

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

NATIONAL CHARTER SCHOOL REVOLVING LOAN FUND REVENUE BONDS

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

Date: May 29, 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 May 29, 2024, the Program Administrator directed Equitable Schools Revolving Fund LLC, a Delaware limited liability company (the “Revolving Fund”), under the Master Trust Indenture, to acquire the Build NYC Resource Corporation Tax-Exempt and Taxable Revenue Bonds (Zeta Charter Schools – New York City Project), Series 2024 (the “Zeta Charter School Loan”) in the aggregate principal amount of \$62,000,000 to provide financing for Zeta Charter Schools – New York City. 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 2023A – Social Bonds, dated December 19, 2023.

Attached as Appendix A hereto is a summary of the Zeta Charter School 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 Zeta Charter School Loan closing date and may be subject to future changes.***

APPENDIX A

Tremont Park Facility LLC
(Zeta Charter Schools -New York City and Zeta Charter Schools, Inc.)
New York
\$62,000,000 EFF Financing/Closed: May 29, 2024/Final Maturity: May 1, 2029

Obligor Overview

Zeta Charter Schools - New York City (“Zeta Schools”) is a New York State not-for-profit Education Corporation that operates six schools under four charters.

For the current School Year 23-24, the network serves approximately 2,740 total students in grades PK-6 across five campuses in Manhattan and the Bronx. Of these, approximately 2,379 are in grades K-6, with approximately 361 students enrolled in Pre-K. Zeta Schools is approved to expand up to approximately 3,965 K-6 charter students by FY27 and also has plans, assuming renewals of current charters, to grow to over 6,000 total students by the end of the decade. Eventually, the network would like to scale to approximately 8,800 students by FY37 with PreK-12 feeder patterns for each of the four charters.

Zeta Schools utilizes a whole child approach to education by offering diverse specialty programming in music, dance, martial arts, and social emotional learning.

Zeta Schools’ mission: “We are on a mission to ensure that every child in America has access to the highest-quality free education from pre-kindergarten through twelfth grade.

Zeta Schools is the transaction’s primary obligor. Zeta Charter Schools, Inc., the Zeta Schools’ charter management organization (“CMO”), will also be obligated to repay the debt. The financed facility, located at 4261-4263 Third Avenue in the East Tremont section of the Bronx, is expected to be the permanent home of Zeta Bronx Tremont Park’s Pre-K and 3rd to 5th grade students, serving approximately 630 students (“Tremont Park Upper”).

Zeta Charter Schools, Inc. is a not-for-profit entity incorporated in Delaware that serves as the Education Corporation’s charter management organization (“CMO”). Tremont Park Facility LLC is a New York limited liability company and a single-member special purpose entity of the CMO, formed to provide real estate support to Zeta Schools and will be the transaction’s legal borrower (the “Borrower”). Tremont Park Facility LLC will also act as the landlord to Zeta Schools, as tenant.

The transaction’s legal structure includes a first lien mortgage on the financed project and a first lien pledge of the rental income associated with the property via a custodial account that provides for an automatic payment of rent to the Borrower from a segregated custodial account. In addition, there is a general obligation pledge of the CMO.

Charter Contract

Zeta Schools operate under four distinct charters, all authorized by the State University of New York’s Charter Schools Institute.

CHARTER	Grades Currently Served	Charter Grades Approved	Current Charter Enrollment	Approved Charter Enrollment	Current Total Enrollment (includes PK)	Year School Opened	Charter Expiration Date	# of Charter Renewals	Length of Most Recent Charter Extension
Inwood	PreK-6	K-10	667	1340	762	2018	7/31/2028	1	5
South Bronx	PreK-6	K-10	771	1249	860	2018	7/31/2028	1	5
Mount Eden	PreK-3	K-4	461	658	565	2020	7/31/2025	0	NA
Tremont Park	PreK-3	K-4	<u>480</u>	<u>718</u>	<u>553</u>	2020	7/31/2025	0	NA
Total			2379	3965	2740				

In 2023, each of Zeta Schools’ two original charters, Inwood and South Bronx, was granted a full, five year renewal through July 31, 2028. Zeta Bronx Mount Eden and Zeta Bronx Tremont Park’s initial charter terms began in 2020-2021, and both charters will be up for renewal in 2025.

Management & Governance

Zeta Schools partners with the CMO, which provides Zeta Schools with business, academic, real estate, and management support. Zeta Schools is governed by a five-member Board of Trustees. The CMO is governed by a six-member Board of Directors. These two boards have no overlapping members.

