

MAR 20 2007 JN/BW

RESOLUTION
APPROVING THE ISSUANCE OF
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
REVENUE BONDS
(FOUNDATION ACADEMY OF WINTER GARDEN, INC. PROJECT),
SERIES 2007, IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$14,000,000

WHEREAS, the Board of County Commissioners of Orange County (the "Board") declared a need for the Orange County Industrial Development Authority (the "Authority"), appointed its members, and empowered it to act under the provisions of Chapter 159, Part III of the Florida Statutes; and

WHEREAS, after publication in The Orlando Sentinel of the Notice of Public Hearing, a copy of which is attached hereto as Exhibit A and incorporated herein by reference (the "Notice of Public Hearing"), the Authority held at its February 20, 2007 regular meeting the public hearing (the "Public Hearing") required by the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") relating to the Orange County Industrial Development Authority Revenue Bonds (Foundation Academy of Winter Garden, Inc. Project) in an aggregate principal amount not to exceed \$14,000,000 (the "Bonds") proposed to be issued by the Authority; and

WHEREAS, at its February 20, 2007 meeting, the Authority adopted the Resolution, a copy of which is attached hereto as Exhibit B and incorporated herein by reference (the "Authority's Resolution") for the purpose of authorizing the execution by the Authority of the Memorandum of Agreement, a copy of which is attached hereto as Exhibit C and incorporated herein by reference, providing for the issuance of not to exceed \$14,000,000 of the Bonds for the benefit of Foundation Academy of Winter Garden, Inc., a Florida not for profit corporation exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (the "Corporation"), for the purpose of (i) paying all or any part of the cost of issuance of the Bonds (within applicable limits), (ii) financing the construction and equipping of the educational facilities for a not-for-profit, private school located in Winter Garden, Orange County, Florida offering elementary, middle and high school curriculum (the "Project"), and (iii) paying any other costs associated with the issuance of the Bonds; and

WHEREAS, the Board is the elected legislative body of Orange County (the "County,") and the County has jurisdiction over the Project for purposes of Section 147(f) of the Internal Revenue Code; and

WHEREAS, the Board has been furnished with a copy of the Notice of Public Hearing for the Public Hearing held by the Authority on February 20, 2007 with respect to the approval of the Authority's Resolution and has been advised that: (a) the Notice of Public Hearing apprised residents of the County of the proposed issuance of the Bonds not less than 14 days before the Public Hearing; (b) the Public Hearing was conducted in a manner which provided a reasonable opportunity for persons with differing views on both the issuance of the Bonds and

the location and nature of the Project to be heard; and (c) no members of the public (other than those present on behalf of the Corporation and members of the Authority and its staff) appeared at the public hearing or otherwise expressly objected to the issuance of the Bonds for the Project; and

WHEREAS, the Board has been requested by the Authority to consider and approve the Authority's issuance of the Bonds under the provisions of Sections 125.01(1)(z) and 159.47(1)(f) of the Florida Statutes, as amended, and Section 147(f) of the Internal Revenue Code;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Orange County as follows:

SECTION 1. Issuance by the Authority of its Orange County Industrial Development Authority Revenue Bonds (Foundation Academy of Winter Garden, Inc. Project), in one or more series, in an aggregate principal amount of not to exceed \$14,000,000 as contemplated by the Notice of Public Hearing and the Authority's Resolution shall be and hereby is approved.

SECTION 2. This approval is solely for the purpose of Section 147(f) of the Internal Revenue Code and Sections 125.01(z) and 159.47(1)(f), Florida Statutes. The issuance of the Bonds and the use of the proceeds thereof to finance the costs of the Project as contemplated by the Authority's Resolution shall be and hereby are approved.

SECTION 3. The approval given herein shall not be construed as (i) an endorsement of the creditworthiness of the Corporation or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Bonds, (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, or (iv) approval of any necessary rezoning applications or approval or acquiescence to the alteration of existing zoning or land use nor approval for any other regulatory permits relating to the Project, and the Board shall not be construed by reason of its adoption of this Resolution to make any such endorsement, finding, or recommendation or to have waived any right of the Board or to have estopped the Board from asserting any rights or responsibilities it may have in such regard. Further, the approval by the Board of the issuance of the Bonds by the Authority shall not be construed to obligate the County to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Bonds or the acquisition and construction of the Project, and the Authority shall so provide in the financing documents setting forth the details of the Bonds.


SECTION 4. Nothing contained in this approval shall be deemed to create any obligation or obligations of the County or the Board.

