

APPROVED
BY ORANGE COUNTY BOARD
OF COUNTY COMMISSIONERS
DEC 06 2011 CAS/BS

RESOLUTION NO. 2011-B-09

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ORANGE COUNTY, FLORIDA APPROVING FOR THE PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, THE ISSUANCE OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS (PRINCETON HOUSE CHARTER SCHOOL, INC. PROJECT), SERIES 2011, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,400,000; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners of Orange County, Florida (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, 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 November 15, 2011 regular meeting the public hearing (the "Public Hearing") required by the Internal Revenue Code of 1986, as amended (the "Code") relating to the not to exceed \$3,400,000 Orange County Industrial Development Authority Industrial Development Revenue Bonds (Princeton House Charter School, Inc. Project), Series 2011 (the "Bonds") proposed to be issued by the Authority for the purposes set forth in the Resolution of the Authority adopted on November 15, 2011 (the "Authority Resolution"), a copy of which is attached hereto as Exhibit B and incorporated herein by reference; and

WHEREAS, the Authority adopted the Authority 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 \$3,400,000 of the Bonds for the benefit of Princeton House Charter School, Inc., a not-for-profit corporation organized and existing under the laws of the State of Florida (the "Borrower") for the purpose of (i) paying all or any part of the cost of issuance of the Bonds (within applicable limits), and (ii) refinancing the acquisition, construction, renovation, improvement and/or equipping of a 20,000 square foot educational facility for the Borrower's school, which is located at 1166 Lee Road, Orlando, Orange County, Florida (the "Project"); and

WHEREAS, the Board is the elected legislative body of Orange County, Florida (the "County"), and the County has jurisdiction over the portions of the Project located wholly within the County for purposes of Section 147(f) of the 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 November 15, 2011 with respect to the approval of the Authority 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 Borrower 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), Florida Statutes, as amended, and Section 147(f) of the Code;

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

SECTION 1. Issuance by the Authority of its Orange County Industrial Development Authority Industrial Development Revenue Bonds (Princeton House Charter School, Inc. Project), Series 2011 in an aggregate principal amount of not to exceed \$3,400,000 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 Code and Sections 125.01(1)(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.

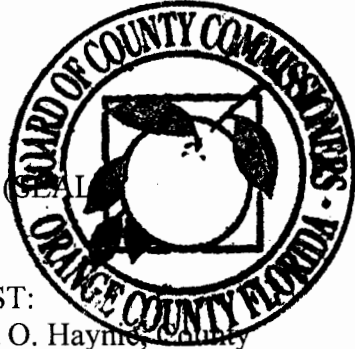
SECTION 3. The approval given herein shall not be construed as: (i) an endorsement of the creditworthiness of the Borrower or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Bonds, or (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds, 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 6 day of December, 2011.

**BOARD OF COUNTY COMMISSIONERS
OF ORANGE COUNTY, FLORIDA**



By: *Teresa Jacobs*
Teresa Jacobs
Orange County Mayor

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

By: *Martha O. Haynie*
Martha O. Haynie, Clerk
COAD-C-04

APPROVED AS TO FORM AND
CORRECTNESS:

Jeffrey J. Newton
JEFFREY J. NEWTON, County Attorney

#10755641_v2

EXHIBIT A

COPY OF NOTICE OF PUBLIC HEARING

[Attached]

#10755641_v2

Orlando Sentinel

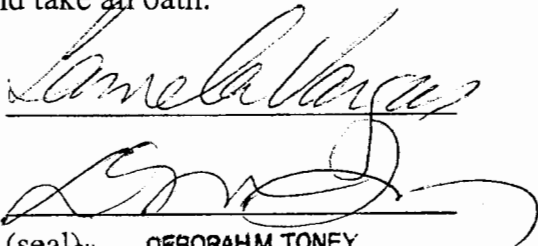
Broad And Cassel
390 N ORANGE AVE
SUITE 1100
ORLANDO, FL 32801-1640

Before the undersigned authority personally appeared Jennifer Irwin/Tamela Vargas/Deborah M. Toney, who on oath says that s/he is the Legal Advertising Representative of Orlando Sentinel, a daily newspaper published in Orange County, Florida; that the attached copy of advertisement, being a Public Hearing in the matter of November 15, 2011 in the Orange County __, was published in said newspaper in the issue(s); of

10/28/11

Affiant further says that the said Orlando Sentinel is a newspaper published 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 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 s/he 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 28 day of October, 2011, Jennifer Irwin/Tamela Vargas/Deborah M. Toney, who is personally known to me and who did take an oath.



(seal) **DEBORAH M. TONEY**
NOTARY PUBLIC
STATE OF FLORIDA
Comm# DD938521
Expires 11/18/2013



1158229

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY NOTICE OF MEETING AND PUBLIC HEARING

To Whom It May Concern:

For the purposes of Section 147(f) of the Internal Revenue Code, notice is hereby given that the Orange County Industrial Development Authority (the "Issuer") will hold a public meeting and hearing with respect to the proposed use of proceeds of the Issuer's Industrial Development Revenue Bonds (Princeton House Charter School, Inc. Project), Series 2011, in the aggregate principal amount of not to exceed \$3,400,000 (the "Bonds"), at a meeting to be held November 15, 2011 beginning at 2 p.m. or as soon thereafter as possible, at the Orange County Administration Building, 201 South Rosalind Avenue, 3rd Floor, Conference Room OMB, Orlando, Florida 32801 (the "Public Hearing").

A portion of the proceeds of the Bonds will be used for the purpose of refinancing the cost of acquiring, constructing, renovating, improving and/or equipping of a 20,000 square foot educational facility to be operated by the Borrower (as hereinafter defined) which is located at 1166 Lee Road, Orlando, Orange County, Florida 32810 (the "Project") (as depicted in the map below). The Project will be owned by Princeton House Charter School, Inc. (the "Borrower").



The Bonds are a limited obligation of the Issuer and are payable solely from the payments payable by the Borrower. An agreement between the Issuer and the Borrower provides for the payments by the Borrower sufficient to pay debt service on the Bonds when due. The Bonds are secured under an agreement whereby the Issuer has pledged the payments by the Borrower for the benefit of the holders of the Bonds. The Bonds are not a general obligation of the Issuer and do not in any way constitute a debt, liability or obligation of the State of Florida, Orange County, Florida or any other political subdivision of the State of Florida. The Bonds are not payable from any tax revenues.

