	9/1/2052	Yes	BBB-
52	9/16/2022	e-STEM	Little Rock, AR	5 school network on 3 campuses	2008	\$10,105,974	\$9,983,172	0.9%	9/1/2057	Yes	NA
53	9/16/2022	Memphis School of Excellence	Memphis, TN	4 school network on 3 campuses	2010	\$9,970,104	\$9,824,328	0.9%	9/1/2052	Yes	BBB-
54	9/23/2022	Beatrice Mayes Institute	Houston, TX	Single campus school	2001	\$16,792,884	\$16,413,449	1.5%	10/1/2029	Yes	BBB-
55	10/26/2022	Blackstone Valley Preparatory Academy	3rd Loan for Obligor - See Loan #7 for school information			\$12,760,000	\$12,594,695	See Loan #7 ²	10/1/2052	See Loan #7	
56	11/9/2022	Elevate Academy	Caldwell, ID	Single campus school	2019	\$11,965,000	\$11,897,966	1.1%	11/1/2052	Yes	BB
57	12/7/2022	Etoile Academy	Houston, TX	Currently single site school - expanding to second campus	2018	\$8,055,437	\$8,055,437	0.8%	12/1/2052	Yes	NA
57	3/2/2023	Great Oaks Legacy Charter School	2nd Loan for Obligor - See Loan #31 for school information			\$19,200,000	\$19,018,655	See Loan #31 ²	3/1/2053	Yes	BB+
59	5/24/2023	Valor Public Schools	Austin, TX	1 school obligated group (growing to 3)/ 3 school network and expanding to 5)	2017	\$24,800,000	\$24,800,000	2.3%	6/1/2048	Yes	NA
60	7/20/2023	Houston Classical Charter School	Houston, TX	Single campus school	2020	\$3,944,850	\$3,944,850	0.4%	7/1/2053	Yes	NA
61	8/17/2023	Amigos Por Vida	Houston, TX	Single campus school	1998	\$21,600,000	\$21,527,749	2.0%	9/1/2053	Yes	BBB-
62	9/15/2023	Friendship Aspire Academies	Little Rock, AR Region	2 school Obligated Group (5 school network)	2018	\$18,808,000	\$18,808,000	1.8%	9/1/2058	Yes	BB
63	9/15/2023	Paul Robeson Charter School for the Humanities	Trenton, NJ	Single campus school	2008	\$31,000,000	\$31,000,000	2.9%	9/1/2028	Yes	NA
64	9/22/2023	Heritage Community Charter School	Caldwell, ID	Single campus school	2011	\$6,814,176	\$6,803,155	0.6%	9/1/2048	Yes	BB+
65	9/29/2023	Odyssey Charter School	Wilmington, DE	Single campus school with six buildings	2006	\$41,415,016	\$41,415,016	3.9%	9/1/2053	Yes	BBB-
66	10/13/2023	Yu Ming	Oakland, CA	3 school network	2011	\$7,100,000	\$7,100,000	0.7%	10/1/2058	Yes	BB+
Total:						\$1,099,378,553	\$1,065,692,246	100%			
mean		NA	NA	2007	\$16,657,251	\$16,146,852	1.7%	6/23/2050	NA	NA	
median		NA	NA	2007	\$15,354,322	\$14,551,120	1.5%	2/15/2051	NA	BB+	

¹ Previously upgraded by S&P

² Obligor's multiple loans are combined for total % of portfolio

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APPENDIX B

FORMS OF MASTER AND SUPPLEMENTAL TRUST INDENTURES

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**SECOND AMENDED AND RESTATED
MASTER TRUST INDENTURE**

among

EQUITABLE FACILITIES FUND, INC.,
as Obligated Group Representative

and

EQUITABLE SCHOOL REVOLVING FUND, LLC,
as Initial Member of the Obligated Group

and

U.S. BANK NATIONAL ASSOCIATION,
as Master Trustee

and

U.S. BANK NATIONAL ASSOCIATION,
as Securities Intermediary

Dated as of August 1, 2020

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**SECOND AMENDED AND RESTATED
MASTER TRUST INDENTURE**

THIS SECOND AMENDED AND RESTATED MASTER TRUST INDENTURE (this “Master Indenture”), dated as of August 1, 2020, among EQUITABLE FACILITIES FUND, INC., a Delaware nonstock nonprofit corporation (the “Corporation” and the initial Obligated Group Representative, as more specifically defined herein), the entities listed on APPENDIX A hereto, including EQUITABLE SCHOOL REVOLVING FUND, LLC, a Delaware limited liability company (the “Initial Member”), as the same may be amended from time to time (as more particularly set forth herein, the “Members”), U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, being qualified to accept and administer the trusts hereby created as master trustee (the “Master Trustee”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America (the “Securities Intermediary”).

W I T N E S S E T H:

WHEREAS, the Corporation, the Initial Member, the Master Trustee and the Securities Intermediary have entered into that certain Amended and Restated Master Trust Indenture, dated as of August 1, 2019 (the “Amended and Restated Master Indenture”), amending and restating in its entirety that certain Master Trust Indenture, dated as of September 1, 2018 (the “Original Master Indenture”), for the purpose of providing for the issuance from time to time of obligations thereunder to provide for the financing or reimbursing for the prior financing of the acquisition, construction, improvement, equipping and furnishing of certain public charter school facilities, or for other lawful and proper corporate purposes; and

WHEREAS, on November 6, 2018, the Initial Member issued an obligation (“Obligation No. 1”) pursuant to the Original Master Indenture and a Supplemental Master Indenture with respect to Obligation No. 1 (the “2018 Supplemental Indenture”); and

WHEREAS, on August 29, 2019, the Initial Member issued an obligation (“Obligation No. 2”) pursuant to the Amended and Restated Master Indenture and a Supplemental Master Indenture with respect to Obligation No. 2 (the “2019A Supplemental Indenture”); and

WHEREAS, on August 29, 2019, the Initial Member issued an obligation (“Obligation No. 3”) pursuant to the Amended and Restated Master Indenture and a Supplemental Master Indenture with respect to Obligation No. 3 (the “2019B Supplemental Indenture”); and

WHEREAS, the Corporation and the Initial Member deem it necessary and desirable to enter into this Second Amended and Restated Master Trust Indenture for the purpose of amending and restating the Amended and Restated Master Indenture in its entirety; and

WHEREAS, all Obligations previously issued by the Master Trustee will remain outstanding, and all Supplements thereto will remain in full force and effect and will constitute Related Supplements hereunder, following the execution and delivery of this Master Indenture; and

WHEREAS, all acts and things necessary to constitute this Master Indenture a valid indenture and agreement according to its terms, including receipt by the Master Trustee of the consent hereto by the holder of Obligation No. 1, have been done and performed and the Corporation and the Initial Member have duly authorized the execution and delivery of this Master Indenture; and

WHEREAS, the Master Trustee agrees to accept and administer the trusts created hereby in accordance with the terms and conditions hereof;

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Master Trustee of the trusts hereby created, and of the giving of consideration for and acceptance of the obligations issued hereunder by the holders thereof, and for the purposes of fixing and declaring the terms and conditions upon which such obligations are to be issued, authenticated, delivered and accepted by all persons who shall from time to time be or become holders thereof, the Members and the Corporation covenant and agree with the Master Trustee for the equal and proportionate benefit of the respective holders from time to time of obligations issued hereunder, and the Original Master Indenture is amended and restated in its entirety, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Master Indenture and of any supplemental indenture issued hereafter and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, equally applicable to both singular and plural forms of any of the terms herein defined.

“Accountant” means any firm of independent certified public accountants selected by the Obligated Group Representative.

“Additional Indebtedness” means any Indebtedness (including all Obligations) incurred subsequent to the execution and delivery of this Master Indenture.

“Administrative Fees” means the items of expense to be paid or reimbursed by any Member related to this Master Indenture and any Related Bonds Indenture, which items of expense shall include, but not be limited to, fees and charges for the authorization, issuance, execution, delivery, transportation and safekeeping of Obligations and Related Bonds, fees and charges of the Master Trustee and any Related Bonds Trustee, legal fees and charges, professional consultant fees, costs of credit ratings, loan origination and loan servicing fees, debt obligation underwriting and debt obligation issuance fees, and other costs, charges and fees in connection with the foregoing or as otherwise identified in a written direction of the Obligated Group Representative delivered to the Master Trustee pursuant to Section 4.02 hereof; provided however, that Administrative Fees shall not include the payment of any amount arising under indemnification provisions of any contract with any Person pursuant to which such costs, charges or fees are payable.

“Affiliate” means a corporation, limited liability company, partnership, joint venture, association, business trust or similar entity organized under the laws of the United States of

America or any state thereof, directly controlled by or under common control with a Member or any other Affiliate. For purposes of this definition, “control” means the power to direct the management and policies of a Person through the ownership of at least a majority of its voting securities, or the right to designate or elect at least a majority of the members of its board of directors by contract or otherwise.

“Authorized Representative” means with respect to each Member and the Obligated Group Representative, the chair (or president) of its Governing Body, its chief executive officer or its chief financial officer or any other person designated as an Authorized Representative of such Member or the Obligated Group Representative by a Certificate of such Member or the Obligated Group Representative, signed by the chair (or president) of its Governing Body or its chief executive officer or chief financial officer and filed with the Master Trustee.

“Balloon Indebtedness” means Long-Term Indebtedness 25% or more of the principal of which becomes due (either by maturity or mandatory redemption) during any period of twelve (12) consecutive months, which portion of the principal is not required by the documents governing such Indebtedness to be amortized by redemption prior to such date.

“Bond Counsel” means counsel of recognized national standing in the field of law relating to municipal bonds, appointed by the Obligated Group Representative.

“Bond Proceeds” means the proceeds of the sale of Related Bonds or funds derived from any Related Loan Agreement.

“Business Day” means any day other than a Saturday, a Sunday, or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to be closed.

“Certificate,” “Statement,” “Request,” “Consent” or “Order” of any Member or of the Master Trustee means, respectively, a written certificate, statement, request, consent or order signed in the name of such Member by its respective Authorized Representative or in the name of the Master Trustee by its Responsible Officer. Any such instrument and supporting opinions or certificates, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or certificate and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.04 hereof, each such instrument shall include the statements provided for in Section 1.04.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contribution Account” means the account by that name established pursuant to Section 3.01 hereof.

“Contributions” means gifts, grants, bequests, donations and contributions made to or for the benefit of the Obligated Group Representative or any Member and specifically restricted by the donor for the purposes for which amounts on deposit in the Loan Program Fund may be applied, which amounts shall be designated as such in an Officer’s Certificate upon the delivery thereof to the Master Trustee.

“Controlling Party” means (a) so long as any Senior Obligations are Outstanding, the Holders of at least a majority of the aggregate Principal Amount of the Senior Obligations then Outstanding; (b) while any Subordinate Obligations are Outstanding and no Senior Obligations are Outstanding, the Holders of at least a majority of the aggregate Principal Amount of the Subordinate Obligations, and (c) while any Second Subordinate Obligations are Outstanding and no Senior Obligations or Subordinate Obligations are Outstanding, the Holders of at least a majority of the aggregate Principal Amount of Second Subordinate Obligations then Outstanding.

“Corporation” means Equitable Facilities Fund, Inc., a Delaware nonstock nonprofit corporation, and its successors and assigns.

“Costs of Issuance” means the items of expense related to the execution and delivery of any Related Loan Agreement, the authorization, sale and issuance of any Related Bonds and the investment of the proceeds of such Related Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of any bond trustee, legal fees and charges, professional consultants’ fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Related Bonds, costs and expenses of refunding Related Bonds, and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 4.08 hereof.

“Credit Rating Report” means an internal credit rating assigned by the Obligated Group Representative, ranging from one (1) to five (5) stars, based on the Obligated Group Representative’s credit rating methodology and the underlying report prepared by the Obligated Group Representative describing the credit analysis performed to render such rating.

“Custodial Account” means the account by that name established pursuant to Section 4.09 hereof.

“Debt Service Coverage Ratio” means:

(a) for purposes of Section 5.02(a) and for purposes of any Sufficiency Certificate delivered while any Senior Obligations remain Outstanding, the fraction calculated by dividing (i) the total amount of Pledged Revenues received during the most recent Fiscal Year, as shown on the audited financial statements of the Members for such Fiscal Year, by (ii) the total amount of Required Payments with respect to all Senior Obligations payable during such Fiscal Year;

(b) for purposes of Section 5.02(b) and for purposes of any Sufficiency Certificate delivered while any Subordinate Obligations are Outstanding and all Senior Obligations are no longer Outstanding, the fraction calculated by dividing (i) the total amount of Pledged Revenues received during the most recent Fiscal Year, as shown on the audited financial statements of the Members for such Fiscal Year, by (ii) the total amount of Required Payments with respect to all Senior Obligations and all Subordinate Obligations payable during such Fiscal Year; and

(c) for purposes of Section 5.02(c) and for purposes of any Sufficiency Certificate delivered while any Second Subordinate Obligations are Outstanding and all Senior Obligations

and Subordinate Obligations are no longer Outstanding, the fraction calculated by dividing (i) the total amount of Pledged Revenues received during the most recent Fiscal Year, as shown on the audited financial statements of the Members for such Fiscal Year, by (ii) the total amount of Required Payments with respect to all Obligations payable during such Fiscal Year.

“Debt Service Requirement” means, for any Fiscal Year for which such determination is made, the aggregate of the scheduled payments to be made with respect to principal (or mandatory sinking fund or installment purchase price or lease rental or similar payments) and interest on Outstanding Long-Term Indebtedness of the Members during such period, taking into account, at the option of the Obligated Group Representative, the following:

(a) With respect to Indebtedness represented by a Guaranty of obligations of a Person, as long as any such Guaranty is a contingent liability under generally accepted accounting principles, the principal and interest deemed payable with respect to such Guaranty shall be deemed to be the lowest percentage of debt service requirements set forth immediately following this paragraph (determined after giving effect to any other paragraph of this definition at the election of the Obligated Group Representative), if the debt service coverage ratio (determined in a manner as nearly as practicable to the determination of the Debt Service Requirement hereunder) of the Person primarily obligated on the obligations effectively guaranteed by such Guaranty for the immediately preceding Fiscal Year, or any other 12-month period ending within 180 days prior to the date of calculation, shall be greater than the amount specified opposite such percentage below:

Debt Service Coverage Ratio of Accommodated Person	Percentage of Debt Service Requirements
1.5	0%
1.35	25%
1.1	50%
Less than 1.1	100%

If any such Guaranty becomes a noncontingent liability but thereafter becomes a contingent liability, during the period such Guaranty is a noncontingent liability and for two years after such Guaranty becomes a contingent liability, 100% of the annual debt service on the indebtedness being guaranteed shall be added to the computation of the Debt Service Requirement.

(b) With respect to Balloon Indebtedness, the amount of principal and interest deemed payable during such period shall be determined as if such Balloon Indebtedness were being repaid in substantially equal annual installments of principal and interest over a term over which the Members could reasonably be expected to borrow, not to exceed thirty-five (35) years from the date of incurrence of such Balloon Indebtedness, and bearing

interest at an interest rate (determined as of the date of calculation of the Debt Service Requirement) equal to the rate at which the Members could reasonably be expected to borrow for such term, by issuing Indebtedness, all as set forth in an Officer’s Certificate accompanied by a letter of a banking or investment banking institution knowledgeable in matters of municipal finance, confirming that the borrowing term and interest rate assumptions set forth in such statement comply with the requirements of this subsection.

(c) With respect to Variable Rate Indebtedness, if the actual interest rate on such Variable Rate Indebtedness cannot be determined for the period for which the Debt Service Requirement is being calculated, the amount of interest deemed payable during such period on such Variable Rate Indebtedness shall be assumed to be equal to the average interest rate per annum which was in effect for any twelve (12) consecutive calendar months specified in an Officer’s Certificate during the eighteen (18) calendar months immediately preceding the date of calculation of the Debt Service Requirement (or, if such Variable Rate Indebtedness was not Outstanding during such eighteen-month period, the average interest rate per annum which would have been in effect).

(d) With respect to Indebtedness payable from an Irrevocable Deposit, the amount of principal or interest taken into account during such period shall be assumed to equal only the principal or interest not payable from such Irrevocable Deposit and the investment income from such funds.

(e) With respect to Long-Term Indebtedness incurred to finance or refinance the origination or acquisition of School Loans, principal and interest with respect to such Long-Term Indebtedness shall be excluded from the determination of the Debt Service Requirement but only in proportion to the amount of principal and interest on such Long-Term Indebtedness which is payable in the then current Fiscal Year from the proceeds of such Long-Term Indebtedness.

(f) With respect to Long-Term Indebtedness with respect to which a Financial Products Agreement has been entered into by a Member, interest on such Long-Term Indebtedness shall be included in the determination of the Debt Service Requirement by including for each Fiscal Year an amount equal to the amount of interest payable on such Long-Term Indebtedness in such Fiscal Year at the rate or rates stated in such Long-Term Indebtedness plus any Financial Product Payments payable in such Fiscal Year minus any Financial Products Receipts receivable in such Fiscal Year; provided that in no event shall any calculation made pursuant to this subsection result in an amount less than zero being included in the determination of the Debt Service Requirement; and provided, further, that if the actual interest rate on such Long-Term Indebtedness or the actual amount of Financial Product Payments or Financial Products Receipts cannot be determined for the period for which the Debt Service Requirement is being calculated, then the amount of interest deemed payable during such period on such Long-Term Indebtedness shall be determined by applying the average interest rate per annum which was in effect or the average Financial Product Payments which would have been paid, or the average Financial Products Receipts which would have been received, as the case may be, for any twelve (12) consecutive calendar months specified in an Officer’s Certificate during the eighteen (18) calendar months immediately preceding the date of calculation of the Debt Service

Requirement (or, if such Long-Term Indebtedness was not Outstanding during such eighteen month period, the average rate which would have been in effect).

“Debt Service Reserve Fund” means the fund by that name established pursuant to Section 4.06 hereof.

“Defeasance Obligations” means any obligations authorized under applicable State law and the related financing documents to be deposited in escrow for the defeasance of any Obligations.

“Event of Default” means any of the events specified in Section 6.01 hereof.

“Excess Revenue Fund” means the fund by that name established pursuant to Section 4.03 hereof.

“Excess Revenue Requirement” means, initially, zero dollars (\$0), as such amount may be increased or decreased, each as set forth in a Related Supplement; provided, however, that any decrease thereto shall be accompanied by a Sufficiency Certificate delivered to the Master Trustee.

“Financial Products Agreement” means an interest rate swap, cap, collar, option, floor, forward or other hedging agreement or arrangement identified to the Master Trustee in a Related Supplement or otherwise in an Officer’s Certificate as having been entered into by or assigned to a Member with a Qualified Provider not for speculative or investment purposes but for the purpose of (1) reducing or otherwise managing the Member’s risk of interest rate changes or (2) effectively converting the Member’s interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, or from a variable rate exposure to a fixed rate exposure.

“Financial Products Payments” means payments required to be paid to a counterparty by a Member pursuant to a Financial Products Agreement, as the same may be further identified in a Related Supplement.

“Financial Products Receipts” means amounts required to be paid to a Member by a counterparty pursuant to a Financial Products Agreement, as the same may be further identified in a Related Supplement.

“Fiscal Year” means that period adopted by the Obligated Group Representative as the annual accounting period for the Members. The Fiscal Year is initially the twelve month period commencing on July 1 and ending on June 30 in each year.

“Fitch” means Fitch Ratings, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Obligated Group Representative.

“Governing Body” means, when used with respect to any Member or the Obligated Group Representative, its board of directors, board of trustees, or other board or group of individuals in which all of the powers of such Person are vested except for those powers reserved to the corporate

membership thereof by the articles of incorporation, bylaws or other organizational documents of such Person.

“Government Obligations” means direct obligations of the United States of America or obligations which as to full and timely payment of principal and interest constitute full faith and credit obligations of the United States of America (excluding therefrom unit investment trusts and money market funds comprised of such securities).

“Governmental Issuer” means any municipal corporation, political subdivision, state, territory or possession of the United States, or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, which obligations constitute Related Bonds.

“Guaranty” means all loan commitments and all obligations of any Member guaranteeing in any manner whatever, whether directly or indirectly, any obligation of any other Person that would, if such other Person were a Member, constitute Indebtedness.

“Holder” means the registered owner of any Obligation in registered form or the bearer of any Obligation in coupon form that is not registered or is registered to bearer.

“Indebtedness” means all obligations for borrowed money, installment sales and capitalized lease obligations, incurred or assumed by a Member (other than Indebtedness of one Member to another Member or the Guaranty by any Member of Indebtedness of any other Member), including Guaranties, Long-Term Indebtedness, Short-Term Indebtedness or any other obligation for payments of principal and interest with respect to money borrowed; provided, however, that if more than one Member shall have incurred or assumed a Guaranty of a Person other than a Member, or if more than one Member shall be obligated to pay any obligation, for purposes of any computations or calculations hereunder such Guaranty or obligation shall be included only one time.

“Independent Consultant” means a Person that (1) does not have any direct financial interest or any material indirect financial interest in any Member or any Affiliate and (2) is not connected with any Member or any Affiliate as an officer, employee, promoter, trustee, partner, director or Person performing similar functions, and designated by the Obligated Group Representative, qualified to pass upon questions relating to the financial affairs of the Members and having a favorable reputation for skill and experience.

“Initial Member” means Equitable School Revolving Fund, LLC, a Delaware limited liability company.

“Irrevocable Deposit” means the irrevocable deposit in trust with any trustee or escrow agent authorized to act in such capacity of cash in an amount or Government Obligations the principal of and interest on which will be an amount, and under the terms sufficient to pay all or a portion of the principal of and/or premium, if any, and interest on, as the same shall become due, any Indebtedness which would otherwise be considered Outstanding. The trustee of such deposit may be the Master Trustee or any other trustee authorized to act in such capacity.

“Loan Origination Fund” means the fund by that name established pursuant to Section 4.05 hereof.

“Loan Pool Leverage Ratio” means, as of any date, the fraction calculated by dividing (i) the total amount of all Pledged Assets (taking into account for purposes of such calculation the principal amount of all School Loans owned by the Members and the balances of all funds and accounts pledged under this Master Indenture and any Related Bond Indenture) by (ii) the principal amount of all Senior Obligations Outstanding.

“Loan Program Fund Disbursement Conditions” means approval of a loan or a purchase of debt obligations by a Member based upon and consistent with the recommendation of a Credit Rating Report, or such other conditions as may be set forth in a Related Supplement.

“Loan Program Fund” means the fund by that name established pursuant to Section 3.01 hereof.

“Long-Term Indebtedness” means Indebtedness having an original maturity greater than one year or renewable at the option of a Member for a period greater than one year from the date of original incurrence or issuance thereof unless, by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least twenty (20) consecutive days during each calendar year.

“Master Mortgage Loan Sale Agreement” means the Master Mortgage Loan Sale Agreement, dated as of September 1, 2018, by and between the Initial Member, as purchaser thereunder, and the Obligated Group Representative, as seller thereunder, as the same may from time to time be supplemented, modified or amended in accordance with the terms thereof

“Master Indenture” means this instrument as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms hereof.

“Master Trustee” means U.S. Bank National Association, a national banking association organized and existing under and by virtue of the laws of the United States of America and, subject to the limitations contained in Section 7.07, any other corporation or association which may be co-trustee with U.S. Bank National Association and any successor or successors to said trustee or co-trustee in the trusts created hereunder.

“Member” means each signatory to this Master Indenture (excluding the Master Trustee and the Obligated Group Representative) listed on APPENDIX A hereto, as the same may be amended from time to time, and, together with each other Person which is obligated hereunder to the extent and in accordance with the provisions of Section 5.05 or 5.06 hereof, from and after the date upon which such Person joins the Obligated Group, but excluding any Member which withdraws from the Obligated Group to the extent and in accordance with the provisions of Section 5.07 hereof, from and after the date of such withdrawal. The Obligated Group Representative is not a Member.

“Member Document” means any loan agreement, guaranty, or debt instrument that any Member is a party to, including any Related Loan Agreement, and each School Loan Agreement, and the Mortgages.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Obligated Group Representative.

“Mortgages” means any mortgage, including leasehold deed of trust, deed of trust, security agreement, assignment of rents and leases, and/or financing statement encumbering Property, Plant and Equipment granted by a School in connection with any School Loan Agreement.

“Obligated Group” means all Members, which does not include the Obligated Group Representative.

“Obligated Group Representative” means the Corporation or such other Person as may be designated to act as Obligated Group Representative hereunder pursuant to written notice to the Master Trustee executed by all of the Members. The Obligated Group Representative is not a Member.

“Obligation” means any obligation of the Obligated Group issued hereunder, which shall be in the form set forth in a Related Supplement, including, but not limited to, bonds, obligations, debentures, reimbursement agreements, Guaranties, Financial Products Agreements, loan agreements or leases. Reference to a Series of Obligations or to Obligations of a Series means Obligations or Series of Obligations issued pursuant to a single Related Supplement, unless otherwise specified in the Related Supplement.

“Officer’s Certificate” means a Certificate signed by the Authorized Representative of the Obligated Group Representative or a Member, as applicable.

“Opinion of Bond Counsel” means a written opinion signed by an attorney or firm of attorneys experienced in the field of public finance whose opinions are generally accepted by purchasers of bonds issued by or on behalf of a Governmental Issuer.

“Opinion of Counsel” means a written opinion signed by an attorney or firm of attorneys who may be counsel for the Obligated Group Representative.

“Outstanding,” when used with reference to Indebtedness or Obligations, means, as of any date of determination, all Indebtedness or Obligations theretofore issued or incurred and not paid and discharged other than (a) Obligations theretofore cancelled by the Master Trustee or delivered to the Master Trustee for cancellation, (b) Obligations in lieu of which other Obligations have been authenticated and delivered or have been paid pursuant to the provisions of a Related Supplement regarding mutilated, destroyed, lost or stolen Obligations unless proof satisfactory to the Master Trustee has been received that any such Obligation is held by a protected purchaser, (c) any Obligation held by any Member, and (d) Indebtedness deemed paid and no longer outstanding pursuant to the terms thereof; provided, however, that if two or more obligations which constitute Indebtedness represent the same underlying obligation (as when an Obligation secures an issue of Related Bonds and another Obligation secures repayment obligations to a bank under a letter of credit which secures such Related Bonds) for purposes of the various financial covenants contained herein, but only for such purposes, only one of such Obligations shall be deemed Outstanding and

the Obligation so deemed to be Outstanding shall be that Obligation which produces the greater amount of Pledged Loan Payments to be included in the calculation of such covenants.

“Permitted Investments” shall mean, unless otherwise provided in a Related Supplement, any of the following:

(a) negotiable instruments or securities represented by instruments in bearer or registered or in book-entry form which evidence

(i) obligations fully guaranteed by the United States of America;

(ii) obligations of any agency of the United States of America;

(iii) time deposits in, or bankers acceptances issued by, any depository institution or trust company incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by Federal or state banking or depository institution authorities; provided, however, that at the time of investment or contractual commitment to invest therein, the certificates of deposit or short-term deposits, if any, or long-term unsecured debt obligations (other than such obligation whose rating is based on collateral or on the credit of a Person other than such institution or trust company) of such depository institution or trust company shall have a credit rating from Moody’s and S&P of at least “P-1” and “A-1,” respectively, in the case of the certificates of deposit or short-term deposits, or a rating not lower than one of the two highest investment categories granted by Moody’s and by S&P;

(iv) certificates of deposit having, at the time of investment or contractual commitment to invest therein, a rating from Moody’s and S&P of at least “P-1” and “A-1,” respectively; or

(v) investments in money market funds (including those owned or managed by the Master Trustee) rated in the highest investment category or otherwise approved in writing by Moody’s and S&P;

(b) demand deposits and cash escrows in any depository institution or trust company (including those owned or managed by the Master Trustee) referred to in (a)(iii) above;

(c) commercial paper (having original or remaining maturities of no more than 30 days) having, at the time of investment or contractual commitment to invest therein, a credit rating from Moody’s and S&P of at least “P-1” and “A-1,” respectively;

(d) Eurodollar time deposits having a credit rating from Moody’s and S&P of at least “P-1” and “A-1,” respectively;

(e) repurchase agreements involving any of the Permitted Investments described in clauses (a)(i), (a)(ii), (a)(iv) and (d) of this definition so long as the other party to the repurchase agreement has at the time of investment therein, a short-term rating from Moody’s or S&P of at least “P-1” or “A-1,” respectively, or long-term ratings of at least “A3” or “A-,” respectively;

(f) investment agreements constituting direct obligations of any bank, insurance company or other financial institution with long-term ratings by Moody’s or S&P of at least “A3” or “A-,” respectively;

(g) any other investment permitted by such Related Supplement and which satisfies any Rating Agency conditions; and

(h) solely with respect to the investment funds held in any account established hereunder that is specifically excluded from the pledge and lien created by Section 3.01 of the Master Trust Indenture, any other investment directed by the Obligated Group Representative.

“Person” means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Pledged Assets” means all School Loan Agreements (including, without limitation, all rights to payment thereunder), all Pledged Revenues, the Mortgages securing the School Loans originated by the Program Administrator, purchased by the Revolving Fund and assigned to the Master Trustee, each fund or account (other than the Loan Program Fund and any account within said fund and any other fund or account created and excluded pursuant to a Related Supplement executed after the date hereof) established under this Master Indenture, all financial assets, instruments, money and other property credited to or on deposit in any such fund or account, and the proceeds thereof.

“Pledged Loan Payments” means the payments required to be made by each School or any guarantor therefor pursuant to each School Loan Agreement, including the payment of the principal of and interest on loans or other debt obligations thereunder.

“Pledged Revenues” means all revenues, income, receipts and money received by or on behalf of the Members from all lawfully available sources, including (a) Pledged Loan Payments; (b) gifts, grants, bequests, donations and contributions, exclusive of any gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor thereof to a particular purpose inconsistent with their use for the payment of Required Payments; (c) proceeds derived from (i) accounts receivable, (ii) securities and other investments, (iii) inventory and other tangible and intangible property, and (iv) contract rights and other rights and assets now or hereafter owned by each Member; (d) rentals received from the lease of space; and (e) investment earnings on and other income from amounts held in the Revenue Fund; provided, however, that Pledged Revenues shall not include (1) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on any defeased Obligations; (2) any gains or losses resulting from the sale, exchange or other disposition of property not in the ordinary course of business, or the reappraisal, reevaluation or write-up of assets, or any other extraordinary gains or losses; (3) net unrealized gain (losses) on investments and Financial Products Agreements; (4) proceeds of borrowing (5) net amounts received in connection with the termination or unwinding of Financial Products Agreements; and (6) income derived from, or accounts receivable for, repayment to any Member of loans made by any other Member or Members.

“Projected Debt Service Coverage Ratio” means, for any future period, the projected Debt Service Coverage Ratio; provided, however, that for purposes of the issuance of Indebtedness, the Obligated Group Representative may consider all expected Pledged Revenues from the issuance of such Indebtedness including at the time of issuance and any and all moneys held in the funds or accounts of this Master Indenture, except moneys held in the Loan Program Fund or any other account excluded from the pledge of this Master Indenture pursuant to a Related Supplement.

“Principal Amount” means, with respect to an Obligation, the principal amount of such Obligation; provided that, for any Obligation issued in connection with a Financial Products Agreement, the net amount payable (if any) following the designation of an early termination date thereunder and the determination of the early termination or unwind amount in accordance with such Financial Products Agreement.

“Principal Corporate Trust Office” means for the Master Trustee originally appointed hereunder, 100 Wall Street, 6th Floor, New York, New York 10005.

“Property” means any and all right, title and interest in and to any and all property subject to any Mortgage whether real or personal, tangible or intangible and wherever situated.

“Property, Plant and Equipment” means all Property of a School that is considered property, plant and equipment of such School under generally accepted accounting principles other than such School’s interests in the real property, fixtures and equipment identified in the Related Supplement.

“Qualified Provider” means any major financial institution or insurance company domiciled in the United States or having a branch or office in the United States and which is a counterparty to a Financial Products Agreement if the unsecured long-term debt obligations of such financial institution or insurance company (or of the parent or a subsidiary of such financial institution or insurance company if such parent or subsidiary guarantees the performance of such financial institution or insurance company under such Financial Products Agreement), or obligations secured or supported by a letter of credit, contract, guarantee, agreement, insurance policy or surety bond issued by such financial institution or insurance company (or such guarantor parent or subsidiary), are rated in one of the three highest Rating Categories of a national rating agency at the time of the execution and delivery of the Financial Products Agreement.

“Rating Agency” means, as at any time, any nationally recognized rating agency including Fitch, Moody’s, or S&P, then rating Related Bonds at the request of the Obligated Group Representative.

“Rating Confirmation” shall mean, with respect to a proposed action, a written confirmation from each Rating Agency then rating this Master Indenture and any Related Bonds of the Obligated Group to the effect that such action will not, in and of itself, cause such Rating Agency to lower, suspend or withdraw the rating then assigned by such Rating Agency to this Master Indenture and any Related Bonds of the Obligated Group; provided, however, that for so long as no rating has been assigned to this Master Indenture, and unless otherwise provided in a Related Supplement, “Rating Confirmation” shall mean a written instrument from the Obligated Group Representative with respect to such proposed action.

“Reimbursement Account” means the account by that name established pursuant to Section 3.01 hereof.

“Related Bond Indenture” means any indenture, trust agreement, bond resolution, financing agreement or other comparable instrument pursuant to which a series of Related Bonds are issued.

“Related Bonds” means the revenue bonds or other obligations issued by any Member, Governmental Issuer or financial institution, pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to a Member or Members in consideration of the execution, authentication and delivery of an Obligation or Obligations to or for the order of such Member, Governmental Issuer or financial institution.

“Related Second Subordinate Bonds” means any Related Bonds designated under the applicable Related Bond Indenture as “Second Subordinate Bonds”, being payable on a basis subordinate to any Senior Bonds and Subordinate Bonds pursuant to such Related Bond Indenture.

“Related Loan Agreement” means any loan agreement, financing agreement, Guaranty or other comparable instrument pursuant to which a Member incurs Indebtedness.

“Related Reserve Account Requirement” means, with respect to any Outstanding Obligation, the amount set forth in a Related Supplement.

“Related Senior Bonds” means any Related Bonds designated under the applicable Related Bond Indenture as “Senior Bonds”, being payable on a first priority basis pursuant to such Related Bond Indenture.

“Related Subordinate Bonds” means any Related Bonds designated under the applicable Related Bond Indenture as “Subordinate Bonds”, being payable on a basis subordinate to any Senior Bonds pursuant to such Related Bond Indenture.

“Related Supplement” means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Master Indenture.

“Required Payment” means any payment required to be made by any Member under this Master Indenture, any Related Supplement or any Obligation, including (i) any payment of principal or interest, whether regularly scheduled or due at maturity, by acceleration, upon proceeding for redemption or otherwise, (ii) net scheduled and partial or full early termination or unwind payments due under any Financial Products Agreement and (iii) the purchase price of Related Bonds tendered or deemed tendered for purchase pursuant to the terms of a Related Bond Indenture.

“Reserve Account Requirement” means, as of any date of calculation, the aggregate of all Related Reserve Account Requirements; provided, however, that any decrease thereto shall be accompanied by a Sufficiency Certificate and a Rating Confirmation delivered to the Master Trustee.

“Responsible Officer” means, with respect to the Master Trustee, any person who at the time and from time to time may be designated, by written certificate, as a person authorized to act on behalf of the Master Trustee. Such certificate shall contain the specimen signature of such person(s) and shall be signed on behalf of the Master Trustee by any officer of the Master Trustee and may designate an alternate or alternates.

“Revenue Fund” means the fund by that name established pursuant to Section 4.02 hereof.

“S&P” means S&P Global Ratings, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the Obligated Group Representative.

“Second Subordinate Obligations” means any Obligations securing Related Second Subordinate Bonds and so designated pursuant to a Related Supplement.

“School” means individually, and “Schools” means collectively, any Person engaged in or supporting public education activities, including any public charter school or affiliated Person, that is a party to a School Loan Agreement.

“School Loan” means each loan, bond, note or other direct or indirect obligation of a School owed to or owned by any Member and originated or acquired from disbursements from any fund or account established pursuant to the Master Trust Indenture, including the Loan Program Fund or the Loan Origination Fund, or disbursements of Bond Proceeds.

“School Loan Agreement” means any loan agreement, financing agreement, debt obligation or other comparable instrument (and related collateral and security agreements) entered into, or acquired, by a Member evidencing a School Loan.

“Senior Obligations” means any Obligations securing Related Senior Bonds and so designated pursuant to a Related Supplement.

“Securities Intermediary” has the meaning set forth in Section 4.11 hereof.

“Short-Term Indebtedness” means all Indebtedness having an original maturity less than or equal to one year and not renewable at the option of a Member for a term greater than one year from the date of original incurrence or issuance unless, by the terms of such Indebtedness, no Indebtedness is permitted to be outstanding thereunder for a period of at least twenty (20) consecutive days during each Fiscal Year.

“Subordinated Indebtedness” means any Indebtedness that is subordinate in priority of payment, and secured on a junior basis, to any Senior Obligation, and the provisions with respect to which are set forth in a Related Supplement, including Subordinate Obligations and Second Subordinate Obligations.

“Subordinate Obligations” means any Obligations securing Related Subordinate Bonds and so designated pursuant to a Related Supplement.

“Subordinate Obligations Fund” means the fund by that name established pursuant to Section 4.07 hereof.

“Sufficiency Certificate” means, with respect to a proposed action requiring the delivery of the same to the Master Trustee, a Certificate of an Authorized Representative of the Obligated Group Representative stating that, after giving effect to such action, the Projected Debt Service Coverage Ratio will not be less than 1.15:1.00.

“Surplus Fund” means the fund by that name established pursuant to Section 4.04 hereof.

“Tax-Exempt Bonds” means any Related Bonds interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code.

“Variable Rate Indebtedness” means Indebtedness the interest on which is payable pursuant to a variable interest rate formula or other determination method rather than at a fixed rate of interest per annum to maturity.

Section 1.02. Interpretation.

(a) Any reference herein to any officer of a Member shall include those succeeding to his or her functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing his or her functions.

(b) Unless the context otherwise indicates, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The singular shall include the plural and vice versa.

(c) All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistently applied, except as otherwise stated herein. If any change in accounting principles from those used in the preparation of the financial statements of the Members results from the promulgation of rules, regulations, pronouncements and opinions by or required by the Financial Accounting Standards Board, American Institute of Certified Public Accountants, or other authoritative bodies that determine generally accepted accounting principles (or successors thereto or agencies with similar functions) and such change results in a change in the accounting terms used in this Master Indenture, the accounting terms used herein shall be modified to reflect such change in accounting principles so that the criteria for evaluating the Member’s financial condition shall be the same after such change as if such change had not been made. Any such modification shall be described in an Officer’s Certificate filed with the Master Trustee, which shall contain a certification to the effect that (i) such modifications are occasioned by such a change in accounting principles and (ii) such modifications will not have a materially adverse effect on the Obligation Holders or result in materially different criteria for evaluating the Members’ financial condition.

(d) Headings of Articles and Sections herein and the table of contents hereto are solely for convenience of reference, and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

Section 1.03. References to Master Indenture. The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, used in this Master Indenture refer to this Master Indenture.

Section 1.04. Contents of Certificates and Opinions. Every Certificate or opinion provided for herein by a Member or the Obligated Group Representative with respect to compliance with any provision hereof shall include: (i) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (ii) a brief statement as to the nature and the scope of the examination or investigation upon which the certificate or opinion is based; (iii) a statement that, in the opinion of such Person, he or she has made, or caused to be made, such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and (iv) a statement as to whether, in the opinion of such Person, such provision has been complied with.

Any such Certificate or opinion made or given by an officer of a Member or the Master Trustee may be based, insofar as it relates to legal, accounting or school management matters, upon a Certificate or opinion or representation of counsel, an Accountant or Independent Consultant unless such officer knows, or in the exercise of reasonable care should have known, that the Certificate, opinion or representation with respect to the matters upon which such Certificate or opinion may be based, as aforesaid, is erroneous. Any such Certificate, opinion or representation made or given by counsel, an Accountant, or an Independent Consultant, may be based, insofar as it relates to factual matters (with respect to which information is in the possession of any Member), upon the Certificate or opinion of, or representation by an officer of any Member unless such counsel, Accountant or Independent Consultant knows, or in the exercise or reasonable care should have known, that the Certificate, opinion of or representation by such officer, with respect to the factual matters upon which such Person’s Certificate or opinion may be based, as aforesaid, is erroneous. The same officer of any Member or the same counsel or Accountant or Independent Consultant, as the case may be, need not certify as to all the matters required to be certified under any provision hereof, but different officers, counsel, Accountants or Independent Consultants may certify as to different matters, respectively.

ARTICLE II

AUTHORIZATION, ISSUANCE AND FORM OF OBLIGATIONS

Section 2.01. Authorization of Obligations. Each Member hereby authorizes to be issued from time to time Obligations or Series of Obligations, without limitation as to amount, except as provided herein or as may be limited by law, and subject to the terms, conditions and limitations established herein and in any Related Supplement.

Section 2.02. Authorization for Issuance of Obligations in Series. From time to time when authorized by this Master Indenture and subject to the terms, conditions and limitations established in this Master Indenture, a Member may authorize the issuance of an Obligation or a Series of Obligations by entering into a Related Supplement. The Obligation or the Obligations of any such Series may be issued and delivered to the Master Trustee for authentication upon compliance with the provisions hereof and of any Related Supplement.

Each Related Supplement authorizing the issuance of an Obligation or a Series of Obligations shall specify and determine the Principal Amount of such Obligation or Series of Obligations, the purposes for which such Obligation or Series of Obligations are being issued, the lien priority of the Obligation as a Senior Obligation, Subordinate Obligation or Second Subordinate Obligation, the form, title, designation, and the manner of numbering or denominations, if applicable, of such Obligations, the date or dates of maturity or other final expiration of the term of such Obligations, the date of issuance of such Obligations, and any other provisions deemed advisable or necessary by the applicable Member.

