

**NOTICE OF VOLUNTARY FILING
FOR CONTINUING DISCLOSURE PURPOSES**

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 04052F, 13035A, 57563U, 012430,

Date: October 31, 2024

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 (“School Loans”), for the purpose of financing and refinancing the costs of the acquisition, construction, improvement, equipping, and furnishing of public charter school facilities.

Notice is hereby given that on October 15, 2024, the Program Administrator entered into a School Loan (the “ECS Loan”) with Menlo Charter Properties. On October 31, 2024, the ECS Loan was assigned to Equitable Revolving Fund LLC, a Delaware limited liability company (the “Revolving Fund”) as a capital contribution for inclusion in the ESRF Loan Pool under the Master Trust Indenture. Capitalized terms used but not defined herein have the meanings set forth in the Official Statement relating to the Arizona Industrial Development Authority Senior National Charter School Revolving Loan Fund Revenue Bonds, Series 2024A – Social Bonds and the California Infrastructure and Economic Development Bank, Series 2024B – Social Bonds, dated October 17, 2024.

Attached as Appendix A hereto is a summary of the ECS Loan, including a description of the obligor’s charter contract, management and governance, enrollment information, academic performance, financed project, and financial information. *None of the Revolving Fund, the Program Administrator, or their counsel has undertaken any responsibility for the accuracy or completeness of the information provided in Appendix A. Certain information may have changed since the ECS Loan closing date and may be subject to future changes.*

**Menlo Charter Properties
Environmental Charter Schools
Los Angeles, California**

\$4,798,822.37 EFF Financing / Closed: October 15, 2024 / Final Maturity: March 1, 2057

Obligor Overview

Founded and opened in 2001, Environmental Charter Schools (ECS), is a California nonprofit benefit corporation that operates four charter schools across four Los Angeles County campuses. As of FY24, the entire network served 1,538 students in grades 6-12 while the three-school obligated group¹ (OG) served 1,053 students.

ECS’s Mission: *“To reimagine public education in low-income communities of color to prepare conscious, critical thinkers who are equipped to graduate from college and create a more equitable and sustainable world.”*

The legal borrower will be Menlo Charter Properties (MCP), a California nonprofit benefit corporation that operates exclusively for charitable and educational purposes by conducting or supporting activities for ECS.

Charter Contract – OG Schools

| School | Opened | Authorizer | Charter Expiration Date | Previous Renewals |
|--------------|--------|--|-------------------------|-------------------|
| Gardena MS | 2010 | Los Angeles County Office of Education (LACOE) | June 30, 2027 | 2 |
| Inglewood MS | 2013 | Los Angeles County Office of Education (LACOE) | June 30, 2026 | 1 |
| Gardena HS | 2021 | Los Angeles County Office of Education (LACOE) | June 30, 2028 | 0 |

The OG schools operate under three charter agreements with LACOE. Gardena MS received its most recent renewal in June 2019, Inglewood MS received its most recent renewal in June 2018, and Gardena HS is still in its initial charter term.

Management & Governance

ECS is governed by a 11-member board of directors² with experience in education, leadership, real estate, law, operations, management consulting, executive coaching, and school management.

Senior leadership includes the superintendent, deputy superintendent, director of finance, director of growth and sustainability, director of special education and English language development, director of compliance and operations, director of human resources, director of strategic initiatives, and social work specialist.

Board members and minutes can be found on the [ECS website](#).

¹ Obligated Group Schools = Gardena MS, Inglewood MS, Gardena HS

² There are currently 11 ECS board members, one of which is a rotating board representative from ECHS-L's authorizer Lawndale Elementary School District.

Enrollment & Student Information

ECS’s grades 6-12 student count for the OG schools for the past five fiscal years is as follows:

ECS OG Schools
Historical Student Enrollment
FY21 - FY25

| <u>FY21</u> | <u>FY22</u> | <u>FY23</u> | <u>FY24</u> | <u>FY25*</u> |
|-------------|-------------|-------------|-------------|--------------|
| 704 | 814 | 928 | 1,053 | 1,177 |

*FY25 enrollment data is as of September 2024.

From FY21 to FY25, student retention for the OG schools averaged 92%; FY25 student retention averaged 87%. The OG schools waitlist as a percentage of enrollment between FY21 and FY25 averaged 19%; FY25 waitlist as a percentage of enrollment was 29%; The OG schools applications as a percentage of enrollment between FY21-FY25 averaged 70%; FY25 applications as a percentage of enrollment was 65%.

In FY24, the OG schools socioeconomically disadvantaged and English learner populations were approximately 88% and 14%, respectively, and 98% of students identify as students of color.