The Public Hearing will be conducted in a manner that provides a reasonable opportunity for persons with differing views to be heard on both the use of the proceeds of the Bonds and the location and nature of the Project. 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 Public Hearing may be submitted to the Metro Orlando Economic Development Commission at 301 East Pine Street, Suite 900, Orlando, Florida 32801, directed to the Secretary until 5:00 p.m. on November 14, 2011 or in person at the Public Hearing. Comments made at the Public Hearing are for the consideration of the Issuer and the Board of County Commissioners of Orange County.

Persons are advised that, if they decide to appeal any decision made at this Public Hearing, they will need a record of the proceedings, and for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the American with Disabilities Act, persons needing a special accommodation to participate in this proceeding should contact the Issuer no later than seven (7) days prior to the proceeding at the address given in this notice or telephone: (407) 422-7159.

Dated: October 28, 2011
Orange County Industrial
Development Authority
By: Amy Mulford, Secretary
Publish: October 28, 2011

COR1158229

10/28/2011

EXHIBIT B

COPY OF AUTHORITY RESOLUTION

[Attached]

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RESOLUTION NO. 2011-03

A RESOLUTION OF THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A MEMORANDUM OF AGREEMENT WITH PRINCETON HOUSE CHARTER SCHOOL, INC., WITH RESPECT TO THE AUTHORITY'S ISSUANCE OF ITS INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$3,400,000 TO REFINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION, IMPROVEMENT AND/OR EQUIPPING OF AN EDUCATIONAL FACILITY LOCATED AT 1166 LEE ROAD, ORLANDO, ORANGE COUNTY, FLORIDA; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This resolution is adopted pursuant to the provisions of Chapter 159, Parts II and III, Florida Statutes, as amended (the "Act") and other applicable provisions of law.

SECTION 2. FINDINGS. It is hereby ascertained, determined and declared that:

A. The Orange County Industrial Development Authority, Orange County, Florida (the "Issuer") is an Industrial Development Authority duly created under Chapter 159, Part III, Florida Statutes, and constitutes a public body corporate and politic within the meaning of the Act and is authorized by the Act to make and execute financing agreements, contracts, deeds and other instruments necessary or convenient for the purpose of facilitating the financing of the acquisition, construction and equipping of projects as defined in the Act, including machinery, equipment, land, rights in land and other appurtenances and facilities related thereto, to the end that the Issuer may be able to promote the economic growth of the State of Florida, improve the education of its inhabitants, increase opportunities for gainful employment and otherwise contribute to the welfare of the State of Florida (the "State") and its inhabitants, and to finance the cost of such projects by the issuance of its revenue bonds and/or notes.

B. The Borrower (as hereinafter defined), desiring to take advantage of lower rates of interest available through the use of industrial development revenue bonds, has submitted its application to the Issuer for the issuance of the Issuer's Industrial Development Revenue Bonds (Princeton House Charter School, Inc.), Series 2011, in the aggregate principal amount of not to exceed \$3,400,000 (the "Bonds"), for the purpose of refinancing the acquisition, construction, renovation, improvement and/or equipping of a 20,000 square foot educational facility for the Borrower's school, which is located at 1166 Lee Road, Orlando, Orange County, Florida (the "Project").

C. The Project will be located wholly within Orange County, Florida (the "County"). The Project is appropriate to the needs and circumstances of the County, will make a significant contribution to the economic growth of the County, will provide or preserve gainful

employment, and will serve a public purpose by advancing the economic prosperity, the educational opportunities, the public health and the general welfare of the State and its people.

D. The Project will be a “Project” within the meaning of Section 159.27(5) of the Act in that, without limiting the generality of the foregoing, the Project consists of an educational facility.

E. The Project will be owned and/or operated by Princeton House Charter School, Inc., a not-for-profit-corporation organized and existing under the laws of the State of Florida, or an affiliate or related entity thereto (collectively, the “Borrower”).

F. Giving due regard to factors determinative of the financial success of the Project and the Borrower’s capabilities, financial and otherwise, of fulfilling the Borrower’s obligations consistent with the purpose of the Act, the Borrower is financially responsible and fully capable and willing to fulfill the Borrower’s obligation to make the payments under and pursuant to the terms of the Financing Agreement (as hereinafter defined) in the amounts and at the times required thereby and its obligation to operate, repair and maintain the Project, and the Borrower is desirous of serving the purposes of the Act and is willing and capable of fully performing all other obligations and responsibilities imposed upon the Borrower by the provisions of the Financing Agreement.

G. The County is able to cope satisfactorily with the impact of the Project and is able to provide, or cause to be provided when needed, all the public facilities, utilities and services that will be necessary for the operation, repair, improvement and maintenance of such portion of the Project, and on account of any increase in population or other circumstances resulting by reason of the location of the Project within the County.

H. The County will, as a condition precedent to issuance of the Bonds, properly publish a notice of public hearing regarding the issuance of the Bonds, duly authorize and approve the issuance of the Bonds for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended.

I. Adequate provision will be made under the terms of the proposed Financing Agreement for the operation, repair and maintenance of the Project at the expense of the Borrower, and for the payment of the principal of and premium, if any, and interest on the Bonds.

J. The Bonds will mature and have such other provisions as set forth in the term sheet included as part of the Borrower’s application previously submitted to the Issuer. The proceeds of the Bonds will be used: (i) to pay all or any part of the cost of issuance of the Bonds; (ii) to finance and/or refinance the costs of acquisition, construction or renovation and equipping of the Project; and (iii) to pay any other “cost” (as defined in the Act) of the Project. The Issuer will loan the proceeds of the Bonds to the Borrower, pursuant to the Financing Agreement among the Issuer, the Borrower and SunTrust Bank, as Note holder (the “Financing Agreement”), which will require repayment thereof in installments sufficient to pay the principal of, premium (if any), interest on and other costs due pursuant to the Bonds when and as the same may become due.

