

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

CUSIP Prefix: 13035A, 04052F, 57563U, 021430A

Date: September 15, 2023

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 September 15, 2023, the Program Administrator entered into a School Loan (the “Friendship Aspire Academies Loan”) with House Facility Holdings. Upon closing, the Friendship Aspire Academies Loan was sold to Equitable Revolving Fund LLC, a Delaware limited liability company (the “Revolving Fund”) 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 National Charter School Revolving Loan Fund Revenue Bonds, Series 2022A and the California Infrastructure and Economic Development Bank National Charter School Revolving Loan Fund Revenue Bonds, Series 2022B, dated August 30, 2022.

Attached as Appendix A hereto is a summary of the Friendship Aspire Academies 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 Friendship Aspire Academies Loan closing date and may be subject to future changes.***

FRIENDSHIP ASPIRE ACADEMIES
Pine Bluff and Little Rock, Arkansas

\$18,808,000 EFF Financing / Closed: September 15, 2023 / Final Maturity: September 1, 2058

Obligor Overview

Friendship Aspire Arkansas, Inc. (“FAA”) is an Arkansas nonprofit charter school network founded and opened in 2018. FAA operates five schools, including Friendship Aspire Academy Hazel Street Elementary School (Hazel ES) and Friendship Aspire Academy Downtown Pine Bluff Elementary School (Downtown PB ES), which constitute the Obligated Group (OG).

As of FY23, the FAA network served 917 students in grades K-8 and grade 12. FAA plans to grow to 2,196 students in grades K-12 by FY28. The Obligated Group schools’ enrollment in FY23 was 531 students in grades K-4 and expects to grow to 904 students by FY27. Preliminary enrollment for the entire network for FY23-24 is 1,317 for grades K-9 and 688 for the Obligated Group which serves grades K-5.

FAA is operated and overseen, under a management agreement, by Friendship Education Foundation (FEF) which is based in Washington D.C. where it oversees a 16-school network - Friendship Public Charter Schools (FPCS).

In April of 2023, a multi-phased merger between FAA and a failing charter school network in Arkansas, Lighthouse PCS Arkansas (LHA), was approved by the Arkansas Department of Education, Division of Elementary and Secondary Education (DESE) which also serves as FAA’s charter authorizer. The takeover began July 1, 2023, and calls for a gradual transition of the 1,050 LHA students into the FAA schools.

FAA’s mission is *to provide a world-class education that motivates students to achieve high academic standards, enjoy learning and develop as ethical, literate, well-rounded, and self-sufficient citizens.* It pursues this mission by providing students with a high-quality, liberal arts education focused on preparing students with the academic and life skills needed to be successful in college and beyond.

The obligated group members are Hazell St Campus, LLC and Main St Campus, LLC, two standalone special purpose, non-profit entities, formed to hold the real estate and school buildings pledged to this transaction and the obligated group representative and legal borrower is House Facility Holdings, a nonprofit corporation and the sole member of Hazell St Campus, LLC and Main St Campus, LLC .

Charter Contract

As of June 13, 2022, FAA operates under one charter contract under DESE. Previously, FAA operated under three separate charter contracts until DESE approved the contracts to be merged. FAA’s new charter contract was authorized in January 2023 for a ten-period running through June 30, 2033.

Management & Governance

FEF and FAA have separate boards of directors.

FEF’s board is responsible for ensuring FEF is serving schools following the organization’s academic program delivery model. The three-member board brings experience in education, advocacy, research, and law.

FAA is governed by a three-person board of directors with experience in education, finance, economic development, construction, and real estate. FAA intends to expand to a five-person board by June 30, 2024.

FAA’s senior leadership includes the CEO, COO, director of development, director of finance and administration, and deputy superintendent. The CEO, COO, director of development, and director of finance and administration serve in these roles at both FEF and FAA via the management agreement.¹

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

Enrollment & Student Information

The OG Schools student count for the past four fiscal years is as follows:

**OG Schools
Historical Student Enrollment
FY20 – FY23**

School	Grades Served (Future)	FY20	FY21	FY22	FY23	FY24
Hazel ES	K-4	239	316	399	374	688
Downtown PB ES	K-1 (K-4)	NA	NA	NA	157	
Total	NA	239	316	399	531	688

Obligated Group enrollment totaled 531 students in grades K-4 in FY22-23 and with a preliminary figure of 608 for FY24. Management anticipates reaching full enrollment of 904 students in grades K-4 by FY27.

Between FY20 and FY22, student retention averaged 93%. The waitlist as a percentage of enrollment between FY21 and FY23 averaged 6% with FY23 at 9.4%. Leadership attributed the low waitlist to the network’s quick growth trajectory.

The free and reduced lunch and English learner populations are approximately 79% and 1%, respectively and 99% of students identify as students of color.

Academic Program & Results

FAA’s curriculum known as “Understanding by Design” uses three primary components; 1) a solid foundation of core academic subjects; 2) exposure-to-the-world to prepare students for extended learning and global citizenship, and eventually; and 3) college level coursework connected to career study (high school specific). Teachers ensure these components are met by backward mapping the six facets of understanding - explanation, interpretation, application, perspective, empathy, and self-knowledge. These components are achieved through clarifying learning goals, assessing student understanding, and crafting engaging learning activities.