The network was founded by Emily Kim, who has led Zeta Charter Schools for 7 years and previously served for 6 years as Success Academy Charter Schools’ Executive Vice President for Policy and Legal Affairs, and General Counsel. Zeta Schools’ senior administrative leadership team comprises personnel with credentialed and relevant experience in academics, operations, and financial administration—many of whom came from senior roles at other large charter school networks or consulting firms, law firms, and other private sector employers.

Enrollment & Student Information

Zeta Schools’ student count for the past three years is as follows:

**Zeta Schools
Historical Student Enrollment (includes PreK)
FY20 – FY24**

<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
872	1,495	2,062	2,740

For the current School Year 2023-24, Zeta Schools serves 2,379 charter students in grades K-6. In addition, Zeta Schools contracts with the New York City Department of Education to provide a universal pre-Kindergarten program that currently serves approximately 361 students. The education corporation’s waitlist currently represents 62% of enrollment. Approximately 87% of

students are eligible for free and reduced lunch and 98% identify as non-white in the same school year. Zeta Schools is approved to expand to 3,975 charter students by fall 2027 with total expected growth to approximately 6,000 by the end of the decade.

Academic Program & Results

Zeta Schools students have historically shown robust academic results with student proficiency rates that well exceed their respective community school districts (CSD), as well as overall New York City and New York State averages for all three state exam subjects (ELA, Math, and Science). For 2023, Zeta schools with testing grades outperformed their respective CSD by a weighted average of 217.1% for ELA and 235.1% for Math. For 2023, only Zeta’s two established schools had tested students.

Zeta Schools has developed a bespoke social emotional learning (SEL) curriculum to help students develop skills in five key areas: mindfulness, emotional awareness, relationship building, community, and integrity. For each key area, students engage in a series of activities and projects to build mastery over time. Teachers also lead students in a daily community circle during which students practice mindfulness meditation, self-reflection, and community building. Teachers receive support in delivering SEL instruction from school leadership and psychologists during the summer and throughout the year. All adults at Zeta Schools engage in weekly community circles to assist teachers in leading students authentically through the curriculum.

Zeta Schools’ key design elements are:

- Rigorous, Hands-on Academics
- Mind, Body, Soul Cultivation
- Innovation Culture
- WOW through Family Service

Zeta Schools believes that specialty activities are an important mechanism for students to come to know and challenge themselves and discover their passions. Their identity begins to form around their preferred specialty areas, and they grow in character and confidence. Some of the specialty activities available at Zeta Schools include music, chess, Taekwondo, dance, and sports.

The Project

Loan proceeds will be disbursed to 1) purchase land; 2) construct a new approximately 65,000 square foot facility in the East Tremont section of the Bronx; and 3) pay costs of issuance.

Each Zeta Schools student is eligible for New York City rental assistance. For the new East Tremont facility, virtually all of the annual lease payments associated with this facility are expected to be covered by Rental Assistance payments.



Financial Information

Certain historical financial information for Zeta Schools is listed below.

Combined Zeta Schools and CMO¹ Historical Financial Information

Metric	FY21	FY22	FY23
Net Total Revenue (TR)	\$28,929,045	\$43,376,196	\$58,866,259
DS Coverage Ratio	8.39x	4.80x	2.35x
Lease Adj. Debt Burden (% of TR) ²	6.2%	6.8%	9.3%
Days Cash on Hand	179.5	160.7	130.0

Rating: TBD

Website: zetaschools.org/

Security and Loan Covenants

Security and Loan Covenants	
Security	First lien leasehold mortgage on financed facility and first lien on gross revenues of Borrower.
Debt Service Coverage Covenant	1.10x
Additional Bonds Test	1.20x
Liquidity Covenant	Sixty (60) Days Cash on Hand
Academic Covenant	Zeta will (i) maintain a minimum weighted average for all students in the 70 th percentile using a Similar Schools Methodology in both ELA and Math; <i>or</i> maintain a weighted average proficiency rate for each school in both ELA and Math that is in the top quartile of each school's respective CSD; <i>and</i> (ii) maintain a weighted average proficiency rate for all students of color, in both ELA and Math, that meets or exceeds 110% of the State's weighted average for all students of color in each subject; <i>or</i> maintain a weighted average proficiency rate for all students, in both ELA and Math, that meets or exceeds 110% of the weighted average for all students in each respective CSD.
Enrollment Covenant	Escalating minimum requirement: 2,360 in FY25, 2,865 in FY26, 3,320 in FY27, 3,730 in FY28, and 4,115 in FY29 and thereafter.

¹ Net of ed corp payments to CMO

² Gross debt burden