K. Neither the Issuer, nor the State, nor the County or any other political subdivision of the State shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto, and all payments required on the Bonds shall be payable solely from the payments to be made by the Borrower under the Financing Agreement. The Issuer shall never be required to: (i) levy ad valorem taxes on any property within its area of operation to pay the principal of and premium, if any, and interest on the Bonds or to make any other payments provided for under the Financing Agreement, or (ii) pay the same from any funds of the Issuer other than those derived by the Issuer under the Financing Agreement; and the Bonds shall not constitute a lien upon any property owned by or situated within the County and/or the area of operation of the Issuer except the Project and any other property that may be pledged as security therefor by the Borrower, in the manner provided in the Financing Agreement. Neither the full faith and credit of the Issuer nor the full faith and credit or taxing power of the State, the County or any other political subdivision of the State is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are limited special obligations of the Issuer. No member or officer of the Issuer will be subject to any personal liability by reason of the issuance of the Bonds.

L. The payments required to be made by the Borrower under the Financing Agreement will be sufficient to pay all principal of and interest on and premium, if any, for the Bonds as the same shall become due, and to make all other payments required in connection with the Bonds.

M. The costs to be paid from the proceeds of the Bonds will be "costs" of a project within the meaning of the Act.

N. It is necessary and desirable and in the best interest of the Issuer and the Borrower that the Issuer and the Borrower enter into the Memorandum of Agreement (as defined below), providing for the performance by the Borrower of the functions described therein; and providing among other things for the issuance and sale by the Issuer of the Bonds; for the use and application of the proceeds of the issuance and sale of the Bonds to pay all or any part of the "cost" (as defined in the Act) of the Project, to the extent of such proceeds; and for the entering into the Financing Agreement by the Issuer and the Borrower requiring the Borrower to pay installments sufficient to pay all of the interest, principal, redemption premiums (if any) and other costs due under and pursuant to the Bonds when and as the same become due and payable, to operate, repair and maintain the Project at the Borrower's own expense, and to pay all other costs incurred by the Issuer in connection with the financing and administration of the Project which are not paid out of the Bond proceeds or otherwise.

O. Prior to issuance of the Bonds, the Issuer will receive an opinion of Broad and Cassel, bond counsel, or such other nationally recognized bond counsel selected by the Borrower and approved by the Issuer, which approval shall not unreasonably be withheld, to the effect that the Bonds will be validly issued and that the interest on the Bonds will, under existing laws of the United States, be excluded from gross income of the holder or holders thereof for federal tax purposes.

SECTION 3. APPROVAL AND AUTHORIZATION OF EXECUTION AND DELIVERY OF MEMORANDUM OF AGREEMENT. The Memorandum of Agreement

between the Borrower and the Issuer in substantially the form attached to this Resolution as Exhibit A and incorporated herein by reference, together with such changes therein, whether made prior to the execution thereof or thereafter, as shall be approved from time to time by the officers executing the same on behalf of the Issuer, such approval to be conclusively evidenced by their execution thereof (the "Memorandum of Agreement"), shall be, and hereby is, authorized and approved on behalf of the Issuer.

The Chairman or Vice Chairman of the Issuer shall be and hereby is authorized to execute, and the Secretary or Assistant Secretary of the Issuer shall be and hereby is authorized to attest, the Memorandum of Agreement. Such officers and all other proper officers, commissioners, directors, agents and employees of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute such further agreements and take such further actions as shall be necessary to carry out the intent and purposes expressed in the Memorandum of Agreement, which shall become binding on both the Issuer and the Borrower upon its execution and delivery by the officers of the Issuer and by the Borrower, and are further authorized to take such other steps and actions as may be required and necessary in order to issue such Bonds.

SECTION 4. EFFECT OF RESOLUTION. This Resolution is being adopted on the same date which a public hearing has been held by the Authority, at which meeting the residents of Orange County, Florida have been afforded the opportunity to comment on the issuance of the Bonds and the financing of the Project. Reasonable public notice of such hearing was published in *The Orlando Sentinel*, a newspaper of general circulation available to residents of Orange County, Florida and is attached to this Resolution as Exhibit B.

SECTION 5. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflict, are hereby superseded and repealed.

[Remainder of this page intentionally left blank]

SECTION 6. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was offered by Ms. Dunlap who moved its adoption. The motion was seconded by Mr. Menard and, upon being put to a vote, the vote was as follows:

Voting in favor: Ms. Dunlap, Ms. Dole, Mr. Menard, Ms. Guiton

Voting against: None

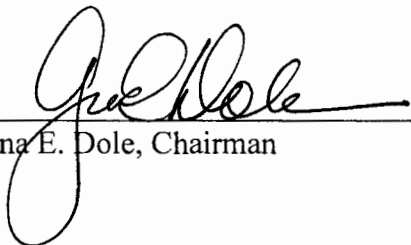
Abstained: None

Absent: Mr. Waldrop

The Chairman then declared the resolution to be duly passed and adopted on this 15th day of November, 2011.

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

(OFFICIAL SEAL)



Gina E. Dole, Chairman

Attest:


Amy Cutter Mulford, Secretary

EXHIBIT A

FORM OF MEMORANDUM OF AGREEMENT

[See attached]

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT ("Agreement"), dated as of this 15th day of November, 2011, is between the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a public body corporate and politic and a public instrumentality duly created and existing under and by virtue of the laws of the State of Florida (the "Issuer") and PRINCETON HOUSE CHARTER SCHOOL, INC., a not-for-profit corporation organized and existing under the laws of the State of Florida and a corporation described in Section 501(c)(3) of the Code (the "Borrower"). Capitalized terms not otherwise defined herein shall have the definitions ascribed such terms in that certain Resolution of the Issuer adopted on November 15, 2011 authorizing the issuance of the Bonds (the "Resolution").

1. Preliminary Statements. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

(a) The Issuer is a public body corporate and politic created by the provisions of Part III of Chapter 159, Florida Statutes, as amended (the "Act"), authorized to issue obligations for and on behalf of a political subdivision, all within the meaning of the applicable regulations under the Code.

(b) In order to improve the economic base of Orange County, Florida ("Orange County") and the industrial economy in the State, to promote the economic growth of Orange County and the State, to increase purchasing power and opportunities for gainful employment, to improve living conditions and educational opportunities and to advance and improve the economic prosperity and the general welfare of the State and its people, it is desirable that the Issuer issue and sell its Industrial Development Revenue Bonds (Princeton House Charter School, Inc. Project), Series 2011 in the aggregate principal amount of not to exceed \$3,400,000 (the "Bonds").