Section 2.03. Execution and Authentication of Obligations. (a) All Obligations shall be executed by the Authorized Representative of the applicable Member as provided in the Related Supplement authorizing such Obligation. The signature of such officer may be mechanically or photographically reproduced on the Obligations. If any officer whose signature appears on any Obligation ceases to be such officer before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such officer had remained in office until such delivery. Each Obligation shall be manually authenticated by a Responsible Officer of the Master Trustee, without which authentication no Obligation shall be entitled to the benefits hereof.

(b) The form of Certificate of Authentication to be printed on each Obligation and manually executed by a Responsible Officer of the Master Trustee shall be as follows:

[FORM OF MASTER TRUSTEE’S CERTIFICATE OF AUTHENTICATION]

The undersigned Master Trustee hereby certifies that this Obligation No. ____ is one of the Obligations described in the within-mentioned Master Indenture.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION,
as Master Trustee

By _____
Responsible Officer

Section 2.04. Conditions to the Issuance of Obligations. The issuance, authentication and delivery of any Obligation or Series of Obligations shall be subject to the following specific conditions:

(a) The applicable Member and the Master Trustee shall have entered into a Related Supplement providing for the terms and conditions of such Obligation and the repayment thereof, including the designation of such Obligation as a Senior Obligation, Subordinate Obligation or Second Subordinate Obligation.

(b) The Master Trustee shall have received an Officer’s Certificate to the effect that each Member shall be in full compliance with all warranties, covenants and agreements set forth in this Master Indenture and in any Related Supplement.

(c) The Master Trustee shall have received an Officer's Certificate to the effect that neither an Event of Default nor any event which with the passage of time or the giving of notice or both would become an Event of Default has occurred and is then outstanding or would occur upon issuance of such Obligation or is continuing under this Master Indenture or any Related Supplement.

(d) The Master Trustee shall have received an Officer's Certificate to the effect that all requirements and conditions to the issuance of such Obligation set forth herein and in the Related Supplement shall have been complied with and satisfied.

(e) The Master Trustee shall have received an Opinion of Counsel to the effect that: (1) such Obligation and Related Supplement have been duly authorized, executed and delivered by the applicable Member on behalf of the Obligated Group and constitute valid and binding obligations of the Obligated Group, enforceable in accordance with their terms; and (2) such Obligation is not subject to registration under the Securities Act of 1933, as amended, and such Related Supplement is not subject to registration under the Trust Indenture Act of 1939, as amended (or that such registration, if required has occurred).

(f) The Master Trustee shall have received a certificate contemplated by Section 5.02(a), (b) or (c), as applicable, evidencing that the requirements of Section 5.02 have been satisfied.

ARTICLE III

LOAN PROGRAM FUND

Section 3.01. Loan Program Fund.

(a) The Master Trustee shall establish, maintain and hold in trust a separate fund designated as the "Loan Program Fund," and within said fund separate accounts designated as the "Contribution Account" and the "Reimbursement Account," and any other separate accounts as directed by the Obligated Group Representative from time to time, and administer said fund and accounts as set forth in this Section 3.01.

(b) All amounts at any time deposited in the Loan Program Fund or any account therein shall be held by the Master Trustee in trust solely for the benefit of the applicable Member. None of the Corporation, any other Member or any Holder shall have any rights in or claim to such amounts.

(c) The Master Trustee shall deposit into the Contribution Account of the Loan Program Fund, as and when such amounts are received, (i) all Contributions, (ii) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (iii) any other amounts required to be deposited therein pursuant to this Master Indenture and any Related Supplement.

(d) The Master Trustee shall deposit into the Reimbursement Account of the Loan Program Fund, as and when such amounts are received, (i) all Bond Proceeds delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for

deposit therein and (ii) any other amounts required to be deposited therein pursuant to this Master Indenture and any Related Supplement.

(e) Investment earnings on amounts on deposit in any account within the Loan Program Fund shall be retained in such account.

(f) At the written direction of the Obligated Group Representative, the Master Trustee shall transfer from the account within the Loan Program Fund set forth in such written direction the amount set forth in such written direction (i) to the Debt Service Reserve Fund, (ii) provided that such written direction includes confirmation that the applicable Loan Program Fund Disbursement Conditions have been satisfied, to the Person or Persons set forth in such written direction for the purpose of purchasing or originating all or a portion of a loan or purchasing debt obligations pursuant to a School Loan Agreement, (iii) to the Obligated Group Representative to pay the purchase price for any School Loan Agreement pursuant to the Master Mortgage Loan Sale Agreement, (iv) with respect to amounts allocable to a Contribution, to the Person or Persons set forth in such written direction for any other purpose permitted under the agreement governing such Contribution and set forth in such written direction, or (v) from the Reimbursement Account only, to the Revenue Fund, to make Required Payments as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments ratably without any discrimination or preference.

ARTICLE IV

PLEDGE; PLEDGED FUNDS; INVESTMENTS; SECURITIES INTERMEDIARY; CUSTODIAL ACCOUNT

Section 4.01. Pledge.

(a) To secure the payment of Required Payments and the performance by the Members of their other obligations under this Master Indenture, and subject only to the provisions of this Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, each Member hereby pledges and grants a security interest to the Master Trustee in, all of its right, title and interest, whether now owned or hereafter acquired, in, to and under the Pledged Assets.

(b) The applicable Member shall authorize, and the Obligated Group Representative shall cause to be filed, Uniform Commercial Code financing statements and shall execute and cause to be sent to the Master Trustee a notice of the security interest granted hereunder. The applicable Member shall execute and deliver such other documents (including, but not limited to, control agreements) as may be necessary or reasonably requested by the Master Trustee in order to perfect or maintain as perfected such security interest or give public notice thereof. The Obligated Group Representative shall file all necessary continuation statements with respect to Uniform Commercial Code financing statements. Notwithstanding anything to the contrary contained herein, neither the Master Trustee nor any other Person (other than the Obligated Group Representative) shall be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection or priority of any such

security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications, amendments or continuations to the initial filings required by Article 9 of the Uniform Commercial Code.

(c) Notwithstanding anything to the contrary contained herein, upon receipt by the Master Trustee of an Officer's Certificate directing the same and a Sufficiency Certificate with respect thereto, any loan originated pursuant to a School Loan Agreement, and the Pledged Loan Payments due thereunder, (i) shall be exempted from the pledge hereof and any security interest created hereunder, and (ii) shall be released from the pledge hereof and any security interest created hereunder; provided that, for any School Loan Agreement exempted and released under this paragraph (c) the principal payments Outstanding for which constitute greater than five percent (5%) of all Pledged Assets (as reasonably determined by the Obligated Group Representative and evidenced by an Officer's Certificate), the Master Trustee shall also receive a Rating Confirmation.

Section 4.02. Revenue Fund.

(a) The Master Trustee shall establish, maintain and hold in trust a separate fund designated as the "Revenue Fund," and within said fund one or more separate accounts as directed by the Obligated Group Representative from time to time, and administer said fund and any such accounts as set forth in this Section 4.02.

(b) The Master Trustee shall deposit into the Revenue Fund, as and when such amounts are received, (i) all Pledged Revenues, including all Pledged Loan Payments, (ii) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (iii) any other amounts required to be deposited therein pursuant to this Master Indenture and any Related Supplement.

(c) The Master Trustee shall use and withdraw amounts in the Revenue Fund from time to time and apply such amounts:

(1) first, to the payment of the Master Trustees' unpaid fees and expenses;

(2) second, at the written direction of the Obligated Group Representative, to the Person or Persons (other than the Obligated Group Representative) set forth in such written direction for the purpose of paying any Administrative Fees set forth in such written direction;

(3) third, to make Required Payments with respect to Senior Obligations as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Senior Obligations ratably without any discrimination or preference;

(4) fourth, for transfer to the Debt Service Reserve Fund, (a) the greater of (i) the amount designated for deposit thereto in a written direction of the Obligated Group Representative, and (ii) the aggregate amount of each prior withdrawal from the Debt Service Reserve Fund for the purpose of making up a deficiency in the Revenue Fund (until deposits on

account of such withdrawals are sufficient to fully restore the amount withdrawn), provided that no deposit need be made into the Debt Service Reserve Fund if the balance in said fund is at least equal to the Reserve Account Requirement, and (b) in the event the balance in the Debt Service Reserve Fund shall be less than the Reserve Account Requirement due to the valuation of the Permitted Investments deposited therein in accordance with Section 4.06, the amount necessary to increase the balance in said account to an amount at least equal to the Reserve Account Requirement (until deposits on account of such valuation deficiency are sufficient to increase the balance in said fund to said amount);

(5) fifth, to the Subordinate Obligations Account of the Subordinate Obligations Fund, the amount set forth in each Related Supplement with respect to Subordinate Obligations as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Subordinate Obligations ratably without any discrimination or preference;

(6) sixth, to the Second Subordinate Obligations Account of the Subordinate Obligations Fund, the amount set forth in each Related Supplement with respect to Second Subordinate Obligations as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Second Subordinate Obligations ratably without any discrimination or preference;

(7) seventh, to the payment of any amount arising under indemnification provisions of any contract with any Person (excluding the Obligated Group Representative) pursuant to which Administrative Fees are payable.

(d) On or before the last Business Day of each calendar month, the Master Trustee shall transfer from the Revenue Fund to the Excess Revenue Fund the amount of any excess on deposit in the Revenue Fund, after taking into account amounts necessary to remain on deposit in the Revenue Fund in order to make any of the payments describe in subsection (c) of this Section 4.02 coming due during both the balance of such calendar month and the immediately succeeding calendar month; provided that, the Master Trustee shall retain such additional amounts in the Revenue Fund as indicated pursuant to the written direction of the Obligated Group Representative.

Section 4.03. Excess Revenue Fund.

(a) The Master Trustee shall establish, maintain and hold in trust a separate fund designated as the "Excess Revenue Fund," and within said fund one or more separate accounts as directed by the Obligated Group Representative from time to time, and administer said fund and any such accounts as set forth in this Section 4.03.

(b) The Master Trustee shall deposit into the Excess Revenue Fund, as and when such amounts are received, (i) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (ii) any other amounts required to be deposited therein pursuant to this Master Indenture and any Related Supplement.

(c) Investment earnings on amounts on deposit in the Excess Revenue Fund shall be retained therein.

(d) On the second Business Day immediately preceding the first day of each calendar month, to the extent there are insufficient funds on deposit in the Surplus Fund to make any transfer required pursuant to Section 4.04(d) hereof, the Master Trustee shall withdraw from the Excess Revenue Fund and transfer to the Revenue Fund an amount equal to the difference between the amount required to be transferred to the Revenue Fund pursuant to Section 4.04(d) and the amount, if any, actually transferred to the Revenue Fund pursuant to Section 4.04(d) hereof; provided that, the Master Trustee shall transfer such additional amounts to the Revenue Fund as indicated pursuant to the written direction of the Obligated Group Representative.

(e) On each January 1 and July 1, provided that the applicable transfer required pursuant to subsection (d) of this Section 4.03 has been made, the Master Trustee shall transfer all amounts on deposit in the Excess Revenue Fund in excess of the Excess Revenue Requirement to the Surplus Fund; provided that, the Master Trustee shall retain such additional amounts in the Excess Revenue Fund as indicated pursuant to the written direction of the Obligated Group Representative.

Section 4.04. Surplus Fund.

(a) The Master Trustee shall establish, maintain and hold in trust a separate fund designated as the "Surplus Fund," and within said fund one or more separate accounts as directed by the Obligated Group Representative from time to time, and administer said fund and such accounts as set forth in this Section 4.04.

(b) The Master Trustee shall deposit into the Surplus Fund, as and when such amounts are received, (i) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (ii) any other amounts required to be deposited therein pursuant to this Master Indenture and any Related Supplement.

(c) Investment earnings on amounts on deposit in the Surplus Fund shall be retained therein.

(d) On the second Business Day immediately preceding the first day of each calendar month, the Master Trustee shall withdraw from the Surplus Fund and transfer to the Revenue Fund an amount equal to the difference between the amount on deposit in the Revenue Fund and the amount of all payments to be made therefrom described in Section 4.02(c) coming due during such calendar month.

(e) After the transfers, if any, provided in Section 4.04(d) hereof, and after any transfers as may be required by a Related Supplement, at the written direction of the Obligated Group Representative, the Master Trustee shall transfer from the Surplus Fund the amount set forth in such written direction (i) to the fund or account hereunder, including the Loan Origination Fund, set forth in such written direction, and/or (ii) to the Initial Member free and clear of the lien of this Master Indenture to be used for any lawful and proper corporate purposes of the Initial Member.

Section 4.05. Loan Origination Fund.

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(a) The Master Trustee shall establish, maintain and hold in trust a separate fund designated as the "Loan Origination Fund," and within said fund one or more separate accounts as directed by the Obligated Group Representative from time to time, and administer said fund and such accounts as set forth in this Section 4.05.

(b) The Master Trustee shall deposit into the Loan Origination Fund, as and when such amounts are received, (i) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (ii) any other amounts required to be deposited therein pursuant to this Master Indenture and any Related Supplement.

(c) Investment earnings on amounts on deposit in the Loan Origination Fund shall be retained therein.

(d) At the written direction of the Obligated Group Representative, the Master Trustee shall transfer from the Loan Origination Fund the amount set forth in such written direction (i) provided that such written direction includes confirmation that the applicable Loan Program Fund Disbursement Conditions have been satisfied, to the Person or Persons set forth in such written direction for the purpose of originating all or a portion of a School Loan Agreement or purchasing a School Loan Agreement, (ii) to the Obligated Group Representative to pay the purchase price for any School Loan Agreement pursuant to the Master Mortgage Loan Sale Agreement, or (iii) to the Revenue Fund to make Required Payments as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments ratably without any discrimination or preference.

Section 4.06. Debt Service Reserve Fund.

(a) The Master Trustee shall establish, maintain and hold in trust a separate fund designated as the "Debt Service Reserve Fund," and within said fund one or more separate accounts as directed by the Obligated Group Representative from time to time, and administer said fund and any such accounts as set forth in this Section 4.06.

(b) The Master Trustee shall deposit into the Debt Service Reserve Fund, as and when such amounts are received, (i) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (ii) any other amounts required to be deposited therein pursuant to this Master Indenture and any Related Supplement.

(c) Investment earnings on amounts on deposit in the Debt Service Reserve Fund shall be retained therein.

(d) Amounts on deposit in the Debt Service Reserve Fund shall be valued by the Master Trustee at their fair market value on each July 1, and the Master Trustee shall notify the Obligated Group Representative of the results of such valuation. If the amount on deposit in the Debt Service Reserve Fund on the first Business Day following such valuation is less than 100% of the Reserve Account Requirement, then the Master Trustee shall make the transfer to the Debt Service Reserve Fund required by Section 4.02(c). If the amount on deposit in the Debt Service Reserve Fund on the first Business Day following such valuation is greater than the Reserve Account Requirement, any such excess may be transferred to the Revenue Fund.

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(e) All amounts in the Debt Service Reserve Fund shall be used and withdrawn by the Master Trustee solely for the purposes of making up any deficiency in the Revenue Fund solely with respect to Senior Obligations or (together with other moneys available therefor) for the payment or redemption of all Related Senior Bonds then Outstanding. On the Business Day immediately preceding the first day of each calendar month, the Master Trustee shall withdraw from the Debt Service Reserve Fund and transfer to the Revenue Fund an amount equal to the difference between the amount on deposit in the Revenue Fund (taking into account any amounts transferred from the Subordinate Obligations Fund to the Revenue Fund pursuant to Section 4.07(d), any amounts transferred from the Excess Revenue Fund to the Revenue Fund pursuant to Section 4.03(d), any amounts transferred from the Surplus Fund to the Revenue Fund pursuant to Section 4.04(d), any amounts transferred from the Loan Origination Fund to the Revenue Fund pursuant to Section 4.05(d) and any amounts transferred from the Reimbursement Account of the Loan Program Fund to the Revenue Fund pursuant to Section 3.01(f)) and the amount of all payments to be made therefrom described in Section 4.02 coming due during such calendar month. Notwithstanding the foregoing, amounts in the Debt Service Reserve Fund shall be used and withdrawn by the Master Trustee, at the written direction of the Obligated Group Representative, for the payment or redemption of Related Senior Bonds identified in such written direction as necessary to maintain the tax-exempt status of Related Senior Bonds in connection with any prepayment received by a Member on any School Loan Agreement or the refunding of Related Senior Bonds; provided however that any such use or withdrawal by the Master Trustee shall not, unless otherwise permitted by this Master Indenture, cause a reduction in the Reserve Account Requirement.

(f) The Master Trustee shall notify the Obligated Group Representative immediately of (i) any withdrawal from the Debt Service Reserve Fund for the purpose of making up a deficiency in the Revenue Fund, which notice shall specify the amount of such withdrawal, and (ii) the final maturity, earlier redemption in full of the Related Senior Bonds or the date on which no Senior Obligations are Outstanding.

Section 4.07. Subordinate Obligations Fund. The Master Trustee shall establish, maintain and hold in trust a separate fund designated as the "Subordinate Obligations Fund," and within said fund one or more separate accounts as directed by the Obligated Group Representative from time to time, including a Subordinate Obligations Account and a Second Subordinate Obligations Account, and administer said fund and any such accounts as set forth in this Section 4.07.

(b) The Master Trustee shall deposit into the Subordinate Obligations Account of the Subordinate Obligations Fund, as and when such amounts are received, (i) each month and to the extent provided hereunder, the amounts required to be deposited from the Revenue Fund into the Subordinate Obligations Account pursuant to Section 4.02(c)(5) hereof, (ii) to the extent provided hereunder, any amounts from the Surplus Fund required to be deposited into the Subordinate Obligations Account pursuant to Section 4.04(e) hereof, (iii) all amounts delivered by or at the direction of the Obligated Group Representative to the Master Trustee for deposit therein, and (iv) any other amounts required to be deposited therein pursuant to this Master Indenture and any Related Supplement. The Master Trustee shall deposit into the Second Subordinate Obligations Account of the Subordinate Obligations Fund, as and when such amounts are received, (i) each month and to the extent provided hereunder, the amounts required to be deposited from the Revenue Fund pursuant to Section 4.02(c)(6) hereof, (ii) all amounts delivered by or at the

direction of the Obligated Group Representative to the Master Trustee for deposit therein, and (iii) any other amounts required to be deposited therein pursuant to this Master Indenture and any Related Supplement.

(c) Investment earnings on amounts on deposit in each account in the Subordinate Obligations Fund shall be retained therein.

(d) On the second Business Day immediately preceding the first day of each calendar month, to the extent there are insufficient funds on deposit in the Surplus Fund to make any transfer required pursuant to Section 4.04(d) hereof and insufficient funds on deposit in the Excess Revenue Fund to make any transfer required pursuant to Section 4.03(d) hereof, the Master Trustee shall withdraw from the Subordinate Obligations Fund (first, from the Second Subordinate Obligations Account until such account balance is zero (\$0), then from the Subordinate Obligations Account) and transfer to the Revenue Fund an amount equal to the difference between the amount required to be transferred to the Revenue Fund pursuant to Sections 4.04(d) and 4.03(d) hereof, respectively, and the amount, if any, actually transferred to the Revenue Fund pursuant to Sections 4.04(d) and 4.03(d) hereof, respectively.

(e) On each January 1 and July 1, provided that the applicable transfer required pursuant to subsection (d) of this Section 4.07 has been made, and that no Event of Default shall have occurred or be continuing, the Master Trustee shall transfer: (i) from the Subordinate Obligations Account of the Subordinate Obligations Fund to the Related Bond Trustee to make Required Payments with respect to Subordinate Obligations as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Subordinate Obligations ratably without any discrimination or preference, and (ii) from the Second Subordinate Obligations Account of the Subordinate Obligations Fund to the Related Bond Trustee to make Required Payments with respect to Second Subordinate Obligations as such payments become due (whether by maturity, redemption, acceleration or otherwise), and, if such amounts shall not be sufficient to pay in full all such payments due on any date, then to the payment of Required Payments with respect to Second Subordinate Obligations ratably without any discrimination or preference. If no Subordinate Obligations remain Outstanding, the balance in the Subordinate Obligations Fund shall be transferred to the Revenue Fund.

Section 4.08. Costs of Issuance Fund.

(a) The Master Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund," and within said fund one or more separate accounts as directed by the Obligated Group Representative from time to time, and administer said fund and any such accounts as set forth in this Section 4.08.

(b) All amounts at any time deposited in the Costs of Issuance Fund or any account therein shall be held by the Master Trustee in trust solely for the benefit of the applicable Member. None of the Corporation, any other Member or any Holder shall have any rights in or claim to such amounts.

(c) The Master Trustee shall deposit into the Costs of Issuance Fund, as and when such amounts are received, (i) all amounts delivered by or at the direction of the Obligated Group Representative or any Member to the Master Trustee for deposit therein, and (ii) any other amounts required to be deposited therein pursuant to a Supplemental Indenture.

(d) Amounts on deposit in the Costs of Issuance Fund or any subaccount therein may be invested as permitted under Section 4.10. Investment earnings on amounts on deposit in the Costs of Issuance Fund or any subaccount therein shall be retained therein.

(e) At the written direction of the Obligated Group Representative, the Master Trustee shall transfer from the Costs of Issuance Fund the amount set forth in such written direction to the Person or Persons set forth in such written direction.

Section 4.09. Custodial Account.

(a) The Master Trustee shall establish, maintain and hold in trust a separate account designated as the "Custodial Account," and within said fund one or more separate accounts as directed by the Obligated Group Representative from time to time, and administer said fund and any such accounts as set forth in this Section 4.09.

(b) The Master Trustee shall, at the written direction of the Obligated Group Representative, cause to be credited to the Custodial Account any School Loan Agreement that is a debt obligation or other security (unless such School Loan Agreement is a certificated security).

(c) Principal, premium, if any, and interest received on debt obligations and other securities credited to the Custodial Account shall be transferred upon receipt thereof by the Master Trustee into the Revenue Fund.

Section 4.10. Investment of Moneys.

(a) Except as otherwise provided in a Related Supplemental, all moneys in any of the funds and accounts established pursuant to this Master Indenture and held by the Master Trustee shall be invested by the Master Trustee at the written direction of the Obligated Group Representative solely in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Master Indenture. Permitted Investments purchased under any investment agreement may be deemed to mature on the date or dates on which the Master Trustee may redeem such Permitted Investments under such agreement.

(b) The Master Trustee may sell at the best price obtainable, or present for redemption, any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and, subject to the provisions of this Master Indenture, the Master Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with provisions of this Master Indenture.

(c) Any Permitted Investments that are registrable securities shall be registered in the name of the Master Trustee.

(d) If the Master Trustee has not received written investment directions from the Obligated Group Representative with respect to any moneys, such moneys shall be deposited in the Master Trustee's Money Market Deposit Account, provided that such qualifies as a Permitted Investment. All income earned on investments of moneys in the funds and accounts shall be treated as income of the Obligated Group Representative for federal income tax purposes.

Section 4.11. Securities Intermediary.

(a) There shall at all times be a securities intermediary appointed for purposes of this Master Indenture (the "Securities Intermediary"). U.S. Bank National Association is hereby appointed as the initial Securities Intermediary hereunder and accepts such appointment.

(b) The Securities Intermediary represents, warrants, and covenants, and the parties hereto agree, that at all times prior to the termination of this Master Indenture:

(i) The Securities Intermediary shall satisfy the qualifications of a successor Master Trustee under the second paragraph of Section 7.04.

(ii) Each fund or account (other than the Loan Program Fund and any account within said fund) (each, an "Account") established under this Master Indenture shall be an account maintained with the Securities Intermediary to which financial assets may be credited and the Securities Intermediary shall treat the Master Trustee as entitled to exercise the rights that comprise such financial assets.

(iii) The Securities Intermediary shall not change the name or the account number of any Account without the prior written consent of the Master Trustee.

(iv) Each item of property credited to each Account shall be treated as a financial asset.

(v) The Securities Intermediary shall comply with entitlement orders originated by the Master Trustee without further consent by any Member, the Obligated Group Representative or any other person or entity.

(vi) The Securities Intermediary shall not agree with any person or entity other than the Master Trustee that it will comply with entitlement orders originated by any person or entity other than the Master Trustee.

(vii) The Securities Intermediary shall not be a party to any agreement that is inconsistent with this Master Indenture, or that limits or conditions any of its obligations under this Master Indenture. The Securities Intermediary shall not take any action inconsistent with the provisions of this Master Indenture applicable to it.

(viii) Each item of property credited to each Account shall not be subject to, and the Securities Intermediary hereby waives, any security interest, lien, claim, encumbrance or right of setoff in favor of the Securities Intermediary or anyone claiming through the Securities Intermediary (other than the Master Trustee).

(ix) For purposes of Article 8 of the New York Uniform Commercial Code, the securities intermediary's jurisdiction of the Securities Intermediary with respect to the Accounts shall be the State of New York.

(c) It is the intent of the Master Trustee, each Member and the Obligated Group Representative that each Account shall be a securities account of the Master Trustee and not an account of any Member or the Obligated Group Representative.

(d) Nothing herein shall impose upon the Securities Intermediary any duties or obligations other than those expressly set forth herein and those applicable to a securities intermediary under the New York Uniform Commercial Code. The Securities Intermediary shall be entitled to all of the protections available to a securities intermediary under the New York Uniform Commercial Code. Except as otherwise required by law, the Securities Intermediary shall only be liable for its gross negligence and willful misconduct. The Securities Intermediary shall have the same rights and benefits as are afforded to the Master Trustee under Sections 7.01(c)(ii), (iii) and (iv), 7.02, 7.03, 7.05 and 7.06, provided that the Securities Intermediary shall comply with Section 4.11(b).

(e) The Securities Intermediary may at any time resign by written notice to the Master Trustee and the Obligated Group Representative. The Securities Intermediary may be removed at any time by written notice from the Master Trustee (with a copy of such written notice provided to the Obligated Group Representative) or from the Obligated Group Representative (with a copy of such written notice provided to the Master Trustee). If the Securities Intermediary is the same Person as, or an Affiliate of, the Master Trustee, then the Securities Intermediary shall resign (or, if it does not do so, shall be deemed to have resigned) upon the resignation or removal of the Master Trustee. The Master Trustee (or, if the Master Trustee has concurrently been removed or resigned, the Obligated Group Representative) shall appoint a successor Securities Intermediary that satisfies the provisions of Section 4.11(b)(i). The Master Trustee (or, if the Master Trustee has concurrently been removed or resigned, successor Master Trustee) shall cause (i) each Account to be established and maintained with such successor Securities Intermediary in accordance with the terms hereof, and (ii) the successor Securities Intermediary to execute and deliver to the parties hereto a written agreement in which it agrees to be the Securities Intermediary hereunder and to be bound by the provisions of this Master Indenture applicable to the Securities Intermediary. The duties and obligations of the retiring or resigning Securities Intermediary hereunder shall remain in effect until each Account and all of the property credited thereto have been transferred to the successor Securities Intermediary. In the event a successor Securities Intermediary has not been appointed and qualified within 45 days of the date notice of resignation is given, the Securities Intermediary, any Member or the Obligated Group Representative may apply to any court of competent jurisdiction for the appointment of an interim successor Securities Intermediary to act until such time as a permanent successor is appointed as above provided.

Section 4.12. Shortfalls. For the avoidance of doubt, this Section 4.12 summarizes the order of priority of funds to be utilized by the Master Trustee in the event of a shortfall in the Revenue Fund as set forth in this Article IV. In the event of a shortfall in the Revenue Fund to make the deposits or transfers pursuant to Section 4.02(c) hereof, the Master Trustee shall take the following actions in the following order, as necessary: (1) transfer funds from the Surplus Fund pursuant to Section 4.04(d) hereof, (2) transfer funds from the Excess Revenue Fund pursuant to

Section 4.03(d) hereof, (3) transfer funds from the Subordinate Obligations Fund pursuant to Section 4.07(d) hereof, and (4) solely to make deposits or transfers pursuant to Section 4.02(c)(3), after taking the steps described in (1) through (3) of this sentence, transfer funds from the Debt Service Reserve Fund pursuant to Section 4.06(e).

ARTICLE V

PARTICULAR COVENANTS OF EACH MEMBER AND THE OBLIGATED GROUP REPRESENTATIVE

Section 5.01. Payment of Required Payments. Each Member jointly and severally covenants and agrees (a) to pay or cause to be paid promptly all Required Payments at the place, on the dates and in the manner provided herein, in any Related Supplement and in any Obligation, and (b) to faithfully observe and perform all of the conditions, covenants and requirements of this Master Indenture, any Related Supplement and any Obligation. Each Member acknowledges and agrees that the time of such payment and performance is of the essence of the obligations hereunder.

The obligation of each Member with respect to Required Payments shall not be abrogated, prejudiced or affected by:

(i) the granting of any extension, waiver or other concession given to any Member by the Master Trustee or any Holder or by any compromise, release, abandonment, variation, relinquishment or renewal of any of the rights of the Master Trustee or any Holder or anything done or omitted or neglected to be done by the Master Trustee or any Holder in exercise of the authority, power and discretion vested in them by this Master Indenture, or by any other dealing or thing which, but for this provision, might operate to abrogate, prejudice or affect such obligation;

(ii) the liability of any Member under this Master Indenture ceasing for any cause whatsoever, including the release of any Member pursuant to the provisions of this Master Indenture or any Related Supplement from membership in the Obligated Group; or

(iii) any Member becoming incompetent or otherwise failing to become liable as, or losing eligibility to become, a Member with respect to an Obligation.

Subject to the provisions of Section 5.07 hereof permitting withdrawal from the Obligated Group, the obligation of each Member to make Required Payments is a continuing one and is to remain in effect until all Required Payments have been paid in full in accordance with Article XI hereof. All moneys from time to time received by the Obligated Group Representative or the Master Trustee to reduce liability on Obligations, whether from or on account of the Members or otherwise, shall be regarded as payments in gross without any right on the part of any one or more of the Members to claim the benefit of any moneys so received until the whole of the amounts owing on Obligations has been paid or satisfied and so that in the event of any such Member's filing bankruptcy, the Obligated Group Representative or the Master Trustee shall be entitled to prove up the total indebtedness or other liability on Obligations Outstanding as to which the liability of such Member has become fixed.

Each such Obligation shall be a primary obligation and shall not be treated as ancillary to or collateral with any other obligation and shall be independent of any other security so that the covenants and agreements of each Member hereunder shall be enforceable without first having recourse to any such security or source of payment and without first taking any steps or proceedings against any other Person. The Obligated Group Representative and the Master Trustee are each empowered to enforce each covenant and agreement, as hereinbefore provided, and to enforce the making of Required Payments. Each Member hereby authorizes the Obligated Group Representative and the Master Trustee to enforce or refrain from enforcing any covenant and agreement of the Members hereunder and to make any arrangement or compromise with any particular Member or Members as the Obligated Group Representative or the Master Trustee may deem appropriate, consistent with this Master Indenture and any Related Supplement. Each Member hereby waives in favor of the Obligated Group Representative and the Master Trustee all rights against the Obligated Group Representative, the Master Trustee and any other Member, insofar as is necessary to give effect to any of the provisions of this Section.

The Master Trustee shall have no recourse against the Corporation, the Obligated Group Representative or any of the Members with respect to the failure by the Corporation, the Obligated Group Representative or any of the Members to make any Required Payment under this Master Indenture and any Related Supplement except recourse to the Pledged Revenues and the amounts held in the funds and accounts created hereunder (other than the Loan Program Fund and any account within said fund) and under the Related Bond Indenture (except the Rebate Fund, if any, created thereunder), or to such other security as may from time to time be given for the payment of obligations arising out of this Master Indenture, any Related Supplement or any other agreement securing the obligations of any of the Members with respect to the Related Bonds.

Section 5.02. Limitations on Additional Indebtedness. Each Member covenants and agrees that it will not incur any Additional Indebtedness after the date hereof except as follows:

(a) Indebtedness in the form of Senior Obligations may be incurred if, prior to the issuance of such Additional Indebtedness, the Master Trustee receives a Sufficiency Certificate.

(b) Subordinated Indebtedness in the form of Subordinate Obligations may be incurred if, prior to the incurrence thereof, the Master Trustee receives a Certificate of an Authorized Representative of the Obligated Group Representative stating that, after giving effect to such incurrence, the Projected Debt Service Coverage Ratio will not be less than 1.05:1.00.

(c) Subordinated Indebtedness in the form of Second Subordinate Obligations may be incurred if, prior to the incurrence thereof, the Master Trustee receives a Certificate of an Authorized Representative of the Obligated Group Representative stating that, after giving effect to such incurrence, the Projected Debt Service Coverage Ratio will not be less than 1.00:1.00.

Section 5.03. Rates and Charges; Pledged Loan Payments. Each Member covenants and agrees to fix, charge and collect, or cause to be fixed, charged and collected, rental rates, fees and charges due from the Schools under the School Loan Agreements so that Pledged Revenues,

together with other available moneys, will be sufficient to make all Required Payments when due. Each Member further covenants and agrees to deliver all Pledged Loan Payments received by any Member, or to direct the delivery of all Pledged Loan Payments received by any Person, including any loan servicer, at the direction of any Member, to the Master Trustee for deposit in the Revenue Fund.

Section 5.04. Modification and Enforcement of School Loan Agreements; Modification of Servicing Agreements.

(a) Each Member may amend, modify or consent to the amendment or modification of any School Loan Agreement to which it is a party in any manner that such Member deems appropriate provided that (1) an Officer's Certificate shall be delivered to the Master Trustee stating that the amendment or modification of the School Loan Agreement contemplated will not have a material adverse effect on the interests of the Holders or result in any material impairment of the security given for the payment of Obligations then Outstanding or (2) the Master Trustee shall provide prior written consent. The Master Trustee shall give such written consent only if:

(i) in the Opinion of Bond Counsel, such amendment is necessary to preserve the exclusion of interest on related Tax-Exempt Bonds from gross income for purposes of federal income taxation or the exemption of interest on the related Tax-Exempt Bonds from state income taxation; or

(ii) (1)(A) the Master Trustee receives a Sufficiency Certificate, or (B) in the Opinion of Counsel, such amendment or modification will not have a material adverse effect on the interests of the Holders or result in any material impairment of the security given for the payment of the Obligations then Outstanding, and (2) the Master Trustee shall receive an Opinion of Bond Counsel substantially to the effect that such amendment or modification will not, in and of itself, adversely affect any exclusion of interest on the Related Bonds that are Tax-Exempt Bonds from gross income for purposes of federal income taxation.

(b) Each Member shall diligently enforce, and take all reasonable steps, actions and proceedings necessary for the enforcement of, all terms, covenants and conditions of each School Loan Agreement to which it is a party, including the prompt collection of Pledged Revenues.

(c) Each Member may amend, modify or terminate, or consent to the amendment, modification or termination of any agreement for servicing of School Loans to which it is a party in any manner that such Member deems appropriate provided that an Officer's Certificate shall be delivered to the Master Trustee stating that the amendment or modification of such agreement contemplated shall not have a material adverse effect on the Holders of Obligations then Outstanding.

Section 5.05. Consolidation, Merger, Sale or Conveyance; No Division. Each Member covenants and agrees that it will not merge or consolidate with any other Person not a Member or sell or convey all or substantially all of its assets to any Person not a Member unless:

(a) after giving effect to the merger, consolidation, sale or conveyance, the successor or surviving entity (hereinafter, the "Surviving Entity") will be the Member, or, if not, the

Surviving Entity shall be a limited liability company organized and existing under the laws of the United States of America or a State thereof whose sole member shall be the Obligated Group Representative and such Surviving Entity shall become a Member pursuant to Section 5.06 and shall expressly assume in writing the due and punctual payment of all Required Payments of the disappearing Member hereunder, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Master Indenture and all Obligations issued hereunder by the execution of a Related Supplement, delivered to the Master Trustee by such Surviving Entity; and

- (b) the requirements of Section 5.06 are satisfied.

Each Member further covenants and agrees that it will not enter into a plan of division under the Delaware Limited Liability Company Act.

Section 5.06. Membership in Obligated Group. Additional Members may be added to the Obligated Group from time to time, provided that prior to such addition the Master Trustee receives:

- (a) a copy of a resolution of the Governing Body of the proposed new Member which authorizes the execution and delivery of a Related Supplement and compliance with the terms of this Master Indenture;

- (b) a Related Supplement executed by the Obligated Group Representative, the new Member and the Master Trustee pursuant to which the proposed new Member (1) agrees to become a Member and (2) agrees to be bound by the terms and restrictions imposed by this Master Indenture and the Obligations;

- (c) an Opinion of Counsel addressed to the Master Trustee to the effect that (i) the proposed new Member has taken all necessary action to become a Member, and upon execution of the Related Supplement, such proposed new Member will be bound by the terms of this Master Indenture and (ii) the addition of such Member will not cause this Master Indenture or any Obligations to be subject to registration under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended (or, that any such registration, if required, has occurred);

- (d) an Opinion of Bond Counsel to the effect that the addition of such Member will not result in the inclusion of interest on any Related Bonds that purports to be a Tax-Exempt Bond in gross income for purposes of federal income taxation, nor cause this Master Indenture nor the Obligations issued under this Master Indenture to be subject to registration under the Securities Act of 1933, as amended or the Trust Indenture Act of 1939, as amended (or unless such registration, if required, has occurred);

- (e) an Officer's Certificate to the effect that no Member, immediately after the addition of such new Member, would be in default in the performance or observance of any covenant or condition of this Master Indenture;

- (f) an amended APPENDIX A reflecting the addition of such Additional Members; and

- (g) any other Opinions of Counsel as the Obligated Group Representative may reasonably require.

Any certification or calculation made in accordance with this Section 5.06 may take into account the effect of the withdrawal of another Member or Members from the Obligated Group in connection with the addition of a Member to the Obligated Group contemplated herein.

Section 5.07. Withdrawal from Obligated Group. Any Member other than the Initial Member may withdraw from the Obligated Group, and be released from further liability or obligation under the provisions of this Master Indenture, provided that prior to such withdrawal the Master Trustee receives:

- (a) an Officer's Certificate to the effect that, immediately following withdrawal of such Member, no Member would be in default in the performance or observance of any covenant or condition of this Master Indenture; and

- (b) an Opinion of Counsel to the effect that the withdrawal of such Member is in compliance with the conditions contained in this Section 5.07, and such withdrawal will not cause this Master Indenture nor the Obligations issued under this Master Indenture to be subject to registration under the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended (or unless such registration, if required, has occurred).

Any certification or calculation made in accordance with this Section 5.07 may take into account the effect of the addition of another Member or Members to the Obligated Group in connection with the withdrawal of a Member from the Obligated Group contemplated herein.

Upon compliance with the conditions contained in this Section 5.07, the Master Trustee shall, at the expense of the withdrawing Member, execute any documents reasonably requested by the withdrawing Member to evidence the termination of such Member's obligations hereunder under any Related Supplements and under all Obligations.

The Initial Member may not withdraw from the Obligated Group.

Section 5.08. Inspection of Books. The Master Trustee shall have the right, but not obligation, upon reasonable notice, during business hours, to examine and audit any and all of the Member's records or accounts pertaining to the Obligations, the Required Payments, the Pledged Revenues, the Related Bond Indentures, the Related Supplements and this Master Indenture.

Section 5.09. Reports and Information. At the request of the Master Trustee, the Members shall furnish to the Master Trustee such information as may be reasonably requested in writing from time to time relative to compliance by the Members with the provisions of this Master Indenture, including, without limitation, financial statements.

Section 5.10. Notice. Upon obtaining knowledge of an event of default under any Member Document, the Obligated Group Representative hereby agrees promptly to provide to the Master Trustee notice of such event of default (such notice to include a description of the nature of such event and what steps are being taken to remedy such event of default).

ARTICLE VI

DEFAULTS

Section 6.01. Events of Default. Event of Default, as used herein, means any of the following events:

(a) Failure on the part of the Obligated Group to make due and punctual payment of any Required Payment on an Obligation.

(b) Failure on the part of the Obligated Group to observe and perform any covenant or agreement under this Master Indenture including covenants or agreements contained in any Related Supplement or Obligation (other than failure by the Obligated Group to pay Required Payments on an Obligation, as referred to in Section 6.01(a) above) for a period of 60 days after the date on which written notice of such failure specifying such default and requiring the same to be remedied, shall have been given to the Obligated Group Representative by the Master Trustee or to the Obligated Group Representative and the Master Trustee by the Controlling Party except that, in each case, if such failure can be remedied but not within such 60-day period, such failure shall not become an Event of Default for so long as the Obligated Group Representative shall commence such cure within such 60-day period and diligently proceeds to remedy the same within 180 days of the commencement of such cure.

(c) A court having jurisdiction shall enter a decree or order for relief in respect of any Member in an involuntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee or similar official of any Member or for any substantial part of the property of any Member, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days.

(d) Any Member shall commence a voluntary case under any applicable federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case under any such law, or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or similar official of any Member or for any substantial part of its property, or shall make any general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due or shall take any corporate action in furtherance of the foregoing.

(e) A Member shall have defaulted on its obligations under any Related Loan Agreement and, as a result, an Event of Default (as defined in any Related Bond Indenture) shall exist under any Related Bond Indenture and any applicable notice and/or cure period shall have expired.

Section 6.02. Acceleration; Annulment of Acceleration.

(a) Upon the occurrence and during the continuation of an Event of Default hereunder, the Master Trustee may and, upon (i) the written request of the Controlling Party or of any Holder if an Event of Default under Section 6.01(a) hereof has occurred or (ii) the acceleration of any Obligation pursuant to the terms of the Related Supplement under which such Obligation was

issued, shall, by notice to the Members, declare all Outstanding Obligations immediately due and payable, whereupon such Obligations shall become and be immediately due and payable, anything in the Obligations or herein to the contrary notwithstanding; provided, however, that if the terms of any Related Supplement give a person the right to consent to acceleration of the Obligations issued pursuant to such Related Supplement, the Obligations issued pursuant to such Related Supplement may not be accelerated by the Master Trustee unless such consent is properly obtained pursuant to the terms of such Related Supplement. In such event, there shall be due and payable on the Obligations an amount equal to the aggregate Principal Amount of all such Obligations, plus all interest accrued thereon.