SECTION 5. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 20 day of March, 2007.

ORANGE COUNTY, FLORIDA

By:

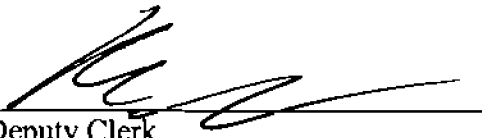

Richard T. Crotty
Orange County Mayor

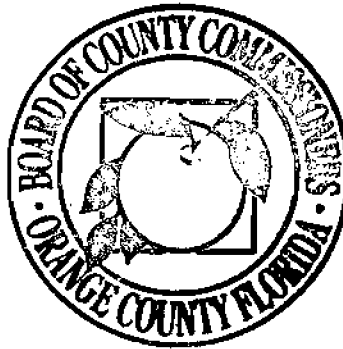
(SEAL)

ATTEST:

Martha O. Haynie, County
Comptroller, As Clerk to the
Board of County Commissioners

By:


Deputy Clerk



4383164_v3

Exhibit A

Orlando Sentinel

Published Daily

State of Florida } S.S.
COUNTY OF ORANGE

DEBORAH M. TONEY

Before the undersigned authority personally appeared _____,

who on oath says that he/she is the Legal Advertising Representative of Orlando Sentinel, a daily newspaper published at ORLANDO in

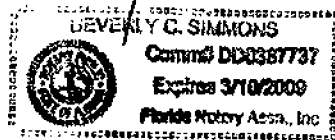
ORANGE County, Florida; that the attached copy of advertisement, being a PUBLIC HEARING in the matter of FEBRUARY 20, 2007

in the ORANGE Court, was published in said newspaper in the issue; of 01/27/07

Affiant further says that the said Orlando Sentinel is a newspaper published at ORLANDO in said ORANGE County, Florida, and that the said newspaper has heretofore been continuously published in said ORANGE County, Florida, each Week Day and has been entered as second-class mail matter at the post office in ORLANDO in said ORANGE County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

The foregoing instrument was acknowledged before me this 12th day of FEBRUARY, 2007, by DEBORAH M. TONEY, who is personally known to me and who did take an oath.

(SEAL)



NOTICE OF PUBLIC HEARING RE-
GARDING NOT TO EXCEED
SHARES OF ORANGE COUNTY IN-
DUSTRIAL DEVELOPMENT AU-
THORITY INDUSTRIAL DEVELOP-
MENT REVENUE BONDS (FOLLO-
WING ORANGE COUNTY OF WHITE
GARDEN, INC. PROJECT) SERIES 2007

TO WHOM IT MAY
CONCERN

NOTICE is hereby given that a public hearing will be held by the Orange County Industrial Authority (the "Authority") on Tuesday, February 20, 2007 at 2:00 p.m. (local time) in the OMB Conference Room on the 3rd floor of the Orange County Administration Building, 20 South Rosalind Avenue, Orlando, Florida 32801, regarding the issuance of Orange County Industrial Development Authority Industrial Development Revenue Bonds (Foundation Academy of Winter Garden, Inc. ("Academy"), Series 2007 (the "Bonds") proposed to be issued in an amount not to exceed \$4,000,000, the proceeds of which will be loaned to Foundation Academy of Winter Garden, Inc. (the "Academy"). The Academy expects to expend the proceeds for: (a) finance and to finance the cost of acquiring, constructing and equipping certain educational facilities and related athletic facilities for a K-12 school facility for approximately 800 students to be located on approximately 71 acres of real property currently owned by the Academy on Tiger Road off State Road 348 in Winter Garden, Orange County, Florida, including: (i) a building to house middle and high school classrooms and administrative offices; (ii) a building to house elementary school classrooms; (iii) a "technical building" to house a media center and computer labs; (iv) a three-court gymnasium, including a stage, a full kitchen and cafeteria; (b) fund capitalized interest; and (c) any certain costs relating to the issuance of the Bonds, including credit enhancement. The Project will be owned and operated by the Academy, a Florida not-for-profit corporation that is an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE STATE OF FLORIDA. THE AUTHORITY, ORANGE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF FLORIDA, BUT SHALL BE PAYABLE SOLELY FROM FUNDS PAID BY THE ACADEMY AND PLEDGED FOR SUCH PURPOSES AND SHALL BE SECURED BY COLLATERAL FURNISHED BY THE ACADEMY.