(c) The Borrower proposes to utilize the proceeds from the sale by the Issuer of the Bonds to (i) pay all or any part of the cost of issuance of the Bonds (within applicable limits), (ii) refinance the acquisition, construction, renovation, improvement and/or equipping of a 20,000 square foot educational facility for the Borrower's school, which is located at 1166 Lee Road, Orlando, Orange County, Florida (the "Project"), and (iii) pay any other "cost" (as defined in the Act) of the Project.

(d) The Issuer intends to loan the proceeds of the Bonds to the Borrower and to enter into a financing agreement with the Borrower (the "Financing Agreement") requiring the Borrower to pay installments sufficient to pay the principal of, premium (if any), interest and costs due pursuant to and under the Bonds when and as the same become due.

(e) The Borrower intends to cause the Project to be operated exclusively as an educational facility whose primary purpose is to provide educational services consistent with its exempt purposes under Section 501(c)(3) of the Code.

(f) The Borrower expects that the cost to refinance the Project will be at least \$3,400,000, inclusive of underwriting commissions, and legal, accounting, financing and printing expenses.

(g) The Borrower represents that the Project will significantly contribute to the economic growth of Orange County by itself and by contributing to the growth potential of the Borrower, thereby expanding the local job base and the local tax base.

(h) The Borrower requests the Issuer to enter into this Agreement for the purpose of declaring the Issuer's intention to provide financing to pay the cost of the Project.

(i) The Borrower represents that no portion of the proceeds of the Bonds will be used to reimburse the Borrower for costs of the Project, except as permitted by the Code and relevant Treasury Regulations.

(j) The Borrower proposes that the Issuer agree to issue the Bonds under the Act in an aggregate principal amount not to exceed \$3,400,000. By virtue of the provisions of Section 103(a) and Section 145 of the Code, as now existing, the interest on such Bonds is to be excluded from the gross income of the holder or holders for federal income tax purposes to the extent that the Project is occupied by a qualified user (including the Borrower).

(k) The Issuer has preliminarily determined, based upon representations made by the Borrower and without any independent investigation having been made by the Issuer, that the financing of all or a portion of the cost of the Project by the Issuer will be in furtherance of the purpose of the Act in that it will enhance the growth of the Borrower and will significantly contribute to the inhabitants of Orange County by improving education, expanding the local job base and fostering the economic development of Orange County and expanding the local tax base.

(l) The Issuer by the Resolution, duly passed and adopted, has made certain preliminary findings and determinations and has approved and authorized the execution and delivery of this Agreement.

2. Undertakings on the Part of the Issuer. In accordance with and subject to the limitations of the Act, and subject to the satisfaction by the Borrower of the terms and conditions of this Agreement, the Issuer agrees as follows:

(a) That it will authorize the issuance and sale of the Bonds, pursuant to the terms of the Act as then in force in a principal amount not to exceed \$3,400,000 for the purpose of paying all or a portion of the cost of the Project and as otherwise described herein.

(b) That at the proper time, and subject in all respects to the prior advice, consent and approval of the Borrower, it will adopt such proceedings and authorize the execution of such documents as may be necessary and advisable for the authorization, sale and issuance of the Bonds and the financing of the Project, all as shall be authorized by the Act and mutually satisfactory to the Issuer and the Borrower. The Bonds shall not be deemed to constitute a debt, liability or obligation of the Issuer or of Orange County, the State or of any political subdivision thereof; but such Bonds shall be payable solely from the payments to be made by the Borrower pursuant to the Financing Agreement. The Bonds issued shall be in a principal amount not exceeding \$3,400,000, and shall have such other terms set forth in the term sheet included as part of the application the Borrower has filed with the Issuer, and shall have such provisions for redemption, shall be executed and shall be secured as hereafter may be

requested by the Borrower and agreed to by the Issuer, all on terms mutually satisfactory to the Issuer and the Borrower.

(c) That the Issuer will use and apply the proceeds of the issuance and sale of the Bonds, or cause such proceeds to be used and applied, to the extent of such proceeds, to pay the cost of financing or refinancing the Project; and will enter into the Financing Agreement with the Borrower requiring the Borrower to make payment for the account of the Issuer of installments sufficient to pay all of the interest, principal, redemption premiums (if any) and other costs due under and pursuant to the Bonds when and as the same become due and payable; to operate, repair, and maintain the Project at the Borrower's own expense; to pay to the Issuer a processing and administrative fee upon issuance and sale thereof; and to pay all other costs incurred by the Issuer in connection with the financing and administration of the Project which are not paid out of the Bond proceeds or otherwise for so long as the Bonds remains outstanding.

3. Undertakings on the Part of the Borrower. Subject to the conditions hereinafter stated, the Borrower agrees as follows:

(a) That the Borrower, at Borrower's own expense, will generally arrange for, manage and carry out the operation, repair and maintenance of the Project as contemplated by this Agreement (without thereby obligating the Borrower to go forward with the Project).

(b) That the Borrower will cooperate with the Issuer in making arrangements for the sale and issuance of the Bonds in a principal amount not to exceed \$3,400,000 and that to the extent that the proceeds derived from the sale of the Bonds are not sufficient to finance the Project, the Borrower will supply all additional funds which are necessary for the financing of the Project.

(c) That contemporaneously with the delivery of the Bonds, the Borrower will enter into such financing arrangements, indentures and related agreements as shall, in the opinion of the Borrower, the Borrower's counsel, and the Issuer or Issuer's counsel, including, but not limited to, the Financing Agreement, be necessary or appropriate so that the Borrower will be obligated to pay for the account of the Issuer sums sufficient in the aggregate to pay the principal of, the redemption premium, if any, and the interest on the Bonds when and as the same shall become due and payable.

(d) That the Borrower will take such further action and adopt such proceedings as may be required to implement its undertakings hereunder.