(b) At any time after the principal of the Obligations shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, if (i) the Obligated Group has paid or caused to be paid or deposited with the Master Trustee moneys sufficient to pay all matured installments of interest and interest on installments of principal and interest and principal or redemption prices and other payments then due (other than the principal or other payments then due only because of such declaration) on all Outstanding Obligations, (ii) the Obligated Group has paid or caused to be paid or deposited with the Master Trustee moneys sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Master Trustee and any paying agents, (iii) all other amounts then payable by the Obligated Group hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Master Trustee, and (iv) every Event of Default (other than a default in the payment of the principal or other payments of such Obligations then due only because of such declaration) shall have been remedied, then the Controlling Party may annul such declaration and its consequences with respect to any Obligations or portions thereof not then due by their terms. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 6.03. Additional Remedies and Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, the Master Trustee may, and upon the request of (i) the Controlling Party, (ii) any Holder which, pursuant to a Related Supplement, is given the right to require the Master Trustee to institute actions pursuant to this Section 6.03(a), or (iii) any Holder if an Event of Default under Section 6.01(a) hereof has occurred, shall upon the indemnification of the Master Trustee to its satisfaction therefor, proceed forthwith to protect and enforce its rights and the rights of the Holders hereunder by such suits, actions or proceedings as the Master Trustee, being advised by counsel, shall deem expedient, including but not limited to:

(i) Enforcement of the right of the Holders to collect and enforce the payment of amounts due or becoming due under the Obligations;

(ii) Suit upon all or any part of the Obligations;

(iii) Civil action to require any Person holding moneys, documents or other property pledged to secure payment of amounts due or to become due on the Obligations to account as if it were the trustee of an express trust for the Holders of Obligations;

(iv) Civil action to enjoin any acts or things, which may be unlawful or in violation of the rights of the Holders of Obligations;

(v) Exercise any and all remedies under the Mortgages; and

(vi) Enforcement of any other right or remedy of the Holders conferred by law or hereby.

(b) Regardless of the occurrence of an Event of Default, the Master Trustee, if requested in writing by the Controlling Party, shall, upon being indemnified to its satisfaction therefor, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient (i) to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation hereof, or (ii) to preserve or protect the interests of the Holders, provided that such request and the action to be taken by the Master Trustee are not in conflict with any applicable law or the provisions hereof and, in the sole judgment of the Master Trustee, not unduly prejudicial to the interest of the Holders of Obligations not making such request, it being understood that (subject to Section 7.01) the Master Trustee shall have no duty or obligation to determine whether or not such action or forbearance may be unduly prejudicial to such Holders.

Section 6.04. Application of Pledged Revenues and Other Moneys after Default. During the continuance of an Event of Default all moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Master Trustee with respect thereto, including fees, expenses and advances of its attorneys, agents and advisors and after payment of all other amounts owed to the Master Trustee hereunder, and after payment of Administrative Fees associated with loan servicing submitted to the Master Trustee for payment to any Person (excluding any Administrative Fees payable to the Obligated Group Representative), shall be applied as follows:

(a) Unless the principal of all Outstanding Obligations shall have become or have been declared due and payable:

First: To the payment to the Persons entitled thereto of all installments of interest or the interest portion related to payments then due on the Senior Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preference;

Second: To the payment to the Persons entitled thereto of the unpaid Principal Amounts or portions thereof of any Senior Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Senior Obligations due on any date, then to the payment thereof ratably, according to the Principal Amounts or portions thereof due on such date, to the Persons entitled thereto, without any discrimination or preference;

Third: To the payment to the Persons entitled thereto of all installments of interest or the interest portion related to payments then due on the Subordinate Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preference;

Fourth: To the payment to the Persons entitled thereto of the unpaid Principal Amounts or portions thereof of any Subordinate Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Subordinate Obligations due on any date, then to the payment thereof ratably, according to the Principal Amounts or portions thereof due on such date, to the Persons entitled thereto, without any discrimination or preference;

Fifth: To the payment to the Persons entitled thereto of all installments of interest or the interest portion related to payments then due on the Second Subordinate Obligations in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon to the Persons entitled thereto, without any discrimination or preference;

Sixth: To the payment to the Persons entitled thereto of the unpaid Principal Amounts or portions thereof of any Second Subordinate Obligations which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and if the amounts available shall not be sufficient to pay in full all the Second Subordinate Obligations due on any date, then to the payment thereof ratably, according to the Principal Amounts or portions thereof due on such date, to the Persons entitled thereto, without any discrimination or preference.

(b) If the principal of all Outstanding Obligations shall have become or have been declared due and payable:

First: To the payment of the principal and interest and other payments then due and unpaid upon the Senior Obligations without preference or priority, or of any installment over any other installment, or of any Senior Obligation over any other Senior Obligation, ratably, according to the amounts due, to the Persons entitled thereto without any discrimination or preference;

Second: To the payment of the principal and interest and other payments then due and unpaid upon the Subordinate Obligations without preference or priority, or of any installment over any other installment, or of any Subordinate Obligation over any other Subordinate Obligation, ratably, according to the amounts due, to the Persons entitled thereto without any discrimination or preference; and

Third: To the payment of the principal and interest and other payments then due and unpaid upon the Second Subordinate Obligations without preference or priority, or of

any installment over any other installment, or of any Second Subordinate Obligation over any other Second Subordinate Obligation, ratably, according to the amounts due, to the Persons entitled thereto without any discrimination or preference.

(c) If the principal of all Outstanding Obligations shall have been declared due and payable, and if such declaration shall thereafter be rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all Outstanding Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Master Trustee shall give such notices as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any unpaid Obligation until such Obligation and all unmatured coupons, if any, appertaining to such Obligation shall be presented to the Master Trustee for appropriate endorsement of any partial payment or for cancellation if fully paid.

Whenever all Obligations and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Master Trustee have been paid, any balance remaining shall be paid to the Person entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the Members, their successors, or as a court of competent jurisdiction may direct.

Section 6.05. Remedies Not Exclusive. No remedy by the terms hereof conferred upon or reserved to the Master Trustee or the Holders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or existing at law or in equity or by statute on or after the date hereof.

Section 6.06. Remedies Vested in the Master Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Obligations may be enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Master Trustee may be brought in its name as the Master Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Obligations. Subject to the provisions of Section 6.04 hereof, any recovery or judgment shall be for the equal benefit of the Holders of the Outstanding Obligations.

Section 6.07. Master Trustee to Represent Holders. The Master Trustee is hereby irrevocably appointed (and the successive respective Holders of the Obligations, by taking and holding the same, shall be conclusively deemed to have so appointed the Master Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Obligations for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under

the provisions of the Obligations, this Master Indenture, and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Master Trustee to represent the Holders, the Master Trustee in its discretion may, and upon the written direction of the Controlling Party, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Master Trustee or in such Holders under this Master Indenture, or any other law; and upon instituting such proceeding, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the assets pledged under this Master Indenture, pending such proceedings. All rights of action under this Master Indenture or the Obligations or otherwise may be prosecuted and enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Master Trustee shall be brought in the name of the Master Trustee for the benefit and protection of all the Holders of such Obligations, subject to the provisions of this Master Indenture.

Section 6.08. Holders' Control of Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything herein to the contrary, the Controlling Party shall have the right, at any time, by any instrument in writing executed and delivered to the Master Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions hereof or for the appointment of a receiver or any other proceedings hereunder, provided that such direction is not in conflict with any applicable law or the provisions hereof (including indemnity to the Master Trustee as provided herein) and, in the sole judgment of the Master Trustee, is not unduly prejudicial to the interest of Holders not joining in such direction (it being understood that (subject to Section 7.01) the Master Trustee shall have no duty or obligation to determine whether or not such action or forbearance may be unduly prejudicial to such Holders) and provided further that nothing in this Section shall impair the right of the Master Trustee in its discretion to take any other action hereunder which it may deem proper and which is not inconsistent with such direction by Holders.

Section 6.09. Termination of Proceedings. In case any proceeding taken by the Master Trustee on account of an Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Master Trustee or to the Holders, then the Members, the Master Trustee and the Holders shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Master Trustee and the Holders shall continue as if no such proceeding had been taken.

Section 6.10. Waiver of Event of Default.

(a) No delay or omission of the Master Trustee or of any Holder to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Master Trustee and the Holders of the Obligations, respectively, may be exercised from time to time and as often as may be deemed expedient by them.

(b) The Master Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions hereof, or before the completion of the enforcement of any other remedy hereunder.

(c) Notwithstanding anything contained herein to the contrary, the Master Trustee, upon the written request of the Controlling Party, shall waive any Event of Default hereunder and its consequences; provided, however, that, except under the circumstances set forth in subsection (b) of Section 6.02 hereof, a default in the payment of the principal of, premium, if any, or interest on or other payment with respect to any Obligation, when the same shall become due and payable by the terms thereof or upon call for redemption, may not be waived without the written consent of the Holders of all the Obligations at the time Outstanding.

(d) In case of any waiver by the Master Trustee of an Event of Default hereunder, the Members, the Master Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 6.11. Appointment of Receiver. Upon the occurrence of any Event of Default unless the same shall have been waived as herein provided, the Master Trustee shall be entitled as a matter of right if it shall so elect, (a) forthwith and without declaring the Obligations to be due and payable, (b) after declaring the same to be due and payable, or (c) upon the commencement of an action to enforce the specific performance hereof or in aid thereof or upon the commencement of any other judicial proceeding to enforce any right of the Master Trustee or the Holders, to the appointment of a receiver or receivers of any or all of the Property of the Members with such powers as the court making such appointment shall confer. Each Member, respectively, hereby consents and agrees, and will if requested by the Master Trustee, consent and agree at the time of application by the Master Trustee for appointment of a receiver, to the appointment of such receiver and that such receiver may be given the right, power and authority, to the extent the same may lawfully be given, to take possession of and operate and deal with such Property and the revenues, profits and proceeds therefrom, with like effect as the Member could do so, and to borrow money and issue evidences of indebtedness as such receiver.

Section 6.12. Remedies Subject to Provisions of Law. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of a law, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this instrument or the provisions hereof invalid or unenforceable under the provisions of any applicable law.

Section 6.13. Notice of Default. The Master Trustee shall, within 10 days after a Responsible Officer of the Master Trustee has actual knowledge or has received written notice of the occurrence of an Event of Default, mail to all Holders (as the names and addresses of such Holders appear upon the books of the Master Trustee), notice of such Event of Default known to the Master Trustee, unless such Event of Default shall have been cured before the giving of such notice (the term "Event of Default" for the purposes of this Section being hereby defined to be the events specified in subsections (a)-(e) of Section 6.01, not including any periods of grace provided

for in subsections (b) and (c) respectively, and irrespective of the giving of written notice specified in subsection (b) of Section 6.01); and provided that, except in the case of default in the payment of the principal of or premium, if any, or interest or other payments on any of the Obligations and the Events of Default specified in subsections (c) and (d) of Section 6.01, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trustee committee of directors or Responsible Officers of the Master Trustee in good faith determine that the withholding of such notice is in the interests of the Holders of Obligations.

ARTICLE VII

THE MASTER TRUSTEE

Section 7.01. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default:

(i) The Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture, and no implied covenant or obligation shall be read into this Master Indenture against the Master Trustee; and

(ii) In the absence of bad faith on its part, the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon Certificates or opinions furnished to the Master Trustee and conforming to the requirements of this Master Indenture; but in the case of any such Certificates or opinions which by any provision hereof are specifically required to be furnished to the Master Trustee, the Master Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Master Indenture as to form.

(b) In case an Event of Default has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under similar circumstances.

(c) No provision of this Master Indenture shall be construed to relieve the Master Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(i) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(ii) the Master Trustee shall not be liable for any error of judgment made in good faith by a chair or vice-chair of the board of directors, the chair or vice-chair of the executive committee of the board of directors, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller and any assistant controller or any other officer of the Master Trustee customarily performing functions similar to those performed by any of the above designated officers or with respect to a

particular matter, or any other officer to whom such matter is referred because of his knowledge or any familiarity with the particular subject, unless it shall be proved that the Master Trustee was negligent in ascertaining the pertinent facts;

(iii) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Controlling Party relating to, or in exercising, the timing, method and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee, under this Master Indenture; and

(iv) no provision of this Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless the Master Trustee shall have received security and indemnity satisfactory to it against loss, liability or expense.

(d) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

Section 7.02. Certain Rights of Master Trustee. Subject to Section 7.01:

(a) The Master Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, obligation or other paper or documents believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request or direction of any Member mentioned herein shall be sufficiently evidenced by an Officer's Certificate and any action of the Governing Body may be sufficiently evidenced by a copy of a resolution certified by the secretary or an assistant secretary of the Member to have been duly adopted by the Governing Body and to be in full force and effect on the date of such certification and delivered to the Master Trustee.

(c) Whenever in the administration of this Master Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate.

(d) The Master Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture at the request or direction of any of the Holders pursuant to this Master Indenture, unless such Holders shall have offered to the Master Trustee security or indemnity acceptable to the Master Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, obligation or other paper or document, but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Obligated Group Representative or any Member, personally or by agent or attorney.

(g) The Master Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Master Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) The Master Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized within the discretion or rights or powers conferred upon it by this Master Indenture.

(i) Anything to the contrary notwithstanding, the Master Trustee shall not be required to exercise any remedies with respect to the Mortgages unless the Master Trustee is satisfied that the Master Trustee will not be subject to any liability under any local, state or federal environmental laws or regulations of any kind whatsoever or from any circumstances present at the Property related to such Mortgages, relating to the presence, use, management, disposal of, or contamination by any environmentally hazardous materials or substances of any kind whatsoever.

(j) The immunities extended to the Master Trustee also extend to its directors, officers, employees and agents.

(k) The permissive right of the Master Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(l) The Master Trustee shall be entitled to assume that any Person designated by a Member or the Obligated Group Representative as an Independent Consultant satisfies the requirements thereof, without any duty of independent investigation.

Section 7.03. Right to Deal in Obligations and Related Bonds. The Master Trustee may in good faith buy, sell or hold and deal in any Obligations and Related Bonds with like effect as if it were not such Master Trustee and may commence or join in any action which a Holder or holder of a Related Bond is entitled to take with like effect as if the Master Trustee were not the Master Trustee.

Section 7.04. Removal and Resignation of the Master Trustee. The Master Trustee may be removed at any time by an instrument or instruments in writing signed by the Controlling Party or, provided an Event of Default has not occurred and is then continuing, the Obligated Group Representative. The Master Trustee may at any time resign by giving written notice of such resignation to the Obligated Group Representative and by giving the Holders of all Obligations then Outstanding notice of such resignation by mail at the addresses shown on the registration books maintained by the Master Trustee. No such resignation or removal shall become effective unless and until a successor Master Trustee has been appointed and has assumed the trusts created

hereby. Written notice of removal shall be given to the Members and to each Holder of an Obligation then Outstanding at the address then reflected on the books of the Master Trustee and such resignation or removal shall then take effect upon the appointment and qualification of a successor Master Trustee. If the Master Trustee is the same Person as, or an Affiliate of, the Securities Intermediary, then the Master Trustee shall resign (or, if it does not do so, shall be deemed to have resigned) upon the resignation or removal of the Securities Intermediary. A successor Master Trustee may be appointed at the direction of the Controlling Party, or, if the Master Trustee has resigned or has been removed by the Obligated Group Representative, by the Obligated Group Representative. In the event a successor Master Trustee has not been appointed and qualified within 45 days of the date notice of resignation is given, the Master Trustee, any Member or any Holder may apply to any court of competent jurisdiction for the appointment of an interim successor Master Trustee to act until such time as a permanent successor is appointed as above provided.

Unless otherwise ordered by a court or regulatory body having competent jurisdiction, or unless required by law, any successor Master Trustee shall be a trust company or bank having the powers of a trust company as to trusts or authorized to exercise trust powers, qualified to do and doing trust business in one or more states of the United States of America and having (or in the case of a corporation or trust company included in a bank holding company system, the related bank holding company shall have) an officially reported combined capital, surplus, undivided profits and reserves aggregating at least \$100,000,000, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Every successor Master Trustee howsoever appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to each member of the Obligated Group an instrument in writing, accepting such appointment hereunder, and thereupon such successor Master Trustee, without further action, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor, and such predecessor shall execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers and trusts of such predecessor. The predecessor Master Trustee shall execute any and all documents necessary or appropriate to convey all interest it may have to the successor Master Trustee. The predecessor Master Trustee shall promptly deliver all records relating to the trust or copies thereof and communicate all material information it may have obtained concerning the trust to the successor Master Trustee.

Each successor Master Trustee, not later than 10 days after its assumption of the duties hereunder, shall mail a notice of such assumption to each Holder of an Obligation.

Section 7.05. Compensation and Reimbursement. Each Member, respectively, agrees:

(a) To pay the Master Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust).

(b) To reimburse the Master Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Master Trustee in accordance with any provision of this Master Indenture (including the reasonable compensation and the expenses and

disbursements of its counsel and its agents), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith.

(c) To indemnify the Master Trustee for, and to hold it harmless from and against, any loss, liability or expense incurred without successful allegations of gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust or its duties hereunder, including the costs and expenses of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

To secure the Members' payment obligations in this Section, the Master Trustee shall have a lien prior to the Holders on all money and property collected by the Master Trustee, except for Defeasance Obligations and except for amounts on deposit in the Contribution Account of the Loan Program Fund that are restricted for other purposes.

When the Master Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 6.01(c) or (d) hereof, the expenses (including reasonable fees and expenses of its counsel) and the compensation for the services in connection therewith are intended to constitute expense of administration under any applicable bankruptcy law.

(d) Notwithstanding the cancellation or payment of all Obligations and the satisfaction and discharge of this Master Indenture, all provisions in this Master Indenture concerning the indemnity of the Master Trustee and the payment of its fees and expenses shall survive and remain in full force and effect.

Section 7.06. Recitals and Representations. The recitals, statements and representations contained herein, or in any Obligation (excluding the Master Trustee's authentication on the Obligations) shall be taken and construed as made by and on the part of the members of the Obligated Group, and not by the Master Trustee, and the Master Trustee neither assumes nor shall be under any responsibility for the correctness of the same.

The Master Trustee makes no representation as to, and is not responsible for, the validity or sufficiency hereof or of the Obligations or the validity or sufficiency of insurance to be provided. The Master Trustee shall be deemed not to have made representations as to the security afforded hereby or hereunder or as to the legality, validity or sufficiency of such document. The Master Trustee shall not be concerned with or accountable to anyone for the use or application of any moneys that shall be released or withdrawn in accordance with the provisions hereof. The Master Trustee shall have no duty of inquiry with respect to any default or Events of Default described herein without actual knowledge of or receipt by a Responsible Officer of the Master Trustee of written notice of a default or an Event of Default from a member of the Obligated Group or any Holder.

The Master Trustee shall not be obligated to verify any calculations made by third parties, including without limitation, the calculations to be made by the Independent Consultant hereunder.

Section 7.07. Separate or Co-Master Trustee. At any time or times, for the purpose of meeting any legal requirements of any jurisdiction, the Master Trustee shall have power to appoint, and, upon the request of the Controlling Party, shall appoint, one or more persons approved by the

Master Trustee either to act as co-trustee or co-trustees, jointly with the Master Trustee, or to act as separate trustee or separate trustees, and to vest in such persons or persons, in such capacity, such rights, powers, duties, trusts or obligations as the Master Trustee may consider necessary or desirable, subject to the remaining provisions of this Section.

Every co-trustee or separate trustee shall, to the extent permitted by law but to such extent only, be appointed subject to the following terms, namely:

- (a) The Obligations shall be authenticated and delivered solely by the Master Trustee.
- (b) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Master Trustee, or by the Master Trustee and such co-trustee or co-trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed the Master Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.
- (c) Any request in writing by the Master Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.
- (d) Any co-trustee or separate trustee may, to the extent permitted by law, delegate to the Master Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.
- (e) The Master Trustee at any time, by any instrument in writing, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section. Upon the request of the Master Trustee, the members of the Obligated Group shall join with the Master Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal.
- (f) No trustee or any paying agent hereunder shall be personally liable by reason of any act or omission of any other trustee or paying agent hereunder, nor will the act or omission of any trustee or paying agent hereunder be imputed to any other trustee or paying agent.
- (g) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Master Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.
- (h) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Master Trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it or he shall be vested with such rights, powers, duties or obligations, as shall be specified in the instrument of appointment jointly with the Master Trustee (except insofar as local law makes

it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms hereof. Every such acceptance shall be filed with the Master Trustee. To the extent permitted by law, any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Master Trustee its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its or his behalf and in its or his name.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Master Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the manner herein provided.

Section 7.08. Merger or Consolidation. Any company into which the Master Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Master Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under Section 7.04, shall be the successor to such Master Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

ARTICLE VIII

SUPPLEMENTS AND AMENDMENTS

Section 8.01. Supplements Not Requiring Consent of Holders. The Obligated Group Representative, the Members and the Master Trustee may, without the consent of any of the Holders, enter into one or more Related Supplements for one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission herein;
- (b) To correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising hereunder and which shall not materially and adversely affect the interests of the Holders;
- (c) To grant or confer ratably upon all the Holders any additional rights, remedies, powers or authority, or to add to the covenants of and restrictions on the Members;
- (d) To qualify this Master Indenture under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect;
- (e) To create and provide for the issuance of an Obligation or Series of Obligations as permitted hereunder;
- (f) To obligate a successor to any Member as provided in Section 5.05 (and amend APPENDIX A); or
- (g) To add a new Member as provided in Section 5.06 (and amend APPENDIX A accordingly);

(h) To remove a Member as provided in Section 5.07 (and amend APPENDIX A accordingly);

(i) To subject any collateral to the pledge hereunder and the security interest created hereby without the concurrent issuance of any Obligations;

(j) To create any additional funds or accounts hereunder; and

(k) Subject to the receipt by the Master Trustee of an Opinion of Counsel that such amendment or modification will not have a material adverse effect on the interests of the Holders or result in any material impairment of the security given for the payment of the Obligations then Outstanding, to make any other modification, alteration, amendment or supplement to this Master Indenture as the Obligated Group Representative shall deem necessary and desirable.

Section 8.02. Supplements Requiring Consent of Holders.

(a) Other than Related Supplements referred to in Section 8.01 hereof, the Obligated Group Representative, the Members and the Master Trustee may, with the consent of the Controlling Party and anything contained herein to the contrary notwithstanding, enter into one or more Related Supplements as the Obligated Group Representative shall deem necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein; provided, however, that nothing in this Section shall permit or be construed as permitting a Related Supplement which would:

(i) Extend the stated maturity of or time for paying interest on any Obligation or reduce the Principal Amount of or the redemption premium or rate of interest or method of calculating interest payable on any Obligation without the consent of the Holder of such Obligation;

(ii) Modify, alter, amend, add to or rescind any of the terms or provisions contained in Article V hereof so as to affect the right of the Holders of any Obligations in default as to payment to compel the Master Trustee to declare the principal of all Obligations to be due and payable, without the consent of the Holders of all Obligations then Outstanding; or

(iii) Reduce the aggregate Principal Amount of Obligations then Outstanding the consent of the Holders of which is required to authorize such Related Supplement without the consent of the Holders of all Obligations then Outstanding.

(b) If at any time the Obligated Group Representative shall request the Master Trustee to enter into a Related Supplement pursuant to this Section, which request is accompanied by a copy of the resolution or other action of its Governing Body certified by its secretary (or, if it has no secretary, its comparable officer) together with a copy of the proposed Related Supplement, and if the Master Trustee shall receive (i) an instrument or instruments purporting to be executed by the Holders of not less than the aggregate Principal Amount or number of Obligations specified in subsection (a) for the Related Supplement in question, which instrument or instruments shall refer to the proposed Related Supplement and shall specifically consent to and approve the execution thereof in substantially the form of the copy thereof as on file with the Master Trustee,

and (ii) the consent of the Members, thereupon, but not otherwise, the Master Trustee may execute such Related Supplement in substantially such form, without liability or responsibility to any Holder of any Obligation, whether or not such Holder shall have consented thereto.

(c) Any such consent shall be binding upon the Holder of the Obligation giving such consent and upon any subsequent Holder of such Obligation and of any Obligation issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Obligation giving such consent or by a subsequent Holder thereof by filing with the Master Trustee, prior to the execution by the Master Trustee of such Related Supplement, such revocation and, if such Obligation or Obligations are transferable by delivery, proof that such Obligations are held by the signer of such revocation. At any time after the Holders of the required Principal Amount or number of Obligations shall have filed their consents to the Related Supplement, the Master Trustee shall make and file with the Obligated Group Representative a written statement to that effect. Such written statement shall be conclusive that such consents have been so filed.

(d) If the Holders of the required Principal Amount or number of the Outstanding Obligations shall have consented to and approved the execution of such Related Supplement as herein provided, no Holder of any Obligation shall have any right to object to the execution thereof, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Obligated Group Representative from executing the same or from taking any action pursuant to the provisions thereof.

Section 8.03. Execution and Effect of Supplements.

(a) In executing any Related Supplement permitted by this Article, the Master Trustee shall be entitled to receive and to rely upon an Opinion of Counsel stating that the execution of such Related Supplement is authorized or permitted hereby. The Master Trustee may but shall not be obligated to enter into any such Related Supplement which materially and adversely affects the Master Trustee's own rights, duties or immunities.

(b) Upon the execution and delivery of any Related Supplement in accordance with this Article, the provisions hereof shall be modified in accordance therewith and such Supplement shall form a part hereof for all purposes and every Holder of an Obligation theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

(c) Any Obligation authenticated and delivered after the execution and delivery of any Related Supplement in accordance with this Article may, and, if required by the Obligated Group Representative or the Master Trustee shall, bear a notation in form approved by the Master Trustee as to any matter provided for in such Related Supplement. If the Obligated Group Representative or the Master Trustee shall so determine, new Obligations so modified as to conform in the opinion of the Master Trustee and the Governing Body of the Obligated Group Representative to any such Related Supplement may be prepared and executed by the applicable Member and authenticated and delivered by the Master Trustee in exchange for and upon surrender of Obligations then Outstanding.

(d) The Master Trustee shall give notice, by first class mail, to the Holders of all Obligations then Outstanding of the execution and delivery of any Related Supplement (other than a Related Supplement entered into for the purposes described in clause (e) of Section 8.01 hereof), setting forth the effective date of such Related Supplement and a summary of the terms thereof (or, in lieu of such a summary, by attaching the form of such Related Supplement to such notice).

Section 8.04. Amendment of Related Supplements. Any Related Supplement may provide that the provisions thereof may be amended without the consent of or notice to any of the Holders or pursuant to such terms and conditions as may be specified in such Related Supplement. If a Related Supplement does not contain provisions relating to the amendment thereof, amendment of such Related Supplement shall be governed by the provisions of Section 8.01 and Section 8.02 hereof.

ARTICLE IX

SATISFACTION AND DISCHARGE OF INDENTURE

Section 9.01. Satisfaction and Discharge of Indenture. If (i) the Members shall deliver to the Master Trustee for cancellation all Obligations theretofore authenticated (other than any Obligations which shall have been mutilated, destroyed, lost or stolen and which shall have been replaced or paid as provided in any Related Supplement) and not theretofore cancelled, or (ii) upon payment of all Obligations not theretofore cancelled or delivered to the Master Trustee for cancellation, or (iii) (unless otherwise provided for an Obligation in the Related Supplement pursuant to which such Obligation was issued) the Members or any thereof shall deposit with the Master Trustee as trust funds cash or Government Obligations or both, sufficient to pay at maturity or upon redemption all Obligations not theretofore cancelled or delivered to the Master Trustee for cancellation, including without limitation principal and interest due or to become due to such date of maturity or redemption date, as the case may be, and if in any case the Members or any thereof shall also pay or cause to be paid all other sums payable hereunder by the Members or any thereof, then this Master Indenture shall cease to be of further effect, and the Master Trustee, on demand of the Members or any thereof and at the cost and expense of the Members or any thereof, shall execute proper instruments acknowledging satisfaction of and discharging this Master Indenture. The Obligated Group Representative shall cause a report to be prepared by a firm nationally recognized for providing verification services regarding the sufficiency of funds for such discharge and satisfaction, upon which report the Master Trustee may rely. Each Member, respectively, hereby agrees to reimburse the Master Trustee for any costs or expenses theretofore and thereafter reasonably and properly incurred by the Master Trustee in connection with this Master Indenture or such Obligations.

Section 9.02. Payment of Obligations after Discharge of Lien. Notwithstanding the discharge of the lien hereof as in this Article provided, the Master Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Obligations and the registration, transfer, exchange and replacement of Obligations as provided in any Related Supplement. Nevertheless, any moneys held by the Master Trustee or any paying agent for the payment of the principal of, premium, if any or interest on any Obligation remaining unclaimed for two years after the principal of all Obligations has become due and payable, whether at maturity or upon proceedings for redemption

or by declaration as provided herein, shall, subject to applicable law, then be paid to the Members and the Holders of any Obligations or coupons not theretofore presented for payment shall thereafter be entitled to look only to the members of the Obligated Group for payment thereof as unsecured creditors and all liability of the Master Trustee or any paying agent with respect to such moneys shall thereupon cease.

ARTICLE X

MISCELLANEOUS PROVISIONS

Section 10.01. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Indenture or the Obligations issued hereunder is intended or shall be construed to give to any person other than the Obligated Group Representative, each Member, the Master Trustee, and the Holders of the Obligations, any legal or equitable right, remedy or claim under or in respect to this Master Indenture or any covenants, conditions and provisions herein contained; this Master Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties mentioned in this Section.

Section 10.02. Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions hereof, or the Obligations issued pursuant hereto, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 10.03. Holidays. Except to the extent a Related Supplement or an Obligation provides otherwise:

(a) Subject to subsection (b), when any action is provided herein to be done on a day or within a time period named, and the day or the last day of the period falls on a day that is not a Business Day, the action may be done on the next ensuing Business Day with effect as though done on the day or within the time period named.

(b) When the date on which principal of or interest or premium on any Obligation is due and payable is a day that is not a Business Day, payment may be made on the next ensuing Business Day with effect as though payment were made on the due date, and, if such payment is made, no interest shall accrue from and after such due date.

Section 10.04. Governing Law. This Master Indenture shall be construed in accordance with and governed by the laws of the State of New York applicable to contracts made and performed in the State of New York, without giving effect to any choice of law rules other than Section 5-1401 of the New York General Obligation Law.

Section 10.05. Counterparts. This Master Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 10.06. Immunity of Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Obligations issued hereunder or for any

claim based thereon or upon any obligation, covenant or agreement herein against any past, present or future officer, director, member, employee or agent of any Member, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Obligations hereunder.

Section 10.07. Nonpetition. By its acceptance of an Obligation or Related Bond, each owner and beneficial owner of an Obligation or Related Bond agrees, and the Master Trustee agrees, that it shall at no time commence a bankruptcy case or similar insolvency proceeding against the Obligated Group Representative or any Member.

Section 10.08. Binding Effect. This instrument shall inure to the benefit of and shall be binding upon each Member, the Master Trustee, the Obligated Group Representative and their respective successors and assigns subject to the limitations contained herein.

Section 10.09. Notices; Notice to Rating Agencies. (a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(i) If to the Corporation and the initial Obligated Group Representative, addressed to it at Equitable Facilities Fund, Inc., 102 W. 118th Street #3, New York, New York 10026, Attention: Michael McGregor;

(ii) If to any other Member, addressed to such Member at the address set forth in APPENDIX A hereto;

(iii) If to the Master Trustee, addressed to it at the Principal Corporate Trust Office; or

(iv) If to the registered Holder of an Obligation, addressed to such Holder at the address shown on the books of the Master Trustee kept pursuant hereto.

(b) Any Member, the Obligated Group Representative or the Master Trustee may from time to time by notice in writing to the others and to the Holders of the Obligations designate a different address or addresses for notice hereunder.

(c) So long as Obligations are required to be rated hereunder, at such time as there is a change in the Master Trustee, any amendment to this Master Indenture is made, or upon the occurrence of an Event of Default hereunder, or upon any acceleration or defeasance of the Obligations, written notice of same shall be given by the Obligated Group Representative to the Rating Agencies then rating the Obligations.

IN WITNESS WHEREOF, each of the Corporation, as the initial Obligated Group Representative, and the Initial Member has caused these presents to be signed in its name and to evidence its acceptance of the trusts and agreements hereby created, and the Master Trustee has caused these presents to be signed in its name and on its behalf by one of its duly authorized officers, all as of the day and year first above written.

EQUITABLE FACILITIES FUND, INC.,
a Delaware nonstock nonprofit corporation,
as Obligated Group Representative

By: _____
Name: Michael McGregor
Title: Chief of Staff

EQUITABLE SCHOOL REVOLVING FUND, LLC,
a Delaware limited liability company,
as Initial Member

By: _____
Name: Anand Kesavan
Title: Chief Executive Officer

U.S. BANK NATIONAL ASSOCIATION,
as Master Trustee

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Securities Intermediary

By: _____
Name:
Title:

SUPPLEMENTAL MASTER INDENTURE FOR OBLIGATION NO. 12

among

EQUITABLE SCHOOL REVOLVING FUND, LLC,
as Initial Member of the Obligated Group

EQUITABLE FACILITIES FUND, INC.,
as Obligated Group Representative

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Trustee

Dated as of December 1, 2023

Supplementing the Second Amended and Restated Master Trust Indenture
Dated as of August 1, 2020

APPENDIX A
MEMBERS

Initial Member:

Equitable School Revolving Fund, LLC, a Delaware limited liability company
102 W. 118th Street #3
New York, New York 10026
Attention: Michael McGregor

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SUPPLEMENTAL MASTER INDENTURE FOR OBLIGATION NO. 12

THIS SUPPLEMENTAL MASTER INDENTURE FOR Obligation No. 12, dated as of December 1, 2023 (“Supplement”), among EQUITABLE SCHOOL REVOLVING FUND, LLC, a Delaware limited liability company (the “Member”), EQUITABLE FACILITIES FUND, INC., a Delaware nonstock nonprofit corporation (the “Obligated Group Representative”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION (as successor in interest to U.S. Bank National Association), a national banking association organized and existing under the laws of the United States of America, as master trustee (the “Master Trustee”), under and pursuant to that certain Second Amended and Restated Master Trust Indenture, dated as of August 1, 2020 (the “Master Indenture”), among the Obligated Group Representative, the Initial Members thereunder, including the Member, the Master Trustee, and U.S. Bank National Association, as Securities Intermediary;

W I T N E S S E T H

WHEREAS, the Obligated Group Representative, the Initial Members and the Master Trustee have entered into the Master Indenture which provides for the issuance from time to time of obligations thereunder to provide for the financing or refinancing of the acquisition, construction, rehabilitation, equipping or improvement of certain educational facilities, or for other lawful and proper corporate purposes;

WHEREAS, the Member has all requisite limited liability company power and is authorized under the terms of the Master Indenture to authorize the issuance of Obligations, which constitute the joint and several Obligations of the Members;

WHEREAS, the Member is the sole Member of the Obligated Group as of the date hereof;

WHEREAS, the Member desires to authorize the issuance of an Obligation hereunder to secure the obligations arising under and pursuant to a loan agreement, dated as of December 1, 2023, between the Arizona Industrial Development Authority and the Member; and

WHEREAS, the amendments to the Master Indenture set forth in Section 18 of the Supplemental Master Indenture for Obligation No. 6, dated as of October 1, 2021, Section 18 of the Supplemental Master Indenture for Obligation No. 7, dated as of October 1, 2021, Section 18 of the Supplemental Master Indenture for Obligation No. 8 dated as of October 1, 2021, Section 18 of the Supplemental Master Indenture for Obligation No. 9, dated as of October 1, 2021, Section 18 of the Supplemental Master Indenture for Obligation No. 10, dated as of August 1, 2022, and Section 18 of the Supplemental Master Indenture for Obligation No. 11, dated as of August 1, 2022, have become effective in accordance with their terms, and the parties hereto so agree and acknowledge;

WHEREAS, all acts and things necessary to constitute this Supplement a valid supplemental indenture and agreement, according to its terms and the terms of the Master Indenture, have been done and performed, and the Member and the Obligated Group Representative have duly authorized the execution and delivery hereof and of the Obligation issued hereby;

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Master Trustee of the trusts hereby created, and of the giving of consideration for and acceptance of the Obligation issued hereunder by the Holder thereof, the Member and the Obligated Group Representative covenant and agree with the Master Trustee for the benefit of the Holder from time to time of the Obligation issued hereby, as follows:

Section 1. Definitions. Unless otherwise required by the context, all terms used herein which are defined in the Master Indenture shall have the meanings assigned to them therein, except as set forth below:

“Issuer” means the Arizona Industrial Development Authority, a nonprofit corporation designated a political subdivision of the State of Arizona in accordance with the provisions of the Constitution of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, and its successors or assigns.

“Obligated Group” means all Members of the Obligated Group under the Master Indenture. The Obligated Group Representative is not a Member.

“Obligation No. 12” means the Obligation issued pursuant hereto.

“Series 2023A Bond Indenture” means that certain bond indenture, dated as of December 1, 2023, among the Issuer, the Series 2023A Bond Trustee and U.S. Bank National Association, as securities intermediary, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof.

“Series 2023A Bond Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, in its capacity as trustee under the Series 2023A Bond Indenture, and any successor to its duties or co-trustee under the Series 2023A Bond Indenture.

“Series 2023A Bonds” means the Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds.

“Series 2023A Loan Agreement” means that certain loan agreement, dated as of December 1, 2023, between the Issuer and the Member, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of the Series 2023A Bond Indenture.

“Series 2023A Loan Payments” means all of the payments so designated and required to be made by the Member pursuant to Section 3.1 of the Series 2023A Loan Agreement.

“Series 2023A Reserve Requirement” means \$0.00.

“Supplement” means this Supplemental Master Indenture for Obligation No. 12.

Section 2. Issuance of Obligation No. 12. There is hereby created and authorized to be issued an Obligation in an aggregate principal amount of Two Hundred Eighty

Million Dollars (\$280,000,000). The Obligation shall be dated December 19, 2023, shall be designated “Obligation No. 12” and shall be payable in such amounts, at such times and in such manner and shall have such other terms and provisions as are set forth in the form of Obligation No. 12 as provided in Section 11 hereof.

The aggregate principal amount of Obligation No. 12 is limited to Two Hundred Eighty Million Dollars (\$280,000,000), except for any Obligation No. 12 authenticated and delivered in lieu of another Obligation No. 12 (as provided in Section 7 hereof), with respect to any Obligation No. 12 mutilated, destroyed, lost or stolen or, subject to the provisions of Section 6 of this Supplement, upon transfer of registration of Obligation No. 12.

The Obligated Group Representative shall have no liability of any type with respect to Obligation No. 12.

Section 3. Purpose for Which Obligation No. 12 Is Being Issued. Obligation No. 12 is being issued to evidence the Obligated Group’s obligation to ensure performance of the obligations of the Member arising under the Series 2023A Loan Agreement.

Section 4. Payments on Obligation No. 12; Credits.

(a) Principal of and interest and any applicable redemption premium on Obligation No. 12 are payable in any coin or currency of the United States of America which on the payment date is legal tender for the payment of public and private debts. Except as provided in subsection (b) of this Section with respect to credits, and Section 5 hereof regarding prepayment, payments on the principal of and premium, if any, and interest on Obligation No. 12 shall be made at the times and in the amounts specified in Obligation No. 12 by the Obligated Group (i) depositing the same with or to the account of the Series 2023A Bond Trustee at or prior to 11:00 a.m. New York City time on the day such payments shall become due or payable (or the next succeeding business day if such date is a Saturday, Sunday or bank holiday in the city in which the principal corporate trust office of the Series 2023A Bond Trustee is located), and (ii) giving notice to the Master Trustee and the Series 2023A Bond Trustee of each payment of principal, interest or premium on Obligation No. 12, specifying the amount paid and identifying such payment as a payment on Obligation No. 12.

(b) The Obligated Group shall receive credit for payment on Obligation No. 12, in addition to any credits resulting from payment or prepayment from other sources, as follows:

(i) On installments of interest on Obligation No. 12 in an amount equal to moneys deposited in the Interest Account created under the Series 2023A Bond Indenture which amounts are available to pay interest on the Series 2023A Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 12;

(ii) On installments of principal of Obligation No. 12 in an amount equal to moneys deposited in the Principal Account created under the Series 2023A Bond Indenture which amounts are available to pay principal of the Series 2023A Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 12;

(iii) On installments of principal and interest, respectively, on Obligation No. 12 in an amount equal to moneys deposited in the Redemption Fund created under the Series 2023A Bond Indenture which amounts are available to pay the redemption price of Series 2023A Bonds, to the extent such amounts have not previously been credited against payments on Obligation No. 12;

(iv) On installments of principal and interest, respectively, on Obligation No. 12 in an amount equal to the principal amount of Series 2023A Bonds for the redemption or payment of which sufficient amounts (as determined by Section 10.03 of the Series 2023A Bond Indenture) in cash or securities are on deposit as provided in said Section 10.03 of the Series 2023A Bond Indenture, to the extent such amounts have not previously been credited against such payments on Obligation No. 12, and the interest on such Series 2023A Bonds from and after the date fixed for payment at maturity or redemption thereof. Such credits shall be made against the installments of principal and interest on Obligation No. 12 which would have been used, but for such call for payment or redemption, to pay principal of and interest on such Series 2023A Bonds when due;

(v) On installments of principal and interest, respectively, on Obligation No. 12 in an amount equal to the principal amount of Series 2023A Bonds acquired by any member of the Obligated Group and surrendered to the Series 2023A Bond Trustee for cancellation or purchased by the Series 2023A Bond Trustee and canceled, and the interest on such Series 2023A Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal of and interest on Obligation No. 12 which would have been used, but for such cancellation, to pay principal of and interest on such Series 2023A Bonds when due; and

(vi) On amounts deposited with the Series 2023A Bond Trustee to satisfy any other payment obligations under the Series 2023A Loan Agreement but not transferred by the Series 2023A Bond Trustee to the Member pursuant to Section 5.02 of the Series 2023A Bond Indenture.

