

**RESOLUTION OF THE BOARD OF DIRECTORS OF HOBGOOD
CHARTER SCHOOL, INC. RELATING TO THE ISSUANCE OF
PUBLIC FINANCE AUTHORITY EDUCATIONAL FACILITIES
REVENUE BONDS SERIES 2023**

The Board of Directors (the “Board”) of Hobgood Charter School, Inc. (the “Corporation”), a North Carolina nonprofit corporation incorporated and existing under and by virtue of the laws of the State of North Carolina, met at a meeting duly called and held on October 10, 2023. A quorum was present at all times.

WHEREAS, the Corporation has created a limited liability company under North Carolina law, known as Hobgood Realty Holding LLC (the “Borrower”), of which the Corporation is the sole member; and

WHEREAS, the Corporation has determined that it is in its best interest to make an application to the Public Finance Authority (the “Authority”) for the Authority to issue its Educational Facilities Revenue Bonds (Hobgood Charter School, Inc.) Series 2023A (the “Series 2023A Bonds”) and its Taxable Educational Facilities Revenue Bonds (Hobgood Charter School, Inc.) Series 2023B (the “Series 2023B Bonds,” and with the Series 2023A Bonds, the “Series 2023 Bonds”) in an aggregate principal amount not to exceed \$10,000,000 and to lend the proceeds thereof to the Borrower for the purpose of (a) refinancing a bank loan incurred by the Lessee to acquire approximately 13.38 acres of land and four existing one story educational buildings and a combination gym/cafeteria, three athletic fields, and several other ancillary buildings, all located at 201 S. Beech St, Hobgood, NC 27843 (the “Current Campus”); (b) financing or refinancing, including through reimbursement, the further construction, improvement, renovation and equipping of a new two-story middle/high school building with 19 classrooms, two break rooms, and faculty offices located on an approximately one acre parcel located across the street from the Current Campus at 204 S. Beech Street, Hobgood, NC 27843 (the “New Building” and, together with the Current Campus, the “Series 2023 Facilities”); (c) funding capitalized interest on the Series 2023 Bonds; (d) funding the Series 2023A Bonds subaccount of the Debt Service Reserve Fund; and (e) paying certain costs of issuance relating to the Series 2023 Bonds (collectively, the “Series 2023 Project”); and

WHEREAS, the Authority intends to issue the Series 2023 Bonds pursuant to an Indenture of Trust dated as of October 1, 2023 (the “Indenture”), between the Authority and Truist Bank, as trustee (the “Trustee”); and

WHEREAS, the Authority intends to loan the proceeds of the Series 2023 Bonds to the Borrower for the purposes set forth above pursuant to a Loan Agreement dated as of October 1, 2023 (the “Loan Agreement”), between the Authority and the Borrower, and the Borrower will evidence to repay such loan pursuant to a Promissory Note dated the date of its delivery in an amount corresponding to the Series 2023 Bonds (the “Note”), from the Borrower in favor of the Authority and assigned to the Trustee; and

WHEREAS, the Borrower will lease the Series 2023 Facilities to the Corporation pursuant to a Lease Agreement dated as of October 1, 2023 (the “Lease Agreement”) for the operation of Hobgood Charter School (the “School”); and

WHEREAS, the Series 2023 Bonds will be sold pursuant to a Bond Purchase Agreement among the Authority, the Borrower, the Corporation and Truist Securities, Inc. (the “Underwriter”) dated on or about the date of sale of the Series 2023 Bonds (the “Bond Purchase Agreement”); and

WHEREAS, the Underwriter will market the Series 2023 Bonds through the use of a Preliminary Limited Offering Memorandum and a Limited Offering Memorandum (collectively, the “Limited Offering Memorandum”), which describes the Series 2023 Bonds, the Transaction Documents (as hereinafter defined), the Corporation, the Borrower, the School and the Series 2023 Project; and

WHEREAS, the Corporation and the Borrower will execute and deliver a Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing (Fee and Leasehold) (the “Deed of Trust”) with respect to the Series 2023 Facilities, in favor of a deed of trust trustee named therein for the benefit of the Trustee, as well as certain other security documents in order to secure the Borrower’s obligations under the Loan Agreement and the Note and the Corporation’s obligations under the Lease Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPORATION AS FOLLOWS:

Section 1. **Approval of Transaction Documents.** The forms, terms and provisions of all of the documents necessary to accomplish this transaction, including, but not limited to, the following documents (collectively, the “Transaction Documents”) are hereby approved in all respects. Drafts of the following documents were made available to or described to the Board:

- (a) the Indenture (including the proposed forms of the Series 2023 Bonds);
- (b) the Loan Agreement (including the proposed form of the Note);
- (c) the Deed of Trust;
- (d) the Continuing Disclosure Agreement among the Corporation, the Borrower and Digital Assurance Certification, LLC (“DAC”), as dissemination agent;
- (e) the Bond Purchase Agreement;
- (f) the Lease Agreement;
- (g) a tax regulatory agreement setting forth certain representations, expectations, and covenants of the Corporation and the Borrower pertaining to the tax-exempt status of the Series 2023A Bonds (the "Tax Agreement"); and
- (h) the Limited Offering Memorandum, including Appendix A thereto which describes the Borrower, the Corporation and Hobgood Charter School.