(e) That the Borrower will provide a satisfactory opinion of counsel for the Borrower with respect to the due organization and existence of the Borrower (as applicable) within the State, Borrower's power and authority to own the Borrower's properties and to carry on the Borrower's activities (including those to be carried on, at or in connection with the Project), the due authorization and execution, and delivery of any agreements to which the Borrower is a party, including, but not limited to, the Financing Agreement and related agreements, instruments and documents, their legality, validity, binding effect and enforceability in accordance with their respective terms, and the absence of any violation of

law, rule, regulation, judgment, decree or order of any court or other agency of government or of the certificate of incorporation, bylaws, and agreements, indentures or other instruments to which the Borrower is a party (as applicable) or by which the Borrower or any of the Borrower's property is or may be bound.

(f) That the Issuer will have been provided, at the expense of the Borrower, a satisfactory opinion of its counsel with respect to the due organization and existence of the Issuer and that all necessary proceedings in connection with the authorization, issuance and sale of the Bonds and the other transactions of the Issuer contemplated hereby have been properly conducted in accordance with applicable law.

4. General Provisions.

(a) All commitments of the Issuer and of the Borrower pursuant to this Agreement are subject to the condition that (i) the Issuer properly publish a notice of public hearing regarding the issuance of the Bonds, duly authorize and approve the issuance of the Bonds for purposes of Section 147(f) of the Code, and (ii) the Issuer and the Borrower shall have agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions for the financing arrangements and other agreements referred to in Section 3(c) hereof and, unless extended by subsequent resolution of the Issuer, the Bonds shall have been sold and delivered on or before one year from the date of this Agreement.

(b) If the Issuer declines to issue the Bonds, if the Borrower abandons its plan to go forward with the Bonds, or if the events set forth in paragraph (a) of this Section do not take place within the time set forth therein for any reason whatsoever, the Borrower agrees to pay all costs and expenses of the Issuer including, but not limited to, reasonable fees and expenses of the Issuer's counsel and out-of-pocket expenses which the Issuer may have incurred in connection with the execution of this Agreement and the performance by the Issuer of its obligations hereunder, and this Agreement shall thereupon terminate.

(c) So long as this Agreement is in effect, all risk of loss to the Project shall, as between the parties hereto, be borne by the Borrower.

(d) The Borrower hereby agrees that the Issuer shall not be liable for, and agrees to release, indemnify and hold harmless the Issuer from any liabilities, obligations, claims, damages, litigation, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed on, incurred by or asserted against the Issuer for any cause whatsoever pertaining to the Project, the Bonds or this Agreement or any transaction contemplated by this Agreement, except for such liabilities, obligations, claims, damages, litigation, costs and expenses arising out of or in connection with the gross negligence or willful misconduct of the Issuer.

(e) As a matter of general assurance by the Borrower to the Issuer, the Borrower hereby covenants and agrees that the Borrower will indemnify the Issuer for all reasonable expenses, costs and obligations incurred by the Issuer under the provisions of this Agreement to the end that the Issuer will not suffer any out-of-pocket losses as a result of the

carrying out of any of its undertakings herein contained. It is furthermore expressly agreed that any pecuniary liability or obligation of the Issuer hereunder shall be limited solely to the revenues derived by the Issuer from the Financing Agreement and nothing contained in this Agreement shall ever be construed to constitute a personal or pecuniary liability or charge against any member, director, officer, employee or agent of the Issuer and in the event of a breach of any undertaking on the part of the Issuer contained in this Agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general funds of the Issuer shall arise therefrom.

(f) In any event, the provisions of this Agreement shall be superseded by any financing arrangement entered into by the Issuer and the Borrower in accordance with Section 3(c) hereof and, upon execution and delivery of such documents constituting the financing arrangement, this Agreement shall terminate and be of no further effect.

(g) The financing arrangements to be entered into in connection with the issuance of the Bonds shall provide that the Borrower shall not discriminate among persons on the basis of their race, religion or national origin.

(h) The Borrower acknowledges and agrees that upon the successful sale of the Bonds, fees as hereinafter stated shall be due and payable.

(i) Issuance and Administrative fee - one-half of one percent of the principal amount of the Bonds, payable upon issuance and sale thereof, exclusive of out-of-pocket expenses, if any, incurred by the Issuer as a result of the carrying out of its undertakings herein contained.

(ii) Issuer's counsel fee - All reasonable costs for services rendered and out-of-pocket expenses as assessed by Issuer's Counsel.

(iii) Bond counsel fee - All reasonable costs for services rendered and out-of-pocket expenses as assessed by Bond Counsel.

(i) The Borrower acknowledges and agrees that, in addition to the other conditions set forth herein, the obligation of the Issuer to issue the Bonds is contingent upon final approval of the Issuer and the Board of County Commissioners of Orange County, Florida.

5. Effective Dates; County Review. This Agreement shall take effect upon its execution and delivery; provided, however, that prior to the sale of the Bonds by the Issuer, the Borrower will provide to the Issuer:

(a) all financing documentation required by the Issuer in connection with the issuance of the Bonds, all in form and content satisfactory to the Issuer;

(b) the approving opinion of Broad and Cassel (or other nationally recognized bond counsel selected by Borrower and approved by Issuer, which approval shall not unreasonably be withheld), as bond counsel, to the effect that the Bonds have been validly issued and that under the existing laws of the United States, interest on the Bonds will be

excluded from gross income of the holders for federal income tax purposes to the extent that the Project is occupied by a qualified user;

(c) evidence satisfactory to Issuer's counsel that the zoning of the land comprising a part of each component of the Project is appropriate for the Borrower's use of the Project; and

(d) such other representations, warranties, covenants, agreements, certificates, financial statements, and other proofs as may be required by the Issuer, its counsel or bond counsel.

The Project and the Bonds shall also be subject to review and approval by the Board of County Commissioners of Orange County, and no assurances can be given by the Issuer as to the outcome of such review. Further, no assurances can be given by the Issuer as to the result of any action or inaction by a governmental agency, whether local, state or federal, nor as to the result of any judicial action, which may affect in any way the issuance of the Bonds or the Project; and the Issuer shall not be responsible nor held liable for any costs or damages incurred by any party as a result thereof.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed and delivered this Agreement as of the day and year first above written.

