

NO: 83-B-22

MAY 2 1983

RESOLUTION  
APPROVING THE ISSUANCE OF  
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT REVENUE BONDS  
(INFRARED INDUSTRIES, INC. PROJECT), SERIES 1983  
IN THE AGGREGATE AMOUNT OF \$1,750,000

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

WHEREAS, the Authority on April 20, 1983, following the public hearing (the "Public Hearing") held pursuant to the Notice of Public Hearing Published in The Orlando Sentinel and attached hereto as Exhibit "A" (the "Notice") reaffirmed the resolution attached hereto as Exhibit "B" (the "Resolution") providing for the issuance of an aggregate of \$1,750,000 of Orange County Industrial Development Authority, Industrial Development Revenue Bonds (Infrared Industries, Inc. Project), Series 1982 (the "Bonds") for acquisition and equipping of the therein described industrial or manufacturing plant for Infrared Industries, Inc., a Delaware corporation (the "Project") in Orange County; and,

WHEREAS, the Board of County Commissioners of Orange County has jurisdiction over Orange County; and,

WHEREAS, the Board of County Commissioners of Orange County has been furnished with a copy of the Notice and of the minutes or extracts of the minutes of the Meeting and Public Hearing of the Authority held on April 20, 1983, with respect to the Authority's reaffirmation and continued approval of the Resolution with the only change being to designate the Bonds as Series 1983 and indicating that the Notice apprised residents of Orange County of the proposed issuance of the Bonds not less than 14 days before the Public Hearing and that 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,

WHEREAS, the Board of County Commissioners has been requested by the Authority to consider and approve the Authority's issuance of the Bonds in compliance with the provisions of Section 103(k) of the Internal Revenue Code of 1954, as amended;

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

1. The issuance of \$1,750,000 of Orange County Industrial Development Authority, Industrial Development Revenue Bonds (Infrared Industries, Inc. Project), Series 1982 (now to be

designated Series 1983) by the Authority as contemplated by the Resolution is hereby approved.

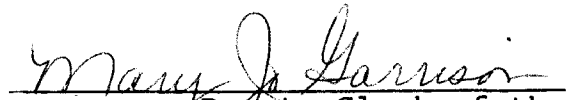
2. This approval is intended to comply with the provisions of Section 103(k) of the Internal Revenue Code of 1954, as amended.

3. Nothing contained in this approval shall be deemed to create any obligation or obligations of Orange County, Florida or the Board of County Commissioners of Orange County.

Adopted as of this 2<sup>nd</sup> day of May 1983, and effective immediately upon its adoption.



**VICE** \_\_\_\_\_  
Chairman of the Board of  
County Commissioners



\_\_\_\_\_  
Deputy Clerk of the  
Board of County Commissioners

# The Orlando Sentinel

Published Daily  
Orlando, Orange County, Florida

# EXHIBIT A

ADVERTISING CHARGES \$ 55.19

State of Florida )  
                          ) ss  
COUNTY OF ORANGE

Before the undersigned authority personally appeared \_\_\_\_\_  
Nancy A. Puglia \_\_\_\_\_, who on oath says that  
she is the Legal Advertising Representative of the Orlando Sentinel, a Daily newspaper  
published at Orlando, in Orange County, Florida; that the attached copy of ad-  
vertisement, being a Notice of Public Hearing in the matter of  
Re: Internal Revenue Code of 1954 of Bond Issues  
\_\_\_\_\_ in the \_\_\_\_\_ Court,  
was published in said newspaper in the issues of \_\_\_\_\_  
April 6, 1983

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 aff-  
iant 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.