The public hearing will be conducted in a manner that provides a reasonable opportunity to be heard for persons with differing views on the issuance of the Bonds and the nature of the construction projects to be funded with the proceeds. Any person desiring to be heard on this matter is requested to attend the public hearing or send a representative. Written comments to be presented at the hearing may be submitted to the Authority, 310 East Pine Street, Suite 900, Orlando, Florida 32801. Attention: Charles A. Sloan, Secretary, and shall be mailed in sufficient time to be received prior to February 20, 2007, the date of the hearing.

Should any person desire to appeal any decision made by the Authority at the hearing, he or she will need a record of the proceedings and he or she may need to ensure that a verbatim record of the proceedings be made, which record includes the testimony and evidence upon which the appeal will be heard.

Any person requiring reasonable accommodation of the meeting because of a disability or physical impairment should contact the Authority at 407-222-7159 at least 48 hours prior to the meeting.
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
COR194398 JAN 27

Orlando Sentinel

Published Daily

State of Florida } S.S.
COUNTY OF ORANGE }

DEBORAH M. TONEY

Before the undersigned authority personally appeared _____

_____ who on oath says that he/she is the Legal Advertising Representative of Orlando Sentinel, a daily newspaper published at ORLANDO in ORANGE County, Florida;

that the attached copy of advertisement, being a PUBLIC HEARING in the matter of FEBRUARY 20, 2007

in the ORANGE Court, was published in said newspaper in the issue of 01/27/07

Affiant further says that the said Orlando Sentinel is a newspaper published at ORLANDO in said ORANGE County, Florida,

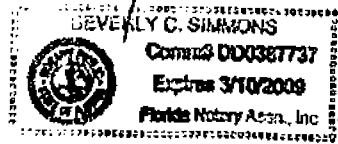
and that the said newspaper has heretofore been continuously published in said ORANGE County, Florida, each Week Day and has been entered as second-class mail matter at the post office in ORLANDO in said ORANGE County, Florida,

for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

The foregoing instrument was acknowledged before me this 12th day of FEBRUARY, 2007, by DEBORAH M. TONEY, who is personally known to me and who did take an oath.

(SEAL)

[Signature]
[Signature]



NOTICE OF PUBLIC HEARING RE: BONDING MATTER TO BE HELD BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY REGARDING THE ISSUANCE OF GRANGE COUNTY INDUSTRIAL DEVELOPMENT REVENUE BONDS (FOUNDATION ACADEMY OF WINTER GARDEN, INC. PROJECT, SERIES 2007)

TO WHOM IT MAY CONCERN:

NOTICE is hereby given that a public hearing will be held by the Orange County Industrial Authority (the "Authority") on Tuesday, February 20, 2007 at 2:00 p.m. local time in the DWB Conference Room on the 3rd Floor of the Orange County Administration Building, 201 South Rosalind Avenue, Orlando, Florida 32801, regarding the issuance of Grange County Industrial Development Revenue Bonds (Foundation Academy of Winter Garden, Inc. Project), Series 2007 (the "Bonds") proposed to be issued in an amount not to exceed \$14,000,000, the proceeds of which will be loaned to Foundation Academy of Winter Garden, Inc. (the "Academy"). The Academy expects to expend the proceeds for: (a) finance and interest on the cost of acquiring, constructing and equipping certain educational facilities and related athletic facilities for a K-12 school with approximately 800 students to be located on approximately 71 acres of real property currently owned by the Academy on Tilden Road off State Road 545 in Winter Garden, Orange County, Florida, including (i) a building to house middle and high school classrooms and administrative offices, (ii) a building to house elementary school classrooms, (iii) a technical building to house a media center and computer labs, (iv) a three-court gymnasium, including a stage, a full kitchen and a cafeteria; (b) fund capitalized interest; and (c) any certain costs relating to the issuance of the Bonds, including credit enhancement. The Project will be owned and operated by the Academy; a Florida not-for-profit corporation that is an exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. THE BONDS SHALL NEVER BE CONSIDERED THE AND INDEBTEDNESS OF THE STATE OF FLORIDA. THE AUTHORITY, ORANGE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF FLORIDA, BUT SHALL BE PAYABLE SOLELY FROM FUNDS PAID BY THE ACADEMY AND FILE FOR SUCH PURPOSE, AND SHALL BE SECURED BY COLLATERAL FURNISHED BY THE ACADEMY.