(AUTHORITY SEAL)

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

By: _____
Gina E. Dole, Chairman

Attest: _____
Amy Cutter Mulford, Secretary

Accepted:

**PRINCETON HOUSE CHARTER SCHOOL,
INC., a not-for-profit Florida corporation**

By: _____
Lorraine Johnson, President

Attest: _____
Julie McLachlan, Secretary

EXHIBIT B

COPY OF NOTICE OF PUBLIC HEARING

[See attached]

Orlando Sentinel

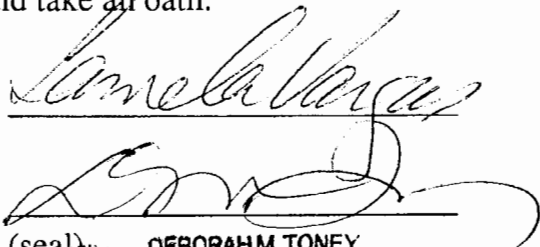
Broad And Cassel
390 N ORANGE AVE
SUITE 1100
ORLANDO, FL 32801-1640

Before the undersigned authority personally appeared Jennifer Irwin/Tamela Vargas/Deborah M. Toney, who on oath says that s/he is the Legal Advertising Representative of Orlando Sentinel, a daily newspaper published in Orange County, Florida; that the attached copy of advertisement, being a Public Hearing in the matter of November 15, 2011 in the Orange County __, was published in said newspaper in the issue(s); of

10/28/11

Affiant further says that the said Orlando Sentinel is a newspaper published 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 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 s/he 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 28 day of October, 2011, Jennifer Irwin/Tamela Vargas/Deborah M. Toney, who is personally known to me and who did take an oath.



(seal) **DEBORAH M. TONEY**
NOTARY PUBLIC
STATE OF FLORIDA
Comm# DD938521
Expires 11/18/2013

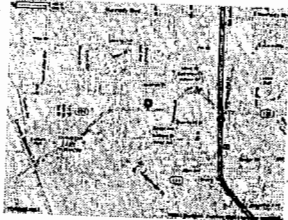
1158229

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY NOTICE OF MEETING AND PUBLIC HEARING

To Whom It May Concern:

For the purposes of Section 147(f) of the Internal Revenue Code, notice is hereby given that the Orange County Industrial Development Authority (the "Issuer") will hold a public meeting and hearing with respect to the proposed use of proceeds of the Issuer's Industrial Development Revenue Bonds (Princeton House Charter School, Inc. Project), Series 2011, in the aggregate principal amount of not to exceed \$3,400,000 (the "Bonds"), at a meeting to be held November 15, 2011 beginning at 2 p.m. or as soon thereafter as possible, at the Orange County Administration Building, 201 South Rosalind Avenue, 3rd Floor, Conference Room OMB, Orlando, Florida 32801 (the "Public Hearing").

A portion of the proceeds of the Bonds will be used for the purpose of refinancing the cost of acquiring, constructing, renovating, improving and/or equipping of a 20,000 square foot educational facility to be operated by the Borrower (as hereinafter defined), which is located at 1166 Lee Road, Orlando, Orange County, Florida 32810 (the "Project") (as depicted in the map below). The Project will be owned by Princeton House Charter School, Inc. (the "Borrower").



The Bonds are a limited obligation of the Issuer and are payable solely from the payments payable by the Borrower. An agreement between the Issuer and the Borrower provides for the payments by the Borrower sufficient to pay debt service on the Bonds when due. The Bonds are secured under an agreement whereby the Issuer has pledged the payments by the Borrower for the benefit of the holders of the Bonds. The Bonds are not a general obligation of the Issuer, and do not in any way constitute a debt, liability or obligation of the State of Florida, Orange County, Florida or any other political subdivision of the State of Florida. The Bonds are not payable from any tax revenues.

The Public Hearing will be conducted in a manner that provides a reasonable opportunity for persons with differing views to be heard on both the use of the proceeds of the Bonds and the location and nature of the Project. 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 Public Hearing may be submitted to the Metro Orlando Economic Development Commission at 301 East Pine Street, Suite 900, Orlando, Florida 32801, directed to the Secretary until 5:00 p.m. on November 14, 2011 or in person at the Public Hearing. Comments made at the Public Hearing are for the consideration of the Issuer and the Board of County Commissioners of Orange County.

Persons are advised that, if they decide to appeal any decision made at this Public Hearing, they will need a record of the proceedings, and for such purpose, they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the American with Disabilities Act, persons needing a special accommodation to participate in this proceeding should contact the Issuer no later than seven (7) days prior to the proceeding at the address given in this notice or telephone: (407) 422-7159.

Dated: October 28, 2011
Orange County Industrial
Development Authority
By: Amy Mulford, Secretary
Publish: October 28, 2011

COR1158229

10/28/2011

EXHIBIT C

COPY OF MEMORANDUM OF AGREEMENT

[Attached]

#10755641_v2

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT ("Agreement"), dated as of this 15th day of November, 2011, is between the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a public body corporate and politic and a public instrumentality duly created and existing under and by virtue of the laws of the State of Florida (the "Issuer") and PRINCETON HOUSE CHARTER SCHOOL, INC., a not-for-profit corporation organized and existing under the laws of the State of Florida and a corporation described in Section 501(c)(3) of the Code (the "Borrower"). Capitalized terms not otherwise defined herein shall have the definitions ascribed such terms in that certain Resolution of the Issuer adopted on November 15, 2011 authorizing the issuance of the Bonds (the "Resolution").

1. Preliminary Statements. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

(a) The Issuer is a public body corporate and politic created by the provisions of Part III of Chapter 159, Florida Statutes, as amended (the "Act"), authorized to issue obligations for and on behalf of a political subdivision, all within the meaning of the applicable regulations under the Code.

(b) In order to improve the economic base of Orange County, Florida ("Orange County") and the industrial economy in the State, to promote the economic growth of Orange County and the State, to increase purchasing power and opportunities for gainful employment, to improve living conditions and educational opportunities and to advance and improve the economic prosperity and the general welfare of the State and its people, it is desirable that the Issuer issue and sell its Industrial Development Revenue Bonds (Princeton House Charter School, Inc. Project), Series 2011 in the aggregate principal amount of not to exceed \$3,400,000 (the "Bonds").

