

RESOLUTION OF THE BOARD OF DIRECTORS OF SOUTH TEXAS EDUCATIONAL TECHNOLOGIES, INC. D/B/A HORIZON MONTESSORI PUBLIC SCHOOLS AUTHORIZING A BORROWING FROM THE ARLINGTON HIGHER EDUCATION FINANCE CORPORATION TO FINANCE AND REFINANCE EDUCATIONAL FACILITIES; APPROVING THE ISSUANCE OF BONDS, DELEGATING AUTHORITY TO APPROVE THE TERMS OF THE BONDS AND TO TAKE ALL ACTIONS AND TO EXECUTE AND DELIVER ALL DOCUMENTS RELATED TO THE ISSUANCE, SALE AND DELIVERY OF THE BONDS

WHEREAS, South Texas Educational Technologies, Inc. d/b/a Horizon Montessori Public Schools (the “Company”) has previously financed the cost of educational facilities, including the McAllen Campus, the Weslaco Campus, the Harlingen Campus, and the Pearland Campus through the issuance of bonds and notes (collectively, the “Prior Obligations”); and

WHEREAS, the Board has determined that it is in the best interest of the Company enter into a borrowing to (i) refinance and/or redeem the outstanding Prior Obligations prior to maturity; (ii) finance and refinance the acquisition of land and the acquisition, construction, enlargement, extension, repair, renovation, or other improvement of certain “educational facilities” (as defined in Chapter 53, Texas Education Code (the Act’)) and facilities incidental, subordinate or related thereto or appropriate in connection therewith, as described in Exhibit A attached hereto, and (iii) pay the costs of such financing (collectively, the “Project”); and

WHEREAS, the Act, authorizes and empowers Arlington Higher Education Finance Corporation (the “Issuer”) to issue revenue bonds to finance or refinance the cost of an educational facilities, as defined in the Act; and

WHEREAS, the Company desires to request (the “Company Request”) that the Issuer issue one or more series of bonds in an amount not to exceed an aggregate amount of \$20,000,000 designated as the Issuer’s “Education Revenue and Refunding Bonds (Horizon Montessori Public Schools) Series 2021A” (the “Bonds”), or such other name or designation as may be set forth in the Bond Indenture approved herein, and loan the proceeds of the sale of the Bonds to the Company for the Project; and

WHEREAS, it is proposed that the Issuer enter into a Trust Indenture and Security Agreement (the “Bond Indenture”), with Regions Bank, as bond trustee (the “Bond Trustee”), pursuant to which the Bonds will be issued, and the proceeds of the Bonds will be loaned to the Company by the Issuer (the “Loan”) pursuant to a Loan Agreement (the “Loan Agreement”) between the Issuer and the Company; and

WHEREAS, it is proposed that the Company enters into a Master Trust Indenture and Security Agreement (the “Master Indenture”) with Regions Bank, as master trustee (the “Master Trustee”), pursuant to which the Company may issue obligations from time to time to evidence and secure indebtedness of the Company; and

WHEREAS, it is proposed that the Company and the Master Trustee enter into a supplemental Master Trust Indenture (the “Supplemental Master Indenture”) to the Master Indenture pursuant to which the Company will issue one or more promissory notes (collectively, the “Master Note”) to evidence its obligations under the Loan Agreement; and

WHEREAS, pursuant to the Master Note and the Loan Agreement, the Company will be obligated to make payments in the amounts and at the times required to pay all principal of and interest and premium, if any, on the Bonds, together with other payments with respect thereto; and

WHEREAS, it is proposed that the Company enter into that certain Deed of Trust and Security Agreement (with Assignment of Leases and Rents) (collectively, the “Deed of Trust”) from the Company in favor of a mortgage trustee for the benefit of the Master Trustee, as beneficiary, encumbering the real and personal property constituting the Project as additional security for the Company’s obligations under the Loan Agreement and the Master Indenture; and

WHEREAS, in order to provide for the sale of the Bonds, it is proposed that the Company enter into a bond purchase agreement (the “Purchase Contract”) with the Issuer and RBC Capital Markets, LLC (the “Underwriter”), and the Purchase Contract shall provide for the issuance and sale of the Bonds at such purchase price as an Authorized Representative (as defined herein) of the Company executing the Purchase Contract shall approve, as evidenced by the execution thereof; and

WHEREAS, in connection with the initial offering and sale of the Bonds, the Underwriter will use and distribute a Preliminary Official Statement (the “Preliminary Official Statement”), and the Company and the Issuer will approve and deliver a final Official Statement reflecting the final terms of the Bonds (the “Official Statement”); and

WHEREAS, in order to benefit from favorable market conditions, the Board now desires to delegate to each of the Vice Chair and Secretary of the Board (the “Authorized Representatives” and each an “Authorized Representative”) authority to (i) submit the Company Request to the Issuer, (ii) negotiate on behalf of the Company and commit the Company to terms and conditions of the issuance of the Bonds, subject to the conditions set forth herein, (iii) take all actions and approve, execute and/or deliver the Master Indenture, the Bond Indenture, the Loan Agreement, the Supplemental Master Indenture, the Master Note, the Deed of Trust, the Purchase Contract, the Preliminary Official Statement and Official Statement, and any and all agreements, instruments, certificates, filings and other documents (collectively, the “Transaction Documents”) in connection with the sale, issuance and delivery of the Bonds and the financing, refinancing, acquisition, construction of the Project or in order to effectuate the further purposes of this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH TEXAS EDUCATIONAL TECHNOLOGIES, INC. D/B/A HORIZON MONTESSORI PUBLIC SCHOOLS, as follows:

**Section 1.** Selection of Arlington Higher Education Finance Corporation as the Issuer and submission of the Company Request to the Issuer for the issuance of the Bonds is hereby authorized and approved.