The Board hereby approves the terms and conditions for issuance of the Series 2023 Bonds as described in the Transaction Documents, and authorizes the Chairman, the Vice

Chairman and the Secretary (each, an “Authorized Officer”) or any of them acting individually to approve any final details of the financing, provided that the aggregate principal amount of the Series 2023 Bonds to be sold at the closing shall not exceed \$10,000,000.

Section 2. **Execution of Transaction Documents.** The Authorized Officers are each hereby authorized and directed, in the name and on behalf of the Corporation, to execute, attest, seal and deliver the Transaction Documents to which the Corporation is a party, the Limited Offering Memorandum and any and all other related agreements, closing certificates, tax certificates, assignment of contracts, instruments and documents required to be executed and delivered by the Corporation, each in such final form as the Authorized Officer executing the same deems appropriate, the execution and delivery of such documents by such Authorized Officer to be conclusive evidence that the form thereof is hereby approved. The Secretary is hereby authorized to attest such signatures and sign any documents relating to the Transaction Documents for which the Secretary’s signature is required.

Section 3. **Authorization of Limited Offering Memorandum.** The use of the Limited Offering Memorandum related to the Series 2023 Bonds by the Underwriter in connection with the marketing and sale of the Series 2023 Bonds is hereby in all respects authorized and approved, with such modifications and changes as may be approved by any of the Authorized Officers. The execution of the Limited Offering Memorandum on behalf of the Corporation by an Authorized Officer is also hereby approved.

Section 4. **Approval of Documents Signed by the Borrower.** The Corporation, as the sole member and manager of the Borrower, hereby authorizes the execution and delivery by the Borrower of the Transaction Documents to which the Borrower is a party and any and all other related agreements, closing certificates, tax certificates, assignment of contracts, collateral security documents, instruments, and documents required to be executed and delivered by the Borrower in connection with the issuance of the Series 2023 Bonds (the “Borrower Documents”), and authorizes and directs any Authorized Officer of the Corporation, in its capacity as the sole member of the Borrower, to execute and deliver the Borrower Documents and any and all other related agreements, closing certificates, tax certificates, assignment of contracts, instruments and documents required to be executed and delivered by the Borrower, each in such final form as the Authorized Officer executing the same deems appropriate, the execution and delivery of such documents by any such Authorized Officers to be conclusive evidence that the form thereof is hereby approved. The approval of the Limited Offering Memorandum by the Board shall constitute approval thereof by the Borrower. The execution of the Limited Offering Memorandum on behalf of the Borrower by an Authorized Officer of the Corporation, in its capacity as sole member of the Borrower, is also hereby approved.

Section 5. **Additional Documents.** The appropriate officers and employees of the Corporation, including each Authorized Officer, are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Corporation and the Borrower, to execute and deliver any and all documents, including, without limitation, a deposit account control agreements, a construction monitoring agreement, and any and all other documents, instruments and certificates to be executed in connection with the issuance of the Series 2023 Bonds, the construction of the Construction Project, and as may be required under the Internal Revenue Code of 1986, as amended, and to do any and all things and take any and all actions which may

be necessary or advisable, in their discretion, to effectuate the actions which the Corporation has approved in this Resolution and to consummate by the Corporation and the Borrower the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 6. **Further Action.** The Authorized Officers, and each of them acting alone, are hereby authorized, in the name and on behalf of the Corporation or the Borrower, as applicable, to take or cause to be taken any and all such other action as they may determine in their discretion to be necessary or advisable or in the best interest of the Corporation or the Borrower, in order to effectuate, complete and carry out the intent and purposes of the foregoing resolutions and the transactions authorized thereby.

Section 7. **Ratification of Prior Action.** All things heretofore done and all action heretofore taken by any and all officers and agents of the Corporation or the Borrower in furtherance of the foregoing resolutions, but not including actions in violation of law or public policy, be, and they hereby are, ratified, confirmed and approved in all respects.

Section 8. **Effective Date.** This Resolution is effective immediately on the date of its adoption.

[Remainder of page intentionally left blank]

CERTIFICATE

The undersigned Secretary of the Board of Directors of Hobgood Charter School, Inc. hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the members of the Board of Directors present and voting at a meeting duly called and held on October 10, 2023 and that such resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

This ___th day of October, 2023.

Secretary of Board of Directors
Hobgood Charter School, Inc.