(c) The Borrower proposes to utilize the proceeds from the sale by the Issuer of the Bonds to (i) pay all or any part of the cost of issuance of the Bonds (within applicable limits), (ii) refinance the acquisition, construction, renovation, improvement and/or equipping of a 20,000 square foot educational facility for the Borrower's school, which is located at 1166 Lee Road, Orlando, Orange County, Florida (the "Project"), and (iii) pay any other "cost" (as defined in the Act) of the Project.

(d) The Issuer intends to loan the proceeds of the Bonds to the Borrower and to enter into a financing agreement with the Borrower (the "Financing Agreement") requiring the Borrower to pay installments sufficient to pay the principal of, premium (if any), interest and costs due pursuant to and under the Bonds when and as the same become due.

(e) The Borrower intends to cause the Project to be operated exclusively as an educational facility whose primary purpose is to provide educational services consistent with its exempt purposes under Section 501(c)(3) of the Code.

(f) The Borrower expects that the cost to refinance the Project will be at least \$3,400,000, inclusive of underwriting commissions, and legal, accounting, financing and printing expenses.

(g) The Borrower represents that the Project will significantly contribute to the economic growth of Orange County by itself and by contributing to the growth potential of the Borrower, thereby expanding the local job base and the local tax base.

(h) The Borrower requests the Issuer to enter into this Agreement for the purpose of declaring the Issuer's intention to provide financing to pay the cost of the Project.

(i) The Borrower represents that no portion of the proceeds of the Bonds will be used to reimburse the Borrower for costs of the Project, except as permitted by the Code and relevant Treasury Regulations.

(j) The Borrower proposes that the Issuer agree to issue the Bonds under the Act in an aggregate principal amount not to exceed \$3,400,000. By virtue of the provisions of Section 103(a) and Section 145 of the Code, as now existing, the interest on such Bonds is to be excluded from the gross income of the holder or holders for federal income tax purposes to the extent that the Project is occupied by a qualified user (including the Borrower).

(k) The Issuer has preliminarily determined, based upon representations made by the Borrower and without any independent investigation having been made by the Issuer, that the financing of all or a portion of the cost of the Project by the Issuer will be in furtherance of the purpose of the Act in that it will enhance the growth of the Borrower and will significantly contribute to the inhabitants of Orange County by improving education, expanding the local job base and fostering the economic development of Orange County and expanding the local tax base.

(l) The Issuer by the Resolution, duly passed and adopted, has made certain preliminary findings and determinations and has approved and authorized the execution and delivery of this Agreement.

2. Undertakings on the Part of the Issuer. In accordance with and subject to the limitations of the Act, and subject to the satisfaction by the Borrower of the terms and conditions of this Agreement, the Issuer agrees as follows:

(a) That it will authorize the issuance and sale of the Bonds, pursuant to the terms of the Act as then in force in a principal amount not to exceed \$3,400,000 for the purpose of paying all or a portion of the cost of the Project and as otherwise described herein.

(b) That at the proper time, and subject in all respects to the prior advice, consent and approval of the Borrower, it will adopt such proceedings and authorize the execution of such documents as may be necessary and advisable for the authorization, sale and issuance of the Bonds and the financing of the Project, all as shall be authorized by the Act and mutually satisfactory to the Issuer and the Borrower. The Bonds shall not be deemed to constitute a debt, liability or obligation of the Issuer or of Orange County, the State or of any political subdivision thereof; but such Bonds shall be payable solely from the payments to be made by the Borrower pursuant to the Financing Agreement. The Bonds issued shall be in a principal amount not exceeding \$3,400,000, and shall have such other terms set forth in the term sheet included as part of the application the Borrower has filed with the Issuer, and shall have such provisions for redemption, shall be executed and shall be secured as hereafter may be

requested by the Borrower and agreed to by the Issuer, all on terms mutually satisfactory to the Issuer and the Borrower.

(c) That the Issuer will use and apply the proceeds of the issuance and sale of the Bonds, or cause such proceeds to be used and applied, to the extent of such proceeds, to pay the cost of financing or refinancing the Project; and will enter into the Financing Agreement with the Borrower requiring the Borrower to make payment for the account of the Issuer of installments sufficient to pay all of the interest, principal, redemption premiums (if any) and other costs due under and pursuant to the Bonds when and as the same become due and payable; to operate, repair, and maintain the Project at the Borrower's own expense; to pay to the Issuer a processing and administrative fee upon issuance and sale thereof; and to pay all other costs incurred by the Issuer in connection with the financing and administration of the Project which are not paid out of the Bond proceeds or otherwise for so long as the Bonds remains outstanding.

3. Undertakings on the Part of the Borrower. Subject to the conditions hereinafter stated, the Borrower agrees as follows:

(a) That the Borrower, at Borrower's own expense, will generally arrange for, manage and carry out the operation, repair and maintenance of the Project as contemplated by this Agreement (without thereby obligating the Borrower to go forward with the Project).

(b) That the Borrower will cooperate with the Issuer in making arrangements for the sale and issuance of the Bonds in a principal amount not to exceed \$3,400,000 and that to the extent that the proceeds derived from the sale of the Bonds are not sufficient to finance the Project, the Borrower will supply all additional funds which are necessary for the financing of the Project.

(c) That contemporaneously with the delivery of the Bonds, the Borrower will enter into such financing arrangements, indentures and related agreements as shall, in the opinion of the Borrower, the Borrower's counsel, and the Issuer or Issuer's counsel, including, but not limited to, the Financing Agreement, be necessary or appropriate so that the Borrower will be obligated to pay for the account of the Issuer sums sufficient in the aggregate to pay the principal of, the redemption premium, if any, and the interest on the Bonds when and as the same shall become due and payable.

(d) That the Borrower will take such further action and adopt such proceedings as may be required to implement its undertakings hereunder.

(e) That the Borrower will provide a satisfactory opinion of counsel for the Borrower with respect to the due organization and existence of the Borrower (as applicable) within the State, Borrower's power and authority to own the Borrower's properties and to carry on the Borrower's activities (including those to be carried on, at or in connection with the Project), the due authorization and execution, and delivery of any agreements to which the Borrower is a party, including, but not limited to, the Financing Agreement and related agreements, instruments and documents, their legality, validity, binding effect and enforceability in accordance with their respective terms, and the absence of any violation of

law, rule, regulation, judgment, decree or order of any court or other agency of government or of the certificate of incorporation, bylaws, and agreements, indentures or other instruments to which the Borrower is a party (as applicable) or by which the Borrower or any of the Borrower's property is or may be bound.