The public hearing will be conducted in a manner that provides a reasonable opportunity to be heard for persons with differing views on the issuance of the Bonds and the nature of the construction projects to be funded with the proceeds. Any person desiring to be heard on this matter is requested to attend the public hearing or send a representative. Written comments to be presented at the hearing may be submitted to the Authority, 310 East Pine Street, Suite 900, Orlando, Florida 32801-8957, Attention: Charles A. Sloan, Secretary, and shall be mailed in sufficient time to be received prior to February 20, 2007, the date of the hearing.

Should any person desire to appeal any decision made by the Authority at the hearing, he or she will need a record of the proceedings and he or she may need to ensure that a verbatim record of the proceedings be made, which record includes the testimony and evidence upon which the appeal will be heard.

Any person requiring reasonable accommodation of the meeting because of a disability or a physical impairment should contact the Authority at 407-422-7359 at least 48 hours prior to the meeting.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
COR194398-JAN.27

Exhibit B

RESOLUTION NO. 27-01

A RESOLUTION EXPRESSING THE INTENT OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY TO LOAN FUNDS TO FINANCE OR REFINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF EDUCATIONAL FACILITIES FOR A NOT-FOR-PROFIT PRIVATE SCHOOL LOCATED IN ORANGE COUNTY, FLORIDA OFFERING AN ELEMENTARY, MIDDLE AND HIGH SCHOOL CURRICULUM; PROVIDING FOR THE LENDING OF FUNDS FOR SUCH PURPOSE TO FOUNDATION ACADEMY OF WINTER GARDEN, INC.; PROVIDING FOR THE ISSUANCE OF REVENUE BONDS OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$14,000,000 FOR THE PURPOSES OF MAKING A LOAN OF FUNDS TO FINANCE ALL OR A PORTION OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF SUCH EDUCATIONAL FACILITY; AUTHORIZING THE EXECUTION OF A MEMORANDUM OF AGREEMENT PERTAINING TO THE ISSUANCE OF SUCH BONDS; DELEGATING TO GRAYROBINSON, P.A. AS BOND COUNSEL, TO HOLD A PUBLIC HEARING WITH RESPECT TO SUCH BONDS; AND PROVIDING CERTAIN OTHER DETAILS WITH RESPECT THERETO.

BE IT RESOLVED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY THAT:

SECTION 1. AUTHORITY. This Resolution is adopted pursuant to the provisions of the Act, as hereinafter defined.

SECTION 2. DEFINITIONS.

A. "Act" means Parts II and III of Chapter 159, Florida Statutes, and other applicable provisions of law.

B. "Authority" means the Orange County Industrial Development Authority created by Section 159.45 of the Act.

C. "Bonds" means the proposed Orange County Industrial Development Authority Revenue Bonds (Foundation Academy of Winter Garden, Inc. Project), Series 2007, to be issued in an aggregate principal amount not exceeding \$14,000,000 to be authorized by subsequent resolution of the Authority pursuant to the Act and in accordance with the terms, conditions and limitations contained in such resolution.

D. "Borrower" means Foundation Academy of Winter Garden, Inc., a Florida not-for-profit corporation which has been determined to be an exempt organization within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. .

E. "Chair" means the Chair of the Authority.

F. "Project" means the construction and equipping of projects authorized by the Act, to include but not be limited to acquiring, constructing and equipping the educational facility to be operated by the Borrower, refinancing of existing debt incurred by the Borrower to commence construction of the Project (not to exceed 11% of the Bond proceeds) and costs and expenses of the issue as authorized by the Act (not to exceed 2% of Bond proceeds).

G. "Project Site" means approximately 75 acres of land located on Tilden Road off of State Road 545, in Winter Garden, Orange County, Florida.

H. "Secretary" means the Secretary of the Authority.

I. "Vice Chair" means the Vice Chair of the Authority.

SECTION 3. PROPOSAL. The Borrower has requested that the Authority issue its revenue bonds under the Act in an aggregate principal amount not exceeding \$14,000,000 to fund a loan to the Borrower to be used to pay all or a portion of the cost of the Project to be owned and operated by the Borrower and to refinance certain loan obligations of the Borrower, thereby accomplishing the refinancing of existing debt, which amount the Borrower has represented will, together with other available funds of the Borrower, be sufficient to pay all of the cost of the Project and the cost of such refunding, such Bonds to be secured under the terms of a loan agreement between the Authority and the Borrower in an amount sufficient to pay the principal of and interest on such Bonds as the same become due and payable.