**Section 2.** (a) The issuance of the Bonds is hereby authorized and approved and the Authorized Representatives are authorized to negotiate on behalf of the Company and commit the Company to terms and conditions of the issuance of the Bonds, provided that (i) the aggregate principal amount of the Bonds shall not exceed \$20,000,000; (ii) the true interest cost of the Bonds shall not exceed 6.50%; and (iii) the term of the Bonds shall not exceed 35 years. The Authorized Representatives are hereby authorized to act on behalf of the Company in selling and delivering the Bonds pursuant to the terms hereof through September 24, 2022.

(b) The final terms of the Bonds, including, without limitation, the dated date, the years in which the Bonds will mature, the aggregate principal amount of the Bonds, the principal amount to mature in each year of maturity, the rate of interest to be borne by each such maturity, any optional and mandatory redemption provisions, and the places of payment, shall be as provided in the Bond Indenture as finally executed and as acknowledged and accepted by the Company in the Loan Agreement.

**Section 3.** The Company hereby approves the form and content and distribution of the Preliminary Official Statement prepared in the initial offering and sale of the Bonds and hereby authorizes the preparation of a final Official Statement reflecting the final terms of the Bonds and other relevant information. The Chairman and Superintendent of Schools, the Vice Chair, and the Secretary are hereby authorized individually to deem final the Preliminary Official Statement as of its date, within the meaning of subparagraph (b)(1) of Rule 15c(2)-12 of the Securities and Exchange Commission, and are hereby authorized to sign and/or to deliver a certificate pertaining to the Official Statement as prescribed therein.

**Section 4.** The Authorized Representatives and other appropriate officials of the Company are hereby authorized individually to take all actions, to select any vendors and underwriters necessary to complete the Bond transaction, and approve, execute and/or deliver all the Transaction Documents on behalf of the Company as her or she may deem necessary or desirable (as conclusively evidenced by the taking of such action or the execution and delivery of such Transaction Documents by such Authorized Representative on behalf of the Company) in connection with the refinancing of the Prior Obligations, the sale, issuance and delivery of the Bonds, the Loan to the Company, the acquisition of title insurance, the financing, acquisition, construction, and completion of the Project, and the terms and provisions of this resolution and the documents described herein, subject to the conditions and carrying out the other procedures as set forth herein.

**Section 5.** Each of the Authorized Representatives is hereby authorized individually to consent to and approve such changes as he or she may deem necessary or appropriate to the Transaction Documents (as conclusively evidenced by the execution and delivery thereof by such Authorized Representative on behalf of the Company).

**Section 6.** Upon execution and delivery thereof, the Transaction Documents shall be the valid and binding obligations of the Company enforceable in accordance with their respective terms. The proper officers, agents, and employees of the Company are hereby authorized, empowered, and directed to do all such acts and things and to executed and deliver such documents as may be necessary to carry out and comply with the provisions of the Transaction Documents.

**Section 7.** The Secretary or any other officer of the Company is hereby authorized to certify to the due adoption of this Resolution and to provide certified copies of this Resolution to any party in connection with the transactions contemplated by this Resolution and to attest the execution of any Transaction Document by any other officer on behalf of the Company.

**Section 8.** The Company hereby confirms, approves and ratifies all agreements signed by any officer of the Company and any action taken by any officer on behalf of the Company in connection with the foregoing matters.

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PASSED AND APPROVED the 24<sup>th</sup> day of March, 2022.

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Vice Chair, Board of Directors  
South Texas Educational Technologies, Inc. d/b/a  
Horizon Montessori Public Schools

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Secretary, Board of Directors  
South Texas Educational Technologies, Inc. d/b/a  
Horizon Montessori Public Schools

## EXHIBIT A

The Project consists of the following:

(a) Refinancing the Prior Obligations, the proceeds of which were used for the acquisition, construction, enlargement, extension, repair, renovation, or other improvement of “educational facilities” (as defined in the Higher Education Facility Authority for Public Schools Act) of the Company and facilities incidental, subordinate or related thereto or appropriate in connection therewith, consisting of the following:

(1) Horizon Montessori I, 320 N Main St, McAllen, TX 78501 (the “McAllen Campus”);

(2) Horizon Montessori II, 1118, 1222, and 1223 Sugar Cane Dr, Weslaco, TX 78596 (the “Weslaco Campus”);

(3) Horizon Montessori III, 2802 S. 77 Sunshine Strip, Harlingen, TX 78550 (the “Harlingen Campus”);

(4) Horizon Montessori IV; 2319 N. Grand Blvd, Pearland, TX 77581 (the “Pearland Campus”);

(b) Financing and/or refinancing the cost of the acquisition, construction, enlargement, extension, repair, renovation, or other improvement of “educational facilities” (as defined in the Higher Education Facility Authority for Public Schools Act) of the Company and facilities incidental, subordinate or related thereto or appropriate in connection therewith, consisting of the following:

(1) construction, enlargement, extension, repair, renovation, and other improvement of the Pearland Campus; and

(2) acquisition of portion of the Pearland Campus; and

(c) paying the costs of issuing the Bonds.