Section 5. Prepayment of Obligation No. 12.

(a) So long as all amounts which have become due under Obligation No. 12 have been paid or credits for such payments have occurred, the Obligated Group shall have the right, at any time and from time to time, to pay in advance and in any order of due dates all or part of the amounts to become due under Obligation No. 12. Prepayments may be made by payments of cash or surrender of the Series 2023A Bonds, as contemplated by subsections 4(b)(iv) and (v) hereof. All such prepayments (and the additional payment of any amount necessary to pay the applicable premium, if any, payable upon the redemption of the Series 2023A Bonds) shall be deposited and applied in the manner and subject to the terms and conditions set forth in the Series 2023A Bond Indenture. Notwithstanding any such redemption or surrender of the Series 2023A Bonds, as long as any Series 2023A Bonds remain Outstanding (as defined in the Series 2023A Bond Indenture) or any additional payments required to be made hereunder remain unpaid, the Obligated Group shall not be relieved of its obligations hereunder.

(b) Prepayments made under subsection (a) of this Section shall be credited against amounts to become due on Obligation No. 12 as provided in Section 4 hereof.

(c) The Obligated Group may also prepay all of its indebtedness under Obligation No. 12 by providing for the payment of Series 2023A Bonds in accordance with Article X of the Series 2023A Bond Indenture.

Section 6. Registration, Number, Negotiability and Transfer of Obligation No. 12.

(a) Except as provided in subsection (b) of this Section, so long as any Series 2023A Bonds remain Outstanding, Obligation No. 12 shall consist of a single Obligation without coupons, registered as to principal and interest in the name of the Series 2023A Bond Trustee, and no transfer of Obligation No. 12 shall be permitted or shall be registered under the Master Indenture except for transfers to a successor Series 2023A Bond Trustee.

(b) Upon the principal of all Obligations then Outstanding being declared immediately due and payable upon and during the continuance of an Event of Default, Obligation No. 12 may be transferred, if and to the extent the Master Trustee requests that the restrictions of subsection (a) of this Section 6 on transfers be terminated.

(c) Obligation No. 12 shall be registered on the register to be maintained by the Master Trustee as registrar for that purpose at the Corporate Trust Office of the Master Trustee and Obligation No. 12 shall be transferable only upon presentation of Obligation No. 12 at said Corporate Trust Office by the Holder or by the Holder's duly authorized attorney. Such transfer shall be without charge to the Holder thereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Member shall execute and the Master Trustee shall authenticate and deliver in exchange for Obligation No. 12 a new registered Obligation without coupons, registered in the name of the transferee.

(d) Prior to due presentment of Obligation No. 12 for registration of transfer, the Obligated Group, the Obligated Group Representative, the Master Trustee, any paying agent and any registrar with respect to Obligation No. 12 may deem and treat the person in whose name Obligation No. 12 is registered as the absolute owner thereof for all purposes; and neither the Obligated Group, the Obligated Group Representative, any paying agent, the Master Trustee nor any Obligation registrar shall be affected by any notice to the contrary. All payments made to the registered owner thereof shall be valid, and, to the extent of the sum or sums so paid, sufficient to satisfy and discharge the liability for moneys payable on Obligation No. 12.

Section 7. Mutilation, Destruction, Loss and Theft of Obligation No. 12.
If (a) Obligation No. 12 is surrendered to the Master Trustee in a mutilated condition, or the Master Trustee receive evidence to its satisfaction of the destruction, loss or theft of Obligation No. 12, and (b) there is delivered to the Members of the Obligated Group and the Master Trustee such security or indemnity as may be required by them to hold them harmless, then, in the absence of proof satisfactory to the Member and the Master Trustee that Obligation No. 12 has been acquired by a protected purchaser and upon the Holder paying the reasonable expenses of the Member and

the Master Trustee, the Member shall cause to be executed and the Master Trustee shall authenticate and deliver, in exchange for such mutilated Obligation No. 12 or in lieu of such destroyed, lost or stolen Obligation No. 12, a new Obligation No. 12 of like principal amount, date and tenor. If any such mutilated, destroyed, lost or stolen Obligation No. 12 has become or is about to become due and payable, Obligation No. 12 may be paid when due instead of delivering a new Obligation No. 12.

Section 8. Execution and Authentication of Obligation No. 12. Obligation No. 12 shall be executed for and on behalf of the Member by an officer thereof that is an Authorized Representative and attested by its secretary, an assistant secretary or another officer thereof that is an Authorized Representative. The signatures of either or both of such officers may be mechanically or photographically reproduced on Obligation No. 12. If any officer whose signature appears on Obligation No. 12 ceases to be such officer before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such officer had remained in office until such delivery. Obligation No. 12 shall be manually authenticated by an authorized signatory of the Master Trustee, without which authentication Obligation No. 12 shall not be entitled to the benefits hereof.

Section 9. Partial Prepayment of Obligation No. 12. Upon the selection and call for prepayment and the surrender of Obligation No. 12 for prepayment in part only, the Member shall cause to be executed and the Master Trustee shall authenticate and deliver to, upon the written order of, the Holder thereof, at the expense of the Obligated Group, a new Obligation No. 12 in principal amount equal to the unredeemed portion of Obligation No. 12, which new Obligation No. 12 shall be a fully registered Obligation without coupons.

The Member may agree with the Holder of Obligation No. 12 that such Holder may, in lieu of surrendering the Obligation for a new fully registered Obligation without coupons, endorse on the Obligation a notice of such partial prepayment, which notice shall set forth, over the signature of such Holder, the payment date, the principal amount redeemed and the principal amount remaining unpaid. Such partial prepayment shall be valid upon payment of the amount thereof to the registered owner of Obligation No. 12 and the Obligated Group and the Master Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon the reverse of Obligation No. 12 by the Holder thereof and irrespective of any error or omission in such endorsement.

Section 10. Effect of Prepayment. On the date cash or securities (as and to the extent permitted by the Series 2023A Bond Indenture), or both, are deposited with the Series 2023A Bond Trustee (for a corresponding amount of Series 2023A Bonds with respect to the Series 2023A Bonds to be redeemed on the date fixed for redemption all as provided in the Series 2023A Bond Indenture), Obligation No. 12 shall be deemed paid (in an amount corresponding to the Series 2023A Bonds to be redeemed on the date fixed for redemption) and such corresponding amount of Obligation No. 12 shall be deemed not to be outstanding, as defined in the Master Indenture, and shall no longer be entitled to the benefits of the Master Indenture.

Section 11. Form of Obligation No. 12. Obligation No. 12 shall be in substantially the form attached hereto as Exhibit A, with such necessary and appropriate omissions,

insertions and variations as are permitted or required hereby or by the Master Indenture and are approved by those officers executing such Obligation on behalf of the Member and execution thereof by such officers shall constitute conclusive evidence of such approval.

Section 12. Ratification of Master Indenture. As supplemented hereby, the Master Indenture is in all respects ratified and confirmed and the Master Indenture as so supplemented hereby shall be read, taken and construed as one and the same instrument.

Section 13. Severability. If any one or more sections, clauses, sentences or parts hereof shall for any reason be questioned in any court of competent jurisdiction and shall be adjudged invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions hereof, but shall be confined to the specific sections, clauses, sentences and parts so adjudged.

Section 14. Interpretation.

(a) Unless the context otherwise indicates, words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. The singular shall include the plural and vice versa.

(b) Headings of Sections herein and the table of contents hereto are solely for convenience of reference, and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

Section 15. Miscellaneous.

(a) No covenant or agreement contained herein or in Obligation No. 12 or the Master Indenture shall be deemed to be a covenant or agreement of any past, present or future officer, director, member, employee or agent of any Member or of the Master Trustee in an individual capacity, and no incorporator, member, officer or member of the governing board of any Member shall be liable personally on Obligation No. 12 or be subject to any personal liability or accountability by reason of the issuance of Obligation No. 12.

(b) The Master Trustee hereby acknowledges and agrees that the School Loan Agreements provide for payment of rental directly to the Series 2023A Bond Trustee for deposit in the Revenue Fund established in the Series 2023A Bond Indenture and that such deposits constitute credits for purposes of Section 4 hereof.

(c) The Master Trustee hereby further acknowledges that the Member may approve amendments to the School Loan Agreements subject to the limitations of Section 5.04 of the Master Indenture.

Section 16. Counterparts. This Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 17. Governing Law. This Supplement shall be construed in accordance with and governed by the laws of the State of New York, without giving effect to any choice of law rules other than Section 5-1401 of the New York General Obligation Law.

Section 18. [Reserved].

Section 19. Reserve Account Requirement. Upon the execution and delivery of Obligation No. 12, the Master Trustee shall, pursuant to a written direction of the Obligated Group Representative, transfer the Series 2023A Reserve Requirement to the Debt Service Reserve Fund pursuant to Section 4.06 of the Master Indenture to satisfy the Reserve Account Requirement. On such date, the Reserve Account Requirement will be \$23,382,825.00, calculated as shown in the table below:

Total Reserve Account Requirement \$23,382,825.00

[Signatures Begin on Following Page]

Required Deposit	Amount
Series 2019A Reserve Requirement	\$6,061,450.00
Series 2019B Reserve Requirement	1,293,750.00
2019 Equity Contribution	644,800.00
Series 2020A Reserve Requirement	7,372,764.48
Series 2020B Reserve Requirement	2,890,885.52
Series 2021A Reserve Requirement	3,915,103.73
Series 2021B Reserve Requirement	85,220.59
Series 2021C Reserve Requirement	467,001.94
Series 2021D Reserve Requirement	651,848.74
Series 2022A Reserve Requirement	0.00
Series 2022B Reserve Requirement	0.00
Series 2023A Reserve Requirement	0.00

IN WITNESS WHEREOF, each of the Obligated Group Representative and the Member has caused these presents to be signed in its name and to evidence its acceptance of the trusts and agreements hereby created, and the Master Trustee has caused these presents to be signed in its name and on its behalf by one of its duly authorized officers, all as of the day and year first above written.

EQUITABLE SCHOOL REVOLVING FUND, LLC,
a Delaware limited liability company, as Member

Name: Anand Kesavan
Title: Chief Executive Officer

EQUITABLE FACILITIES FUND, INC.,
a Delaware nonstock nonprofit corporation,
as Obligated Group Representative

Name: Michael McGregor
Title: Chief Operating Officer

[Signature page of Supplemental Master Indenture for Obligation No. 12]

[Signature page of Supplemental Master Indenture for Obligation No. 12]

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Master Trustee

By: _____
Responsible Officer

EXHIBIT A
FORM OF OBLIGATION NO. 12

EQUITABLE SCHOOL REVOLVING FUND, LLC
and
THE ENTITIES
LISTED ON APPENDIX A OF THE HEREINAFTER
DEFINED MASTER INDENTURE,
as Initial Members of the Obligated Group

Obligation No. 12

\$280,000,000

KNOW ALL BY THESE PRESENTS that EQUITABLE SCHOOL REVOLVING FUND, LLC (the “Member”), a Delaware limited liability company, for value received hereby acknowledges itself and each Member of the Obligated Group (as such terms are defined in the Master Indenture) obligated to, and promises to pay to U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as trustee (the “Series 2023A Bond Trustee”) under the Series 2023A Bond Indenture dated as of December 1, 2023 (the “Series 2023A Bond Indenture”), among the Series 2023A Bond Trustee, U.S. Bank National Association, as securities intermediary, and the Arizona Industrial Development Authority (the “Issuer”), and any successor trustee under the Series 2023A Bond Indenture, or registered assigns, the principal sum of Two Hundred Eighty Million Dollars (\$280,000,000), and to pay interest on the unpaid balance of said sum from the date hereof on the dates and in the manner hereinafter described.

This Obligation No. 12 is a single Obligation limited to Two Hundred Eighty Million Dollars (\$280,000,000) in principal amount (except as provided in the Master Indenture), designated as “Obligation No. 12” (“Obligation No. 12” and, together with all other obligations issued under the Master Indenture hereinafter identified, “Obligations”), issued under and pursuant to the Supplemental Master Indenture for Obligation No. 12, dated as of December 1, 2023 (the “Supplemental Indenture”), supplementing and amending the Second Amended and Restated Master Trust Indenture, dated as of August 1, 2020 and as may be further restated, supplemented or amended, among the Member, Equitable Facilities Fund, Inc., U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee (the “Master Trustee”), and U.S. Bank National Association, as Securities Intermediary. The Second Amended and Restated Master Trust Indenture, as supplemented and amended in accordance with its terms, is hereinafter called the “Master Indenture.”

Principal hereof, interest hereon and any applicable redemption premium, are payable in any coin or currency of the United States of America which on the payment date is legal tender for the payment of public and private debts on the dates and in the amounts necessary for the Series 2023A Bond Trustee to make the transfers and deposits required pursuant to Section 5.02 of the Series 2023A Bond Indenture.

The Obligated Group shall receive credit for payment on Obligation No. 12, in addition to any credits resulting from payment or prepayment from other sources, as follows: (i)

[Signature page of Supplemental Master Indenture for Obligation No. 12]

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on installments of interest of Obligation No. 12 in an amount equal to moneys deposited in the Interest Account created under the Series 2023A Bond Indenture which amounts are available to pay interest on the Series 2023A Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 12; (ii) on installments of principal of Obligation No. 12 in an amount equal to moneys deposited in the Principal Account created under the Series 2023A Bond Indenture which amounts are available to pay principal on the Series 2023A Bonds and to the extent such amounts have not previously been credited against payments on Obligation No. 12; (iii) on installments of principal and interest, respectively, on Obligation No. 12 in an amount equal to moneys deposited in the Redemption Fund created under the Series 2023A Bond Indenture which amounts are available to pay the redemption price of Series 2023A Bonds, to the extent such amounts have not previously been credited against payments on Obligation No. 12; (iv) on installments of principal and interest, respectively, on Obligation No. 12 in an amount equal to the principal amount of Series 2023A Bonds for the redemption or payment of which sufficient amounts (as determined by Section 10.03 of the Series 2023A Bond Indenture) in cash or securities are on deposit as provided in Section 10.03 of the Series 2023A Bond Indenture, to the extent such amounts have not previously been credited against such payments on Obligation No. 12, and the interest on such Series 2023A Bonds from and after the date fixed for payment at maturity or redemption thereof. Such credits shall be made against the installments of principal and interest on Obligation No. 12 which would have been used, but for such call for payment or redemption, to pay principal of and interest on such Series 2023A Bonds when due; (v) on installments of principal and interest, respectively, on Obligation No. 12 in an amount equal to the principal amount of Series 2023A Bonds acquired by any Member and surrendered to the Series 2023A Bond Trustee for cancellation or purchased by the Series 2023A Bond Trustee and canceled, and the interest on such Series 2023A Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal of and interest on Obligation No. 12 which would have been used, but for such cancellation, to pay principal of and interest on such Series 2023A Bonds when due; and (vi) on amounts deposited with the Series 2023A Bond Trustee to satisfy any other payment obligations under the Series 2023A Loan Agreement.

The Member further acknowledges itself and the other members of the Obligated Group to, and promises to pay to the Issuer, all amounts required to be paid by the Member to the Series 2023A Bond Trustee for deposit in the Revenue Fund established under the Series 2023A Bond Indenture. The Obligated Group shall receive credit for payment pursuant to this paragraph in an amount equal to moneys deposited with the Series 2023A Bond Trustee pursuant to the Series 2023A Bond Indenture.

Upon payment by the Obligated Group of a sum, in cash or securities (as specified in Article X of the Series 2023A Bond Indenture), or both, sufficient, together with any other cash and securities permitted by the Series 2023A Bond Indenture to be held by the Series 2023A Bond Trustee and available for such purpose, to cause all outstanding Bonds to be deemed to have been paid within the meaning of Article X of the Series 2023A Bond Indenture and to pay all other amounts referred to in Article X of the Series 2023A Bond Indenture, accrued and to be accrued to the date of discharge of the Series 2023A Bond Indenture, Obligation No. 12 shall be deemed to have been paid and to be no longer outstanding under the Master Indenture.

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Copies of the Master Indenture and the Supplemental Indenture are on file at the corporate trust office of the Master Trustee, in New York, New York and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the holders of Obligations issued under the Master Indenture, the terms and conditions on which, and the purposes for which Obligations are to be issued and the rights, duties and obligations of the Obligated Group and the Master Trustee under the Master Indenture, to all of which the holder hereof, by acceptance of this Obligation No. 12, assents.

The Master Indenture permits the issuance of additional Obligations under the Master Indenture to be secured by the provisions of the Master Indenture, all of which, regardless of the times of issue or maturity, are to be of equal rank without preference, priority or distinction of any Obligations issued under the Master Indenture over any other such Obligations except as expressly provided or permitted in the Master Indenture.

To the extent permitted by and as provided in the Master Indenture, modifications or changes to the Master Indenture, of any indenture supplemental thereto, and of the rights and obligations of the Obligated Group and of the holders of Obligations in any particular may be made by the execution and delivery of an indenture or indentures supplemental to the Master Indenture or any supplemental indenture. Certain modifications or changes that would affect the rights of the holder of this Obligation No. 12 may be made only with the consent of the holders of not less than a majority in aggregate principal amount of Obligations then outstanding under the Master Indenture. No modification or change shall be made which will (i) extend the stated maturity of or time for paying interest on any Obligation or reduce the principal amount of or the redemption premium or rate of interest or method of calculating interest payable on any Obligation without the consent of the holder of such Obligation; (ii) modify, alter, amend, add to or rescind any of the terms or provisions contained in Article V of the Master Indenture in any manner which would affect the interests of holders of any Obligations in default as to payment to compel the Master Trustee to declare the principal of all Obligations to be due and payable, without the consent of the holders of all Obligations then outstanding; or (iii) reduce the aggregate principal amount of Obligations then outstanding the consent of the holders of which is required to authorize such modifications or changes without the consent of the holders of all Obligations then outstanding. Any such consent by the holder of this Obligation No. 12 shall be conclusive and binding upon such holder and all future holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Obligation No. 12, unless such consent is revoked as provided in the Master Indenture.

Upon the occurrence of certain "Events of Default" (as defined in the Master Indenture), the principal of all Obligations then outstanding may be declared, and thereupon shall become, due and payable as provided in the Master Indenture.

The Holder of this Obligation No. 12 shall have no right to enforce the provisions of the Master Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Indenture.

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Obligation No. 12 is issuable only as a registered Obligation without coupons.

Unless the principal of all Obligations then outstanding has been declared immediately due and payable, no transfer of this Obligation No. 12 shall be permitted except for transfers to a successor trustee under the Series 2023A Bond Indenture. This Obligation No. 12 shall be registered on the register to be maintained by the Master Trustee as registrar for the Obligated Group for that purpose at the principal corporate trust office of the Master Trustee and this Obligation No. 12 shall be transferable only upon presentation of this Obligation No. 12 at said office by the Holder or by the Holder's duly authorized attorney and subject to the limitations, if any, set forth in the Supplemental Indenture. Such transfer shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Member shall execute and the Master Trustee shall authenticate and deliver in exchange for this Obligation No. 12 a new registered Obligation without coupons, registered in the name of the transferee.

Prior to due presentment hereof for registration of transfer, the Obligated Group, the Obligated Group Representative, the Master Trustee, any paying agent and any registrar with respect to this Obligation No. 12 may deem and treat the Person in whose name this Obligation No. 12 is registered as the absolute owner hereof for all purposes; and neither the Obligated Group, the Obligated Group Representative, any paying agent, the Master Trustee nor any Obligation registrar shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Obligation No. 12.

No covenant or agreement contained in this Obligation No. 12 or the Master Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any Member or of the Master Trustee in his individual capacity, and no incorporator, member, officer or member of the Governing Body of any Member shall be liable personally on this Obligation No. 12 or be subject to any personal liability or accountability by reason of the issuance of this Obligation No. 12.

This Obligation No. 12 shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Obligation No. 12 shall have been manually authenticated by the execution by an authorized officer of the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Member has caused this Obligation No. 12 to be executed in its name and on its behalf by the signature of an officer that is an Authorized Representative all as of December 19, 2023.

EQUITABLE SCHOOL REVOLVING FUND,
LLC,
a Delaware limited liability company

By _____
Name:
Title:

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

The undersigned Master Trustee hereby certifies that this Obligation No. 12 is one of the Obligations described in the within-mentioned Master Indenture.

Dated: December 19, 2023

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Master Trustee

By _____
Responsible Officer

APPENDIX C

FORMS OF THE BOND INDENTURE AND LOAN AGREEMENT

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REVENUES

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY,
U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Bond Trustee
and
U.S. BANK NATIONAL ASSOCIATION,
as Securities Intermediary
BOND INDENTURE
Dated as of December 1, 2023
\$280,000,000
ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
SENIOR NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS
SERIES 2023A – SOCIAL BONDS

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This BOND INDENTURE, is made and entered into as of December 1, 2023, among the ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY (the “Issuer”), a nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”), incorporated with the approval of the Arizona Finance Authority (the “AFA”), pursuant to the provisions of the Constitution and laws of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION (the “Bond Trustee”), a national banking association organized and existing under and by virtue of the laws of the United States of America, being qualified to accept and administer the trusts hereby created, and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, as securities intermediary hereunder (the “Securities Intermediary”);

W I T N E S S E T H:

WHEREAS, Arizona Revised Statutes Title 35, Chapter 5, Section 35-701 et seq. (as amended, the “Act”), authorizes the Issuer to finance and refinance “projects” (as defined in the Act), including the Project (as defined herein);

WHEREAS, the Act authorizes the Issuer to issue bonds to provide financing or refinancing for projects located in whole or in part outside of the State, including projects consisting of facilities owned or operated by a nonprofit organization described in Section 501(c) of the Internal Revenue Code;

WHEREAS, Equitable School Revolving Fund, LLC, a Delaware limited liability company (the “ESRF” or the “Borrower”), has requested financial assistance from the Issuer in the financing or reimbursing of all or a portion of certain loans (the “School Loans”) originated to qualifying public charter schools located both inside and outside the State for the purpose of financing or refinancing the acquisition, construction, improvement, equipping and furnishing of certain public charter school facilities;

WHEREAS, the Issuer has authorized the issuance of its Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds (the “Bonds”), in an aggregate principal amount of Two Hundred Eighty Million Dollars (\$280,000,000) to (i) provide funds to ESRF for the purpose of financing or reimbursing the School Loans, and (ii) pay a portion of the Costs of Issuance (collectively, the “Project”);

WHEREAS, the Issuer has duly entered into a loan agreement dated as of December 1, 2023, with ESRF, specifying the terms and conditions of a loan by the Issuer to ESRF of the proceeds of the Bonds to provide for the financing, refinancing and/or reimbursement of the School Loans, and of the payment to the Issuer of amounts sufficient for the payment of the principal of and premium, if any, and interest on the Bonds and certain related expenses;

WHEREAS, the Bonds, and the Bond Trustee's certificate of authentication and assignment to appear thereon, shall be in substantially the forms set forth in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Bond Indenture;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest thereon, the Issuer has authorized the execution and delivery of this Bond Indenture; and

WHEREAS, the Issuer has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Issuer, authenticated and delivered by the Bond Trustee and duly issued, the legally binding limited obligations of the Issuer, and to constitute this Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Bond Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS BOND INDENTURE WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Bonds at any time issued and Outstanding under this Bond Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Issuer does hereby covenant and agree with the Bond Trustee, for the benefit of the Holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Bond Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

Act

"Act" means Industrial Development Financing Act, Title 35, Chapter 5, Section 35-701 *et seq.*, Arizona Revised Statutes, as amended.

Additional Payments

"Additional Payments" means the payments so designated and required to be made by ESRF pursuant to Section 3.2 of the Loan Agreement.

AFA

"AFA" means the Arizona Finance Authority, an authority established in the Governor's Office of Economic Opportunity pursuant to Title 41, Chapter 53, Article 2, Arizona Revised Statutes, as amended.

Authorized Representative

"Authorized Representative" means, (i) with respect to ESRF, the Chair of its Board of Directors, its Chief Executive Officer, its Chief Operating Officer or any other person designated as an Authorized Representative of ESRF by a Certificate of ESRF signed by the Chair of its Board of Directors, its Chief Executive Officer or its Chief Operating Officer, and filed with the Bond Trustee or (ii) with respect to the Issuer, the President or Executive Director of the Issuer, or any other legally authorized signatory of the Issuer.

Beneficial Owner

"Beneficial Owner" means any Person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any of the Bonds (including any Person holding Bonds through nominees, depositories or other intermediaries).

Bond Counsel

"Bond Counsel" means Orrick, Herrington & Sutcliffe LLP or any other counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States, and selected by the Borrower.

Bond Indenture

"Bond Indenture" means this Bond Indenture, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Bond Indenture.

Bond Purchase Agreement

"Bond Purchase Agreement" means the Bond Purchase Agreement with respect to the Bonds among the Issuer, ESRF and the Representative.

Bond Trustee

"Bond Trustee" means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Bond Trustee hereunder as provided in Section 8.01.

Bonds

“Bonds” means Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds, authorized by, and at any time Outstanding pursuant to, this Bond Indenture.

Book-Entry Form or Book-Entry System

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical bond certificates held by and “immobilized” in the custody of the Depository and the book-entry system maintained by and the responsibility of others than the Issuer or the Bond Trustee is the record that identifies and records the transfer of the interests of the owners of book-entry interests in those Bonds.

Borrower

“Borrower” means ESRF.

Borrower Documents

“Borrower Documents” means this Bond Indenture, the Loan Agreement, the Master Trust Indenture, the Supplemental Master Trust Indenture for Obligation No. 12, Obligation No. 12, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Tax Agreement and each of the other agreements, certificates, contracts or instruments to be executed by the Borrower in connection with the issuance of the Bonds or the financing of a portion of the expenses associated with the Project.

Business Day

“Business Day” means any day other than (A) a Saturday or Sunday or legal holiday or a day on which banking institutions in the State or the city in which the Designated Office of the Bond Trustee is located are authorized by law or executive order to close or (B) a day on which the New York Stock Exchange is closed.

Certificate, Statement, Request or Requisition of the Issuer or of ESRF

“Certificate,” “Statement,” “Request” and “Requisition” of the Issuer or of ESRF means, respectively, a written certificate, statement, request or requisition signed in the name of the Issuer or in the name of ESRF, as applicable, by an Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Code

“Code” means the Internal Revenue Code of 1986, as amended, or any successor statute thereto and any regulations promulgated thereunder.

Continuing Disclosure Agreement

“Continuing Disclosure Agreement” means that certain continuing disclosure agreement relating to the Bonds, dated the Date of Issuance, executed by ESRF.

Costs of Issuance

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Issuer or ESRF and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Bond Trustee and its counsel, fees and charges of the Master Trustee and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, and any other cost, charge or fee in connection with the original issuance of Bonds.

Date of Issuance

“Date of Issuance” means December 19, 2023.

Designated Office

“Designated Office” means the Designated Office of the Bond Trustee, which as of the date of this Bond Indenture is located at 100 Wall Street, New York, New York 10005, and such other offices as the Bond Trustee may designate from time to time by written notice to the Holders, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term shall mean the office or agency of the Bond Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

Electronic Means

“Electronic Means” means telecopy, telegraph, telex, electronic mail, facsimile transmission or other similar electronic means of communication providing confirmation of receipt, including a telephonic communication confirmed by writing or written transmission.

ESRF or Borrower

“ESRF” or “Borrower” means Equitable School Revolving Fund, LLC, a Delaware limited liability company and the Initial Member of the Obligated Group under the Master Trust Indenture, or its permitted successors and assigns.

Event of Default

“Event of Default” means any of the events specified in Section 7.01.

Favorable Opinion of Bond Counsel

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Bond Counsel to the effect that such action is permitted under this Bond Indenture and will not, in and of itself, result in the inclusion of interest on the Bonds in gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds), which opinion shall in each instance be addressed and delivered, unless otherwise required by this Bond Indenture, to the Issuer, ESRF and the Bond Trustee.

Holder(s) or Bondholder(s)

“Holder(s)” or “Bondholder(s),” whenever used herein with respect to a Bond, means, individually and collectively, as applicable, the person in whose name such Bond is registered.

Interest Account

“Interest Account” means the account by that name in the Revenue Fund established pursuant to Section 5.02.

Interest Payment Date

“Interest Payment Date” means May 1 and November 1 of each year, commencing May 1, 2024.

Investment Securities

“Investment Securities” means any of the following: (a) negotiable instruments or securities represented by instruments in bearer or registered or in book-entry form which evidence (i) obligations fully guaranteed by the United States of America; (ii) obligations of any agency of the United States of America; (iii) time deposits in, or bankers acceptances issued by, any depository institution or trust company incorporated under the laws of the United States of America or any state thereof and subject to supervision and examination by Federal or state banking or depository institution authorities; provided, however, that at the time of investment or contractual commitment to invest therein, the certificates of deposit or short-term deposits, if any, or long-term unsecured debt obligations (other than such obligation whose rating is based on collateral or on the credit of a Person other than such institution or trust company) of such depository institution or trust company shall have a credit rating from Moody’s and S&P of at least “P-1” and “A-1,” respectively, in the case of the certificates of deposit or short-term deposits, or a rating not lower than one of the two highest investment categories granted by Moody’s and S&P; (iv) certificates of deposit having, at the time of investment or contractual commitment to invest therein, a rating from Moody’s and S&P of at least “P-1” and “A-1,” respectively; or (v) investments in money market funds (including those owned or managed by the Bond Trustee) rated in the highest investment category or otherwise approved in writing by Moody’s and S&P; (b) demand deposits and cash escrows in any depository institution or trust company (including those owned or managed by the Bond Trustee) referred to in (a)(iii) above; (c) commercial paper (having original or remaining maturities of no more than 30 days) having, at the time of investment or contractual commitment to invest therein, a credit rating from

Moody’s and S&P of at least “P-1” and “A-1,” respectively; (d) Eurodollar time deposits having a credit rating from Moody’s and S&P of at least “P-1” and “A-1,” respectively; (e) repurchase agreements involving any of the Permitted Investments described in clauses (a)(i), (a)(iv) and (d) of this definition so long as the other party to the repurchase agreement has at the time of investment therein, a rating from Moody’s and S&P of at least “P-1” and “A-1,” respectively; and (f) any other security or fund rated in one of the three highest long-term or short-term Rating Categories by Moody’s and S&P.

Issuer

“Issuer” means the Arizona Industrial Development Authority, a nonprofit corporation designated as a political subdivision of the State, incorporated with the approval of the Arizona Finance Authority, pursuant to the provisions of the Constitution and the laws of the State, including the Act.

Issuer Documents

“Issuer Documents” means collectively the Loan Agreement, this Bond Indenture, the Bond Purchase Agreement, the Tax Agreement, and any other agreement, certificate, contract, or instrument to be executed by the Issuer in connection with the issuance of the Bonds or the financing of a portion of the expense associated with the Project.

Issuer Fee

“Issuer Fee” means, with respect to the Bonds, a one-time, up-front administrative fee to be paid to the Issuer at Closing.

Issuer Fees and Expenses

“Issuer Fees and Expenses” means (i) the Issuer Fee and (ii) any other fees, charges, costs, advances, indemnities and expenses (including attorneys’ fees and expenses), whether out-of-pocket or internal, that may be incurred at any time by the Issuer hereunder or under or in connection with the Issuer Documents or the Bonds, or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit, or otherwise in connection with the Bonds or the Project, plus any Late Fees incurred with respect to any of the foregoing.

Issuer Indemnified Party or Issuer Indemnified Parties

“Issuer Indemnified Party” or “Issuer Indemnified Parties” means the Issuer, its past, present, and future directors, members, officers, counsel, advisors, employees, agents, contractors, consultants, program managers and executive director, the AFA, its past, present, and future directors, members, officers, counsel, advisors, employees, agents, contractors, consultants and executive directors, individually and collectively, and the State.

Late Fee

“Late Fee” means ten percent (10%) of any payment due to the Issuer, other than as

payment of interest, redemption premium or principal on the Bonds, that is received by the Issuer later than 15 calendar days following the date it is due.

Loan Agreement

“Loan Agreement” means that certain loan agreement by and between the Issuer and ESRF, dated as of December 1, 2023, as originally executed and as it may from time to time be supplemented, modified or amended in accordance with the terms thereof and of this Bond Indenture.

Loan Default Event

“Loan Default Event” means any of the events specified in Section 6.1 of the Loan Agreement.

Loan Repayments

“Loan Repayments” means the payments so designated and required to be made by ESRF pursuant to Section 3.1 of the Loan Agreement.

Master Trust Indenture

“Master Trust Indenture” means that certain Second Amended and Restated Master Trust Indenture, dated as of August 1, 2020, among the Obligated Group Representative, ESRF, the Master Trustee, and U.S. Bank National Association, as securities intermediary thereunder (the “Securities Intermediary”), as originally executed and as the same may be amended and supplemented from time to time in accordance with its terms.

Master Trustee

“Master Trustee” means U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as the Master Trustee appointed pursuant to the Master Trust Indenture.

Member of the Obligated Group

“Member of the Obligated Group” means, as applicable, each “Member” as identified in the Master Trust Indenture. The Member of the Obligated Group may be the sole Member of the Obligated Group.

Moody’s

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by ESRF upon approval of the Issuer and notice to the Bond Trustee.

Obligated Group

“Obligated Group” means the members of the Obligated Group under the Master Trust Indenture.

Obligated Group Representative

“Obligated Group Representative” means Equitable Facilities Fund, Inc., a Delaware nonstock nonprofit corporation.

Obligation No. 12

“Obligation No. 12” means the obligation issued pursuant to the Master Trust Indenture and the Supplemental MTI securing ESRF’s obligations under the Loan Agreement.

Official Statement

“Official Statement” means the official statement with respect to the Bonds.

Opinion of Bond Counsel

“Opinion of Bond Counsel” means a written opinion, addressed to the Issuer, of Orrick, Herrington & Sutcliffe LLP or such other counsel selected by the Issuer of recognized national standing in the field of obligations the interest on which is excluded from gross income for federal income tax purposes.

Opinion of Counsel

“Opinion of Counsel” means a written opinion of counsel (who may be counsel for the Issuer, but not an employee thereof) satisfactory to the Bond Trustee.

Outstanding

“Outstanding” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Bond Trustee under this Bond Indenture except (1) Bonds theretofore cancelled by the Bond Trustee or surrendered to the Bond Trustee for cancellation; (2) Bonds with respect to which all liability of the Issuer shall have been discharged in accordance with Section 10.02, including Bonds (or portions of Bonds) referred to in Section 11.10; and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Bond Trustee pursuant to this Bond Indenture.

Person

“Person” means an individual, corporation, firm, association, partnership, trust, limited liability company or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Principal Account

“Principal Account” means the account by that name in the Revenue Fund established pursuant to Section 5.02.

Principal Payment Date

“Principal Payment Date” means, with respect to a Bond, any date on which principal evidenced by such Bond becomes due and payable, whether at maturity or otherwise.

Project

“Project” has the meaning set forth in the recitals hereto.

Rating Agency

“Rating Agency” means Moody’s or S&P, as the context requires, if then rating the Bonds at the request of ESRF.

Rating Category

“Rating Category” means a generic securities rating category, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

Rebate Fund

“Rebate Fund” means the fund by that name established pursuant to Section 5.07.

Record Date

“Record Date” means, with respect to an Interest Payment Date, the fifteenth (15th) day (whether or not a Business Day) of the calendar month preceding the calendar month in which such Interest Payment Date falls.

Redemption Fund

“Redemption Fund” means the fund by that name established pursuant to Section 5.01.

Redemption Price

“Redemption Price” means, with respect to any Bond (or portion thereof) to be redeemed, one hundred percent (100%) of the principal amount of such Bond, plus accrued and unpaid interest to the date of redemption, payable upon redemption thereof pursuant to the provisions of such Bond and this Bond Indenture.

Representative

“Representative” means Siebert Williams Shank & Co., LLC, as representative of itself and any additional underwriters of the Bonds.

Required Payments

“Required Payments” means the payments so designated and required to be made by ESRF pursuant to Section 5.01 of the Master Trust Indenture.

Reserved Rights

“Reserved Rights” means the rights of the Issuer granted to the Issuer in this Bond Indenture or in the Loan Agreement to (a) inspect books and records, (b) give or receive notices, approvals, consents, requests, opinions and other communications, (c) receive payment of its Issuer Fee, including Late Fees, and payment or reimbursement for any other Issuer Fees and Expenses, (d) receive Additional Payments, (e) the benefit of all provisions providing the Issuer immunity from and limitation of liability, (f) indemnification from liability by the Borrower, (g) security for the Borrower’s indemnification obligation, and (h) enforce obligations of ESRF under the Tax Agreement.

Responsible Officer

“Responsible Officer” means any officer in the corporate trust group of the Bond Trustee assigned to administer its duties hereunder.

Revenue Fund

“Revenue Fund” means the fund by that name established pursuant to Section 5.01.

Revenues

“Revenues” means all amounts received by the Issuer or the Bond Trustee for the account of the Issuer pursuant to or with respect to the Loan Agreement or Obligation No. 12, including, without limiting the generality of the foregoing, Loan Repayments (including both timely and delinquent payments and any late charges, and whether paid from any source), Required Payments, prepayments and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to this Bond Indenture, but not including any Additional Payments, other moneys required to be paid pursuant to the Reserved Rights, or any moneys required to be deposited in the Rebate Fund.

S&P

“S&P” means S&P Global Ratings, its successors and their assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, any other nationally recognized securities rating agency designated by ESRF upon approval of the Issuer and notice to the Bond Trustee.

Securities Depository

“Securities Depository” means The Depository Trust Company and its successors and assigns, or any other securities depository selected as set forth in Section 2.10, which agrees to

follow the procedures required to be followed by such securities depository in connection with the Bonds.

Securities Intermediary

“Securities Intermediary” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or its successor, as Securities Intermediary hereunder as provided in Section 11.26.

School Borrower

“School Borrower” means each qualifying public charter school to which ESRF makes a School Loan.

School Loan

“School Loan” has the meaning given thereto in the recitals hereto.

School Loan Agreement

“School Loan Agreement” means any loan agreement, financing agreement, debt obligation or other comparable instrument (and related collateral and security agreements) entered into, or acquired, by ESRF to provide a School Loan.

Special Record Date

“Special Record Date” means the date established by the Bond Trustee pursuant to Section 2.02 as the record date for the payment of defaulted interest on the Bonds.

State

“State” means the State of Arizona.

Supplemental Bond Indenture

“Supplemental Bond Indenture” means any indenture hereafter duly authorized and entered into between the Issuer and the Bond Trustee, supplementing, modifying or amending this Bond Indenture; but only if and to the extent that such Supplemental Bond Indenture is specifically authorized hereunder.

Supplemental MTI

“Supplemental MTI” means that certain Supplemental Master Trust Indenture for Obligation No. 12, dated as of December 1, 2023, among the Obligated Group Representative, the Member of the Obligated Group and the Master Trustee, as originally executed and as the same may be amended and supplemented from time to time in accordance with its terms.

Tax Agreement

“Tax Agreement” means the Tax Certificate and Agreement entered into among the Issuer, the Obligated Group Representative, and ESRF with respect to the Bonds, at the time of issuance and delivery of the Bonds, as the same may be amended or supplemented in accordance with its terms.

Tax-Exempt Bonds

“Tax-Exempt Bonds” means those Bonds the interest on which, in the Opinion of Bond Counsel delivered at the time of issuance thereof, is excludable from gross income of the Beneficial Owners thereof for federal income tax purposes, including the Bonds.

3-year Requirement

“3-year Requirement” means the requirement that as of the date of issuance of an issue of bonds, the Issuer must reasonably expect that within the 3-year period beginning on the date of issuance, at least 95% of the net proceeds of the issue would be used directly or indirectly to make or finance loans to ultimate borrowers.

SECTION 1.02 Interpretation.

(A) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(B) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(C) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Bond Indenture; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE BONDS

SECTION 2.01 Authorization of Bonds. The Issuer may issue, sell and deliver the Bonds for the purpose of providing for the financing and/or refinancing of the Project, upon the satisfaction of the conditions set forth in the Issuer’s authorizing resolution, and in the manner, provided for in this Bond Indenture. The Bonds are designated as “Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds.” The aggregate principal amount of Bonds that may be issued and Outstanding under this Bond Indenture shall not exceed Two Hundred Eighty Million Dollars (\$280,000,000). This Bond Indenture constitutes a continuing agreement with the Holders from

time to time of the Bonds to secure the full payment of the principal of and interest on all such Bonds subject to the covenants, provisions and conditions herein contained.

THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM REVENUES OF THE BORROWER. THE BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE AFA, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, MEMBER, EMPLOYEE, COUNSEL, ADVISOR, CONTRACTOR, EXECUTIVE DIRECTOR, CONSULTANT, PROGRAM MANAGER OR AGENT OF THE ISSUER OR THE AFA, OR OF ANY SUCCESSOR TO THE ISSUER OR THE AFA, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR THE AFA OR ANY SUCCESSOR TO THE ISSUER OR THE AFA, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, COUNSEL, ADVISORS, CONTRACTORS, EXECUTIVE DIRECTORS, PROGRAM MANAGERS, CONSULTANTS OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

SECTION 2.02 Terms of the Bonds. The Bonds shall be delivered in the form of fully registered Bonds in denominations of \$5,000 and any integral multiple thereof. The Bonds shall be registered initially in the name of "Cede & Co.," as nominee of the Securities Depository and shall be evidenced by one Bond for each maturity of the Bonds in the principal amount of the respective maturities of the Bonds. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.05 hereof. The Bonds shall be dated the Date of Issuance.