SECTION 4. FINDINGS. The Authority hereby finds, determines and declares as follows:

A. The issuance of the Bonds and the loan of the proceeds thereof to the Borrower to finance or refinance the Project constitutes a valid, proper, legal and a public purpose under the Act and is authorized by the powers of the Authority under the Act.

B. The Borrower has requested that the Authority issue Bonds in an aggregate principal amount not exceeding \$14,000,000 with such interest rate or rates thereon as shall be determined by subsequent resolution of the Authority, but in no event to exceed the maximum lawful rate of interest.

C. The availability of financing by means of conduit revenue bonds is an important inducement to the Borrower to proceed with the acquisition, construction and equipping of the Project.

D. The Authority shall not be obligated to pay the Bonds except from the proceeds derived from the repayment of a loan to the Borrower and neither the faith and credit nor the taxing power of the Authority or of the State or any political subdivision thereof shall be pledged to the payment of the principal of or the interest, or premium, if any, on the Bonds.

SECTION 5. DETERMINATION. If, upon further investigation of the Borrower and its proposal, the Authority is able to find:

A. That the Authority, the Borrower and the proposed purchaser or purchasers of the Bonds have executed or will concurrently with the issuance of the Bonds execute the documentation required for the financing of the Project as contemplated hereby;

B. That adequate provision has been made in the documents for the operation, repair and maintenance of the Project at the expense of the Borrower and for the payment of the principal of, premium, if any, and interest on the Bonds and reserves, if any, therefor;

C. That the Borrower is financially responsible and fully capable of and willing to fulfill all of its obligations under the terms and provisions of the loan agreement to be negotiated between the parties, under which the Borrower will be obligated, among other things, to pay amounts sufficient to timely discharge the debt service on the Bonds, to operate, repair and maintain the Project at the Borrower's expense and to use proceeds of the Bonds only to pay costs authorized by the Act;

D. That, following a public hearing at which comments and discussions concerning the plan of finance for the issuance of the Bonds by the Authority to finance the Project were requested and heard, the Project and the issuance of the Bonds to fund a loan to the Borrower to finance the Project, were approved by the Authority; and

E. That the proposal will otherwise comply with all of the provisions of the Act;

then the Authority shall, and by passage of this Resolution hereby agrees to use its reasonable efforts to, issue Bonds to finance or refinance the acquisition, construction and equipping of the Project and the refunding of the Refunded Debt in accordance with the provisions and authority of the Act and this Resolution. The principal amount, terms of maturity, interest rate, security and other details of the Bonds will be determined by the Borrower and the Authority and subsequently adopted by resolution of the Authority; provided, however, that the interest rate or rates on the Bonds shall in no event exceed the maximum lawful rate under applicable law.

SECTION 6. AUTHORIZATION TO EXECUTE. The Chair or Vice Chair or either one of them, and the Secretary are authorized in the name and on behalf of the Authority pursuant to this Resolution to execute and deliver a Memorandum of Agreement (the "Memorandum of Agreement") of even date herewith between the Borrower and the Authority in substantially the form attached to this Resolution as Exhibit "A," with such changes as the officers signing such Memorandum of Agreement may approve. Any action taken by the Borrower in furtherance of the acquisition, construction and equipping of the Project is hereby ratified, confirmed and approved. The officers executing such Memorandum of Agreement are further authorized to do all acts which may be required or may be advisable with respect thereto.

Such officers are further authorized to take such further action and execute such further instruments as may be necessary to fully effectuate the purpose and intention of the Memorandum of Agreement and this Resolution.

SECTION 7. PRIORITY. Nothing herein shall be deemed to restrict the Authority or the State of Florida or any agency or political subdivision thereof in determining the

order or priority of the issuance of bonds by the Authority, to require the Authority to give the Bonds priority as to the time of issuance over any other bonds previously or subsequently approved by the Authority for issuance, and such prioritization by the Authority could result in the inability of the Authority to issue the Bonds.

SECTION 8. PUBLIC HEARING. The Authority hereby delegates to GrayRobinson, P.A., as Bond Counsel, on behalf of the Authority, to hold the public hearing relating to the financing of the Project with the Bonds referred to in Section 5D hereof and to report back to the Authority the results of such hearing. The hearing shall be held at the offices of the Metro Orlando Economic Development Commission, 301 E. Pine Street, Suite 900, Orlando, Florida 32801-8957 and notice thereof shall be published at least 14 days in advance thereof in a newspaper of general circulation in Orange County, Florida.