(f) That the Issuer will have been provided, at the expense of the Borrower, a satisfactory opinion of its counsel with respect to the due organization and existence of the Issuer and that all necessary proceedings in connection with the authorization, issuance and sale of the Bonds and the other transactions of the Issuer contemplated hereby have been properly conducted in accordance with applicable law.

4. General Provisions.

(a) All commitments of the Issuer and of the Borrower pursuant to this Agreement are subject to the condition that (i) the Issuer properly publish a notice of public hearing regarding the issuance of the Bonds, duly authorize and approve the issuance of the Bonds for purposes of Section 147(f) of the Code, and (ii) the Issuer and the Borrower shall have agreed to mutually acceptable terms for the Bonds and the sale and delivery thereof and mutually acceptable terms and conditions for the financing arrangements and other agreements referred to in Section 3(c) hereof and, unless extended by subsequent resolution of the Issuer, the Bonds shall have been sold and delivered on or before one year from the date of this Agreement.

(b) If the Issuer declines to issue the Bonds, if the Borrower abandons its plan to go forward with the Bonds, or if the events set forth in paragraph (a) of this Section do not take place within the time set forth therein for any reason whatsoever, the Borrower agrees to pay all costs and expenses of the Issuer including, but not limited to, reasonable fees and expenses of the Issuer's counsel and out-of-pocket expenses which the Issuer may have incurred in connection with the execution of this Agreement and the performance by the Issuer of its obligations hereunder, and this Agreement shall thereupon terminate.

(c) So long as this Agreement is in effect, all risk of loss to the Project shall, as between the parties hereto, be borne by the Borrower.

(d) The Borrower hereby agrees that the Issuer shall not be liable for, and agrees to release, indemnify and hold harmless the Issuer from any liabilities, obligations, claims, damages, litigation, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed on, incurred by or asserted against the Issuer for any cause whatsoever pertaining to the Project, the Bonds or this Agreement or any transaction contemplated by this Agreement, except for such liabilities, obligations, claims, damages, litigation, costs and expenses arising out of or in connection with the gross negligence or willful misconduct of the Issuer.

(e) As a matter of general assurance by the Borrower to the Issuer, the Borrower hereby covenants and agrees that the Borrower will indemnify the Issuer for all reasonable expenses, costs and obligations incurred by the Issuer under the provisions of this Agreement to the end that the Issuer will not suffer any out-of-pocket losses as a result of the

carrying out of any of its undertakings herein contained. It is furthermore expressly agreed that any pecuniary liability or obligation of the Issuer hereunder shall be limited solely to the revenues derived by the Issuer from the Financing Agreement and nothing contained in this Agreement shall ever be construed to constitute a personal or pecuniary liability or charge against any member, director, officer, employee or agent of the Issuer and in the event of a breach of any undertaking on the part of the Issuer contained in this Agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general funds of the Issuer shall arise therefrom.

(f) In any event, the provisions of this Agreement shall be superseded by any financing arrangement entered into by the Issuer and the Borrower in accordance with Section 3(c) hereof and, upon execution and delivery of such documents constituting the financing arrangement, this Agreement shall terminate and be of no further effect.

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(iii) Bond counsel fee - All reasonable costs for services rendered and out-of-pocket expenses as assessed by Bond Counsel.

(i) The Borrower acknowledges and agrees that, in addition to the other conditions set forth herein, the obligation of the Issuer to issue the Bonds is contingent upon final approval of the Issuer and the Board of County Commissioners of Orange County, Florida.

5. Effective Dates; County Review. This Agreement shall take effect upon its execution and delivery; provided, however, that prior to the sale of the Bonds by the Issuer, the Borrower will provide to the Issuer:

(a) all financing documentation required by the Issuer in connection with the issuance of the Bonds, all in form and content satisfactory to the Issuer;

(b) the approving opinion of Broad and Cassel (or other nationally recognized bond counsel selected by Borrower and approved by Issuer, which approval shall not unreasonably be withheld), as bond counsel, to the effect that the Bonds have been validly issued and that under the existing laws of the United States, interest on the Bonds will be

excluded from gross income of the holders for federal income tax purposes to the extent that the Project is occupied by a qualified user;

(c) evidence satisfactory to Issuer's counsel that the zoning of the land comprising a part of each component of the Project is appropriate for the Borrower's use of the Project; and

(d) such other representations, warranties, covenants, agreements, certificates, financial statements, and other proofs as may be required by the Issuer, its counsel or bond counsel.

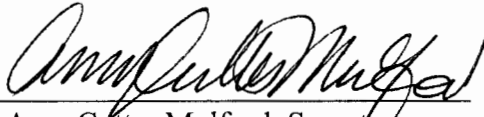
The Project and the Bonds shall also be subject to review and approval by the Board of County Commissioners of Orange County, and no assurances can be given by the Issuer as to the outcome of such review. Further, no assurances can be given by the Issuer as to the result of any action or inaction by a governmental agency, whether local, state or federal, nor as to the result of any judicial action, which may affect in any way the issuance of the Bonds or the Project; and the Issuer shall not be responsible nor held liable for any costs or damages incurred by any party as a result thereof.

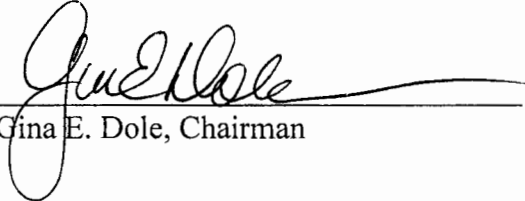
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IN WITNESS WHEREOF the Parties have executed and delivered this Agreement as of the day and year first above written.

**ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

(AUTHORITY SEAL)

Attest: 
Amy Cutter Mulford, Secretary

By: 
Gina E. Dole, Chairman

Accepted:

**PRINCETON HOUSE CHARTER SCHOOL,
INC., a not-for-profit Florida corporation**

By: Beverly Cox
Beverly Cox, Director