The Bonds shall mature on the following dates in the following amounts (subject to the right of prior redemption set forth in Article IV) and shall bear interest at the following rates per annum:

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2027	\$ 3,510,000	5.000%
2028	150,000,000	5.000
2029	2,425,000	5.000
2030	1,505,000	5.000
2031	2,390,000	5.000
2032	3,305,000	5.000
2033	3,400,000	5.000
2034	2,815,000	5.000
2035	3,045,000	5.000
2036	3,090,000	5.000
2037	3,445,000	5.000
2038	3,680,000	5.000
2039	4,935,000	5.000
2040	5,180,000	5.000
2041	4,260,000	5.000
2042	4,200,000	5.000
2043	5,325,000	5.000
2048 [†]	34,595,000	5.250
2053 [†]	38,895,000	5.250

[†] Term Bond.

The principal or Redemption Price of the Bonds shall be payable by check in lawful money of the United States of America at the Designated Office of the Bond Trustee upon surrender of the Bonds to the Bond Trustee for cancellation; provided that the Bond Trustee may agree with the Holder of any Bond that such Holder may, in lieu of surrendering the same for a new Bond, endorse on such Bond a record of partial payment of the principal of such Bond in the form set forth below (which shall be typed or printed on such Bond):

PAYMENTS ON ACCOUNT OF PRINCIPAL

<u>Payment Date</u>	<u>Principal</u> <u>Amount Paid</u>	<u>Balance of Principal</u> <u>Amount Unpaid</u>	<u>Signature</u> <u>of Holder</u>
_____	_____	_____	_____

The Bond Trustee shall maintain a record of each such partial payment made in accordance with the foregoing agreement and such record of the Bond Trustee shall be conclusive. Such partial payment shall be valid upon payment of the amount thereof to the Holder of such Bond, and the Issuer and the Bond Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon such Bond by the Holder thereof and irrespective of any error or omission in such endorsement.

The Bonds shall be numbered in consecutive numerical order from R-1 upwards, and each such Bond shall bear interest from the Date of Issuance. Interest shall be calculated on a three hundred sixty (360) day year basis of twelve (12) thirty (30) day months.

Payment of the interest on any Bond shall be made on each Interest Payment Date to the Holder thereof as of the Record Date for each Interest Payment Date by check mailed by first-class mail on each Interest Payment Date to such Holder at his address as it appears on the registration books maintained by the Bond Trustee or, upon the written request of any Holder of at least \$1,000,000 in principal amount of Bonds, submitted to the Bond Trustee at least one Business Day prior to the Record Date (which request includes written wire transfer instructions), by wire transfer in immediately available funds to an account within the United States of America designated by such Bondholder.

Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Record Date and shall be paid to the Person in whose name the Bond is registered at the close of business on a special record date ("Special Record Date") for the payment of such defaulted interest to be fixed by the Bond Trustee, notice of which shall be given to the Holders by first-class mail not less than ten (10) days prior to such Special Record Date.

The Bonds shall be subject to redemption as provided in Article IV.

SECTION 2.03 Form of Bonds. The Bonds and the form of assignment to appear thereon shall be initially in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required hereby.

SECTION 2.04 Execution of Bonds. The Bonds shall be executed in the name and on behalf of the Issuer with the manual, facsimile or electronic signature of its President, Executive Director, or other legally authorized signatory. The Bonds shall then be delivered to the Bond Trustee for authentication by it. In case any officer who shall have signed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed shall have been authenticated or delivered by the Bond Trustee or issued by the Issuer, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Issuer as though those who signed the same had continued to be such officer of the Issuer, and also any Bond may be signed on behalf of the Issuer by such person as at the actual date of execution of such Bond shall be the proper officer of the Issuer although at the nominal date of such Bond any such person shall not have been such officer of the Issuer.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form attached hereto as Exhibit A, manually executed by an authorized signatory of the Bond Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Bond Indenture, and such certificate of the Bond Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Bond Indenture.

SECTION 2.05 Transfer of Bonds. Any Bond may, in accordance with its terms and subject to the limitations provided in Section 2.10 be transferred, upon the books required to be

kept pursuant to the provisions of Section 2.07 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form approved by the Bond Trustee.

Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the Bond Trustee shall authenticate and deliver a new Bond or Bonds, of the same maturity and for a like aggregate principal amount in authorized denominations. The Bond Trustee may require the Bondholder requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer, and the Bond Trustee may also require the Bondholder requesting such transfer to pay a sum to cover any expenses incurred by the Issuer in connection with such transfer.

SECTION 2.06 Exchange of Bonds. Bonds may be exchanged at the Designated Office of the Bond Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity. The Bond Trustee may require the Bondholder requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange, and the Bond Trustee may also require the Bondholder requesting such exchange to pay a sum to cover any expenses incurred by the Issuer in connection with such exchange.

SECTION 2.07 Bond Register. The Bond Trustee will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times (during regular business hours at the location where such books are kept) be open to inspection by any Bondholder or his agent duly authorized in writing, the Issuer and ESRF; and, upon presentation for such purpose, the Bond Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, Bonds as hereinbefore provided.

SECTION 2.08 Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bond may be printed, lithographed or typewritten, shall be of such denomination as may be determined by the Issuer, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Bond Indenture as may be appropriate. A temporary Bond may be in the form of a single fully registered Bond payable in installments, each on the date, in the amount and at the rate of interest established for the Bonds maturing on such date. Every temporary Bond shall be executed by the Issuer and be authenticated by the Bond Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Issuer issues temporary Bonds it will issue definitive Bonds as promptly thereafter as practicable, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Designated Office of the Bond Trustee, and the Bond Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations of the same maturity or maturities. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Bond Indenture as definitive Bonds authenticated and delivered hereunder.

SECTION 2.09 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Issuer, at the expense of the Holder of said Bond, shall execute, and the Bond

Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Bond Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Bond Trustee shall be cancelled by it and delivered to, or upon the order of, the Issuer. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Bond Trustee and, if such evidence be satisfactory to it and indemnity satisfactory to the Bond Trustee shall be given, the Issuer, at the expense of the Holder, shall execute, and the Bond Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Bond Trustee may pay the same without surrender thereof). The Bond Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Issuer and the Bond Trustee in complying with this Section. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Issuer whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Bond Indenture with all other Bonds secured by this Bond Indenture.

SECTION 2.10 Use of Securities Depository. Notwithstanding any provision of this Bond Indenture to the contrary:

(A) The Bonds shall be initially issued as provided in Section 2.02. Registered ownership of the Bonds, or any portion thereof, may not thereafter be transferred except:

(1) To any successor of the Securities Depository or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection (A) ("substitute depository"); provided that any successor of the Securities Depository or substitute depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) To any substitute depository designated by the Issuer (pursuant to a request of ESRF) upon (1) the resignation of the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository or (2) a determination by the Issuer that the Securities Depository or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) To any person as provided below, upon (1) the resignation of the Securities Depository or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository which is not objected to by the Bond Trustee can be obtained or (2) to the extent permitted by law, a determination by the Issuer that it is in the best interests of the Issuer to remove the Securities Depository or its successor (or any substitute depository or its successor) from its functions as depository.

(B) In the case of any transfer pursuant to clause (1) or clause (2) of subsection (A), upon receipt of the Outstanding Bonds by the Bond Trustee, together with a Certificate of the Issuer to the Bond Trustee, a single new Bond shall be executed and delivered in the aggregate principal amount of the Bonds then Outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Certificate of the Issuer. In the case of any transfer pursuant to clause (3) of subsection (A), upon receipt of the Outstanding Bonds by the Bond Trustee together with a Certificate of the Issuer to the Bond Trustee, new Bonds shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such a Certificate of the Issuer, subject to the limitations of Section 2.02, provided the Bond Trustee shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Certificate of the Issuer.

(C) In the case of partial redemption of the Bonds evidencing all or a portion of the principal amount Outstanding, the Securities Depository or its custodian shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Bond Trustee.

(D) The Issuer, the Bond Trustee, the Obligated Group Representative and the Member of the Obligated Group shall be entitled to treat the person in whose name any Bond is registered as the Bondholder thereof for all purposes of this Bond Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Issuer, the Bond Trustee, the Obligated Group Representative and the Member of the Obligated Group; and none of the Issuer, the Bond Trustee, the Obligated Group Representative or the Member of the Obligated Group shall have any responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any Beneficial Owners of the Bonds. None of the Issuer, the Bond Trustee, the Obligated Group Representative or the Member of the Obligated Group will have any responsibility or obligations, legal or otherwise, to the Beneficial Owners or to any other party including the Securities Depository or its successor (or substitute depository or its successor), except for the Holder of any Bond.

(E) So long as the Outstanding Bonds are registered in the name of Cede & Co. or its registered assign, the Issuer and the Bond Trustee shall cooperate with Cede & Co., as sole registered Bondholder, and its registered assigns in effecting payment of the principal of and redemption premium, if any, and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due, all in accordance with the letter of representations of the Issuer to the Securities Depository or as otherwise agreed by the Bond Trustee and the Securities Depository.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

SECTION 3.01 Issuance of Bonds. At any time after the execution of this Bond Indenture, the Issuer may execute and the Bond Trustee shall, upon Request of the Issuer, authenticate and deliver the Bonds in the aggregate principal amount of Two Hundred Eighty Million Dollars (\$280,000,000).

SECTION 3.02 Application of Proceeds of Bonds. The proceeds received from the sale of the Bonds (\$298,354,485.03, comprised of the aggregate principal amount of the Bonds, plus original issue premium of \$19,518,183.40, and less underwriter's discount of \$1,163,698.37), shall be paid to the Bond Trustee for deposit in trust into the Bond Proceeds Fund, whereupon the Bond Trustee shall forthwith transfer \$161,873,810.06 of such funds to the Master Trustee for application in accordance with the Master Trust Indenture and directions provided by ESRF, leaving a balance of \$136,480,674.97 in said Bond Proceeds Fund. All Costs of Issuance shall be paid by ESRF pursuant to the provisions of the Loan Agreement.

SECTION 3.03 Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Issuer or the Bond Trustee with respect to or in connection with the Loan Agreement. The recital contained in the Bonds that the same are issued pursuant to the Act and the Constitution and laws of the State of Arizona shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01 Terms of Redemption. The Bonds shall be subject to redemption prior to maturity as follows:

(A) The Bonds maturing on and after November 1, 2033 are subject to redemption prior to their respective stated maturities, at the option of ESRF, in whole or in part, in such amounts and such maturities as may be specified by ESRF, or, if ESRF fails to designate such maturities, in inverse order of maturity, on any date on or after November 1, 2032, at the Redemption Price. Additionally, the Bonds maturing on November 1, 2028 are subject to redemption prior to their stated maturity, at the option of ESRF, in whole or in part, in such amounts as may be specified by ESRF, on any date on or after May 1, 2028, at the Redemption Price.

(B) The Bonds are subject to redemption prior to their respective stated maturities, at the option of ESRF, so long as the Bonds have not been defeased in accordance with Article X hereof, in whole or in part, out of amounts prepaid on Obligation No. 12, at the Redemption Price, in the case of a pre-payment of a School Loan due to damage or destruction to or condemnation of any charter school facilities financed or refinanced with a loan or loans made by ESRF and refinanced with the

proceeds of the Bonds if the net proceeds of the insurance or condemnation award exceeds \$1,000,000 and the affected charter school determines not to use such net proceeds to repair, rebuild or replace such charter school facilities.

(C) The Bonds are subject to extraordinary mandatory redemption, in whole or in part, at a redemption price set forth below, plus interest accrued to the date fixed for redemption, by ESRF as a result of a failure to meet the 3-year Requirement, such redemption to be made on December 19, 2026, or as otherwise permitted by the Code, in an amount approximating the excess of 95% of the net proceeds of the Bonds over the amount of proceeds actually used to make loans to one or more School Borrowers; provided that, if such amount is not equal to an integral multiple of \$5,000, the amount to be redeemed shall be rounded to the nearest such integral multiple. The particular Bonds to be redeemed will be selected in such amounts and from such maturities as shall be determined by ESRF, upon advice from Bond Counsel.

<u>Maturity (November 1)</u>	<u>Interest Rate</u>	<u>Redemption Price[†]</u>
2027	5.000%	101.422
2028	5.000	102.791
2029	5.000	104.477
2030	5.000	105.800
2031	5.000	107.096
2032	5.000	108.096
2033	5.000	108.403
2034	5.000	108.388
2035	5.000	107.877
2036	5.000	107.231
2037	5.000	106.589
2038	5.000	106.276
2039	5.000	105.749
2040	5.000	105.261
2041	5.000	104.755
2042	5.000	104.361
2043	5.000	104.146
2048	5.250	105.301
2053	5.250	104.413

[†] The redemption prices set forth above are approximately 102% of the accreted value of each maturity on December 19, 2026.

(D) The Bonds maturing on November 1, 2048 are subject to redemption prior to their stated maturity in part on and after November 1, 2044, from the Sinking Fund Installments set forth below, at the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium:

<u>Year</u> <u>(November 1)</u>	<u>Amount</u>
2044	\$5,585,000
2045	6,000,000
2046	6,585,000
2047	6,950,000

The remaining principal amount of \$9,475,000 is payable at maturity on November 1, 2048 (unless redeemed earlier by optional redemption).

The Bonds maturing on November 1, 2053 are subject to redemption prior to their stated maturity in part on and after November 1, 2049, from the Sinking Fund Installments set forth below, at the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium:

<u>Year</u> <u>(November 1)</u>	<u>Amount</u>
2049	\$8,040,000
2050	8,245,000
2051	8,115,000
2052	8,035,000

The remaining principal amount of \$6,460,000 is payable at maturity on November 1, 2053 (unless redeemed earlier by optional redemption).

Upon the purchase or redemption of any Bonds for which Sinking Fund Installments have been established, other than by application of Sinking Fund Installments, an amount equal to the principal amount of the Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited by the Bond Trustee against future Sinking Fund Installments in direct chronological order, unless otherwise instructed in writing by ESRF at the time of such purchase or redemption.

SECTION 4.02 Selection of Bonds for Redemption. Whenever provision is made in this Bond Indenture for the redemption of less than all of the Bonds or a given portion of the Bonds, except as provided in Section 4.01(C), the Bond Trustee shall select the Bonds to be redeemed, from all Bonds subject to redemption or such given portion thereof not previously called for redemption, as directed by ESRF or, in the absence of such direction, by lot in any manner which the Bond Trustee in its sole discretion shall deem appropriate. Notwithstanding the foregoing, the amounts and maturities of the Bonds to be redeemed pursuant to Section 4.01(C) shall be selected as directed by ESRF in writing delivered to the Bond Trustee accompanied by an Opinion of Bond Counsel to the effect that redemption of such Bonds will not in and of itself cause interest on the Bonds to be included in the gross income of the Holders thereof for federal income tax purposes.

SECTION 4.03 Notice of Redemption. Written notice of a redemption shall be given by ESRF to the Bond Trustee at least thirty (30) days prior to the date of redemption (unless a shorter time shall be acceptable to the Bond Trustee for its convenience). Notice of redemption shall be mailed by the Bond Trustee by first class mail, not less than twenty (20) days nor more than sixty (60) days prior to the redemption date, to the Issuer and the respective Holders of any Bonds designated for redemption at their addresses appearing on the bond registration books of the Bond Trustee. If the Bonds are no longer held by the Securities Depository or its successor or substitute, the Bond Trustee shall also give notice of redemption by overnight mail or by other acceptable means to such securities depositories and/or securities information services as shall be designated in a Certificate of ESRF. Each notice of redemption shall state the date of such notice, the date of issue of the Bonds, the redemption date, the method of determining the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Bond Trustee), the maturity (including CUSIP numbers, if any), and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered.

Notice of redemption of Bonds shall be given by the Bond Trustee, at the expense of ESRF, for and on behalf of the Issuer.

Failure by the Bond Trustee to give notice pursuant to this Section to any one or more of the securities information services or depositories designated by ESRF, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Bond Trustee to mail notice of redemption pursuant to this Section 4.03 to any one or more of the respective Holders of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

ESRF may instruct the Bond Trustee to provide conditional notice of redemption, which may be conditioned upon the receipt of moneys or any other event. Additionally, any notice of redemption given pursuant to this Section may be rescinded by written notice given to the Bond Trustee by ESRF no later than four (4) Business Days prior to the date specified for redemption. The Bond Trustee shall give notice of such rescission, as soon thereafter as practicable, in the same manner, to the same Persons, as notice of such redemption was given pursuant to this Section.

SECTION 4.04 Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Issuer shall execute and the Bond Trustee shall authenticate and deliver to the Holder thereof, at the expense of ESRF, a new Bond or Bonds of authorized denominations, and of the same maturity, equal in aggregate principal amount to the unredeemed portion of the Bond surrendered.

SECTION 4.05 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the Redemption Price of Bonds (or portions thereof) so called for redemption being held by the Bond Trustee, on the date fixed for redemption

designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Bond Indenture, and the Holders of said Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price from funds held by the Bond Trustee for such payment.

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled upon surrender thereof and delivered to or upon the Order of the Issuer.

SECTION 4.06 Purchase in Lieu of Redemption. Any Bonds subject to optional redemption and cancellation pursuant to Section 4.01(A) hereof shall also be subject to optional call for purchase by ESRF and, at the option of ESRF, holding, resale or cancellation by ESRF at the same time and at a price not exceeding the Redemption Price applicable to the optional redemption of such Bonds. To exercise such option, ESRF shall give the Bond Trustee a written notice exercising such option within the time period specified in Section 4.03 hereof as though such written notice were a written notice for redemption, and the Bond Trustee shall thereupon give the Holders of the Bonds to be purchased notice of such purchase in the manner specified in Section 4.03 hereof as though such purchase by ESRF were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the Holders. On the date fixed for purchase pursuant to any exercise of such option, ESRF or its assignee shall pay the purchase price of the Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause the Bonds to be registered in the name of ESRF or its assignees and shall deliver them to ESRF or its assignee. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with Section 4.02 hereof. No purchase of the Bonds pursuant to this Section shall operate to extinguish the indebtedness of the Issuer evidenced thereby. Notwithstanding the foregoing, no purchase in lieu of redemption shall be made unless a Favorable Opinion of Bond Counsel has been delivered.

ARTICLE V

REVENUES

SECTION 5.01 Pledge and Assignment; Revenue Fund.

(A) The following funds and accounts shall be established, maintained and held in trust by the Bond Trustee pursuant to the provisions of this Bond Indenture:

- (i) Bond Proceeds Fund;
- (ii) Revenue Fund, in which there shall be the following accounts:
 - (a) Interest Account;
 - (b) Principal Account;

(iii) Redemption Fund; and

(iv) Rebate Fund.

(B) Subject only to the provisions of this Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, the Issuer hereby pledges in order to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of this Bond Indenture, all of the Revenues and any other amounts (but excluding Additional Payments and payments made pursuant to the Reserved Rights) held in any fund or account established pursuant to this Bond Indenture (other than the Rebate Fund). Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Bond Trustee of the Bonds, without any physical delivery thereof or further act.

(C) The Issuer hereby transfers in trust, grants a security interest in and assigns to the Bond Trustee in trust, for the benefit of the Holders from time to time of the Bonds, all of the Revenues and other assets pledged in subsection (B) of this Section and all of the right, title and interest of the Issuer in the Loan Agreement (except for Reserved Rights) and Obligation No. 12. The Issuer will cause Obligation No. 12 to be registered in the name of the Bond Trustee. The assignment hereunder is to the Bond Trustee solely in its capacity as Bond Trustee hereunder and subject to the provisions of this Bond Indenture and in taking or refraining from taking any action under the Loan Agreement pursuant to such assignment, the Bond Trustee shall be entitled to all of the rights, protections and limitations from liability afforded it as Bond Trustee under this Bond Indenture. Subject to the foregoing, the Bond Trustee shall be entitled to and shall, subject to the provisions of this Bond Indenture, take all steps, actions and proceedings reasonably necessary in its judgment to enforce all of the rights of the Issuer and all of the obligations of ESRF under the Loan Agreement and Obligation No. 12, other than Reserved Rights.

(D) Except as otherwise explicitly provided in this Bond Indenture, all Revenues shall be promptly deposited by the Bond Trustee upon receipt thereof in the Revenue Fund which the Bond Trustee shall establish, maintain and hold in trust, except as otherwise provided in Sections 5.07 and 5.08 and except that all moneys received by the Bond Trustee and required by the Loan Agreement to be deposited in the Redemption Fund shall be promptly deposited in such Fund. All Revenues deposited with the Bond Trustee shall be held, disbursed, allocated and applied by the Bond Trustee only as provided in this Bond Indenture.

SECTION 5.02 Allocation of Revenues. On or before the dates specified below, the Bond Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts, the following amounts, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

First: to the Interest Account in the Revenue Fund (a) in each month prior to May 2024, commencing January 2024, an amount equal to one-fourth (1/4) of all interest which will be due and payable on all Bonds then Outstanding on May 1, 2024, and (b) in

each month commencing May 2024, an amount equal to one-sixth (1/6) of all interest which will be due and payable on all Bonds then Outstanding on the next succeeding Interest Payment Date, plus the cumulative amount of any deficiencies of such transfers occurring since the preceding Interest Payment Date, provided, that in the calendar month immediately following each Interest Payment Date, the amount to be transferred shall be reduced by any amounts in the Interest Account immediately prior to such transfer; and

Second: to the Principal Account in the Revenue Fund (a) in each month prior to November 2024, commencing January 2024, an amount equal to one-tenth (1/10) of all principal which will be due and payable on all Bonds then Outstanding on November 1, 2024, and (b) in each month commencing November 2024, an amount equal to one-twelfth (1/12) of all principal which will be due and payable on all Bonds then Outstanding on the next succeeding Principal Payment Date (including by mandatory sinking fund installment), plus the cumulative amount of any deficiencies of such transfers occurring since the preceding Principal Payment Date, provided, that in the calendar month immediately following each Principal Payment Date, the amount to be transferred shall be reduced by any amounts in the Principal Account immediately prior to such transfer.

Any moneys remaining in the Revenue Fund on such dates after the foregoing transfers shall first be transferred to the Issuer upon its direction to the Bond Trustee to pay any accrued and unpaid expenses of or amounts due and owing to the Issuer, and any moneys remaining thereafter in the Revenue Fund shall be transferred to ESRF.

SECTION 5.03 Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Bond Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Bond Indenture).

SECTION 5.04 Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Bond Trustee solely for the purpose of paying the principal of the Bonds when due and payable.

SECTION 5.05 Redemption Fund.

(A) The Bond Trustee shall deposit the following Revenues in the Redemption Fund when and as such Revenues are received:

- (1) the principal component of all cash prepayments of Loan Repayments made pursuant to Section 3.3 of the Loan Agreement;
- (2) all interest, profits and other income received from the investment of moneys in the Redemption Fund; and
- (3) all moneys deposited by ESRF with the Bond Trustee directed to be deposited in the Redemption Fund in accordance with the Loan Agreement.

(B) All amounts deposited in the Redemption Fund shall be used and withdrawn by the Bond Trustee solely for the purpose of redeeming Bonds, in the manner and upon the terms and conditions specified in Section 4.01 at the next succeeding date of redemption for which notice has not been given; provided that, at any time prior to the selection of Bonds for such redemption, the Bond Trustee shall, upon direction of ESRF, apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as ESRF may direct, except that the purchase price (exclusive of accrued interest) may not exceed the Redemption Price then applicable to such Bonds (or, if such Bonds are not then subject to redemption, the par value of such Bonds); and provided further that in lieu of redemption at such next succeeding date of redemption, or in combination therewith, amounts in such account may be transferred to the Principal Account and credited against Loan Repayments in order of their due date as set forth in a Request of ESRF.

SECTION 5.01 Bond Proceeds Fund. At the written direction of the Borrower, the Bond Trustee shall transfer from the Bond Proceeds Fund the amount set forth in such written direction to the Person or Persons set forth in such written direction for the purpose of purchasing or originating all or a portion of a loan or purchasing debt obligations pursuant to a School Loan Agreement. At the written direction of the Borrower after consultation with Bond Counsel, any amounts remaining on deposit in the Bond Proceeds Fund on or after the date that is three (3) years from the Closing Date, may be transferred to the Redemption Fund and applied to the payment of the redemption price of the Bonds pursuant to Section 4.01(C) hereof.

SECTION 5.02 Rebate Fund.

(A) The Bond Trustee shall establish and maintain a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. Within the Rebate Fund, the Bond Trustee shall maintain such accounts as shall be specified by ESRF in order to comply with the Tax Agreement. Subject to the transfer provisions provided in paragraph (E) below, all money at any time deposited in the Rebate Fund shall be held by the Bond Trustee in trust, to the extent required to satisfy the Rebate Amount (as defined in the Tax Agreement), for payment to the federal government of the United States of America. The Issuer, ESRF and the Holder of any Bonds shall have no rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund shall be governed by this Section, by Section 6.06 and by the Tax Agreement (which is incorporated herein by reference). The Bond Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of ESRF including supplying all necessary information in the manner provided in the Tax Agreement, and shall have no liability or responsibility to enforce compliance by ESRF or the Issuer with the terms of the Tax Agreement.

(B) Upon ESRF's written direction, an amount shall be deposited to the Rebate Fund by the Bond Trustee from deposits by ESRF, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Amount. Computations of the Rebate Amount shall be furnished by or on behalf of ESRF in accordance with the Tax Agreement.

(C) The Bond Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section, other than from moneys held in the Rebate Fund or provided to

it by ESRF. The Bond Trustee may rely conclusively upon ESRF's determinations, calculations and certifications required by this Section. The Bond Trustee shall have no responsibility to independently make any calculation or determination or to review ESRF's calculations hereunder.

(D) At the written direction of ESRF, the Bond Trustee shall invest all amounts held in the Rebate Fund in Investment Securities, which direction shall be subject to the restrictions set forth in the Tax Agreement. The Bond Trustee shall not be liable for any consequences arising from such investment. Money shall not be transferred from the Rebate Fund except as provided in subsection (E) below.

(E) Upon receipt of ESRF's written directions, the Bond Trustee shall remit part or all of the balances in the Rebate Fund to the United States of America, as so directed and provide notice of such payment to the Issuer. In addition, if ESRF so directs, the Bond Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by ESRF's written directions; provided that any direction to transfer money out of the Rebate Fund is accompanied by a Certificate of ESRF delivered to the Bond Trustee and the Issuer to the effect that it has calculated the current rebate liability, if any, and has determined that the amount remaining in the Rebate Fund after such transfer will be sufficient to discharge such liability. Any funds remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Bond Trustee, and payment of any amounts then owed to the Issuer and the Bond Trustee, shall be withdrawn and remitted to ESRF.

(F) Notwithstanding any other provision of this Bond Indenture, including in particular Article X, the obligation to remit the Rebate Amounts to the United States of America and to comply with all other requirements of this Section, Section 6.06 and the Tax Agreement shall survive the defeasance or payment in full of the Bonds.

SECTION 5.03 Bond Trustee Authorized to Take Actions Under the Loan Agreement. The Issuer hereby authorizes and directs the Bond Trustee, and the Bond Trustee hereby agrees, subject to Section 7.04, Section 7.05 and Article VIII hereof, to take such actions as the Bond Trustee deems necessary to enforce the Borrower's obligation under the Loan Agreement to make payments at such times and in such amounts as are necessary in order for the Bond Trustee to make timely payment of principal of and interest on the Bonds to the extent any Bond proceeds and other moneys in the Bond Proceeds Fund are not available for such payment in accordance with the provisions of Section 5.02 hereof.

SECTION 5.04 Investment of Moneys in Funds and Accounts. All moneys in any of the funds and accounts established pursuant to this Bond Indenture shall be invested by the Bond Trustee, upon written direction of ESRF. Investment Securities shall be purchased at such prices as ESRF may direct. All Investment Securities shall be acquired subject to the limitations set forth in Section 6.06, the limitations as to maturities hereinafter in this Section set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of ESRF. No Request of ESRF shall impose any duty on the Bond Trustee inconsistent with its responsibilities hereunder. In the absence of directions from ESRF, the Bond Trustee shall invest in Investment Securities specified in clause (a)(v) of the definition thereof in Section

1.01, *provided, however*, that any such investment shall be made by the Bond Trustee only if, prior to the date on which such investment is to be made, the Bond Trustee shall have received a written direction of ESRF specifying a specific money market fund and, if no such written direction of ESRF is so received, the Bond Trustee shall hold such moneys uninvested.

Moneys in all funds and accounts shall be invested in Investment Securities maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Bond Indenture. Investment Securities purchased under a repurchase agreement or investment contract may be deemed to mature on the date or dates on which the Bond Trustee may deliver such Investment Securities for repurchase under such agreement.

All interest, profits and other income received from the investment of moneys in the Redemption Fund and the Rebate Fund shall be deposited when received in each such fund. All interest, profits and other income received from the investment of moneys in any other fund or account established pursuant to this Bond Indenture shall be deposited when received in the Revenue Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account for the credit of which such Investment Security was acquired.

Investment Securities acquired as an investment of moneys in any fund or account established under this Bond Indenture shall be credited to such fund or account. For the purpose of determining the amount in any such fund or account all Investment Securities credited to such fund or account shall be valued by the Bond Trustee at their market value and marked to market at least once each year on or before April 1. Registrable Investment Securities shall be registered in the name of the Bond Trustee. In making any valuations of investments hereunder, the Bond Trustee may utilize and rely on computerized securities pricing services that are available to it, including those available through its regular accounting system.

The Bond Trustee may commingle any of the funds or accounts established pursuant to this Bond Indenture (other than the Rebate Fund) into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Bond Trustee hereunder shall be accounted for separately as required by this Bond Indenture. The Bond Trustee or its affiliates may act as sponsor, depository, advisor, principal or agent in the making or disposing of any investment. The Bond Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Bond Trustee or for any third person or dealing as principal for its own account. The Bond Trustee may sell or present for redemption, any Investment Securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and the Bond Trustee shall not be liable or responsible for any loss resulting from any investment made in accordance with provisions of this Section. The Bond Trustee shall not be responsible for any tax, fee or other charge in connection with any investment, reinvestment or the liquidation thereof.

The parties hereto acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant ESRF the right to receive brokerage

confirmations of security transactions as they occur, ESRF specifically waives receipt of such confirmations to the extent permitted by law. The Bond Trustee will furnish ESRF with monthly account statements detailing all funds and accounts and investment transactions made by the Bond Trustee hereunder.

It is acknowledged and agreed that the Issuer shall have no discretion regarding the investment or reinvestment of moneys pursuant to this Section 5.09. The Issuer covenants and agrees not to take, or cause to be taken, any action or fail to take any action reasonably within its control with respect to the investment of monies under this Bond Indenture that is inconsistent with the provisions of this Bond Indenture and which would result in the Bonds becoming arbitrage bonds within the meaning of Code Section 148(a).

ARTICLE VI

PARTICULAR COVENANTS

SECTION 6.01 Punctual Payment. The Issuer shall punctually cause to be paid the principal or Redemption Price and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Bond Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Bond Indenture. Nothing in the Bonds or in this Bond Indenture shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby or creating any liability of the Issuer Indemnified Parties.

SECTION 6.02 Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Bond Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Issuer to amend this Bond Indenture as provided in Article IX or to issue obligations for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

SECTION 6.03 Against Encumbrances. The Issuer shall not create any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Bond Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Bond Indenture, and will assist the Bond Trustee in contesting any such pledge, lien, charge or other encumbrance which may be created. Subject to this limitation, the Issuer expressly reserves the right to enter into one or more other indentures for any of its authorized purposes and programs under the Act, and reserves the right to issue other obligations for such purposes.

SECTION 6.04 Power to Issue Bonds and Make Pledge and Assignment. The Issuer is duly authorized pursuant to the Act to issue the Bonds and to enter into this Bond Indenture and

to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Bond Indenture in the manner and to the extent provided in this Bond Indenture. The Bonds and the provisions of this Bond Indenture are and will be the legally binding special limited obligations of the Issuer in accordance with their terms, and the Issuer and Bond Trustee shall at all times, to the extent permitted by law, and with respect to the Issuer, subject to Section 6.05(A) hereof and solely from the Revenues or other funds provided by the Borrower for such purpose, and with respect to the Bond Trustee, subject to Article VIII hereof, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bondholders under this Bond Indenture against all claims and demands of all Persons whomever.

SECTION 6.05 Issuer's Performance Covenants.

(A) Subject to Section 6.01 hereof, the Issuer shall have no liability or obligation with respect to the payment of the purchase price of the Bonds. None of the provisions of this Bond Indenture shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the revenues pledged hereunder, or the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or provided by the Bond Trustee or the Borrower. The Issuer covenants that it will faithfully perform (to the extent within its reasonable control) at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Bond Indenture, in every Bond executed, authenticated, and delivered hereunder, in the Loan Agreement and in all of its proceedings pertaining thereto; provided, however, that (a) the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or the Bond Trustee, and (b) the Issuer shall have received the instrument to be executed, and, at the Issuer's option, shall have received from the Borrower assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its expenses incurred or to be incurred in connection with taking such action or executing such instrument.

(B) The Loan Agreement sets forth covenants and obligations of the Issuer and the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations. The Issuer agrees to cooperate in the enforcement of all covenants and obligations of the Borrower under the Loan Agreement and agrees that the Bond Trustee, in its name, may enforce all rights of the Issuer (other than the Reserved Rights) and all obligations of the Borrower under and pursuant to the Loan Agreement and on behalf of the Holders, whether or not the Issuer has undertaken to enforce such rights and obligations.

SECTION 6.06 Issuer's Further Assurance. Subject to Section 6.05(A) hereof, the Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered by the parties within its control (at the sole cost and expense of ESRF), such instruments supplemental hereto and such further acts, instruments, and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning, and confirming unto the Bond Trustee, the Issuer's interest in and to all interests, revenues, proceeds, and receipts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds in the manner and to the extent contemplated herein. The Issuer shall be under no obligation to prepare, record, or file any such instruments or transfers.

SECTION 6.07 Accounting Records and Financial Statements.

(A) The Bond Trustee shall at all times keep, or cause to be kept, proper books of record and account prepared in accordance with corporate trust accounting standards, in which complete and accurate entries shall be made of all transactions relating to the receipt, investment, disbursement, allocation and application of the proceeds of the Bonds, the Revenues, the Loan Agreement and all funds and accounts established pursuant to this Bond Indenture. Such books of record and account shall be available for inspection by the Issuer, ESRF and any Bondholder, or his or her agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances. The book and records described in this subsection shall be maintained by the Bond Trustee until four years after no Bonds are Outstanding.

(B) The Bond Trustee shall file and furnish to each Bondholder who shall have filed his name and address with the Bond Trustee for such purpose (1) a copy of the most recent audited financial statements furnished to the Bond Trustee pursuant to the Loan Agreement, and (2) within thirty days after the end of each month, a complete financial statement (which need not be audited and may be its regular account statements) covering receipts, disbursements, allocation and application of Revenues and any other moneys (including proceeds of Bonds) in any of the funds and accounts established pursuant to this Bond Indenture for such month; provided that the Bond Trustee shall not be obligated to deliver an accounting for any fund or account that has a balance of \$0.00 and has not had any activity since the last reporting. The Bond Trustee shall also furnish a copy of its monthly statement to ESRF and, upon written request of the Issuer, to the Issuer.

SECTION 6.08 Tax Covenants. In the Loan Agreement, ESRF has covenanted to do and perform all acts and things permitted by law and the Tax Agreement at all times which are necessary or desirable in order to assure that interest paid on the Bonds (or any of them) will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, the Issuer agrees to comply with its obligations under the Tax Agreement. This covenant shall survive payment in full or defeasance of the Bonds.

SECTION 6.09 Amendment of Loan Agreement. The Issuer shall not amend, modify or terminate any of the terms of the Loan Agreement, or consent to any such amendment, modification or termination, without the written consent of the Bond Trustee. The Bond Trustee shall give such written consent only if (1) the Bond Trustee has received an Opinion of Bond

Counsel upon which the Bond Trustee may rely that such amendment, modification or termination will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds, or (2) the Bond Trustee first obtains the written consent of the Holders of a majority in principal amount of the Bonds then Outstanding to such amendment, modification or termination, provided that no such amendment, modification or termination shall reduce the amount of Loan Repayments to be made to the Issuer or the Bond Trustee by ESRF pursuant to the Loan Agreement, or extend the time for making such payments, without the written consent of all of the Holders of the Bonds then Outstanding.

SECTION 6.10 Enforcement of Loan Agreement and Obligation No. 12. The Bond Trustee shall promptly collect all amounts due from ESRF pursuant to the Loan Agreement and Obligation No. 12 and shall perform all duties imposed upon it pursuant to the Loan Agreement and subject to the provisions of this Bond Indenture, shall enforce, and take all steps, actions and proceedings reasonably necessary for the enforcement of all of the rights of the Issuer assigned to it hereunder and all of the obligations of ESRF relating thereto.

SECTION 6.11 [Reserved].

SECTION 6.12 Continuing Disclosure. Pursuant to Section 5.6 of the Loan Agreement, ESRF has undertaken all responsibility for compliance with continuing disclosure requirements, and the Issuer shall have no liability to the Holders of the Bonds or any other person with respect to Rule 15c2-12 promulgated by the Securities and Exchange Commission or any duty to enforce Section 5.6 of the Loan Agreement or the continuing disclosure agreement referenced therein or any continuing disclosure obligation whatsoever with respect to the Bonds. The Bond Trustee hereby covenants and agrees that it will comply with and carry out all of the provisions of Section 5.6 of the Loan Agreement that apply to it. Notwithstanding any other provision of this Bond Indenture, failure of ESRF or the Bond Trustee to comply with the continuing disclosure agreement shall not constitute an Event of Default; however, the Bond Trustee may and, at the request of any participating underwriter or the Holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall, but only to the extent funds in an amount satisfactory to the Bond Trustee have been provided to it or it has otherwise been indemnified to its satisfaction from any cost, liability, expense or additional charges of the Bond Trustee, including attorney's fees or any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause ESRF to comply with its obligations under Section 5.6 of the Loan Agreement or to cause the Bond Trustee to comply with its obligations under this Section.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 7.01 Events of Default. The following events shall be Events of Default:

(A) default in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration or otherwise;

(B) default in the due and punctual payment of any interest on any Bond when and as such interest shall become due and payable;

(C) default by the Issuer in the observance of any of the other covenants, agreements or conditions on its part in this Bond Indenture or in the Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Issuer and ESRF by the Bond Trustee, or to the Issuer, ESRF and the Bond Trustee by the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding; or

(D) a Loan Default Event.

Upon a Responsible Officer's actual knowledge of the existence of any Event of Default, the Bond Trustee shall notify ESRF, the Issuer and the Master Trustee in writing as soon as practicable, but in any event within five (5) Business Days; provided, however, that the Bond Trustee need not provide notice of any Loan Default Event if ESRF has expressly acknowledged the existence of such Loan Default Event in a writing delivered to the Bond Trustee, the Issuer and the Master Trustee.

SECTION 7.02 Acceleration of Maturities. If an Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Bond Trustee may, and shall upon direction of the Holders of a majority of the aggregate principal amount of the Bonds at the time outstanding, upon notice in writing to the Issuer and ESRF, declare the principal of the Bonds, and the interest accrued thereon, to be due and payable immediately (and interest shall cease to accrue as of the date of such declaration unless such declaration is rescinded in accordance herewith), and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Bond Indenture or in the Bonds contained to the contrary notwithstanding.

Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, there shall be deposited with the Bond Trustee a sum sufficient to pay all the principal or Redemption Price of and interest on the Bonds payment of which is overdue, with interest on such overdue principal at the rates borne by the respective Bonds, and the reasonable charges and expenses of the Bond Trustee, and any and all other defaults known to a Responsible Officer of the Bond Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good

or cured to the satisfaction of the Bond Trustee or provision deemed by the Bond Trustee to be adequate shall have been made therefor, then, and in every such case, the Bond Trustee shall, on behalf of the Holders of all Bonds, by written notice to the Issuer and ESRF, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

SECTION 7.03 Application of Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Bond Trustee under any of the provisions of this Bond Indenture (subject to Section 11.10 and other than moneys required to be deposited in the Rebate Fund) shall be applied by the Bond Trustee as follows and in the following order:

(A) To the payment of any expenses necessary in the opinion of the Bond Trustee to protect the interests of the Holders of the Bonds and payment of any and all fees, costs and expenses of the Issuer, the Issuer Indemnified Parties and the Bond Trustee (including fees and disbursements of the counsel and agents of each of the foregoing parties and any fees, costs or expenses due to the Issuer or the other Issuer Indemnified Parties in connection with the Reserved Rights) incurred in and about the performance of its powers and duties under this Bond Indenture, and the Trustee shall have a lien against such moneys for the payment of amounts due under this paragraph; and

(B) To the payment of the principal or Redemption Price of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Bond Indenture (including Section 6.02), as follows:

(1) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue principal at the rate borne by the respective Bonds, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date to the Persons entitled thereto, without any discrimination or preference.

(2) If the principal of all of the Bonds shall have become or have been declared due and payable, to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on the overdue principal at the rate borne by the

respective Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(C) To the payment of Additional Payments not paid pursuant to Section 7.03(A).

SECTION 7.04 Bond Trustee to Represent Bondholders. The Bond Trustee is hereby irrevocably appointed (and the successive respective Holders of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Bond Trustee) as trustee and true and lawful attorney-in-fact of the Holders of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Holders under the provisions of the Bonds, this Bond Indenture, the Loan Agreement, Obligation No. 12, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Bond Trustee to represent the Bondholders, the Bond Trustee in its discretion may, and upon the written request of the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Holders by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Bond Trustee, or in such Holders under this Bond Indenture, the Loan Agreement, Obligation No. 12, the Act or any other law; and upon instituting such proceeding, the Bond Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under this Bond Indenture, pending such proceedings. If more than one such request is received by the Bond Trustee from the Holders, the Bond Trustee shall follow the written request executed by the Holders of the greater percentage of Bonds then Outstanding in excess of twenty-five percent (25%). All rights of action under this Bond Indenture or the Bonds or otherwise may be prosecuted and enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Bond Trustee shall be brought in the name of the Bond Trustee for the benefit and protection of all the Holders of such Bonds, subject to the provisions of this Bond Indenture (including Section 6.02).