Arkansas grades each of its schools on an “A-F” rating system, in FY22 Hazel ES received a letter grade of “C”. Downtown PB ES has not received a grade as its first year of operations was FY23 and state data has yet to be released. In FY22, the proficiency rate for ELA and math for the highest grade tested at the OG were 386.2% and 411.3%, respectively, as a percentage of the host district results. At the same time, the proficiency rates in ELA and math for the economically disadvantaged and Black/African American subgroups in the highest grade tested were at least 209.3% of the district for comparable subgroups.

¹Per the agreements, the fee for these services can be up to 12% of the budgeted annual revenue for the school. Per the agreement, the fee is to be paid monthly but the frequency or amount of the fee may be changed at FEF’s behest.

The Project

The loan proceeds will be used for: 1) the refinancing of a short-term loan used for the purchase and renovation of Hazel St ES; 2) the refinancing of short-term loans used for the acquisition and construction of Downtown PB ES; and 3) pay costs associated with this transaction.

Hazel St ES
3911 S. Hazel Street Pine Bluff

Downtown PB ES
700 S. Main Street Pine Bluff



Financial Information

Certain historical financial information for the OG Schools is listed below.

Historical Financial Information

Metric	FY20	FY21	FY22
Total Revenue (TR)	\$2,469,084	\$3,428,436	\$5,347,971
DS Coverage Ratio	0.77x	1.55x	2.01x
Debt Burden (% of TR)	8.0%	14.5%	8.4%
Days Cash on Hand	20.1	49.8	46.9

*Low liquidity and DS coverage at the OG Schools in FY20 was due to this being its second year of operations.

Ratings S&P: Expected end of September 2023

Website <https://friendshipaspire.org/>

**FAA
Security and Loan Covenants**

Security	Secured by an Obligation issued pursuant to a MTI establishing Borrower's Obligated Group, including a pledge of revenues of Obligated Group Members and mortgages on the Financed Schools naming Master Trustee as mortgagee. The Obligated Group Members will enter into a springing deposit account control agreement for the benefit of the Master Trustee. Financed Schools that are operated and managed by the same Tenant must agree to "extraordinary rent provisions" under the lease of any school added to the Obligated Group. The Tenant will also enter into a Continuing Covenant Agreement with the Lender.
Debt Service Coverage Ratio	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	The Tenant covenants and agrees to maintain a minimum in Consolidated Days Cash on Hand ('DCOH') in unrestricted cash balance based on the Tenants' annual audited financial statement of 45 in Fiscal Year 2024, and 60 in Fiscal Year 2025 and beyond. Failure to maintain such level would trigger a requirement for the Tenant, at their own expense, to engage an Independent Management Consultant which is acceptable to the Lender. A failure to meet the covenant for two consecutive Fiscal Years is considered an Event of Default.
Academic Covenant	<p>Commencing the 2023-24 academic year, Tenant covenants to achieve the following Academic and School Culture indicators for the next two academic years (2023-24 and 2024-25):</p> <p>Academic:</p> <ul style="list-style-type: none"> • Indicator 1: Successful implementation and execution of Benchmark Education curriculum and literacy intervention systems in K-5. • Indicator 2: Effective teacher training and ongoing observation/supervision leads to aligned and rigorous data-driven instruction for English Language Arts and Math (Eureka Math) components. <p>School Culture:</p> <ul style="list-style-type: none"> • Indicator 1: Students and staff feel connected, included, and supported to grow. • Indicator 2: Culture systems and structures set alongside SEL (Social-Emotional Learning) infusion into classrooms and a laser focus on shared goals for the classroom/school culture leading Pine Bluff Hazel Elementary and Pine Bluff Downtown Elementary (collectively "Pine Bluff") into a new cultural era ready to meet the social-emotional needs of students. <p>Additionally, Tenant covenants that by the end of the 2025-26 academic year and each year thereafter, all Financed Schools will receive an ESSA School Index Letter Grade of at least 'B'.</p> <p>Additionally, Tenant shall ensure that the student participation rate in state testing meets or exceeds the mandated 95% as required by the Secretary of Education.</p>

Enrollment Covenant	Escalating enrollment minimums based on fall testing date as follows:	
	Testing Date Fall	Enrollment Minimum
	2023	450
	2024	540
	2025	630
	2026	700
	2027 and thereafter	765
Governance Covenant	<p>Prior to June 30, 2024, the Tenant covenants to expand the Friendship Aspire Arkansas board of directors (the “Board”) to a minimum of five (5) members (“Board Member Requirement”).</p> <p>The Tenant also covenants to (1) establish written policies and procedures that clarify roles and lines of accountability of the Board and provide Lender a copy of written policies and procedures, (2) establish Board committees in efforts to move board work forward between meetings, (3) develop a formal dashboard for the Board to ensure the Board is reviewing the same performance metrics at every meeting, all of which will occur in consultation with an independent consultant reasonably acceptable to the Lender, and within 60 days of the Closing Date.</p> <p>Additionally, prior to March 31, 2024, the Tenant covenants to ensure the board has training that supplements the compliance training provided and mandated by the State of Arkansas, to cover various issues for successful expansion (i.e. balance between governance and management, measures of performance, community engagement, stakeholder engagement, strategic planning), in consultation with an independent consultant reasonably acceptable to the Lender.</p>	