SECTION 9. EXPRESSION OF INTENT. This Resolution constitutes a declaration of the official intent of the Authority, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the Department of the Treasury, to permit the Borrower to use proceeds of the Bonds to reimburse itself for certain acquisition, construction, equipping, planning, design, legal or other costs and expenses originally paid by the Borrower in connection with the Project with funds other than proceeds of the Bonds prior to the issuance of the Bonds (the "Advanced Funds").

All of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Borrower from proceeds of the Bonds will be for (i) costs of a type properly chargeable to the capital account of the Project under general income tax principles, (ii) the refinancing of certain existing debt, or (iii) costs of issuing the Bonds. Other than any preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing the Bonds or similar purposes that may have been paid more than sixty days prior to the earlier of (a) the date of this Resolution, or (b) the date of adoption by the Board of Trustees of the Borrower of a similar expression of intent to reimburse expenditures with respect to the Project for Bond proceeds, no expenditures to be reimbursed have been paid more than sixty days prior to the earlier of such dates.

SECTION 10. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

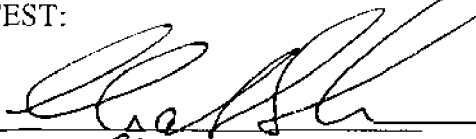
PASSED AND ADOPTED this 20th day of February, 2007.

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

(SEAL)

ATTEST:

By:


Charlie Sloan, Secretary

By:

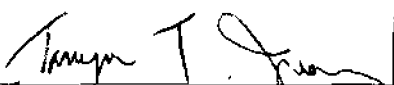

Tampa T. Juarez, Chair

Exhibit C

EXHIBIT A

MEMORANDUM OF AGREEMENT

This is a Memorandum of Agreement dated as of the 10th day of February, 2007, between the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a public corporation of the State of Florida (the "Authority"), and **FOUNDATION ACADEMY OF WINTER GARDEN, INC.**, a Florida corporation (together with its successors or assigns, the "Borrower").

WHEREAS, the Authority is authorized and empowered by the provisions of the Constitution and laws of the State of Florida to issue revenue bonds for the purposes of providing funds to pay all or any part of the cost of any "project" as defined in Section 159.27 of the Florida Industrial Development Financing Act (the "Act") and to loan the proceeds from the sale of such bonds to others to finance or refinance the acquisition, construction and equipping of such projects; and

WHEREAS, the Borrower desires to (i) finance the acquisition, construction and equipping of an educational facility (the "Project") located on approximately 75 acres of land on Tilden Road off State Road 545, in Winter Garden, Orange County, Florida (the "Project Site"), (ii) refinance certain taxable debt not exceeding 11% of the Bond proceeds (the "Refunded Debt"), and (iii) finance the cost of issuance not exceeding 2% of the Bond proceeds; and

WHEREAS, the Authority desires to encourage the Borrower to acquire, construct, equip and operate the Project to promote elementary, middle and high school education in the State of Florida (the "State") and otherwise contribute to the prosperity and welfare of Orange County and the State of Florida (the "State") and the inhabitants thereof; and

WHEREAS, the Authority has initially determined that it has the authority pursuant to the Act to finance the acquisition, rehabilitation and equipping of the Project, which Project shall constitute a "project" within the meaning of the Act, and to refund the Refunded Debt and to make a loan to the Borrower to enable the Borrower to finance the Project and to refund the Refunded Debt; and

WHEREAS, the Borrower wishes to obtain an initial indication from the Authority that it will finance, or refinance, in whole or in part, the cost of the Project from proceeds received from the sale of the Authority's revenue bonds; and

WHEREAS, the Authority, by its adoption on the date hereof of its resolution (the "Inducement Resolution"), has indicated its willingness to proceed with such financing as an inducement to the Borrower to acquire, rehabilitate and equip the Project; and

WHEREAS, subject to compliance with all requirements of law, including the requirements of the Act, and in accordance with the terms hereof, the Authority desires to make all reasonable efforts to issue and to sell its revenue bonds in an aggregate amount up to, but not in excess of \$14,000,000 (the "Bonds"), for the purpose of financing the cost of the Project, refinancing the Refunded Debt and financing the cost of issuance, subject and pursuant to the Inducement Resolution; and

WHEREAS, the Authority wishes to enter into certain agreements with the Borrower with respect to the issuance of the Bonds and the financing of the Project.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. The Authority agrees:

(a) That, if the Borrower meets all prerequisites for the issuance of the Bonds established by the Authority, it will make all reasonable efforts to authorize the issuance and sale of the Bonds pursuant to the terms of the Constitution of the State, the Act and the Inducement Resolution and this Memorandum of Agreement; and