SECTION 7.05 Bondholders' Direction of Proceedings. The Holders of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Bond Trustee, and upon indemnifying the Bond Trustee to its satisfaction therefor, to direct the method of conducting all remedial proceedings taken by the Bond Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Bond Indenture, and that the Bond Trustee shall have the right to decline to follow any such direction which in the opinion of the Bond Trustee would be unjustly prejudicial to Bondholders not parties to such direction or involve the Bond Trustee in personal liability.

SECTION 7.06 Limitation on Bondholders' Right to Sue. No Holder of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Bond Indenture, the Loan Agreement, Obligation No. 12, the Act or any other applicable law with respect to such Bond, unless (1) such Holder shall have given to the Bond Trustee written notice of the occurrence of an Event of Default; (2) the Holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Bond Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; provided, however, that if more than one such request is received by the Bond Trustee from the Holders, the Bond Trustee shall follow the written request executed by the Holders of the greater percentage of Bonds then Outstanding in excess of twenty-five percent (25%); (3) such Holder or said Holders shall have tendered to the Bond Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (4) the Bond Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Bond Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Holder of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Bond Indenture or the rights of any other Holders of Bonds, or to enforce any right under this Bond Indenture, the Loan Agreement, Obligation No. 12, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Holders of the Outstanding Bonds, subject to the provisions of this Bond Indenture (including Section 6.02).

SECTION 7.07 Absolute Obligation of Issuer. Nothing in Section 7.06 or in any other provision of this Bond Indenture, or in the Bonds, shall affect or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal or Redemption Price of and interest on the Bonds to the respective Holders of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Revenues and other assets herein pledged therefor, and not otherwise, or affect or impair the right of such Holders, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

SECTION 7.08 Termination of Proceedings. In case any proceedings taken by the Bond Trustee or any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee or the Bondholders, then in every such case the Issuer, the Bond Trustee and the Bondholders, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Issuer, the Bond Trustee and the Bondholders shall continue as though no such proceedings had been taken.

SECTION 7.09 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bond Trustee or to the Holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

SECTION 7.10 No Waiver of Default. No delay or omission of the Bond Trustee or of any Holder of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Bond Indenture to the Bond Trustee or to the Holders of the Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

THE BOND TRUSTEE

SECTION 8.01 Duties, Immunities and Liabilities of Bond Trustee.

(A) The Issuer (at the request of ESRF) hereby appoints U.S. Bank Trust Company, National Association, as bond trustee. The Bond Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Bond Indenture, and, except to the extent required by law, no implied covenants or obligations shall be read into this Bond Indenture against the Bond Trustee. The Bond Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(B) The Issuer may, and upon written request of ESRF, shall, remove the Bond Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Bond Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Bond Trustee shall cease to be eligible in accordance with subsection (E) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Bond Trustee or its property shall be appointed, or any public officer shall take control or charge of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Bond Trustee, and thereupon shall appoint, upon written direction from ESRF, a successor Bond Trustee by an instrument in writing. The Issuer or any Holder may at any time petition any court of competent jurisdiction for the removal for cause of the Bond Trustee.

(C) The Bond Trustee may at any time resign by giving written notice of such resignation to the Issuer and ESRF and by giving the Bondholders notice of such resignation by mail at the addresses shown on the registration books maintained by the Bond Trustee. Upon receiving such notice of resignation, the Issuer shall promptly appoint, upon written direction

from ESRF, a successor Bond Trustee by an instrument in writing. The Bond Trustee shall not be relieved of its duties until such successor Bond Trustee has accepted appointment.

(D) Any removal or resignation of the Bond Trustee and appointment of a successor Bond Trustee shall become effective upon acceptance of appointment by the successor Bond Trustee. If no successor Bond Trustee shall have been appointed and have accepted appointment within thirty (30) days of giving notice of removal or notice of resignation as aforesaid, the resigning Bond Trustee or any Bondholder (on behalf of himself and all other Bondholders) may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Bond Trustee. Any successor Bond Trustee appointed under this Bond Indenture, shall signify its acceptance of such appointment by executing and delivering to the Issuer and to its predecessor Bond Trustee a written acceptance thereof, and thereupon such successor Bond Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Bond Trustee, with like effect as if originally named Bond Trustee herein; but, nevertheless at the request of the successor Bond Trustee, such predecessor Bond Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Bond Trustee all the right, title and interest of such predecessor Bond Trustee in and to any property held by it under this Bond Indenture and shall pay over, transfer, assign and deliver to the successor Bond Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Bond Trustee and subject to Section 6.05(A) hereof, the Issuer shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Bond Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Bond Trustee as provided in this subsection, the Issuer shall mail or cause to be mailed (at the expense of ESRF) a notice of the succession of such Bond Trustee to the trusts hereunder to the Bondholders at the addresses shown on the registration books maintained by the Bond Trustee. If the Issuer fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Bond Trustee, the successor Bond Trustee shall cause such notice to be mailed at the expense of ESRF.

(E) The initial Bond Trustee and any successor Bond Trustee shall be a trust company, national banking association, or bank having trust powers having a corporate trust office in the State, having a combined capital and surplus of (or if such trust company, national banking association or bank is a member of a bank holding system, its bank holding company shall have a combined capital and surplus of) at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or State authority. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this subsection (E), the Bond Trustee shall resign immediately in the manner and with the effect specified in this Section.

SECTION 8.02 Merger or Consolidation. Any company into which the Bond Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Bond Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under subsection (E) of Section 8.01, shall be the successor to such Bond Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

SECTION 8.03 Liability of Bond Trustee.

(A) The Bond Trustee assumes no responsibility for the correctness of the recitals of fact herein except as they specifically apply to the Bond Trustee, and makes no representations as to the validity or sufficiency of this Bond Indenture, of the Loan Agreement or of the Bonds, nor shall the Bond Trustee incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it except for any recital or representation specifically relating to the Bond Trustee or its powers. The Bond Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Bond Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(B) The Bond Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts.

(C) The Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority (or such lesser number as this Bond Indenture may permit to direct the Bond Trustee) in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee under this Bond Indenture.

(D) The Bond Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Bond Indenture including at the request, order or direction of any of the Bondholders pursuant to the provisions of this Bond Indenture unless such Bondholders shall have offered to the Bond Trustee indemnity acceptable to the Bond Trustee against the costs, expenses and liabilities which may be incurred therein or thereby. The Bond Trustee has no obligation or liability to the Holders for the payment of interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Bond Trustee's obligations shall be limited to the performance of its duties hereunder.

(E) Except with respect to Events of Default specified in Section 7.01(A) or (B) hereof, the Bond Trustee shall not be deemed to have knowledge of any Event of Default unless and until a Responsible Officer shall have actual knowledge thereof or the Bond Trustee shall have received written notice thereof at the Designated Office. The Bond Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

(F) The Bond Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, and shall not be answerable for the negligence or misconduct of any such attorney-in-fact, agent or receiver selected by it with due care. The Bond Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Bond Trustee shall not be answerable for the professional malpractice of any attorney-at-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Bond Indenture, if such attorney-at-law or certified public accountant was selected by the Bond Trustee with due care.

(G) The Bond Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys that shall be released or withdrawn in accordance with the provisions hereof.

(H) Whether or not therein expressly so provided, every provision of this Bond Indenture, the Loan Agreement or related documents relating to the conduct or affecting the liability of or affording protection to the Bond Trustee shall be subject to the provisions of this Article.

(I) The Bond Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(J) The Bond Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Bond Trustee.

(K) The Bond Trustee agrees to accept and act upon instructions or directions pursuant to this Bond Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Bond Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If ESRF elects to give the Bond Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bond Trustee in its discretion elects to act upon such instructions, the Bond Trustee's understanding of such instructions shall be deemed controlling. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such instructions

notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. ESRF agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(L) The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

(M) The Bond Trustee shall hold any financial statements of ESRF solely as an accommodation to the Holders and shall have no duty or obligation to review such financial statements and shall not be responsible for their contents.

SECTION 8.04 Right of Bond Trustee to Rely on Documents. The Bond Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond, statement, requisition, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Bond Trustee may consult with counsel, who may be counsel of or to the Issuer, with regard to legal questions. The Bond Trustee may act upon advice or an Opinion of Counsel and will not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such advice or Opinion of Counsel; provided, however, at any time the Bond Trustee is to receive an Opinion of Counsel upon which it will rely in taking or omitting to take action the Issuer shall be named as an addressee of such Opinion of Counsel and the Issuer shall be entitled to rely thereon. If the Bond Trustee is informed that counsel will not name the Issuer as an addressee of such opinion, the Bond Trustee will promptly send notice to the Issuer and the Bond Trustee will refrain from acting upon any such Opinion of Counsel for a period of three (3) Business Days unless in the opinion of the Bond Trustee such delay would adversely affect the interests of the owners of the Bonds. Notwithstanding anything to the contrary, in no event shall any failure of the Issuer being named an addressee of an Opinion of Counsel prevent the Bond Trustee from taking any act or refraining from taking any act that in the opinion of the Bond Trustee is in the best interests of the owners of the Bonds.

The Bond Trustee shall not be bound to recognize any Person as the Holder of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto is satisfactorily established, if disputed.

Whenever in the administration of the trusts imposed upon it by this Bond Indenture the Bond Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Issuer or of the Borrower, and such Certificate shall be full warrant to the Bond Trustee for any action taken or suffered in good faith under the provisions of this Bond Indenture in reliance upon such Certificate, but in its discretion the Bond Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

SECTION 8.05 Preservation and Inspection of Documents. All documents received by the Bond Trustee under the provisions of this Bond Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Issuer, ESRF and any Bondholder, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

SECTION 8.06 Compensation and Indemnification. The Bond Trustee shall arrange with ESRF for payment (solely from those Additional Payments provided for in Section 3.2(b) of the Loan Agreement) from time to time of reasonable compensation for all services rendered under this Bond Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Bond Indenture.

No provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, if it has not received the agreed compensation for such services or, in cases where the Bond Trustee has a right to reimbursement or indemnification for such performance or exercise, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

In the Loan Agreement, of which the Bond Trustee is an intended third-party beneficiary, ESRF covenants and agrees to indemnify and hold harmless the Bond Trustee, and its officers, directors, employees, and agents against any loss, expense and liabilities that it may incur arising out of or in connection with (1) the exercise and performance of the Bond Trustee's powers and duties hereunder or (2) the sale of any Bonds and the carrying out of any of the transactions contemplated by the Bonds, the Loan Agreement or related documents, including the costs and expenses of defending against any claim of liability, but excluding liabilities that are due to the Bond Trustee's negligence or willful misconduct. The obligations described in this Section shall survive resignation or removal of the Bond Trustee under this Bond Indenture and payment of the Bonds and discharge of this Bond Indenture.

SECTION 8.07 Notice to Rating Agency. The Bond Trustee shall give written notice to each Rating Agency then rating the Bonds if (i) a successor Bond Trustee is appointed hereunder, (ii) if this Bond Indenture or the Loan Agreement is amended or supplemented in any material manner, (iii) if the Bonds are paid and this Bond Indenture defeased pursuant to Section 10.01, (iv) if the Bonds are accelerated pursuant to Section 7.02, or (v) if the Bonds are redeemed in whole or in part pursuant to Section 4.01 (other than scheduled sinking fund redemptions), provided that the Bond Trustee shall incur no liability for failure to give any such notice.

SECTION 8.08 Annual Report to Issuer of Principal Amount of Bonds Outstanding. No later than July 31 of each year, commencing July 31, 2024, the Trustee shall deliver to the Authority by Electronic Means, regular mail, or hand delivery, a report stating the principal amount of the Bonds Outstanding as of June 30 of such year. If July 31 does not fall on a Business Day, then the report shall be delivered on the next Business Day.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THIS BOND INDENTURE

SECTION 9.01 Amendments Permitted.

(A) This Bond Indenture and the rights and obligations of the Issuer and of the Holders of the Bonds and of the Bond Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Issuer and the Bond Trustee may enter into when both (i) the written consent of the Holders of a majority in aggregate principal amount of the Bonds then Outstanding and (ii) an Opinion of Bond Counsel to the effect that such amendment or modification will not in and of itself cause interest on the Bonds to be included in the gross income of the Holders thereof for federal income tax purposes, shall have been filed with the Bond Trustee. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Holder of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under this Bond Indenture prior to or on a parity with the lien created by this Bond Indenture, or deprive the Holders of the Bonds of the lien created by this Bond Indenture on such Revenues and other assets (except as expressly provided in this Bond Indenture), without the consent of the Holders of all Bonds then Outstanding. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Bond Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Issuer and the Bond Trustee of any Supplemental Bond Indenture pursuant to this subsection (A), the Bond Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Bond Indenture to the Bondholders at the addresses shown on the registration books maintained by the Bond Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Bond Indenture.

(B) This Bond Indenture and the rights and obligations of the Issuer, of the Bond Trustee and of the Holders of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Issuer and the Bond Trustee may enter into without the necessity of obtaining the consent of any Bondholders, but only upon receipt by the Bond Trustee of an Opinion of Bond Counsel to the effect that such amendment or modification: (1) will not in and of itself cause interest on the Bonds to be included in the gross income of the Holders thereof for federal income tax purposes, (2) is permitted by law and (3) complies with one or more of the following purposes:

(1) to add to the covenants and agreements of the Issuer contained in this Bond Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Issuer, provided, that no such covenant, agreement, pledge, assignment or surrender shall materially adversely affect the interests of the Holders of the Bonds (as provided in an Opinion of Counsel addressed to the Issuer and the Bond Trustee);

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Bond Indenture, or in regard to matters or questions arising under this Bond Indenture, as the Issuer or the Bond Trustee may deem necessary or desirable and not inconsistent with this Bond Indenture, and which shall not materially adversely affect the interests of the Holders of the Bonds (as provided in an Opinion of Counsel addressed to the Issuer and the Bond Trustee);

(3) to modify, amend or supplement this Bond Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Holders of the Bonds (provided, however, that such modifications, amendments, supplements and additions shall be permitted under this subsection (B) of Section 9.01 only if qualification under said act or similar federal statute is required by applicable law now or hereafter in effect);

(4) to provide any additional procedures, covenants or agreements to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

(C) The Bond Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Bond Indenture authorized by subsections (A) or (B) of this Section which materially adversely affects the Bond Trustee's own rights, duties or immunities under this Bond Indenture or otherwise.

SECTION 9.02 Effect of Supplemental Indenture. Upon the execution of any Supplemental Bond Indenture pursuant to this Article, this Bond Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Indenture of the Issuer, the Bond Trustee and all Holders of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Bond Indenture shall be deemed to be part of the terms and conditions of this Bond Indenture for any and all purposes.

SECTION 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Bond Indenture pursuant to this Article may bear a notation by endorsement or otherwise in form approved by the Issuer and the Bond Trustee as to any modification or amendment provided for in such Supplemental Bond Indenture, and, in that case, upon demand of the Holder of any Bond Outstanding at the time of such execution and presentation of such Bond for the purpose at the Designated Office of the Bond Trustee or at such additional offices as the Bond Trustee may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Bond Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Issuer (which may be based on an Opinion of Bond Counsel, in the sole discretion of the Issuer), to any modification or amendment contained in such Supplemental Bond Indenture, shall be prepared by the Bond Trustee at the expense of ESRF, executed by the Issuer and authenticated by the Bond Trustee, and upon

demand of the Holders of any Bonds then Outstanding shall be exchanged at the Designated Office of the Bond Trustee, without cost to any Bondholder, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts of the same maturity.

SECTION 9.04 Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE X

DEFEASANCE

SECTION 10.01 Discharge of Indenture. The Bonds may be paid by the Issuer or the Bond Trustee on behalf of the Issuer in any of the following ways:

(A) by paying or causing to be paid the principal or Redemption Price of and interest on all Bonds Outstanding, as and when the same become due and payable;

(B) by depositing with the Bond Trustee, in trust, at or before maturity, moneys or securities in the necessary amount (as provided in Section 10.03) to pay when due or redeem all Bonds then Outstanding; or

(C) by delivering to the Bond Trustee, for cancellation by it, all Bonds then Outstanding.

If the Issuer shall also pay or cause to be paid all other sums payable hereunder by the Issuer, then and in that case at the election of the Issuer (evidenced by a Certificate of the Issuer filed with the Bond Trustee signifying the intention of the Issuer to discharge all such indebtedness and this Bond Indenture and upon receipt by the Bond Trustee of an Opinion of Counsel to the effect that the obligations under this Bond Indenture and the Bonds have been discharged), and notwithstanding that any Bonds shall not have been surrendered for payment, this Bond Indenture and the pledge of Revenues and other assets made under this Bond Indenture and all covenants, agreements and other obligations of the Issuer under this Bond Indenture (except as otherwise provided in Section 5.07 and Section 8.06) shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the request of the Issuer, the Bond Trustee shall cause an accounting for such period or periods as may be requested by the Issuer to be prepared and filed with the Issuer and shall execute and deliver to the Issuer all such instruments as may be necessary to evidence such discharge and satisfaction, and the Bond Trustee shall pay over, transfer, assign or deliver to ESRF all moneys or securities or other property held by it pursuant to this Bond Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption; provided that in all events moneys in the Rebate Fund shall be subject to the provisions of Section 5.07.

SECTION 10.02 Discharge of Liability on Bonds. Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed

prior to maturity, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, then all liability of the Issuer in respect of such Bond shall cease, terminate and be completely discharged, except only that thereafter the Holder thereof shall be entitled to payment of the principal of, premium, if any, and interest on such Bond by the Issuer, and the Issuer shall remain liable for such payments, but only out of such money or securities deposited with the Bond Trustee as aforesaid for their payment, subject, however, to the provisions of Section 10.04.

The Issuer may at any time surrender to the Bond Trustee for cancellation by it any Bonds previously issued and delivered, which the Issuer may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

SECTION 10.03 Deposit of Money or Securities with Bond Trustee. Whenever in this Bond Indenture it is provided or permitted that there be deposited with or held in trust by the Bond Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Bond Trustee in the funds and accounts established pursuant to this Bond Indenture (other than the Rebate Fund) and shall be:

(A) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(B) Investment Securities described in clauses (a)(i)-(iii) of the definition thereof in Section 1.01 (not callable by the issuer thereof prior to maturity), the principal of and interest on which when due will provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due; provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Bond Trustee shall have been made for the giving of such notice; provided, in each case, that the Bond Trustee shall have been irrevocably instructed (by the terms of this Bond Indenture or by Request of the Issuer) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

SECTION 10.04 Payment of Bonds After Discharge of Bond Indenture. Notwithstanding any provisions of this Bond Indenture, subject to applicable escheat law, any moneys held by the Bond Trustee in trust for the payment of the principal of, or interest on, any Bonds and remaining unclaimed for two (2) years after such principal or interest, as the case may be, has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Bond Indenture), if such moneys were so held at such date, or

two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to ESRF free from the trusts created by this Bond Indenture upon receipt of an indemnification agreement by ESRF acceptable to the Issuer and the Bond Trustee indemnifying the Issuer and the Bond Trustee with respect to claims of Holders of Bonds or the government of the United States of America which have not yet been paid, and all liability of the Bond Trustee and the Issuer with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to ESRF as aforesaid, the Bond Trustee may (at the cost of ESRF) first mail to the Holders of Bonds which have not yet been paid, at the addresses shown on the registration books maintained by the Bond Trustee, a notice, in such form as may be deemed appropriate by the Bond Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to ESRF of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 Liability of Issuer Limited to Revenues. Notwithstanding anything contained in this Bond Indenture, the Loan Agreement or in the Bonds, the Issuer shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Bond Indenture for any of the purposes in this Bond Indenture mentioned, whether for the payment of the principal or Redemption Price of or interest on the Bonds or for any other purpose of this Bond Indenture.

SECTION 11.02 Successor is Deemed Included in All References to Predecessor. Whenever in this Bond Indenture either the Issuer or the Bond Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Bond Indenture contained by or on behalf of the Issuer or the Bond Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 11.03 Limitation of Rights to Parties, ESRF and Bondholders. Nothing in this Bond Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Issuer, the Issuer Indemnified Parties, the Bond Trustee, ESRF and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect of this Bond Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Issuer, the Issuer Indemnified Parties, the Bond Trustee, ESRF and the Holders of the Bonds.

SECTION 11.04 Waiver of Notice. Whenever in this Bond Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 11.05 Destruction of Bonds. Whenever in this Bond Indenture provision is made for the cancellation by the Bond Trustee and the delivery to the Issuer of any Bonds, the Bond Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds.

SECTION 11.06 Severability of Invalid Provisions. If any one or more of the provisions contained in this Bond Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Bond Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Bond Indenture, and this Bond Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

SECTION 11.07 Notices. Any notice to or demand upon the Bond Trustee may be served or presented, and such demand may be made, at the Designated Office of the Bond Trustee or at such other address as may have been filed in writing by the Bond Trustee with the Issuer. Any notice to or demand upon the Issuer or ESRF shall be deemed to have been sufficiently given or served for all purposes by being given in writing delivered or sent by Electronic Means receipt confirmed or by being mailed by first-class mail, postage prepaid and addressed as follows:

1. If to the Issuer:

Arizona Industrial Development Authority
1802 West Jackson Street #66
Phoenix, Arizona 85007
Attention: Executive Director
admin@arizonaaida.com

with a copy to:

Kutak Rock LLP
8601 North Scottsdale Road, Suite 300
Scottsdale, Arizona 85253
Attention: Kelly A. McGuire, Esq.
kelly.mcguire@kutakrock.com

2. If to ESRF:

Equitable School Revolving Fund, LLC
228 Park Avenue South
Suite 61633
New York, NY 10003
Attention: Chief Operating Officer

(or such other addresses as may have been filed in writing by the Issuer or ESRF with the Bond Trustee).

SECTION 11.08 Evidence of Rights of Bondholders. Any request, consent or other instrument required or permitted by this Bond Indenture to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in Person or by an agent or agents duly appointed in writing.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Bonds shall be proved by the bond registration books held by the Bond Trustee.

Any request, consent, or other instrument or writing of the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Bond Trustee or the Issuer in accordance therewith or reliance thereon.

SECTION 11.09 Disqualified Bonds. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Bond Indenture, Bonds which are known to a Responsible Officer of the Bond Trustee to be owned or held by or for the account of the Issuer or ESRF, or by any other obligor on the Bonds, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Issuer or ESRF or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Bond Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Issuer or ESRF or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Bond Trustee taken upon the advice of counsel selected by it with due care shall be full protection to the Bond Trustee. Upon request of the Bond Trustee, the Issuer and

ESRF shall specify in a certificate to the Bond Trustee those Bonds disqualified pursuant to this Section and the Bond Trustee may conclusively rely on such certificate.

SECTION 11.10 Money Held for Particular Bonds. The money held by the Bond Trustee for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held uninvested in trust by it for the Holders of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04.

SECTION 11.11 Funds and Accounts. The Bond Trustee may establish such funds and accounts as it deems necessary or appropriate to fulfill its obligations under this Bond Indenture. Any fund required by this Bond Indenture to be established and maintained by the Bond Trustee may be established and maintained in the accounting records of the Bond Trustee either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry, to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Holder thereof. The Bond Trustee may establish such additional funds and accounts as it deems necessary or appropriate to perform its obligations hereunder.

SECTION 11.12 Limitation of Liability.

(A) *Reliance by Issuer on Facts or Certificates.* Anything in this Bond Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Bond Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer.

(B) *Immunity of Issuer Indemnified Parties.* No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Bond Indenture, any other Issuer Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Project or the issuance and sale of the Bonds, against any of the Issuer Indemnified Parties, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any of the Issuer Indemnified Parties, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Issuer with the Borrower or the Bond Trustee, or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Issuer Indemnified Party (to the extent any such liability exists) is, by the execution of the Bonds, this Bond Indenture, and the other Issuer Documents, and as a condition of, and as part of the consideration for, the execution of the Bonds, this Bond Indenture, and the other Issuer Documents, expressly waived and released.

(C) *No Pecuniary Liability of Issuer.* No agreements or provisions contained herein, or any agreement, covenant, or undertaking by the Issuer in connection with the Project or the issuance, sale, and/or delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from the Revenues pledged hereby for the payment of the Bonds and their application as provided in this Bond Indenture. No failure of the Issuer to comply with any term, covenant, or agreement contained in the Bonds, this Bond Indenture or the Loan Agreement, or in any document executed by the Issuer in connection with the Project or the issuance and sale of the Bonds, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent the same can be paid or recovered from the Revenues pledged for the payment of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Issuer, except as may be payable from the Revenues pledged under this Bond Indenture for the payment of the Bonds. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against the Issuer's general credit. In making the agreements, provisions, and covenants set forth in this Bond Indenture, the Issuer has not obligated itself, except with respect to the application of the Revenues pledged in this Bond Indenture for the payment of the Bonds.

SECTION 11.13 Incorporation of Terms of Loan Agreement. The parties hereto acknowledge and agree that to the extent applicable, the terms defined in the Loan Agreement are incorporated herein as if they were contained in this Bond Indenture.

SECTION 11.14 Remedies of the Issuer. Notwithstanding any contrary provision in this Bond Indenture, the Issuer shall have the right to take any action or make any decision with respect to proceedings for indemnity against the liability of the Issuer, the State and the respective personnel and for collection reimbursements. The Issuer may enforce its Reserved Rights by legal proceedings for the specific performance of any obligation contained therein and herein or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Borrower of its obligations to the Issuer under the Loan Agreement, including court costs, attorneys' fees and other costs and expenses incurred in enforcing such obligations.

SECTION 11.15 Limitation on Actions. The Issuer shall not be required to monitor, or provide information or disclosure concerning the financial condition of the Borrower or other matters relating to the Bonds and shall not have any responsibility with respect to notices, certificates or other documents filed with it hereunder or under the Loan Agreement. The Issuer shall not be required to take notice of any breach or default except when given notice thereof by the Bond Trustee or the registered owners, as the case may be. The Issuer shall not be required to take any action unless indemnity reasonably satisfactory to it is furnished for expenses or liability to be incurred therein (other than the giving of notice). The Issuer, upon written request of the registered owners or the Bond Trustee and subject to Section 6.05(A) hereof, shall cooperate to the extent reasonably necessary to enable the Bond Trustee to exercise any power granted to the Bond Trustee by this Bond Indenture.

SECTION 11.16 Responsibility. The Issuer shall be entitled to the advice of counsel (who may be counsel for any party or for any Registered Owner unless an opinion of independent counsel or Opinion of Bond Counsel is required hereunder) and shall be wholly protected as to any actions taken or omitted to be taken in good faith in reliance on such advice. The Issuer may rely conclusively on any notice, certificate or other document furnished to it hereunder or pursuant to the Loan Agreement or the Bond Purchase Agreement and reasonably believed by it to be genuine. The Issuer shall not be liable for any action taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it, or in good faith omitted to be taken by it because it was reasonably believed to be beyond the discretion or power conferred upon it or taken by it pursuant to any direction or instruction by which it is governed hereunder or omitted to be taken by it by reason of the lack of direction or instruction required for such action hereunder, or be responsible for the consequences of any error of judgment reasonably made by it. When any payment, consent or other action by the Issuer is called for by this Bond Indenture or the Loan Agreement, the Issuer may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. A permissive right or power to act in the Issuer shall not be construed as a requirement to act, and no delay in the exercise of a right or power shall affect the subsequent exercise thereof. The Issuer shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any Person. No recourse shall be had by the Borrower, the Bond Trustee or any Registered Owner for any claim based on this Bond Indenture or the Bonds against any of the Issuer's directors, officers, executive directors, employees, counsel, financial advisors or agents unless such claim is based upon the willful dishonesty or intentional violation of law of such person.

SECTION 11.17 Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

SECTION 11.18 Business Days. If any date specified herein shall not be a Business Day, any action required on such date may be made on the next succeeding Business Day with the same effect as if made on such date.

SECTION 11.19 Governing Law; Venue. This Bond Indenture shall be governed by and construed in accordance with the laws and judicial decisions of the State, without reference to any choice of law principles except as such laws may be preempted by any federal rules, regulations and laws applicable to the Issuer. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Bond Indenture against the Issuer shall be brought and maintained in the Superior Court of the State of Arizona, in and for the County of Maricopa, the United States District Court in and for the District of Arizona, or any United States Bankruptcy Court in any case involving or having jurisdiction over ESRF.

SECTION 11.20 Execution in Several Counterparts. This Bond Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Issuer and the

Bond Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

SECTION 11.21 Survival. Notwithstanding the payment in full of the Bonds, the discharge of this Bond Indenture, and the termination or expiration of the Loan Agreement, all provisions in this Bond Indenture concerning (a) the tax-exempt status of the Bonds (including, but not limited to provisions concerning rebate), (b) the interpretation of this Bond Indenture, (c) the governing law, (d) the forum for resolving disputes, (e) the Issuer's right to rely on facts or certificates, (f) the indemnity of the Issuer Indemnified Parties from liability (pecuniary or otherwise) and their rights to receive payment or reimbursement with respect thereto, (g) the lack of pecuniary liability of the Issuer, the AFA and the State, and (h) Section 10.04 hereof shall survive and remain in full force and effect.

SECTION 11.22 Third Party Beneficiaries. Each of the Issuer Indemnified Parties, other than the Issuer, are intended third party beneficiaries of this Bond Indenture. Nothing in this Bond Indenture shall confer any right upon any person other than the parties hereto and the specifically designated third party beneficiaries of this Bond Indenture, including the owners of the Bonds.

SECTION 11.23 Entire Agreement. This Bond Indenture constitutes the entire agreement of the parties hereto and is not subject to modification, amendment, qualification or limitation except as expressly provided herein.

SECTION 11.24 Unrelated Bond Issues. The Issuer has, prior to the issuance of the Bonds, issued, and subsequent to the issuance of the Bonds, the Issuer expects to issue, bonds pursuant to indentures other than this Bond Indenture (the "Other Bonds"). Any pledge, mortgage, or assignment made in connection with any Other Bonds shall be protected, and any funds pledged or assigned for the payment of principal, premium, if any, or interest on the Other Bonds shall not be used for the payment of principal, premium, if any, or interest on the Bonds. Correspondingly, any pledge, mortgage, or assignment made in connection with the Bonds shall be protected, and any funds pledged or assigned for the payment of the Bonds shall not be used for the payment of principal, premium, if any, or interest on the Other Bonds.

SECTION 11.25 Notice of A.R.S. Section 38-511 – Cancellation of Contracts. Notice is hereby given of the provisions of Arizona Revised Statutes Section 38-511, as amended. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to contracts of the nature of this Bond Indenture under the law of the State.

SECTION 11.26 Securities Intermediary.

(A) There shall at all times be a securities intermediary appointed for purposes of this Bond Indenture (the "Securities Intermediary"). U.S. Bank National Association is hereby appointed as the initial Securities Intermediary hereunder and accepts such appointment.

(B) The Securities Intermediary represents, warrants, and covenants, and the parties hereto agree, that at all times prior to the termination of this Bond Indenture:

(1) The Securities Intermediary shall be a corporation or national bank that in the ordinary course of its business maintains securities accounts for others and is acting in that capacity hereunder. The Securities Intermediary (A) shall be a state-chartered or national bank or trust company, (B) shall not be an affiliate of the Issuer, and (C) shall meet the requirements for organizations acting as trustee hereunder.

(2) Each fund and account established pursuant to Section 5.01(A) hereof (other than the Rebate Fund) (each, a "Trust Account") shall be a securities account maintained with the Securities Intermediary to which financial assets may be credited and the Securities Intermediary shall treat the Bond Trustee as entitled to exercise the rights that comprise such financial assets.

(3) The Securities Intermediary shall not change the name or the account number of any Trust Account without the prior written consent of the Bond Trustee.

(4) Each item of property credited to each Trust Account shall be treated as a financial asset.

(5) The Securities Intermediary shall comply with entitlement orders originated by the Bond Trustee without further consent by the Issuer or any other person or entity.

(6) The Securities Intermediary shall not agree with any person or entity other than the Bond Trustee that it will comply with entitlement orders originated by any person or entity other than the Bond Trustee.

(7) The Securities Intermediary shall not be a party to any agreement that is inconsistent with this Section or any other provision of this Bond Indenture, or that limits or conditions any of its obligations under this Section or any other provision of this Bond Indenture. The Securities Intermediary shall not take any action inconsistent with this Section or any other provision of this Bond Indenture applicable to it.

(8) Each item of property credited to each Trust Account shall not be subject to, and the Securities Intermediary hereby waives, any security interest, lien, claim, encumbrance, or right of setoff in favor of the Securities Intermediary or anyone claiming through the Securities Intermediary (other than the Bond Trustee).

(9) For purposes of Article 8 of the Uniform Commercial Code, the securities intermediary's jurisdiction of the Securities Intermediary with respect to the Revenues shall be the State.

(C) It is the intent of the parties that each Trust Account shall be a securities account of the Bond Trustee and not an account of the Issuer.

(D) The Securities Intermediary may at any time resign by written notice to the Bond Trustee. The Securities Intermediary may at any time be removed by written notice from the Bond Trustee (acting at the direction of the Holders of a majority in principal amount of the Bonds then Outstanding). The Bond Trustee shall promptly remove the Securities Intermediary

if at any time the Securities Intermediary does not meet the requirements for organizations acting as trustee hereunder. The Bond Trustee shall appoint a successor Securities Intermediary that satisfies the provisions of subsection (B)(1). The Bond Trustee shall cause (i) each Trust Account to be established and maintained with such successor Securities Intermediary in accordance with the terms hereof, and (ii) the successor Securities Intermediary to execute and deliver to the parties hereto a written agreement in which it agrees to be the Securities Intermediary hereunder and to be bound by the provisions of this Bond Indenture applicable to the Securities Intermediary. The duties and obligations of the retiring Securities Intermediary hereunder shall remain in effect until the successor Securities Intermediary has accepted its appointment and each Trust Account and all of the Revenues credited thereto have been transferred to the successor Securities Intermediary.

[Signatures Begin on Following Page]

IN WITNESS WHEREOF, the ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY has caused this Bond Indenture to be signed in its name by its Authorized Representative, U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Bond Indenture to be signed in its corporate name by its duly authorized officer, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of its role as Securities Intermediary hereunder, has caused this Bond Indenture to be signed in its corporate name by its duly authorized officer all as of the day and year first above written.

ARIZONA INDUSTRIAL
DEVELOPMENT AUTHORITY

By: _____
Name: Dirk Swift
Title: Executive Director

[Signature Page to Bond Indenture – AZIDA Series 2023A]

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Bond Trustee

By: _____
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION,
as Securities Intermediary

By: _____
Authorized Officer

[Signature Page to Bond Indenture – AZIDA Series 2023A]

[Signature Page to Bond Indenture – AZIDA Series 2023A]

EXHIBIT A
FORM OF BOND

NUMBER	AMOUNT
R-_____	\$ _____

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
SENIOR NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BOND
SERIES 2023A – SOCIAL BONDS

THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM REVENUES OF THE BORROWER. THE BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE AFA, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EMPLOYEE, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT, EXECUTIVE DIRECTOR, MEMBER, PROGRAM MANAGER OR AGENT OF THE ISSUER OR THE AFA, OR OF ANY SUCCESSOR TO THE ISSUER OR THE AFA, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER OR THE AFA, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES, COUNSEL, ADVISORS, CONTRACTORS, PROGRAM MANAGERS, CONSULTANTS, EXECUTIVE DIRECTORS OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THIS BOND.

Interest Rate:	Maturity Date:	Original Issue Date:	CUSIP Number:
_____%	_____	December 19, 2023	

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Registered Owner: CEDE & CO.

Principal Amount:

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY, a nonprofit corporation designated a political subdivision of the State of Arizona (the "Issuer"), for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner specified above, or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal amount specified above, in lawful money of the United States of America; and to pay interest thereon (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Bond Indenture hereinafter mentioned, at the interest rate per annum determined stated above, payable on May 1 and November 1 in each year commencing on May 1, 2024. The principal (or redemption price) hereof is payable upon presentation hereof at the designated office of U.S. Bank Trust Company, National Association (together with any successor bond trustee as provided in the Bond Indenture, as defined below, herein called the "Bond Trustee"), in New York, New York (or, in the case of a successor bond trustee, at the designated office of such successor bond trustee). Interest hereon is payable by check mailed by first class mail on each interest payment date (except with respect to defaulted interest) to the person whose name appears on the bond registration books of the Bond Trustee as the registered holder hereof on the fifteenth (15th) day (whether or not a Business Day, as defined in the Bond Indenture hereinafter defined) of the calendar month preceding the calendar month in which such related Interest Payment Date falls (the "Record Date") at the address appearing on the bond registration books maintained by the Bond Trustee, or by wire transfer to an account within the United States of America to any registered holder of at least \$1,000,000 in principal amount of Bonds if such registered holder has submitted a written request for such wire transfer to the Bond Trustee at least one Business Day prior to the Record Date (which request includes written wire transfer instructions). Interest shall be calculated on a three hundred sixty (360) day year basis of twelve (12) thirty (30) day months.

This Bond is one of a duly authorized issue of bonds of the Issuer designated as "Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds" (herein called the "Bonds"), limited in aggregate principal amount to Two Hundred Eighty Million Dollars (\$280,000,000) and issued pursuant to the provisions of the Industrial Development Financing Act, Title 35, Chapter 5, Section 35-701 *et seq.*, Arizona Revised Statutes (as now in effect and as it may from time to time hereafter be amended or supplemented, herein called the "Act") and a bond indenture, dated as of December 1, 2023, among the Issuer, the Bond Trustee and U.S. Bank National Association, as securities intermediary (herein called the "Bond Indenture"). The Bonds are issued for the purpose of making a loan to Equitable School Revolving Fund, LLC, a Delaware limited liability company (herein called "ESRF"), pursuant to a loan agreement, dated as of December 1, 2023 (herein called the "Loan Agreement"), between the Issuer and ESRF, for the purposes and on the terms and conditions set forth therein.

Reference is hereby made to the Bond Indenture (a copy of which is on file at said Designated Office of the Bond Trustee) and all amendments and supplements thereto, to the

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Loan Agreement (a copy of which is on file at said Designated Office of the Bond Trustee) and to the Act for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Bond Trustee and of the rights and obligations of the Issuer thereunder, to all the provisions of which Bond Indenture and Loan Agreement the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Bond Indenture.

The Bonds and the interest thereon are payable from Revenues and are secured by a pledge and assignment of said Revenues and of amounts (but excluding Additional Payments and payments made pursuant to the Reserved Rights) held in the funds and accounts established pursuant to the Bond Indenture (excluding amounts held in the Rebate Fund), subject only to the provisions of the Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Indenture. The Bonds are further secured by an assignment of the right, title and interest of the Issuer in the Loan Agreement (to the extent and as more particularly described in the Bond Indenture).

Interest payable on any Bond shall cease to accrue (i) on the maturity date of such Bond, provided that there has been irrevocably deposited with the Bond Trustee an amount sufficient to pay the principal amount thereof, plus interest thereon to such date; or (ii) on the date fixed for redemption thereof, provided that there has been irrevocably deposited with the Bond Trustee an amount sufficient to pay the redemption price thereof, plus interest thereon to such date. The Holder of such Bond shall not be entitled to any other payment for such Bond, and such Bond shall no longer be Outstanding and entitled to the benefits of the Bond Indenture, except for such payment from moneys held by the Bond Trustee for such purpose.

This Bond has been executed by the Issuer and authenticated by the Bond Trustee pursuant to the terms of the Bond Indenture. Copies of the Bond Indenture are on file at the Designated Office of the Bond Trustee in New York, New York (or, in the case of a successor Bond Trustee, at the Designated Office of such successor Bond Trustee), and reference is made to the Bond Indenture and all amendments and supplements thereto for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges and covenants, the rights and remedies of the registered Holders of the Bonds with respect thereto and the other terms and conditions upon which the Bonds are delivered thereunder.

The Bonds are subject to redemption in accordance with the Bond Indenture.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Bond Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

Whenever provision is made in the Bond Indenture for the redemption of less than all of the Bonds or any given portion thereof, the Bond Trustee shall select the Bonds to be redeemed, in the authorized denominations specified in the Bond Indenture, from all Bonds subject to redemption or such given portion thereof not previously called for redemption, as directed in

writing by ESRF or, in the absence of such direction, by lot, in any manner which the Bond Trustee in its sole discretion shall deem appropriate.

As provided in the Bond Indenture, notice of redemption shall be mailed by first-class mail by the Bond Trustee, not less than twenty (20) or more than sixty (60) days prior to the date fixed for redemption, to the Issuer and the Holder of each Bond designated for redemption at their address appearing on the registration books of the Bond Trustee. If this Bond is called for redemption and payment is duly provided as specified in the Bond Indenture, interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

Failure by the Bond Trustee to give notice of redemption pursuant to the Bond Indenture to any one or more of the securities information services or depositories designated by ESRF, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Bond Trustee to mail notice of redemption pursuant to the Bond Indenture to any one or more of the respective Holders of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Holders to whom such notice was mailed.

The Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof.

This Bond is transferable by the registered Holder hereof, in person or by the registered Holder's attorney duly authorized in writing, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Indenture and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, having the same maturity date and of authorized denominations, and for the same aggregate principal amount, will be issued to the transferee in exchange herefor. Subject to the limitations and conditions and upon payment of the charges, if any, provided in the Bond Indenture, Bonds may be exchanged for the same aggregate principal amount of fully registered Bonds of other authorized denominations having the same maturity date.

The Issuer and the Bond Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the Issuer and the Bond Trustee shall not be affected by any notice to the contrary.

The Bond Indenture and the rights and obligations of the Issuer and of the registered owners of the Bonds and of the Bond Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Bond Indenture; provided that no such modification or amendment shall (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, without the consent of the registered owner hereof, or (ii) reduce the percentage of Bonds the consent of the registered owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds prior to or on a parity with the lien created by the Bond Indenture, or deprive the registered owners of the Bonds of the lien created by the Bond Indenture on such Revenues and other assets (except as expressly provided in the Bond

Indenture), without the consent of the registered owners of all Bonds then outstanding, all as more fully set forth in the Bond Indenture.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the provisions of the Act and by the Constitution and laws of the State of Arizona, and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any limit prescribed by the Act, or by the Constitution and laws of the State of Arizona, and is not in excess of the amount of Bonds permitted to be issued under the Bond Indenture.