Academic Program & Results

ECS’s academic model includes five components – 1) interdisciplinary curriculum & authentic assessment; 2) collaboration with partners; 3) environmental & experiential learning; 4) relevant & engaging instruction; and 5) small learning communities. These components help connect academics to real-world tasks and integrate social-emotional learning, with an emphasis on critical thinking, problem solving, and social responsibility.

The OG schools FY23 academics were evaluated based on similar school analysis (“SSM”)³, gap busting⁴, and growth metrics⁵. The OG schools SSM scores in FY23 placed it in the 81st percentile in ELA and 83rd percentile in math. In gap busting, subgroups including socioeconomically disadvantaged, Hispanic/Latino, and Black students outperformed on ELA and math tests when compared to the state performance of similar subgroups. Finally, when looking at growth, the school was in the 42nd percentile in ELA and 69th percentile in math.

³ The Similar Schools Analysis compares a school’s or OG schools performance to other schools in the state serving similar demographics (% of low-income students) and similar grade bands.

⁴ Gap-Busting - is the school or OG schools conclusively demonstrating outsized performance in closing both internal and external achievement gaps.

⁵ Compares growth from FY19 and FY23 academic outcomes.

The Project

This is EFF's second loan to Menlo Park/ECS with proceeds to be used to 1) finance the acquisition of five buildings totaling ~13,579 square feet located on a 2.01-acre parcel of land which houses Inglewood MS and 2) pay cost of issuance associated with the transaction. The property to be acquired is owned by a third-party landlord; the landlord has a land lease with Menlo for a section of 10 classrooms built on the land by Menlo, who then subleases the facilities to Inglewood MS. The landlord currently also licenses the remaining land and facilities on the property directly to ECS.

Inglewood MS

3600 W Imperial Hwy, Inglewood, CA 90303



Financial Information

Certain historical financial information on the OG schools is listed below.

| Metric | FY21 | FY22 | FY23 |
|------------------------------|------------|------------|------------|
| Total Revenue (TR) | 11,153,247 | 16,364,412 | 20,272,491 |
| DS Coverage Ratio | 2.42 | 1.78 | 1.35 |
| Debt Burden (% of TR) | 8.5% | 8.6% | 9.0% |
| Days Cash on Hand | 103.8 | 64.8 | 104.0 |

S&P Rating: BB+

Website: <https://ecsonline.org/>

**Environmental Charter Schools
Security and Loan Covenants**

| | |
|-----------------------------|--|
| Security | <p>Secured by an Obligation issued pursuant to an existing Master Trust Indenture, including a pledge of gross revenues of the Landlords and mortgages on financed real property interests naming Master Trustee as mortgagee. The Lease with Tenant will be subject to Intercept. All payments subject to the Intercept shall only be transferred to Lender for Loan issued by the California School Finance Authority. Additionally, the Lease with Tenant will include provision that, so long as Loan remains outstanding: (i) the obligation of the Tenant to pay Support Office Management Fees relating to the School shall be subordinate to its payment of operating expenses of the School, including rent payments to Borrower under the Lease; (ii) the obligation of Tenant to pay Support Office Management Fees relating to the School shall be suspended for any such time as the payment of Support Office Management Fees would cause the Tenant to fail to meet any of the financial covenants contained in the Lease; and (iii) during any period of time when Support Office Management Fees remain unpaid, such fees shall accrue without interest. If the Tenant has not engaged a separate manager with respect to the School, the Tenant agrees that it shall not apply any Gross School Revenues to costs and expenses of management unless and until all Rent is fully paid and the Loan is not in default.</p> |
| Debt Service Coverage Ratio | 1.10x |
| Additional Debt | Subject to lender approval |
| Liquidity Covenant | 60 days cash on hand |
| Academic Covenant | <p>ECS covenants that it shall:</p> <ul style="list-style-type: none"> (i) each School will exceed the percentage of students proficient in math and ELA on the California State Assessment in their respective host district's State Assessment or (ii) each School will exceed the percentage of socio-economic disadvantaged students (i.e., SED Students) proficient in math and ELA on the California State Assessment in their respective host district or (iii) each School will exceed the percentage of Hispanic/Latinx students proficient in math and ELA on the California State Assessment. The California State Assessment is currently the California Assessment of Student Performance and Progress. |

Enrollment Covenant

Enrollment minimums based on fall testing date as follows for ECS:

| Fall Testing Date | Enrollment Requirement |
|------------------------|------------------------|
| 2024 (FY25) | 1,065 |
| 2025 (FY26) | 1,090 |
| 2026 (FY27) | 1,100 |
| 2027 (FY28) and beyond | 1,115 |