(b) That it will (but only to the extent of the net proceeds received from the sale of the Bonds) make a loan to the Borrower to finance, or refinance the acquisition, construction and equipping of the Project and the current refunding of the Refunded Debt, with installment payments due under a loan agreement between the Authority and the Borrower to be at least sufficient to pay the principal of, interest on and redemption premiums, if any, with respect to the Bonds as and when the same shall become due and payable, together with all other costs and expenses connected with such financing and the operation and maintenance of the Project; and

(c) That, in the event the Authority acquires an interest in or a mortgage on the Project or other property of the Borrower, it will convey or release any such interest it retains in the Project or such other property to the Borrower upon payment by the Borrower of the amount required to retire the outstanding Bonds, and all other costs connected with such financing.

2. The Borrower agrees:

(a) That the Borrower will obtain a direct pay Letter of Credit from Columbus Bank & Trust Company to support the Bonds in a face amount equal to the principal amount of the Bonds plus 35 days interest at 12% per annum and will use all reasonable efforts to find one or more purchasers for the Bonds; and

(b) That the Borrower will enter into a loan agreement with the Authority, under the terms of which the Borrower will be obligated to pay to the Authority sums sufficient to pay the principal of, interest on and redemption premiums, if any, with respect to the Bonds when the same shall become due and payable, to operate, maintain and repair the Project at its own expense, to report annually to the Authority the annual bond indebtedness outstanding and any other information necessary to comply with the Act, and to pay all other costs incurred by the Authority in connection with the financing of the Project, except as may be paid out of Bond proceeds or otherwise; and

(c) That, all risk of loss to or any other liability arising from, under or in any way connected with the Project will be borne by the Borrower.

(d) that the Borrower will engage a Financial Advisor acceptable to the Authority.

3. All commitments of the Authority under Paragraph 1 hereof and of the Borrower under Paragraph 2 hereof are subject to the mutual agreement of the Authority and the Borrower as to the terms and conditions of the above-referenced loan agreement and of the Bonds and the other instruments and proceedings relating to the Bonds, and to the sale of the Bonds pursuant to such terms and conditions. It is the intent of the parties hereto that the Bonds shall be prepared in such form and shall be issued, underwritten and sold and the proceeds thereof used, all as may be mutually agreed upon by the parties in accordance with the requirements and provisions of the Constitution of the State and the Act.

4. The Borrower and the Authority further agree as follows:

(a) The Borrower is hereby authorized, subject to the conditions set forth herein, to acquire, rehabilitate and equip the Project, and to perform such other functions and services as may, in the opinion of the Borrower, be desirable in connection with the acquisition and equipping of the Project. The Borrower may advance such funds as may be necessary to accomplish such purposes and shall be entitled to reimbursement for such expenses from, and if tax-exempt Bonds are to be issued, only to the extent of, the net proceeds received from the sale of the Bonds in accordance with subparagraph (b) below.

(b) To the extent of the net proceeds derived from the sale of the Bonds, and only from such proceeds, and in accordance with the provisions of the Act and the Internal Revenue Code of 1986, as amended (the "Code"), the Borrower will be entitled to reimbursement for all costs and expenses, direct or indirect, incurred by the Borrower after the date sixty (60) days prior to the earlier of (i), the date hereof or (ii) the date on which the Board of Directors of the Borrower adopted a resolution expressing the intention of the Borrower to seek reimbursement for such expenditures with respect to the Project from the Bonds or other tax-exempt issuance. Costs and expenses for which the Borrower may claim reimbursement include, but are not limited to, costs and expenses related to acquisition and equipping of the Project and all components thereof, architectural, engineering and supervisory services used with respect to the Project, acceptance fees of any trusts established in connection with the issuance and sale of the Bonds, legal, accounting and financial advisory fees and expenses, underwriting fees, filing fees and printing and engraving costs incurred in connection with the authorization, sale and issuance of the Bonds, the execution and filing of a trust agreement, if any, to be hereafter executed by the Authority and a trustee to be named therein, and such other agreements as may be required by the initial purchaser or purchasers of the Bonds, fees, costs and expenses disbursed or incurred in connection with or related to this Memorandum of Agreement and the Bonds, the acquisition and equipping of the Project, labor, services and materials used or furnished in site improvement for the site of the Project, and the equipping of the Project, and all other fees and expenses disbursed or incurred by the Borrower in connection with the Project or the Bonds and properly allowable

under the Act and the Code. All such costs shall be reimbursed to the Borrower in accordance with the terms of the Act and the Code.