This Bond shall not be entitled to any benefit under the Bond Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Bond Trustee.

IN WITNESS WHEREOF, ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Authorized Representative, all as of the date set forth above.

ARIZONA INDUSTRIAL
DEVELOPMENT AUTHORITY

By: _____
Name: Dirk Swift
Title: Executive Director

BOND TRUSTEE'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within mentioned Bond Indenture, which has been registered on the date set forth below.

Dated:

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Bond Trustee

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

For value received, the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, to transfer the same on the books of the within-named Bond Trustee, with full power of substitution in the premises.

Dated: _____ By _____

Signature Guaranteed By:

NOTICE: Signature must be guaranteed by an eligible guarantor institution.

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY

and

EQUITABLE SCHOOL REVOLVING FUND, LLC

LOAN AGREEMENT

Dated as of December 1, 2023

relating to

\$280,000,000

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
SENIOR NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS
SERIES 2023A – SOCIAL BONDS

Pursuant to a Bond Indenture dated as of December 1, 2023, the rights of the Arizona Industrial Development Authority hereunder, other than the Reserved Rights (as defined in the Bond Indenture referred to above), have been assigned to U.S. Bank Trust Company, National Association, as bond trustee under such Bond Indenture.

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This LOAN AGREEMENT, is made and entered into as of December 1, 2023 (this “Loan Agreement”), between the ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY, a nonprofit corporation designated a political subdivision of the State of Arizona (the “Issuer”), and EQUITABLE SCHOOL REVOLVING FUND, LLC, a Delaware limited liability company (“ESRF” or the “Borrower”), the sole member of which is Equitable Facilities Fund, Inc. (“EFF”), a Delaware nonstock, nonprofit corporation and an organization described in Section 501(c)(3) of the Code;

W I T N E S S E T H:

WHEREAS, the Issuer is a nonprofit corporation designated a political subdivision of the State of Arizona (the “State”), incorporated with the approval of the Arizona Finance Authority (the “AFA”), pursuant to the provisions of the Constitution and the laws of the State, including the Industrial Development Financing Act, Title 35, Chapter 5, Section 35-701 *et seq.* (the “Act”), Arizona Revised Statutes, as amended;

WHEREAS, the Act authorizes the Issuer to issue bonds to provide financing or refinancing for projects located in whole or in part outside of the State, including projects consisting of facilities owned or operated by a nonprofit organization described in Section 501(c) of the Internal Revenue Code;

WHEREAS, ESRF has requested financial assistance from the Issuer in the financing, refinancing and/or reimbursing of all or a portion of certain loans (the “School Loans”) originated to qualifying public charter schools located both inside and outside the State for the purpose of financing or refinancing the acquisition, construction, improvement, equipping and furnishing of certain public charter school facilities;

WHEREAS, the Issuer has authorized the issuance of its Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds (the “Bonds”), in an aggregate principal amount of Two Hundred Eighty Million Dollars (\$280,000,000) to (i) provide funds to ESRF for the purpose of financing or reimbursing the School Loans, and (ii) pay a portion of the Costs of Issuance (collectively, the “Project”);

WHEREAS, ESRF has requested the Issuer to enter into this Loan Agreement specifying the terms and conditions of a loan by the Issuer to ESRF of the proceeds of the Bonds and of the payment by ESRF to the Issuer of the amounts required for the payment of the principal of, and interest and premium, if any, on the Bonds and certain related expenses; and

WHEREAS, the Issuer and ESRF have each duly authorized the execution, delivery and performance of this Loan Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION

Section 1.1 Definitions. Unless otherwise required by the context, all terms used herein shall have the meanings assigned to such terms in Section 1.01 of the Bond Indenture among the Issuer, U.S. Bank Trust Company, National Association, as bond trustee, and U.S. Bank National Association, as securities intermediary, dated as of December 1, 2023, either as originally executed or as amended or supplemented from time to time (the “Bond Indenture”).

Section 1.2 Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Loan Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

ISSUANCE OF BONDS; OBLIGATION NO. 12

Section 2.1 The Bonds. The Issuer has authorized the issuance of the Bonds pursuant to the Bond Indenture in the aggregate principal amount of Two Hundred Eighty Million Dollars (\$280,000,000). ESRF hereby approves the Bond Indenture, the pledge and assignment thereunder to the Bond Trustee of the right, title and interest of the Issuer (except for Reserved Rights) in this Loan Agreement and Obligation No. 12, the issuance under the Bond Indenture by the Issuer of the Bonds, and agrees to be bound by its terms.

Section 2.2 Obligation No. 12. In consideration of the issuance of the Bonds by the Issuer and the application of the proceeds thereof as provided in the Bond Indenture, ESRF agrees to issue, or cause to be issued, and to cause to be authenticated and delivered to the Issuer or its designee, pursuant to the Master Trust Indenture and the Supplemental MTI, concurrently with the issuance and delivery of the Bonds, Obligation No. 12 in substantially the form set forth in the Supplemental MTI. The Issuer agrees that Obligation No. 12 shall be registered in the name of the Bond Trustee. ESRF agrees that the aggregate principal amount of Obligation No. 12 shall be limited to Two Hundred Eighty Million Dollars (\$280,000,000), except as provided in the Supplemental MTI with respect to the mutilation, destruction, loss or theft of Obligation No. 12. ESRF agrees that, except as otherwise provided in this Section 2.2, so long as any Bond remains Outstanding, Obligation No. 12 shall be issuable only as a single obligation without

coupons, registered as to principal and interest in the name of the Bond Trustee, and no transfer of Obligation No. 12 shall be registered under the Master Trust Indenture or be recognized by ESRF except for transfers to a successor Bond Trustee. Upon the principal of Obligation No. 12 being declared immediately due and payable, Obligation No. 12 may be transferred if and to the extent that the Bond Trustee requests that the aforementioned restrictions on transfers of this Section 2.2 be terminated.

ARTICLE III

PAYMENTS

Section 3.1 Loan of Proceeds; Payments of Principal and Interest. The Issuer hereby lends and advances to ESRF, and ESRF hereby borrows and accepts from the Issuer, a loan in a principal amount equal to the aggregate principal amount of the Bonds, the net proceeds of which loan shall be equal to the net proceeds received from the sale of the Bonds, such proceeds to be applied under the terms and conditions of this Loan Agreement and the Bond Indenture. In consideration of the loan of such proceeds to ESRF, ESRF agrees to pay, or cause to be paid, to the Bond Trustee, on or before the Business Day prior to each date on which such amounts are required to be transferred by the Bond Trustee pursuant to Section 5.02 of the Bond Indenture for subsequent application pursuant to the Bond Indenture, the amounts necessary to enable the Bond Trustee to make the transfers required by said Section 5.02 of the Bond Indenture (the "Loan Repayments"). Notwithstanding the foregoing, ESRF agrees to make payments, or cause payments to be made, to the Bond Trustee at the times and in the amounts required to be paid as principal of, premium, if any, and interest on the Bonds from time to time Outstanding under the Bond Indenture and other amounts required to be paid under the Bond Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise. Each payment by ESRF to the Bond Trustee hereunder shall be in lawful money of the United States of America and paid to the Bond Trustee at its Designated Office, and held, invested, disbursed and applied as provided in the Bond Indenture.

Section 3.2 Additional Payments. In addition to Loan Repayments, ESRF shall also pay to the Issuer or the Bond Trustee, as the case may be, "Additional Payments," as follows:

(a) All taxes and assessments of any type or character charged to the Issuer or to the Bond Trustee affecting the amount available to the Issuer or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided, however, that ESRF shall have the right to protest any such taxes or assessments which it in good faith believes are not due and owing and to require the Issuer (subject to Section 7.14(e) hereof) or the Bond Trustee, at ESRF's expense, to protest and contest any such taxes or assessments levied upon them, and that ESRF shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer, the Holders or the Bond Trustee hereunder, under the Bond Indenture or otherwise with respect to the Bonds;

(b) All reasonable fees, charges, expenses and indemnities (as set forth in Section 5.3 and Section 5.4 of this Loan Agreement) of the Bond Trustee hereunder and under the Bond Indenture, as and when the same become due and payable;

(c) The fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Loan Agreement or the Bond Indenture (provided that the Issuer will give advance notice to ESRF if it engages any accountants, consultants, attorneys or other experts to provide services required under this Loan Agreement or the Bond Indenture, and provided further that ESRF acknowledges that failure of the Issuer to give such notice shall not affect the Issuer's right to engage any such Persons or seek payment for the fees and expenses thereof under this subsection);

(d) Any and all fees, costs and expenses owed to the Issuer or the other Issuer Indemnified Parties with respect to the Reserved Rights, including, without limitation, the fees and costs incurred by the Issuer, including but not limited to Issuer staff costs and costs of counsel to the Issuer and any other attorney or consultant representing the Issuer in connection with this Loan Agreement, the Bonds or the Bond Indenture, including any and all expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds, or in connection with any litigation or other proceeding which may at any time be instituted involving this Loan Agreement, the Bonds, Obligation No. 12, the Bond Indenture or any of the other documents contemplated thereby, or in connection with the inspection of ESRF, its properties, assets or operations, or otherwise in connection with the administration of this Loan Agreement;

(e) All other fees, expenses and indemnities (as set forth in Section 5.3 and Section 5.4) of the Issuer Indemnified Parties arising out of or in connection with the issuance of the Bonds, the Bond Indenture and this Loan Agreement, including, but not limited to, those pertaining to the representation of the Issuer as "taxpayer" before the Internal Revenue Service in any audit or investigation of the Bonds or Obligation No. 12;

(f) All Costs of Issuance of the Bonds; and

(g) All amounts necessary for the payment of rebate as provided in the Tax Agreement and any fees and expenses of any rebate consultant engaged in connection with the Tax-Exempt Bonds to ensure compliance with rebate requirements under the Code.

Such Additional Payments shall be billed to ESRF by or upon direction of the Issuer or the Bond Trustee from time to time and shall be paid by ESRF within thirty (30) days after receipt of the bill by ESRF. The obligations of ESRF under this Section shall survive the payment of the Bonds and discharge of the Bond Indenture, and termination of this Loan Agreement and the resignation or removal of the Bond Trustee.

Section 3.3 Prepayment. ESRF shall have the right, so long as all amounts which have become due hereunder have been paid, at any time or from time to time to prepay all or any part of the Loan Repayments related to the Bonds and the Issuer agrees that the Bond Trustee shall accept such prepayments when the same are tendered. Prepayments may be made by

payments of cash, deposit of Investment Securities or surrender of Bonds, as contemplated by Article X of the Bond Indenture. Pursuant to the Bond Indenture, the interest component of all such prepayments shall be deposited in the Interest Account and the principal component of all such prepayments (and the additional payment of any amount necessary to pay the applicable premium, if any, payable upon the redemption of Bonds) shall be deposited upon receipt in the Redemption Fund, and, at the written request of and as determined by ESRF, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Bond Indenture. Notwithstanding any such prepayment or surrender of Bonds, as long as any Bonds remain Outstanding or any Additional Payments required to be made hereunder remain unpaid, ESRF shall not be relieved of its obligations hereunder.

Section 3.4 Obligations Unconditional. The obligations of ESRF hereunder, including the obligation of ESRF to pay the principal of and interest on the Bonds and any Additional Payments, are absolute and unconditional, notwithstanding any other provision of this Loan Agreement or the Bond Indenture. Until this Loan Agreement is terminated and all payments hereunder are made, ESRF:

- (a) Will pay all amounts required hereunder without abatement, deduction or setoff, except as otherwise expressly provided in this Loan Agreement;
- (b) Will not suspend or discontinue any payments due hereunder for any reason whatsoever, including, without limitation, any right of setoff or counterclaim, except as expressly provided in this Loan Agreement or the Bond Indenture;
- (c) Will perform and observe all its other agreements contained in this Loan Agreement; and
- (d) Except as provided herein, will not terminate this Loan Agreement for any cause including, without limiting the generality of the foregoing, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Arizona, or any political subdivision of either thereof or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement. Nothing contained in this Section 3.4 shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained.

The rights of the Bond Trustee or any party or parties on behalf of whom the Bond Trustee is acting shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever, whether arising out of any breach of any duty or obligation of the Issuer or the Bond Trustee owing to ESRF, or by reason of any other indebtedness or liability at any time owing by the Issuer or by the Bond Trustee to ESRF.

Section 3.5 Conditions Precedent. The obligation of the Issuer to make the loan as herein provided shall be subject to (i) the receipt by it of the proceeds of the issuance and sale of the Bonds and (ii) the issuance of Obligation No. 12.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF ESRF

Section 4.1 Representations and Warranties of ESRF

ESRF represents and warrants to the Issuer that, as of the date of execution of this Loan Agreement and as of the date of delivery of the Bonds to the initial purchasers thereof:

- (a) ESRF is a duly organized and validly existing Delaware limited liability company controlled by its sole member, EFF, a Delaware nonstock, nonprofit corporation and an organization described in Section 501(c)(3) of the Code.
- (b) ESRF is organized as a disregarded entity for federal tax purposes; the purpose of ESRF is to further the charitable purposes of EFF, as sole member, of making loans and otherwise participating in financing transactions to assist public charter schools, including the issuance of the Bonds; EFF may not carry on activities which are not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code; EFF has not been formed for profit or pecuniary benefit, and no assets, income or net earnings of EFF may inure to the benefit of any manager, director, officer or employee of EFF or any private individual.
- (c) ESRF has the requisite legal right, power and authority to enter into this Loan Agreement and to carry out and consummate all transactions contemplated hereby.
- (d) The officer of ESRF executing this Loan Agreement is duly and properly in office and has the requisite authority to execute the same.
- (e) This Loan Agreement and the other Borrower Documents to which ESRF is a party have been duly authorized, executed and delivered by ESRF.
- (f) This Loan Agreement, when executed by the Issuer and validly assigned by the Issuer to the Bond Trustee pursuant to the Bond Indenture (except with respect to Reserved Rights), will constitute the legal, valid and binding agreement of ESRF enforceable against ESRF by the Bond Trustee in accordance with its terms for the benefit of the Holders of the Bonds, and any rights of the Issuer or the other Issuer Indemnified Parties and obligations of ESRF not so assigned to the Bond Trustee constitute the legal, valid, and binding agreements of ESRF enforceable against ESRF by the Issuer or the Issuer Indemnified Parties, as applicable, in accordance with their terms; except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.
- (g) The execution and delivery of this Loan Agreement and the other Borrower Documents to which ESRF is a party, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default under ESRF's organizational documents or any applicable law or administrative rule or regulation, or any court or administrative decree or order to which ESRF is subject, or any indenture, mortgage, deed of

trust, loan agreement, lease, contract or other agreement or instrument to which ESRF is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of ESRF, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect either (1) the consummation of the transactions contemplated by this Loan Agreement or (2) the financial condition, assets, properties or operations of ESRF.

(h) No consent or approval of any trustee or holder of any indebtedness of ESRF, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Loan Agreement or for the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.

(i) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending with service having been completed on ESRF, or to the knowledge of ESRF, after reasonable investigation, threatened, against or affecting ESRF or the assets, properties or operations of ESRF which, if determined adversely to ESRF or its interests, would have a material adverse effect upon (1) the consummation of the transactions contemplated by, or the validity of, this Loan Agreement; (2) ESRF's authority to execute, deliver and perform with respect to any of the Borrower Documents to which it is a party; or (3) the financial condition, assets, properties or operations of ESRF. ESRF is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default would materially and adversely affect the consummation of the transactions contemplated by this Loan Agreement, or the financial condition, assets, properties or operations of ESRF. All tax returns (federal, state and local) required to be filed by or on behalf of ESRF have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by ESRF, in good faith, have been paid or adequate reserves have been made for the payment thereof.

(j) Except as described in the Official Statement, there has been no material adverse change in the condition (financial or otherwise) of EFF or ESRF.

(k) No information, exhibit or report furnished to the Issuer by ESRF in connection with ESRF's application to the Issuer for financing or the negotiation of this Loan Agreement (including without limitation information concerning ESRF in the Official Statement) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) EFF, the sole member of ESRF, is an organization described in Section 501(c)(3) of the Code and is exempt from federal income tax under Section 501(a) of the Code.

(m) ESRF does not restrict use of its facilities on racial or religious grounds.

(n) ESRF's federal employer identification number is 82-5059293.

(o) The Project involves financing or reimbursing of all or a portion of certain School Loans and constitutes a "project" within the provisions of the Act as in effect on the date hereof.

(p) ESRF (a) understands the nature of the structure of the transactions related to the financing of the Project; (b) is familiar with all the provisions of the documents and instruments related to such financing to which ESRF or the Issuer is a party or which ESRF is a beneficiary; (c) understands the risk inherent in such transactions; and (d) has not relied on the Issuer for any guidance or expertise in analyzing the financial consequences of such financing transactions or otherwise relied on the Issuer in any manner, except to issue the Bonds in order to provide funds for the loan.

(q) ESRF covenants and agrees that it will not use or permit the use of any funds provided by the Issuer hereunder or any other funds of ESRF directly or indirectly, in a manner which would, or enter into, or allow any "related person" (as defined in Code Section 147(a)(2)) to enter into, any arrangement, formal or informal, for the purchase of the Bonds that would, or take or omit to take any action that would, to the knowledge of ESRF, cause the Bonds to be an "arbitrage bond" within the meaning of Code Section 148 or "federally guaranteed" within the meaning of Code Section 149(b) and the applicable regulations promulgated from time to time thereunder. ESRF further covenants to comply with the covenants and procedures set forth in Section 5.07 of the Indenture and the Tax Agreement.

ARTICLE V

COVENANTS

Section 5.1 Prohibited Uses. ESRF covenants and agrees that no portion of the proceeds of the Bonds will be used to finance any facility, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship.

Section 5.2 Nonliability of the Issuer. THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM REVENUES OF THE BORROWER. THE BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, AFA, STATE, OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, AFA, STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER. THE BONDS ARE NOT A DEBT OF THE ISSUER, THE AFA, THE STATE, OR ANY POLITICAL SUBDIVISION OF THE STATE AND SUCH ENTITIES ARE NOT LIABLE FOR PAYMENT THEREOF.

ESRF hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds will be provided by the payments made or caused to be made by ESRF hereunder and by the Obligated Group pursuant to Obligation No. 12 and the other Revenues, together with amounts on deposit in, and investment income on, certain funds and accounts held by the Bond Trustee under the Bond Indenture, and hereby agrees that if all such amounts shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Bond Trustee, ESRF shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium, if any, or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Issuer or any third party.

Section 5.3 Expenses and Fees. ESRF covenants and agrees to pay the Bond Trustee's ordinary and extraordinary fees and to pay and to indemnify the Issuer Indemnified Parties and the Bond Trustee against all costs and charges, including fees of attorneys, accountants, consultants and other experts, incurred in good faith and arising out of or in connection with the transactions contemplated hereby. The obligations under this Section and Section 5.4 shall remain valid and in effect notwithstanding repayment of the loan hereunder or termination of this Loan Agreement or the Bond Indenture or the resignation or removal of the Bond Trustee.

Section 5.4 Indemnification.

(a) ESRF agrees to pay, defend, protect, indemnify, and hold each of the Issuer Indemnified Parties and the Trustee Indemnified Parties (as hereafter defined) harmless for, from and against any and all causes of action (whether in contract, tort or otherwise), claims, costs, damages (including but not limited to consequential damages), demands, judgments, liabilities, losses, suits, fines, penalties or expenses (including, without limitation, costs of investigation, and attorney's fees and expenses, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) of every kind, character and nature whatsoever ("Liabilities") directly or indirectly arising from or relating to the Bonds, the loan, this Loan Agreement, the Project, the Bond Indenture, or any document related to the issuance and sale of the Bonds, including, but not limited to, the following:

- (i) Any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the use, non-use, condition, or occupancy of the Project or any part thereof;
- (ii) Violation of any agreement, covenant, or condition of any of the Borrower Documents;
- (iii) Violation of any agreement, contract, or restriction relating to the Project;
- (iv) Violation of any law, ordinance, or regulation affecting the Project or any part thereof or the ownership, occupancy, or use thereof;
- (v) The issuance and sale of the Bonds or any of them;

(vi) Any statement, information, or certificate furnished by ESRF to the Issuer which is misleading, untrue, incomplete, or incorrect in any respect; and

(vii) As to the Trustee Indemnified Parties, the Bond Trustee's acceptance, exercise and performance of its powers and duties hereunder, under the Bond Indenture and under any other document or transaction contemplated in connection herewith or therewith.

(b) ESRF also agrees to pay, defend, protect, indemnify, and hold each of the Issuer Indemnified Parties harmless for, from, and against any and all Liabilities directly or indirectly arising from or relating to (a) any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by or to the Issuer or the AFA pertaining to the Bonds, and (b) any fraud or misrepresentations or omissions contained in the proceedings of the Issuer or the AFA relating to the issuance of the Bonds or pertaining to the financial condition of ESRF which, if known to the Underwriters and the investors initially purchasing the Bonds from the Underwriter, might be considered a factor in such Person's decision to purchase the Bonds; provided, however, nothing in this subsection shall be deemed to provide the Issuer with indemnification for the Issuer's omissions or misstatements contained in the Official Statement under the captions "THE CONDUIT ISSUER" and "LITIGATION—The Conduit Issuer", as it relates to the Issuer.

(c) Paragraphs (a) and (b) above are intended to provide indemnification to each Issuer Indemnified Party and Trustee Indemnified Parties for its, his or her active or passive negligence or misconduct; provided, however, that nothing in paragraphs (a) and (b) above shall be deemed to provide indemnification to any Issuer Indemnified Party or Trustee Indemnified Party with respect to any Liabilities arising from the fraud, gross negligence, or willful misconduct of such Issuer Indemnified Party or Trustee Indemnified Party, as determined by a final decision of a court of competent jurisdiction.

(d) Any Issuer Indemnified Party entitled to indemnification hereunder shall notify ESRF of the existence of any claim, demand, or other matter to which ESRF's indemnification obligation applies, and shall give ESRF a reasonable opportunity to defend the same at its own expense and with counsel satisfactory to the Issuer Indemnified Party; provided that the Issuer Indemnified Party shall at all times also have the right to fully participate in the defense. If the Issuer Indemnified Party is advised in an opinion of counsel that there may be legal defenses available to it which are different from or in addition to those available to ESRF or if ESRF shall, after receiving notice of ESRF's indemnification obligation and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to employ counsel for that purpose satisfactory to the Issuer Indemnified Party, the Issuer Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, ESRF. ESRF shall be responsible for the counsel fees, costs, and expenses of the Issuer Indemnified Party in conducting its defense.

(e) Promptly after receipt by the Bond Trustee or its officers, officials, employees or agents (each, a "Trustee Indemnified Party") of notice of any such claim or the commencement of any such action for which indemnification under this Loan Agreement may be sought, such Trustee Indemnified Party shall, if a claim in respect thereof is to be made against ESRF, notify

ESRF in writing of the commencement thereof. In case any such action shall be brought or asserted against any Trustee Indemnified Party, ESRF shall be entitled to participate in and, to the extent that it wishes, to assume the defense thereof, with counsel satisfactory to such Trustee Indemnified Party.

No Trustee Indemnified Party shall, without the prior written consent of ESRF, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not the Trustee Indemnified Party is an actual or potential party to such claim or action) unless such settlement, compromise or consent (x) includes an unconditional release of ESRF from all liability arising out of such claim, action, suit or proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of ESRF.

Section 5.5 Tax Covenants. ESRF covenants and agrees that it will at all times do and perform all acts and things permitted and as may from time to time be required by law or this Loan Agreement and the Tax Agreement which are necessary in order to assure that interest paid on the Bonds will be excluded from gross income for federal income tax purposes and will take no action that would result in such interest not being so excluded. Without limiting the generality of the foregoing, ESRF agrees to comply with the provisions of the Tax Agreement. This covenant shall survive payment in full or defeasance of the Bonds.

Section 5.6 Continuing Disclosure. ESRF hereby covenants and agrees that it will enter into and comply with and carry out all of the provisions of a continuing disclosure agreement. Notwithstanding any other provision of the Loan Agreement, failure of ESRF to comply with the continuing disclosure agreement shall not be considered a Loan Default Event; however, the Bond Trustee may (and, at the request of any participating underwriter or the Holders of at least twenty-five percent (25%) aggregate principal amount in Outstanding Bonds, shall, upon receipt of reasonable indemnification for its fees and costs acceptable to it), and any Holder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause ESRF to comply with its obligations under this Section 5.6. ESRF understands and agrees that the Issuer has undertaken no continuing disclosure obligations or duty or liability to the Holders or any other person to enforce the provisions of the continuing disclosure agreement or Section 6.11 of the Bond Indenture.

Section 5.7 Financial Statements. ESRF covenants and agrees to furnish to the Issuer (if requested by the Issuer) and to the Bond Trustee, within one hundred eighty (180) days after the end of each of its fiscal years, a copy of ESRF's audited financial statements for such fiscal year, together with the report and opinion of an independent certified public accountant to the effect that such financial statements have been prepared in accordance with generally accepted accounting principles.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. Each of the following events shall constitute and be referred to herein as a "Loan Default Event":

(a) Failure by ESRF to pay in full any payment required hereunder when due, whether at maturity, upon a date fixed for redemption, by acceleration or otherwise pursuant to the terms hereof;

(b) If any material representation or warranty made by ESRF herein or made by ESRF in any document, instrument or certificate furnished to the Bond Trustee or the Issuer in connection with the issuance of the Bonds (including without limitation the Tax Agreement) shall at any time prove to have been incorrect in any material respect as of the time made;

(c) If ESRF shall fail to observe or perform any covenant, condition, agreement or provision in this Loan Agreement on its part to be observed or performed, other than as referred to in subsection (a) or (b) of this Section, or shall breach any warranty by ESRF herein contained, for a period of sixty (60) days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to ESRF by the Issuer or the Bond Trustee; except that, if such failure or breach can be remedied but not within such sixty (60) day period and if ESRF has taken all action reasonably possible to remedy such failure or breach within such sixty (60) day period, such failure or breach shall not become a Loan Default Event for so long as ESRF shall diligently proceed to remedy such failure or breach in accordance with and subject to any directions or limitations of time established by the Bond Trustee;

(d) If ESRF or any member of the Obligated Group files a petition in voluntary bankruptcy, for the composition of its affairs under any state or federal bankruptcy or insolvency law, or makes an assignment for the benefit of creditors, or admits in writing to its insolvency or inability to pay debts as they mature, or consents in writing to the appointment of a trustee or receiver for itself or for the whole or any substantial part of ESRF's or such member's facilities;

(e) If a court of competent jurisdiction shall enter an order, judgment or decree declaring ESRF or any member of the Obligated Group an insolvent, or adjudging it bankrupt, or appointing a trustee or receiver of ESRF or such member or of the whole or any substantial part of ESRF's or such member's facilities, or approving a petition filed against ESRF or such member seeking reorganization of ESRF or such member under any applicable law or statute of the United States of America or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof;

(f) If, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of all or substantially all of ESRF's facilities or all or substantially all of the facilities of any member of the Obligated Group, and such custody or control shall not be terminated within sixty (60) days from the date of assumption of such custody or control;

(g) Any Event of Default as defined in and under the Bond Indenture; or

(h) The occurrence and continuance of an "Event of Default" under the Master Trust Indenture.

Section 6.2 Remedies on Default. If a Loan Default Event shall occur, then, and in each and every such case during the continuance of such Loan Default Event, the Bond Trustee on behalf of the Issuer, subject to the limitations in the Bond Indenture as to the enforcement of remedies, may take such action as it deems necessary or appropriate to collect amounts due hereunder, to enforce performance and observance of any obligation or agreement of ESRF hereunder, and may, without limiting the generality of the foregoing:

(a) Exercise any or all rights and remedies given hereby or available hereunder or given by or available under any other instrument of any kind securing ESRF's performance hereunder, including Obligation No. 12;

(b) By written notice to ESRF declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity or otherwise, to be immediately due and payable under this Loan Agreement, whereupon the same shall become immediately due and payable; and

(c) Take any action at law or in equity to collect the payment required hereunder then due, whether on the stated due date or by declaration of acceleration or otherwise, for damages or for specific performance or otherwise to enforce performance and observance of any obligation, agreement or covenant of ESRF hereunder.

Section 6.3 Discontinuance or Abandonment of Default Proceedings. If any proceeding taken by the Bond Trustee on account of any Loan Default Event shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bond Trustee, then and in every case the Issuer, the Bond Trustee and ESRF shall be restored to their former position and rights hereunder, respectively, and all rights, remedies and powers of the Issuer and the Bond Trustee shall continue as though no such proceeding had taken place.

Section 6.4 Remedies Cumulative. No remedy conferred upon or reserved to the Issuer or the Bond Trustee hereby or now or hereafter existing at law or in equity or by statute, shall be exclusive but shall be cumulative with all others. Such remedies are not mutually exclusive and no election need be made among them, but any such remedy or any combination of such remedies may be pursued at the same time or from time to time so long as all amounts realized are properly applied and credited as provided herein. No delay or omission to exercise any right or power accruing upon any Loan Default Event shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient by the Issuer or the Bond Trustee. In the event of any waiver of a Loan Default Event hereunder, the parties shall be restored to their former positions and rights hereunder, but no such waiver shall extend to any other or subsequent Loan Default Event or impair any right arising as a result thereof. In order to entitle the Bond Trustee to exercise any remedy reserved to it, it shall not be necessary to give notice other than as expressly required herein. To the extent that this Loan Agreement confers upon or gives or grants the Bond Trustee any right, remedy or claim under or by reason of this Loan Agreement, the Bond Trustee is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, give or granted hereunder.

Section 6.5 Application of Moneys Collected. Any amounts collected pursuant to action taken under this Article shall be applied in accordance with the provisions of Article VII of the Bond Indenture.

Section 6.6 Attorney's Fees and Other Expenses. If, as a result of the occurrence of a Loan Default Event, the Issuer or the Bond Trustee employs attorneys or incurs other expenses for the collection of payments due hereunder including the costs of using attorneys which are employees of the Issuer or the Bond Trustee or for the enforcement of performance or observance of any obligation or agreement on the part of ESRF, ESRF will, on demand, reimburse the Issuer, the Bond Trustee, or both, as the case may be, for the fees and expenses of such attorneys and such other expenses so incurred.

Section 6.7 Notice of Default. ESRF agrees that, as soon as is practicable, and in any event within five (5) days, ESRF will furnish the Bond Trustee and the Issuer notice of any event which is a Loan Default Event pursuant to Section 6.1 which has occurred and is continuing on the date of such notice, which notice shall set forth the nature of such event and the action which ESRF proposes to take with respect thereto.

Section 6.8 Exercise of Issuer's Remedies. If the Bond Trustee is not enforcing the Issuer's rights in a manner to protect the Issuer or is otherwise taking action that brings adverse consequences to the Issuer, then the Issuer may, without the consent of the Bond Trustee, take whatever action at law or in equity may appear necessary or appropriate to enforce the Reserved Rights and to collect all sums then due and thereafter to become due to the Issuer under this Loan Agreement.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Amendments and Supplements. This Loan Agreement may be amended, changed or modified only as provided in Section 6.07 of the Bond Indenture.

Section 7.2 Time of the Essence; Non-Business Days. Time shall be of the essence of this Loan Agreement. When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day other than a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 7.3 Binding Effect. This instrument shall inure to the benefit of and shall be binding upon the Issuer and ESRF and their respective successors and assigns, subject to the limitations contained herein; provided, however, that the Bond Trustee shall have only such duties and obligations as are expressly given to it hereunder.

Section 7.4 Entire Agreement. This Loan Agreement, together with all agreements and documents incorporated by reference herein, constitutes the entire agreement of the parties and is not subject to modification, amendment, qualification or limitation except as expressly provided herein.

Section 7.5 Severability. If any covenant, agreement or provision, or any portion thereof contained in this Loan Agreement, where the application thereof to any person or circumstance is held to be unconstitutional, invalid or unenforceable, the remainder of this Loan Agreement and the application of such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Loan Agreement shall remain valid, and the Bondholders shall retain all valid rights and benefits accorded to them under this Loan Agreement and the Constitution and laws of the State of Arizona.

Section 7.6 Notices.

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents or other communications required or permitted hereunder shall be deemed sufficiently given or served for all purposes by being given in writing delivered or sent by Electronic Means receipt confirmed or by being mailed by first-class mail, postage prepaid and addressed as follows:

(i) If to ESRF:

Equitable School Revolving Fund, LLC
228 Park Avenue South
Suite 61633
New York, NY 10003
Attention: Chief Operating Officer

(ii) If to the Issuer:

Arizona Industrial Development Authority
1802 West Jackson Street #66
Phoenix, Arizona 85007
Attention: Executive Director
admin@arizonaidea.com

with a copy to:

Kutak Rock LLP
8601 North Scottsdale Road, Suite 300
Scottsdale, Arizona 85253
Attention: Kelly A. McGuire, Esq.
kelly.mcguire@kutakrock.com

(iii) If to the Bond Trustee:

U.S. Bank Trust Company, National Association
100 Wall Street
16th Floor
New York, New York 10005

Attention: Corporate Trust Services

(b) If to the registered Holder of a Bond, addressed to such Holder at the address shown on the books of the Bond Trustee kept for that purpose.

(c) ESRF, the Issuer and the Bond Trustee may at any time and from time to time by notice in writing to the other Persons listed in Section 7.6(a) designate a different address or addresses for notice under this Loan Agreement.

(d) The Bond Trustee shall not have any duty to confirm that the person sending any notice, instruction or other communication by electronic transmission (including by e-mail, facsimile transmission, web portal or other electronic methods) is, in fact, a person authorized to do so. Electronic signatures believed by the Bond Trustee to comply with the ESIGN Act of 2000 or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider acceptable to the Bond Trustee) shall be deemed original signatures for all purposes. Each other party assumes all risks arising out of the use of electronic signatures and electronic methods to send communications to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on an unauthorized communication, and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Bond Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Bond Trustee in lieu of, or in addition to, any such electronic communication.

Section 7.7 Waiver of Personal Liability. No Issuer Indemnified Party or any member, officer, director, agent or employee of ESRF shall be individually or personally liable for the payment of any principal of or interest or premium on any Bonds or any other sum hereunder or under the Bond Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement; but nothing herein shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Loan Agreement.

Section 7.8 Term. Except as otherwise provided herein this Loan Agreement shall remain in full force and effect from the date of execution hereof until no Bonds remain Outstanding under the Bond Indenture and all of ESRF's other obligations hereunder have been satisfied in full.

Section 7.9 Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.

Section 7.10 Governing Law; Venue. This Loan Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State, without reference to any choice of law principles except as such laws may be preempted by any federal rules, regulations and laws applicable to the Issuer. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Loan Agreement against the Issuer shall be brought and maintained in the Superior Court of the State of Arizona, in and for the County of Maricopa, the United States District Court in and for the District of Arizona, or any United States Bankruptcy Court in any case involving or having jurisdiction over ESRF.

Section 7.11 Third Party Beneficiaries. Each of the Issuer Indemnified Parties (other than the Issuer), the Trustee Indemnified Parties and the registered owners of the Bonds are intended "Third Party Beneficiaries" of this Loan Agreement. Nothing in this Loan Agreement shall confer any right upon any Person other than parties hereto, and those specifically designated as Third Party Beneficiaries of this Loan Agreement.

Section 7.12 No Pecuniary Liability of Issuer, the AFA or State. No provision, covenant, or agreement contained in this Loan Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer (except to the extent provided herein and in the Bonds and which shall be limited solely to the Revenues) or of the State within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against the general credit of the Issuer, the AFA or the State. In making the agreements, provisions and covenants set forth in this Loan Agreement, the Issuer has not obligated itself, except to the extent of the Revenues.

Section 7.13 No Personal Liability of Officials of Borrower, Issuer or Bond Trustee. None of the covenants, stipulations, promises, agreements and obligations of the Borrower, the Issuer or the Bond Trustee contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations of any official, officer, agent or employee of the Borrower, the Issuer or the Bond Trustee in his or her individual capacity, and no recourse shall be had for the payment of the principal of or premium, if any, or interest on the Bonds or for any claim based thereon or any claim hereunder against any official, officer, agent or employee of the Issuer, the Borrower or the Bond Trustee or any natural person executing any Bond, including any officer or employee of the Bond Trustee.

Section 7.14 Special, Limited Obligations of Issuer: Limitation of Liability.

(a) This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower and the Bond Trustee for the benefit of the owners of the Bonds, and their respective successors and assigns, subject to the limitation that any obligations of the Issuer created by or arising out of this Loan Agreement shall be special, limited obligations of the Issuer, payable solely out of the Revenues and shall never constitute the debt or indebtedness of the Issuer, the State, or any political subdivision of the State within the meaning of any provision or limitation of the constitution or statutes of the State and shall not constitute nor (except for its fraud or intentional misrepresentation) give rise to a pecuniary liability of the Issuer, the State or any political subdivision of the State or a charge against the general credit or taxing powers, if any, of such entities. The Issuer has no taxing power.

(b) Anything in this Loan Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer.

(c) No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Loan Agreement, any other Issuer Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon

any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Project or the issuance and sale of the Bonds, against any Issuer Indemnified Parties, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any Issuer Indemnified Party (to the extent any such liability exists), either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Issuer with the Borrower or the Bond Trustee to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Issuer Indemnified Party is, by the execution of the Bonds, this Loan Agreement and the other Issuer Documents, and as a condition of, and as part of the consideration for, the execution of the Bonds, this Loan Agreement, and the other Issuer Documents, is expressly waived and released.

(d) No agreements or provisions contained herein, nor any agreement, covenant, or undertaking by the Issuer in connection with the facilities or the issuance, sale, and/or delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from the Revenues pledged hereby for the payment of the Bonds and their application as provided in the Bond Indenture. No failure of the Issuer to comply with any term, covenant, or agreement contained in the Bonds, this Loan Agreement or the Bond Indenture, or in any document executed by the Issuer in connection with the facilities or the issuance and sale of the Bonds, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from the Revenues pledged for the payment of the Bonds. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Issuer, except as may be payable from the Revenues under the Bond Indenture for the payment of the Bonds. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against its general credit. In making the agreements, provisions, and covenants set forth in this Loan Agreement, the Issuer has not obligated itself, except with respect to the application of the Revenues under the Bond Indenture for the payment of the Bonds.

(e) The Issuer shall have no liability or obligation with respect to the payment of the purchase price of the Bonds. None of the provisions of this Loan Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Revenues under the Bond Indenture, or the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability that may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or provided as arranged by the Bond Trustee or the Borrower. The Issuer covenants that it will faithfully perform (to the extent within its reasonable control) at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Loan Agreement, the Bond Indenture and any and every Bond executed, authenticated, and delivered under the Bond

Indenture; provided, however, that (i) the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or the Bond Trustee, (ii) the Issuer shall have received the instrument to be executed, and (iii) at the Issuer's option, shall have received from the Borrower assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its expenses incurred or to be incurred in connection with taking such action or executing such instrument.

Section 7.15 No Warranty by Issuer. THE BORROWER RECOGNIZES THAT, BECAUSE THE COMPONENTS OF THE FACILITIES HAVE BEEN AND ARE TO BE SELECTED BY IT, THE ISSUER HAS NOT MADE AN INSPECTION OF THE FACILITIES, IF AND WHEN ACQUIRED, OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER AND BOND TRUSTEE MAKE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE FACILITIES OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE FACILITIES OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT.

Section 7.16 Prior Loan Agreements Superseded. This Loan Agreement, together with all agreements executed by the parties concurrently herewith or in conjunction with the initial issuance of the Bonds, shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Issuer and the Borrower relating to the Bonds, the lending of money and the Project.

Section 7.17 Covenant by the Borrower with Respect to Statements, Representations and Warranties. It is understood by the Borrower that all such statements, representations and warranties made in this Loan Agreement shall be deemed to have been relied upon by the Issuer as an inducement to issue the Bonds, and that if any such statements, representations and warranties were false at the time they were made or (with respect to those representations and warranties that are to continue) are breached during the term hereof, such misrepresentation or breach shall constitute a breach of this Loan Agreement that may give rise to an event of default hereunder.

Section 7.18 Survival. Notwithstanding the payment in full of the Bonds, the discharge of the Bond Indenture, and the termination or expiration of Obligation No. 12 and this Loan Agreement, all provisions in this Loan Agreement concerning (a) the tax-exempt status of the

Bonds (including, but not limited to provisions concerning the payment of the Rebate Amount (as defined in the Tax Agreement)), (b) the interpretation of this Loan Agreement, (c) the governing law, (d) the forum for resolving disputes, (e) the Issuer's right to rely on facts or certificates, (f) the indemnity of the Issuer Indemnified Parties (pecuniary or otherwise) and Trustee Indemnified Parties from liability and their rights to receive payment and/or reimbursement with respect thereto, and (g) the lack of pecuniary liability of the Issuer, the AFA, and the State shall survive and remain in full force and effect.

Section 7.19 Notice of Change in Fact. The Borrower will notify the Issuer and the Bond Trustee promptly after the Borrower becomes aware of (i) any change in any material fact or circumstance represented or warranted by the Borrower in this Loan Agreement or in connection with the issuance of the Bonds that would make any such representation or warranty false when made, (ii) any default or event that, with notice or lapse of time or both, could become an Event of Default under this Loan Agreement, the Bond Indenture or any Borrower Document, specifying in each case the nature thereof and what action the Borrower has taken, is taking, and/or proposes to take with respect thereto, (iii) any Internal Revenue Service audit of the Borrower or the Bonds, (iv) any material litigation affecting the Bonds, the Borrower or the facilities, and (v) any default in any indebtedness of the Borrower.

Section 7.20 Notice of A.R.S. Section 38-511 – Cancellation of Contracts. Notice is hereby given of the provisions of Arizona Revised Statutes Section 38-511, as amended. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to contracts of the nature of this Loan Agreement under the law of the State.