(c) If the net proceeds derived from the sale of the Bonds shall be less than the cost of refunding the Refunded Debt and completing the Project, the Borrower agrees to complete the Project at the Borrower's expense so that the condition of the Project shall be adequate for the operation of the Project. The Borrower shall be entitled to reimbursement from the Authority for such cost overruns only to the extent of the net proceeds received from the sale of such additional bonds as the Authority, in its sole discretion, may authorize, sell and deliver. The Authority does not make any warranty, either expressed or implied, that the funds derived from the sale of the Bonds will be sufficient to pay all of the costs incurred in connection with the acquisition, construction and equipping of the Project or that any additional bonds will be issued or may be sold. The Borrower recognizes that the Borrower shall not be entitled to reimbursement from the Authority for costs incurred by it in completing the Project, except to the extent of moneys otherwise available from the sale of the Bonds and any additional bonds, and agrees that the Borrower shall not be entitled to any abatement or diminution of the loan installments payable under the loan agreement to be entered into between the Borrower and the Authority upon the delivery of the Bonds because of such unreimbursed costs.

5. The Borrower agrees to indemnify, defend and hold harmless the Authority, its elected and appointed officers, employees and its agents against any and all liability, loss, costs, cost overruns, expenses, charges, claims, damages and attorney's fees of whatever kind or nature, which the Authority, its elected and appointed officers, employees or its agents may incur or sustain by reason or in consequence of the relationship existing between the Authority and the Borrower with respect to the execution and delivery of this Memorandum of Agreement, the issuance and sale of the Bonds or the acquisition, construction and equipping of the Project. The Borrower agrees to pay directly to the Authority's counsel, the reasonable fees and expenses of the Authority's counsel with respect to this Memorandum of Agreement or relating to the subject matter hereof. The Borrower hereby releases the Authority, the elected and appointed officers of the Authority, and its agents from any liability, loss, cost, expenses, charges, claims, damages and reasonable attorneys fees of whatever kind or nature which may result from the failure of the Authority to issue the Bonds regardless of the reason therefor.

6. If for any reason the Authority shall fail to deliver the Bonds and receive the proceeds thereof within one year after the date of this Memorandum of Agreement (unless extended by action of the Authority to a date not later than one year after completion of the Project), if the Authority sooner abandons its efforts to issue the Bonds in accordance with the Inducement Resolution and this Memorandum of Agreement, or if the Borrower abandons its plan to go forward with the Bonds or terminates this Memorandum of Agreement by written notice to the Authority, this Memorandum of Agreement shall terminate. Upon any such termination of this Memorandum of Agreement the Borrower shall pay all costs and expenses of the Authority including, but not limited to, reasonable fees and expenses of the Authority's counsel and out-of-pocket expenses that the Authority may have incurred in connection with the

execution of this Agreement and the performance by the Authority of its obligations hereunder. Nothing in this Paragraph 6 shall release the Borrower from its obligations under Paragraph 5 of this Memorandum of Agreement.

7. This Memorandum of Agreement may be supplemented and amended from time to time by written agreement signed by both parties, and shall be superseded by the loan agreement to be executed by the Authority and the Borrower, upon the execution thereof, to the extent the terms thereof conflict with the terms contained herein.

8. This Memorandum of Agreement, and the rights, duties and obligations of the Borrower hereunder, may be assigned by the Borrower subject to prior approval of the assignee by the Authority.

9. The Borrower recognizes and agrees to the terms of the Inducement Resolution adopted by the Authority of even date herewith. Nothing herein shall be deemed to restrict the Authority or the State of Florida or any agency or political subdivision thereof in determining the order or priority of the issuance of bonds by the Authority or to require the Authority to give the Bonds priority as to issuance or as to the time of issuance over any other bonds previously or subsequently approved by the Authority for issuance. Also, nothing herein shall be deemed to require that the Authority agree to submit itself to the jurisdiction of the courts of any state other than Florida.

IN WITNESS WHEREOF, the parties hereto have set their hands and seal as of the day and year first above written.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By: Tanya I. Junker
Tanya I. Junker, Chair

ATTEST:

[Signature]
Secretary

FOUNDATION ACADEMY OF WINTER GARDEN, INC., a Florida corporation

By: [Signature]
Name: M. Wade Bradford
Title: President