IN WITNESS WHEREOF, the Issuer and ESRF have caused this Loan Agreement to be executed in their respective names as of the date first written above.

ARIZONA INDUSTRIAL
DEVELOPMENT AUTHORITY

By: _____
Dirk Swift
Executive Director

EQUITABLE SCHOOL REVOLVING FUND,
LLC

By: _____
Chief Executive Officer

[Signature Page to Loan Agreement – AZIDA Series 2023A]

[Signature Page to Loan Agreement – AZIDA Series 2023A]

APPENDIX D

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

_____, 2023

Arizona Industrial Development Authority
Phoenix, Arizona

Arizona Industrial Development Authority Senior National Charter School
Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to Equitable School Revolving Fund, LLC, a Delaware limited liability company (the “Borrower”), in connection with the issuance by the Arizona Industrial Development Authority (the “Issuer”) of \$280,000,000 aggregate principal amount of Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds (the “Bonds”), issued pursuant to an indenture, dated as of December 1, 2023 (the “Indenture”), among the Issuer, U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), and U.S. Bank National Association, as securities intermediary. The Indenture provides that the Bonds are issued for the stated purpose of making a loan of the proceeds thereof to the Borrower pursuant to a loan agreement, dated as of December 1, 2023 (the “Loan Agreement”), between the Issuer and the Borrower. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Loan Agreement, the Tax Agreement, opinions of counsel to the Issuer and the Trustee, certificates of the Issuer, the Trustee, the Borrower and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

In addition, we have relied on opinions of respective counsel (collectively, the “School Counsel”) to the various charter school borrowers receiving a loan of, or having received a loan that is being reimbursed from, the proceeds of the Bonds (the “School Borrowers”) regarding, among other matters, the current qualification of each School Borrower as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986 (the “Code”). We note that each such opinion is subject to a number of qualifications and limitations. We have also relied upon representations of the School Borrowers regarding the use of the facilities financed or refinanced with the proceeds of the Bonds in activities that are not considered unrelated trade or business activities of the School

Borrowers within the meaning of Section 513 of the Code. We note that the opinions of School Counsel do not address Section 513 of the Code. Failure of any School Borrower to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or use of the bond-financed or refinanced facilities in activities that are considered unrelated trade or business activities of such School Borrower within the meaning of Section 513 of the Code, may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Bonds.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second and third paragraphs hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture, the Loan Agreement and the Tax Agreement, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. In addition, we have assumed that actions of the School Borrowers and other persons will not cause any of the Bonds to exceed the \$150,000,000 limitation on qualified 501(c)(3) bonds that do not finance hospital facilities set forth in Section 145(b) of the Code. We call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Loan Agreement and the Tax Agreement and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against governmental entities such as the Issuer in the State of Arizona. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or to have the effect of a penalty), right of set-off, arbitration, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the Loan Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion or view with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding special limited obligations of the Issuer.
2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Revenues and the other assets pledged therefor under the Indenture, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
3. The Loan Agreement has been duly executed and delivered by, and constitutes a valid and binding agreement of, the Issuer.
4. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of Arizona income tax. Interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. We observe that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

Owners of book entry interests in the Bonds will not receive or have the right to receive physical delivery of the Bonds and will not be or be considered to be, and will not have any rights as, registered owners (“Holders”) of Bonds under the Master Indenture and the Bond Indenture.

The following information on the Book Entry Only System applicable to the Bonds has been supplied by The Depository Trust Company, New York, New York, and none of the Conduit Issuer, Revolving Fund, the Revolving Fund’s Financial Advisor, the Underwriters, Bond Counsel, or Underwriters’ Counsel makes any representations, warranties or guarantees with respect to its accuracy or completeness.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Bond certificate for each maturity will be issued in the aggregate principal amount of the Bonds and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3,500,000 issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has S&P’s rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each book entry interest owner is in turn to be recorded on the Direct and Indirect Participants’ records. Book entry interest owners will not receive written confirmation from DTC of their purchase. Book entry interest owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the book entry interest owner entered into the transaction. Transfers of book entry interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of book entry interest owners. Book entry interest owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the

name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual book entry interest owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the book entry interest owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to book entry interest owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Book entry interest owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds. For example, book entry interest owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to book entry interest owners. In the alternative, book entry interest owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a single maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Conduit Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the respective Conduit Issuer or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to book entry interest owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name, and will be the responsibility of such Participant and not of DTC (nor its nominee) or the respective Conduit Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the respective Conduit Issuer, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the book entry interest owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the respective Conduit Issuer or the Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be prepared and delivered.

The Conduit Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository) only if DTC determines not to continue to act as securities depository for the Bonds. In that event, Bond certificates will be prepared and delivered to DTC. See Revision of Book-Entry System; Replacement Bonds.

The information above in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Conduit Issuer believes to be reliable, including DTC, but the Conduit Issuer takes no responsibility for its accuracy.

Disclaimer by the Conduit Issuer, Trustee, Financial Advisor and Underwriters

Neither the Conduit Issuer or the Trustee has any responsibility or liability for any aspect of the records relating to, or payments made on account of book entry interest ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The Conduit Issuer, the Trustee, the Revolving Fund's Financial Advisor and the Underwriters cannot and do not give any assurances that DTC, DTC Participants or others will distribute to the book entry interest owners (i) payments of bond service charges on the Bonds paid or (ii) redemption or other notices sent to DTC as the Holder or that they will do so on a timely basis, or that DTC or DTC Participants will serve and act in the manner described in this Official Statement. The Conduit Issuer has been advised by DTC that the current "Rules" applicable to DTC and its Participants are on file with the Securities and Exchange Commission and that the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

Revision of Book Entry Only Transfer System; Replacement Bonds

The Bond Indenture authorizing the issuance of the Bonds will provide for issuance of fully registered replacement Bonds ("Replacement Bonds") directly to persons other than DTC or its nominee only in the event that DTC determines not to continue to act as securities depository for the Bonds or, to the extent permitted by law the respective Conduit Issuer determines that continuation of the book entry only system with DTC is not in the best interests of the respective Conduit Issuer or the best interests of the book entry interest owners.

Upon a discontinuance of the book entry only system with DTC, the respective Conduit Issuer may in its discretion attempt to have established a securities depository/book entry only relationship with another qualified securities depository. If the respective Conduit Issuer is unable to do so, or desires not to do so, and after the Trustee has made provisions for notification of the book entry interest owners of the Bonds by appropriate notice to DTC, the respective Conduit Issuer and the Trustee shall authenticate and deliver Replacement Bonds of the same series in the denomination of any integral multiple of \$5,000 to or at the direction of, and, if the event is not the result of a Conduit Issuer action or inaction, at the expense (including printing costs), of DTC's assigns.

Principal of, premium, if any, and interest on Replacement Bonds will be payable when due without deduction for the services of the Trustee. Principal of any Replacement Bonds will be payable to the registered owner thereof upon presentation and surrender thereof at the principal corporate trust office of the Trustee. Interest thereon will be payable by the Trustee by check, draft or wire transfer, mailed to the registered owner of record on the registration books maintained by the Trustee (the "Register") as of the 15th day of the calendar month preceding the Interest Payment Date.

Replacement Bonds will be exchangeable for Replacement Bonds of authorized denominations and of the same series, and transferable, at the designated office of the Registrar, without charge (except taxes or other governmental fees). Exchange or transfer of then redeemable Replacement Bonds is not required to be made (i) between the 15th day preceding the mailing of notice of Replacement Bonds to be redeemed and the date of that mailing, (ii) during the period from the day following the Regular Record Date through the day preceding the ensuing Interest Payment Date, or (iii) of a particular Replacement Bond selected for redemption (in whole or in part) until redemption.

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APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”) is made and entered into on December 19, 2023, between the Equitable School Revolving Fund, LLC (the “Borrower”), a Delaware limited liability company, and U.S. Bank Trust Company, National Association, a national banking association, as Trustee (the “Trustee”), under the following circumstances.

WHEREAS, the Arizona Industrial Development Authority (the “Conduit Issuer”) has issued its \$280,000,000 Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2023A – Social Bonds (the “Series 2023A Bonds”) pursuant to the Bond Indenture, dated as of December 1, 2023 (the “Bond Indenture”) as supplemented and amended from time to time, among the Conduit Issuer, the Trustee, and U.S. Bank National Association, as securities intermediary; and

WHEREAS, the Bonds have been offered and sold pursuant to an Official Statement dated December 6, 2023 (the “Official Statement”), and the Borrower has entered into a Bond Purchase Agreement with respect to the Series 2023A Bonds, dated December 6, 2023 with Siebert Williams Shank & Co., LLC (the “Representative”) as representative of the underwriters listed on the cover of the Official Statement (collectively, the “Underwriters”); and

WHEREAS, the Borrower wishes to provide for the disclosure of certain information concerning the Bonds, the Borrower and other matters on an on-going basis as set forth herein for the benefit of the holders of the Bonds (the “Bondholders”) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12 (the “Rule”).

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and in the Bond Indenture, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the parties hereto agree as follows:

Section 1. Definitions. All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Official Statement. The following capitalized terms shall have the following meanings:

“Annual Financial Information” with respect to any person or entity shall mean the annual financial statements of such person or entity, which information shall include a balance sheet, a statement of revenues and expenses and a statement of changes in fund balances, accompanied by the report of the independent certified public accountants, if any, who audited such financial statements. All such financial information shall be prepared using generally accepted accounting principles as applied to governmental entities, provided, however, that upon any change in the accounting principles used for preparation of such financial information, the Borrower shall include as information provided pursuant to this Agreement a statement that states (i) that different accounting principles are being used, (ii) the reason for such change and (iii) how to compare the financial information provided by the differing financial accounting principles.

“Annual Report” shall mean the Annual Report described in and provided pursuant to Section 3 hereof.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB for use in the collection and dissemination of information, which system the SEC has stated to be consistent with its Rule 15c2-12. Currently, the following is the website address for EMMA: emma.msrb.org.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (g) Modifications to rights of holders of the Bonds, if material;
- (h) (1) Calls for redemption of the Bonds, if material, other than calls pursuant to the mandatory sinking fund provisions of the Bonds, if any, and (2) tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the Borrower;
- (m) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (n) Incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affect holders of the Bonds, if material; and
- (o) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, any of which reflect financial difficulties.

“MSRB” shall mean the Municipal Securities Rulemaking Board, located at:

1150 18th Street, NW, Suite 400
Washington, D.C. 20036-3816
Phone: (202) 223-9347
Fax: (202) 872-0347
Internet: www.msrb.org

“Operating Data” shall mean an annual update of the data regarding the Loan Program and the Charter School Borrowers of the type contained in the Official Statement in APPENDIX A in the table entitled “PORTFOLIO TABLE BY ORIGINATION DATE” (except for the information found under the column entitled “Obligor Description”).

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Tax-exempt” shall mean that interest on the Bonds is excluded from gross income for purposes of federal income tax purposes, whether or not such item is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

Section 2. General Provisions. This Agreement is being executed and delivered by the Borrower for the benefit of the holders of the Bonds and in order to assist the Underwriters in complying with the Rule. Nothing herein shall limit the duties or obligations of the Trustee under the Bond Indenture. In its actions under this Agreement, the Trustee shall be entitled to the same protection in so acting under this Agreement as it has in acting as Trustee under the Bond Indenture.

Section 3. Provision of Annual Reports.

(a) The Borrower shall, not later than June 30 of each year, commencing June 30, 2024, provide an Annual Report consistent with the requirements of Section 4 of this Agreement to the MSRB through the EMMA system the fiscal year of the Borrower which ended on the previous December 31. The Annual Report may be submitted as a single document or as separate documents constituting a package, and may reference other information as provided in Section 4 of this Agreement.

(b) If the Borrower fails to provide an Annual Report by the date set forth in subsection (a) of this Section 3, the Borrower shall send a notice in a timely manner to the MSRB of such failure, which notice shall include a statement as to the date by which the Borrower anticipates that the Annual Report will be provided.

Section 4. Content of the Annual Report. The Annual Report shall contain or incorporate by reference the following:

(a) The Annual Financial Information of the Borrower (for purposes of this Section, Annual Financial Information of the Borrower shall mean audited financial statements of the Borrower, prepared on a combined basis and for the several funds of the Borrower);

(b) The Operating Data; and

(c) The Annual Financial Information with respect to any Charter School Borrower for which the sum of the outstanding aggregate principal amount owed under a Loan Agreement or Agreements to which it is a party, whether now existing or hereafter entered into, for the immediately preceding calendar year equaled or exceeded twenty percent (20%) of the outstanding aggregate principal amount owed under all Loan Agreements in such year.

All or any of the items listed above may be included by specific reference from other documents which have previously been provided to the MSRB through its EMMA system or to the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB.

Section 5. Reporting of Listed Events. The Borrower shall provide in a timely manner to each Repository notice of any of the Listed Events; provided that for the Listed Events described in paragraphs (b), (f, as applicable), (g, as applicable), (h, as applicable), (j), (m), (n) and (o) of such definition, the Borrower acknowledges that it must make a determination whether such Listed Event is material under applicable federal securities laws in order to determine whether a filing is required.

Section 6. Means of Reporting Information. Information provided by the Borrower shall be transmitted to the MSRB through its EMMA system as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Borrower's obligations under this Agreement shall terminate at such time as all Bonds are paid and discharged or deemed paid and discharged for purposes of the Bond Indenture.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Borrower may amend this Agreement, and any provision of this Agreement may be revised if the Borrower and the Trustee has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule. Any such amendment shall be described by the Borrower in the Annual Report next following the effective date of such amendment.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of occurrence of events, in addition to that which is required by this Agreement. If the Borrower chooses to include any information in any Annual Report or provide notice of occurrence of events which are not Listed Events in addition to that which is specifically required by this Agreement, the Borrower shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default; Remedies. Failure of the Borrower to perform any of its undertakings contained in this Agreement shall not constitute an event of default with respect to the Bonds. The right of the holders to enforce the provisions of this Agreement shall be limited to an action in mandamus and no money damages shall be recoverable under any circumstances.

Section 11. Beneficiaries. This Agreement shall inure solely to the benefit of the Borrower, the Trustee, the Underwriters and the holders and beneficial owners of the Bonds, and shall create no rights in any other person or entity.

Section 12. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Series 2023A Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Agreement shall be interpreted and construed in a manner consistent therewith;

Section 13. Severability; Counterparts. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and affect. This agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have set their hands to this Continuing Disclosure Agreement, all as of the date first above written.

EQUITABLE SCHOOL REVOLVING FUND, LLC,
a Delaware limited liability company

By: _____
Name: Anand Kesavan
Title: Chief Executive Officer

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Trustee

By _____
Trust Officer

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APPENDIX G

KESTREL VERIFIERS' SECOND PARTY OPINION

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Second Party Opinion

Issuer:	Equitable School Revolving Fund
Issue Description:	Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds Series 2023A (Social Bonds)
Project:	Equitable School Revolving Fund
Social Standard:	ICMA 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, Hispanic/Latino, or of mixed races
Keywords:	High-performing, nonprofit charter schools; K-12 education; low-income communities; underserved students; affordable financing and loan originations
Par:	\$280,000,000
Evaluation Date:	November 20, 2023

SOCIAL BONDS DESIGNATION

Kestrel, an Approved Verifier accredited by the Climate Bonds Initiative, conducted an independent external review of the Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds Series 2023A (Social Bonds) (“Bonds”) to evaluate conformance with the Social Bond Principles (June 2023) established by the International Capital Market Association. Our team for this engagement included analysts with backgrounds in social science and environmental science.

This Second Party Opinion reflects our review of the uses and allocation of proceeds, oversight, and conformance of the Bonds with the Social Bond Principles. In our opinion, the Bonds are impactful, conform with the four core components of the Social Bond Principles, and qualify for Social Bonds designation.

ABOUT THE ISSUER

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 mission of the Fund 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 (“ESRF”), a Delaware limited liability company, to hold school loans in a trust and borrow tax-exempt financing.

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 charter schools. EFF originates direct loans that typically result in significant savings in debt service, origination and closing costs for schools. 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, traditional 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 also 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 has served as an external reviewer for four of ESRF’s previous bond issuances:

- In 2019, a \$111.725 million bond issuance secured a first cohort of loans for 41 schools serving approximately 21,000 students across 7 states;
- In 2020, a \$170.825 million bond issuance secured a second cohort of loans for 24 schools serving approximately 33,000 students across 12 states;
- In 2021, a \$217.815 million bond issuance secured a third cohort of loans for 32 schools serving approximately 56,000 students across 17 states;
- And in 2022, a \$219.410 million bond issuance secured a fourth cohort of loans for 41 schools serving approximately 63,000 students across 17 states.

As of October 2023, ESRF has funded approximately \$1.1 billion in loans. The unique expertise of the EFF team in both education and finance helps to ensure that EFF invests in, and provides ongoing support to, schools that produce a long-term positive impact in low-income communities.

ALIGNMENT TO SOCIAL STANDARDS¹

Use of Proceeds

Equitable School Revolving Fund intends to issue the 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 (2023): *Access to Essential Services (Education)* and *Socioeconomic Advancement and Empowerment*.



¹ Social Bonds are any type of debt instrument where the proceeds will be exclusively applied to finance or refinance eligible Social Projects which are aligned with the four core components of ICMA Social Bond Principles.

Approximately 85,000 students are expected to benefit from 66 loans financed through these bonds and administered by EFF, as shown in Appendix A. The expected savings from these loans is approximately \$3.5 million per school compared to typical financing routes for charter schools. These savings represent financial resources that can be directed to meet the educational needs of underserved students and communities. Additional loans not yet identified may also be pledged to the Bonds.

Low-interest loans offered through ESRF improve access to essential services by supporting charter schools. EFF uses an established underwriting and approval process wherein Borrowers are selected based on rigorous screening criteria. The screening criteria prioritize underserved students and ensure the loans have positive social impacts, which include:

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 districts², and approximately 70% 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. For example, 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 A 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.³ Moreover, most ESRF borrower schools are in districts where a disproportionately high number of individuals have not completed high school. Between 2017 and 2021, 11.1% of the US population older than age 25 had not completed high school.⁴ In many school districts where ESRF borrower schools are located, this number can be double or even quadruple the national average.⁵

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

² Based on pre-pandemic data (school year 2018-19)

³ National Center for Education Statistics, accessed October 1, 2023, <https://nces.ed.gov/>.

⁴ United States Census Quick Facts, accessed October 1, 2023, <https://www.census.gov/quickfacts/fact/table/US/PST045222>.

⁵ National Center for Education Statistics, accessed October 1, 2023, <https://nces.ed.gov/>.

Hispanic/Latino. After a school receives financing, EFF fosters the “cohort experience” for schools in the network and encourages inter-charter communication. Additionally, EFF offers academic covenant support and remedy for schools that fall behind in academic performance, as well as financial training and mentorship to schools at-risk of future loan defaults. Moreover, the team prioritizes making loans that support charter schools with leaders who identify as persons of color: EFF has committed to lend at least \$500 million to schools run by leaders of color by 2026, and to date, has disbursed over \$270 million towards this goal.⁶

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 Hispanic/Latino neighborhoods can improve access to quality education for Black, African American, and Hispanic/Latino 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 determinants of student achievement gaps in the United States.⁷ 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.⁸

Nonprofit charter schools that serve low-income, Black, African American, and Hispanic/Latino neighborhoods have the 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 schools. 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.

⁶ “Equitable Facilities Fund Commits \$500 Million to Public Charter Schools Led by People of Color,” Cision PR Newswire, December 9, 2021, https://www.prnewswire.com/news-releases/equitable-facilities-fund-commits-500-million-to-public-charter-schools-led-by-people-of-color-301441331.html?tc=eml_cleartime.

⁷ Sean Reardon, “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>.

⁸ 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. Cory Koedel, “Explaining Black-White Differences in College Outcomes at Missouri Public Universities,” Federal Reserve Bank of St. Louis Review, First Quarter 2017, <https://files.stlouisfed.org/files/htdocs/publications/review/2017-02-15/explaining-black-white-differences-in-college-outcomes-at-missouri-public-universities.pdf>.

Kestrel 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 Hispanic/Latino youth. It is our view that ESRF, in financing loans for high-performing charter schools, which are free public alternatives to traditional public 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 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, Hispanic/Latino, or of mixed races. A vast majority of students served through ESRF's bond-financed loans can be classified as economically disadvantaged: approximately 70% of students served through ESRF loans qualify for free and reduced-price lunches. Moreover, approximately 86% of students served through ESRF loans identify as students of color. While some may point to the isolation of students of color in charter schools receiving loans, Kestrel 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.⁹

Alignment with the Just Transition

The Bonds finance activities which align with the *just transition*, characterized by the equitable inclusion and accommodation of all individuals, with a special focus on disadvantaged groups who are affected by the structural changes necessary to transition to a low-carbon economy. Projects that support the just transition are planned in a way that incorporates understanding of physical, transition and/or societal risks.

The ESRF loans financed by the Bonds align with the just transition by supporting high-performing charter schools that serve low-income communities and students of color. The just transition in the US education sector cannot occur without equitable access to high-quality education for all K-12 students, including those from disenfranchised communities. The COVID-19 pandemic illuminated disparities in the accessibility and delivery of education: schools in low-income communities are taking longer to recover and economically vulnerable students have sustained greater losses in learning outcomes than their more affluent classmates.¹⁰ Access to capital can help schools be more prepared to adapt not only to public health crises like the pandemic, but also other types of crises—such as climate change, natural disasters and economic depressions. Moreover, access to funding can help schools and the communities they serve ameliorate racial achievement gaps and structural inequalities.¹¹ The Bonds, in providing low-interest loans for charter schools, expand access to education and support the development of a resilient and more equitable US education network.

⁹ "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.

¹⁰ "Pandemic Learning: Teachers Reported Many Obstacles for High-Poverty Students and English Learners As Well As Some Mitigating Strategies," United States Government Accountability Office Report to Congressional Committees, May 2022, <https://www.gao.gov/assets/gao-22-105815.pdf>.

¹¹ "\$23 Billion," edbuild, February 2019, <https://edbuild.org/content/23-billion/full-report.pdf>.

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 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 charter schools vetted through the underwriting process. EFF is the direct lender in all transactions and funding activities. A portion of proceeds will also finance related costs of issuance. Bond proceeds will be held in separately managed subaccounts. EFF may temporarily invest proceeds in 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 may voluntarily provide an update report on the Bonds within 12-24 months of issuance. This report would include confirmation of continued alignment with the Social Bond Principles and relevant updates, including allocation of proceeds, updates on loan-financed projects and social impact metrics. This report would be posted on EFF's website (eqfund.org) and/or to the Electronic Municipal Market Access ("EMMA") system. An example report template is provided in Appendix B.

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.

In addition to annual reports, ESRF completes voluntary filings 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.

ESRF will submit continuing disclosures to the Municipal Securities Rulemaking Board (“MSRB”) through the conduit issuers for as long as the Bonds are outstanding.

ALIGNMENT WITH UN SDGs

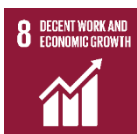


The Bonds support and advance the vision of the United Nations Sustainable Development Goals (“UN SDGs”), including:



Quality Education (Targets 4.1, 4.5, 4.6)

Increased funding for nonprofit charter schools



Decent Work and Economic Growth (Targets 8.3, 8.6, 8.10)

Improved education facilities



Reduced Inequalities (Target 10.3)

Educational equity for vulnerable youth in underserved areas



Partnerships for the Goals (Targets 17.16, 17.17)

Financial resources and strategic partnerships that empower both charter schools and the entire US public education system to better serve students

Full text of the Targets for Goals 4, 8, 10, and 17 is available in Appendix C, with additional information available on the United Nations website: un.org/sustainabledevelopment

CONCLUSION

Based on our independent external review, the Bonds conform, in all material respects, with the Social Bond Principles (2023) 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 Sustainability Intelligence™ for municipal markets helps set the market standard for sustainable finance. We do this through verification and our comprehensive Analysis and Scores.

Kestrel is a leading provider of external reviews for green, social and sustainability bond transactions. We are qualified to evaluate corporate and municipal bonds in all asset classes worldwide for conformance with international green and social bond standards.

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Disclaimer

This Opinion aims to explain how and why the discussed financing meets the ICMA Social Bond Principles based on the information that was provided by ESRF or made publicly available by ESRF and relied upon by Kestrel only during the time of this engagement (September – November 2023), and only for purposes of providing this Opinion.

We have relied on information obtained from sources believed to be reliable, and assumed the information to be accurate and complete. However, Kestrel can make no warranty, express or implied, nor can we guarantee the accuracy, comprehensive nature, merchantability, or fitness for a particular purpose of the information we were provided or obtained.

By providing this Opinion, Kestrel is neither addressing nor certifying the credit risk, liquidity risk, market value risk or price volatility of the projects financed by the Social Bonds. It was beyond Kestrel's scope of work to review for regulatory compliance, and no surveys or site visits were conducted by us. Furthermore, we are not responsible for surveillance, monitoring, or implementation of the project, or use of proceeds.

The Opinion delivered by Kestrel is for informational purposes only, is current as of the date of issuance, and 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 ESRF, nor its ability to pay principal and interest when due. This Opinion does not address the suitability of a Bond as an investment, and contains no offer, solicitation, endorsement of the Bonds nor any recommendation to buy, sell or hold the Bonds. Kestrel accepts no liability for direct, indirect, special, punitive, consequential or any other damages (including lost profits), for any 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. Kestrel reserves the right to revoke or withdraw this Opinion at any time. Kestrel certifies that there is no affiliation, involvement, financial or non-financial interest in ESRF or the projects discussed. We are 100% independent. 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.

ESRF LOANS

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).

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
1	The Soulsville Charter School	Memphis, TN	\$10,330,105.94	628	100%	106% / 99%	Refinance of SunTrust Bank loan originally issued to finance acquisition, construction, and equipping of school facilities for use by the borrower	10/12/2018
2	Village Tech Academy	Duncanville, TX	\$8,385,000.00	1,299	45%	107% / 104%	Finance construction of the second phase of its permanent campus	1/1/2020
3	Arizona School for the Arts	Phoenix, AZ	\$10,620,000.00	815	29%	209% / 148% ¹³	Advance refunding of Series 2008 bonds that financed acquisition, expansion, and renovations of ASA's campus	2/12/2019
4	Choices in Learning Academy	Winter Springs, FL	\$9,199,407.41	682	21%	150% / 153%	Advance refunding of Series 2010A Bonds used for acquisition and construction of the school's PK-5 facility	2/25/2019

¹² School data based on School Year 2022-23; Academic data based on School Year 2020-21 based on highest grade tested or SAT/ACT, unless otherwise noted

¹³ Comparison is to state of Arizona rather than host district

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
5	KIPP Northern California Public Schools (formerly KIPP Bay Area)	Northern California	\$16,000,000.00	1,298	83%	122% / 131% ¹⁴	Refinance two school projects and reimburse network for equity contribution	3/14/2019
6	Arlington Classics Academy	Arlington, TX	\$15,635,234.39	1,515	20%	165% / 204%	Advance refunding Series 2010 Bonds which were used to finance construction of one facility and refinance previously issued debt	3/21/2019
7	Blackstone Valley Preparatory Academy	Providence, RI Region	\$16,000,000.00	2,203	67%	201% / 197% ¹⁴	Acquisition of a high school facility	4/26/2019
8	Rocketship United Academy	Nashville, TN	\$7,282,964.14	494	42%	72% / 54%	Acquisition of PreK-4 facility	5/31/2019
9	KIPP Nashville	Nashville, TN	\$10,500,000.00	3,145	74%	89% / 90%	Refinance existing debt and finance renovations to K-8 campus	8/1/2019
10	James Irwin Charter Schools	Colorado Springs, CO	\$24,580,312.72	2,063	34%	120% / 172% ¹⁴	Refinance bank notes that were used to acquire, construct, and expand multiple facilities	8/30/2019

¹⁴ Information from School Year 2018-2019 due to insufficient test data, e.g., suspended or unreported testing due to COVID for SY19-20 and SY20-21

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
11	Itineris Early College High School	West Jordan, UT	\$7,965,982.00	329	22%	163% / 207%	Current refunding of Series 2013 bonds used for acquisition of land and construction of the school's grade 10-12 facility	10/17/2019
12	Alliance for College-Ready Public Schools	Los Angeles, CA	\$26,916,708.58	8,385	92%	120% / 144% ¹⁴	Advance refunding of Series 2011 Bonds that financed two school campuses and refinancing of a Mew Markets Tax Credit transaction that financed one campus	12/5/2019
13	Caliber: ChangeMakers Academy	Vallejo, CA	\$14,219,046.00	922	69%	146% / 193% ¹⁴	Acquisition of TK-8 facility and tenant improvements	2/28/2020
14	TEAM: KIPP NJ	Newark, NJ	\$21,500,000.00	6,043	86%	114% / 153% ¹⁴	Finance acquisition and renovation of a school facility that will house SEEK Academy	Fall of 2020
15	Renaissance Arts Academy	Los Angeles, CA	\$16,121,412.40	459	65%	159% / 229%	Facility acquisition	3/31/2020
16	Not Your Ordinary School (NYOS)	Austin, TX	\$25,295,892.03	1,619	34%	151% / 113%	Finance construction of a new campus	6/28/2021
17	Scuola Vita Nuova	Kansas City, MO	\$8,885,902.93	407	78%	168% / 360%	Refinance existing debt and fund construction of a new facility	1/1/2021
18	KIPP Nashville	2nd Loan for Obligor	\$16,991,883.00	2nd Loan for Obligor - See Loan #9 for Obligor Information			New Construction of Antioch MS and refinance existing loan used to finance Antioch ES	Fall of 2021

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
19	Arizona School for the Arts	2nd Loan for Obligor	\$8,536,764.00	2nd Loan for Obligor- See Loan #3 for Obligor Information			Advance refunding of Series 2011 bonds that were used to expand and renovate ASA's Campus	6/29/2020
20	Brookside Charter School	Kansas City, MO	\$5,655,705.00	729	100%	55% / 100%	Refinanced New Market Tax Credit transaction that was originally used to acquire and improve the existing facility	6/30/2020
21	Sarasota School for the Arts	Sarasota, FL	\$8,935,316.00	742	42%	116% / 108%	Current refunding of Series 2010 Bonds	7/22/2020
22	Dayspring Academy	New Port Richey, FL	\$10,682,688.36	1,177	52%	152% / 207%	Construction of new high school facility and renovation of elementary facility	8/1/2021
23	Boys Prep (Public Prep)	Bronx, NY	\$7,029,431.00	697	83%	295% / 310% ¹⁵	Refinance building improvement loans related to the Boys Prep Bronx leased facility	7/31/2020
24	Alma del Mar	New Bedford, MA	\$21,000,000.00	1,038	65% ¹⁶	190% / 131%	Construction of a new K-8 facility	December 2021

¹⁵ Comparison is with New York City Department of Education Community School District #7

¹⁶ Free and Reduced Lunch Percentage as of SY21-22

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
25	IDEA Louisiana	Baton Rouge, LA	\$17,500,000.00	879	99%	77% / 63% ¹⁴	New money for acquisition of IDEA Innovation's current facility from New Schools for Baton Rouge	10/30/2020
26	KIPP Albany	Albany, NY	\$24,537,151.60	1,625	91%	153% / 676%	Refinance existing debt associated with four school facilities	12/4/2020
27	Equitas	Los Angeles, CA	\$30,811,625.00	1,996	93%	148% / 204% ¹⁴	Acquire and renovate a new facility that will house two elementary schools (EQ 5 and EQ 6)	8/1/2022
28	Blackstone Valley Preparatory Academy	See Note	\$15,955,000.00	2nd Loan for Obligor - See Loan #7 for Obligor Information			Acquisition of an elementary facility, refinance a bridge loan for an addition for a leased middle school facility, and refinance a Charter School Growth Fund loan related to the first Elementary school acquisition	3/5/2021
29	Austin Achieve	Austin, TX	\$29,756,423.26	2,473	91%	95% / 47%	Advance Refunding of Series 2017 Bonds and Finance purchase and site work of a bus lot	3/5/2021; bus lot permitting in progress

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
30	Impact Public Schools	Seattle, WA	\$10,102,561.39	1,267	69%	217% / 281%	Refinancing of four outstanding loans: reimbursement and fund additional improvements to the I PSE property	2/1/2021
31	Great Oaks Legacy	Newark, NJ	\$14,897,472.30	2,025	78%	147% / 357% ¹⁴	New money for construction of a new middle school facility and refinancing of New Market Tax Credit transaction which financed construction of Great Oaks' High School	7/1/2022
32	KIPP Northern California Public Schools (formerly KIPP Bay Area)	See Note	\$11,733,266.00	2nd Loan for Obligor - See Loan #5 for Obligor Information			Finance acquisition of an existing school facility to be used as new Esperanza High School and construction of a new middle school facility	In progress, completion expected 2025
33	Paramount School of Excellence	Indianapolis, IN	\$11,521,110.91	1,309	73%	257% / 615%	Refinancing of 2015 Private Placement Bonds and Refinancing of 2020 Schola Fund Loan	6/24/2021

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
34	Memphis Rise Academy	Memphis, TN	\$9,680,868.34	755	78%	141% / 202%	Refinance debt that supported acquisition of a parcel of land, the construction of MRA's MS and HS facilities, and the installation of a traffic light adjacent to the campus	7/9/2021; traffic light completed 10/20/21
35	LISA Academy	Little Rock Region, AR	\$16,189,436.04	3,769	61%	140% / 263%	New money for acquisition of two LISA Academy's existing lease facilities from KLS Leasing, LLC	8/10/2021
36	Fortune School of Education	Sacramento Region, CA	\$6,764,111.47	268	79%	106% / 141% ¹⁴	Finance purchase of a leased Turner Facility housing two schools	10/14/2021
37	KIPP Jacksonville	Jacksonville, FL	\$18,166,982.71	2,433	100%	208% / 144% ¹⁷	Finance land acquisition of a new campus, renovations at an existing campus and FFE	7/1/2022
38	Palm Beach School for Autism	Palm Beach, FL	\$15,073,410.22	387	60% ¹⁶	145% / 171% ^{14,18}	Financed acquisition of Palm Beach Autism's formerly leased, two-building campus	11/5/2021

¹⁷ In cases where a school is located in a large district and there is a significant disparity between the district's median average income and the average income of the school's census tract, EFF compares school results to the average performance of comparable neighborhood schools rather than the district as a whole

¹⁸ Comparison is with students with disabilities

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
39	Western Academy	Royal Palm Beach, FL	\$14,245,003.75	575	30%	152% / 190%	Acquisition and renovations of a school facility	8/1/2022
40	Mission Achievement and Success (MAS)	Albuquerque, NM	\$30,700,119.16	2,105	100%	128% / 272%	Acquisition of existing school facility and construction of new K-8 building	8/1/2022
41	Tulsa Honor Academy	Tulsa, OK	\$10,602,566.33	1,148	92%	175% / 360%	Refinance outstanding Facilities Investment Fund loan used to complete Phase I renovation and finance the Phase II renovation for the Sheridan Campus	Summer 2022
42	Vista College Prep	Phoenix, AZ	\$19,879,786.58	1,312	85%	223% / 250%	Acquisition and renovations of school facility and refinancing of RAZA loan used to acquire middle school building in FY20	Summer 2022
43	Freedom Prep	Memphis, TN	\$18,979,986.28	2,165	81%	103% / 103%	Refinancing of existing debt on FPA's three owned campuses, finance acquisition and renovation of a campus FPA leases from Shelby County Schools, and finance improvements at an existing campus	7/1/2022

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
44	Environmental Charter Schools	Los Angeles, CA	\$27,782,756.77	928	92%	139% / 149%	Finance acquisition and renovations of a currently leased facility which houses Gardena HS and refinancing two loans, one for each middle school facility	8/1/2022
45	Achievement First Rhode Island	Providence and Cranston, RI	\$36,952,866.62	2,520	74%	160% / 188%	Finance purchase of and renovation of AFRI's first high school and purchase and construction of an addition to an elementary and middle school buildings	8/1/2023
46	KIPP Jacksonville	See Note	\$6,870,270.96	2nd Loan for Obligor - See Loan #37 for Obligor Information			Finance renovations for high school campus	7/1/2022
47	KIPP Northern California	See Note	\$32,226,266.30	3rd Loan for Obligor - See Loan #5 for Obligor Information			Finance rehabilitation of an existing day care facility, purchase 15 portables to be used as new K-8 campus and construction of a permanent elementary school facility	In progress, completion expected 2025
48	Freire Wilmington	Wilmington, DE	\$10,668,632.28	450	47%	81% / 72%	Acquire founding campus' leased facility and purchase adjacent building	Summer 2022

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
49	Compass Rose	San Antonio and Austin, TX	\$30,000,000.00	2,703	66%	177% / 86%	Refinance debt and fund Phase 2 construction project on flagship campus	Summer 2023
50	Partnerships to Uplift Communities Valley (PUC)	Los Angeles, CA	\$22,881,484.48	1,606	96%	88% / 69%	Refunding of all bonds in 2014 transaction which funded acquisition of the existing campus	Refunding
51	Valor Collegiate Academies	Nashville, TN	\$32,298,197.74	1,871	66%	287% / 419%	Refinance existing debt and make improvements to existing facilities	9/1/2022
52	e-STEM	Little Rock, AR	\$10,105,974.00	2,890	65%	146% / 142%	Refinance debt used to originate Downtown Elementary building, and finance acquisition of leased Junior High School space	Facility acquisition
53	Memphis School of Excellence	Memphis, TN	\$9,970,104.00	1,493	100%	118% / 146% ¹⁴	Refinance debt used to acquire Cordova and Winchester Campus, construction of central administrative office on Cordova campus	6/1/2022
54	Beatrice Mayes Institute	Houston, TX	\$16,792,883.82	520	67%	126% / 92%	Construct a new K-8 facility on parcel adjacent to current school	8/1/2023

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
55	Blackstone Valley Preparatory Academy	3rd Loan for Obligor - See Loan #7 for school information	\$12,760,000.00	3rd Loan for Obligor - See Loan #7 for school information			Acquire leased elementary and junior high school facilities, finance high school expansion	Summer 2023
56	Elevate Academy	Caldwell, ID	\$11,965,000.00	488	41%	See footnote ¹⁹	Acquire existing leased school building	Facility acquisition
57	Etoile Academy	Houston, TX	\$8,055,436.73	510	99% ¹⁶	105% / 112% ²⁰	Purchase former church property to be used as second campus	Phase 1 - Fall 2023. Phase 2 - Summer/Fall 2025
58	Great Oaks Legacy Charter School	2nd Loan for Obligor - See Loan #31 for school information	\$19,200,000.00	2nd Loan for Obligor - See Loan #31 for school information			Acquire currently leased elementary building and refinance debt associated with high school	Facility acquisition
59	Valor Public Schools	Austin, TX	\$24,800,000.00	753	24%	186% / 148%	Purchase and renovate former office building	Phase 1 - Summer 2023. Phase 2 - Fall 2024
60	Houston Classical Charter School	Houston, TX	\$3,944,850.19	198	85%	100% / 103% ²¹	Purchase currently leased facility from church and two adjacent church buildings	7/1/2023

¹⁹ Elevate is an alternative curriculum school with a career and technical focus. When reviewing SY21-22 academic results (first full year's worth of student assessment data), Elevate outperformed its national peer group of alternative schools in growth for Reading and Math across the majority of its grades

²⁰ Based on SY21-22 testing results

²¹ Results are based on 2nd Grade Spring 2022 MAP results (a nationally normed reference test)

Loan #	Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District ¹²	Expected Use of Proceeds	Project Completion
61	Amigos Por Vida	Houston, TX	\$21,600,000.00	575	99%	159% / 592%	Ground up construction to add additional classroom capacity at existing facility	7/1/2024
62	Friendship Aspire Academies	Little Rock, AR Region	\$18,808,000.00	531	99%	384% / 440%	Refinance two loans used to acquire and renovate two separate facilities	Refunding
63	Paul Robeson Charter School for the Humanities	Trenton, NJ	\$31,000,000.00	434	95%	229% / 300% ¹⁴	Ground up construction of a three-story K-8 building	7/1/2024
64	Heritage Community Charter School	Caldwell, ID	\$6,814,175.62	482	62%	74% / 99%	Refinance bond debt associated with current facility	Refunding
65	Odyssey Charter School	Wilmington, DE	\$41,415,015.75	2,123	29%	130% / 114%	Refinance bond debt and make improvements to multiple campus buildings	Summer 2024
66	Yu Ming	Oakland, CA	\$7,100,000.00	767	26%	194% / 273% ²²	Acquire new elementary school building and make building upgrades	7/1/2023

²² Comparison is with the state of California

Appendix B.

FORM OF SOCIAL BOND REPORTING

Sample Annual Update Report Template for the 2023 Bonds

Report Date: _____
 Bonds: _____
 Close Date: _____
 Total Par: _____

Bond Proceeds Spent to Date: _____

The Bonds were issued in December 2023 to finance low-cost, long-term, fixed-rate loans to high-performing charter schools that serve predominantly low-income communities. The Bonds are designated as Social Bonds and Kestrel provided a Second Party Opinion confirming conformance of the Bonds with the Social Bond Principles. The Second Party Opinion is available at (EMMA link).

Borrower	Location	Loan Amount	Students	% FRL / Low Income	ELA / Math Proficiency Relative to District	Use of Proceeds Description	Project Completion
Borrower name	City, State	Loan Amount	Students	(%)	ELA % / Math %	For example: "Refinancing loans which financed acquisition of ABC property."	Complete as of MM/YYYY.
Borrower name	City, State	Loan Amount	Students	(%)	ELA % / Math %	For example: "Financing construction of two new high school buildings to accommodate increased enrollment."	Construction in progress as of MM/YYYY. Expected completion MM/YYYY.

Appendix C.

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 2020, 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 discriminatory laws, policies, and practices and promoting appropriate legislation, policies and action in this regard

Target 17.16

Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries

Target 17.17

Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships



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