Nancy A. Puglia  
\_\_\_\_\_

Sworn to and subscribed before me this 6th day

of April A.D., 1983

Bobby M. Kinney  
\_\_\_\_\_ Notary Public

Notary Public, State of Florida at Large  
My Commission Expires Jan. 21, 1984 FORM NO. AD-262

## NOTICE OF PUBLIC HEARING ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

A public hearing will be held by the OCIDA to consider and act on approval for purposes of Section 103(k) of the Internal Revenue Code of 1954, as amended, of bond issues for the projects listed below:

1. \$1,185,000 in industrial development revenue bonds for W.W. Grainger, Inc. project to construct a 25,200 sq. ft. building in the 33rd Street Industrial Park in Orlando, Florida.
2. \$800,000 in industrial development revenue bonds for Florida Luggage Corporation project to construct a 40,000 sq. ft. warehouse in the Regency Industrial Park in Orange County.
3. \$800,000 in industrial development revenue bonds for the Gorman Company, Inc. project to purchase a 10,000 sq. ft. warehouse and distribution facility on U.S. 441 in Northeast Orange County.
4. \$1,750,000 in industrial development revenue bonds for Infrared Industries, Inc. project to purchase land and construct a 2,800 sq. ft. research and manufacturing plant in the Central Florida Research Park with an alternate site situated on Econlockhatchee Trail, approximately 325 ft. north of Colonial Drive.
5. \$751,300 in industrial development revenue bonds for Camping and Mobile Home Parts, Inc. project to purchase land and construct a 48,000 sq. ft. distribution center on Highway 15A and Goldenrod Road in Orange County.

The above bond issue will be considered by the Authority and, if preliminarily approved, such approval will be immediately followed by a public hearing wherein members of the public will be given a reasonable opportunity to express their views on the issuance of bonds and the location and nature of the proposed projects. The public hearing preceding the public hearing will be held on Wednesday, April 20, 1983, and will begin at 2:00 P.M. in Suite 890, Hartford Building, 200 East Robinson Street, Orlando, Florida. For public hearing, if any, will immediately follow this public hearing.

Seal

RESOLUTION  
AUTHORIZING A MEMORANDUM OF AGREEMENT WITH  
INFRARED INDUSTRIES, INC.

A RESOLUTION AUTHORIZING A MEMORANDUM OF AGREEMENT WITH INFRARED INDUSTRIES, INC. WITH RESPECT TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CAPITAL PROJECT CONSISTING OF AN INDUSTRIAL OR MANUFACTURING PLANT OR HEAD-QUARTERS FACILITY IN ORANGE COUNTY FLORIDA; THE PROPOSED PRIVATE ISSUANCE AND SALE OF APPROXIMATELY \$1,750,000 IN AGGREGATE PRINCIPAL AMOUNT OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY INDUSTRIAL DEVELOPMENT REVENUE BONDS (INFRARED INDUSTRIES, INC. PROJECT) FOR THE PURPOSE OF PAYING ALL OR ANY PART OF THE COST OF SAID PROJECT; AND THE SALE OF SAID PROJECT TO OR FINANCING THEREOF FOR INFRARED INDUSTRIES, INC. ALL PURSUANT TO THE FLORIDA INDUSTRIAL DEVELOPMENT FINANCING ACT.

BE IT RESOLVED, by the members of the Orange County Industrial Development Authority:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of the Florida Industrial Development Financing Act, Part II, Chapter 159, Florida Statutes, as amended, and Part III of Chapter 159, Florida Statutes, as amended (the "Act") and other applicable laws.

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

A. The Orange County Industrial Development Authority ("Authority") is a public body politic and corporate and a public instrumentality duly created and existing under and by virtue of the laws of the State of Florida. The Authority is authorized and empowered by the Act to provide for the issuance of and to issue and sell its Industrial Development Revenue Bonds for the purpose of paying all or any part of the cost of any "capital project comprising an industrial or manufacturing plant" or "headquarters facility"; and

B. In order to promote the economic growth of Orange County (the "County") and the industrial economy of the State of Florida, to increase purchasing power and opportunities for gainful employment, to improve living conditions and to advance and improve the economic prosperity and the general welfare of the State and its people, it is desirable that:

1. The Authority provide for the issuance and sale of its Industrial Development Revenue Bonds (Infrared Industries, Inc. Project), Series 1982, in the aggregate amount of approximately \$1,750,000 (the "Bonds");

2. That the Authority use the proceeds thereof, to the extent of such proceeds as follows.

(i) To pay all or any part of the cost of the issuance of the Bonds,

(ii) To pay all or any part of the cost of acquiring a parcel of real estate located in the County consisting of approximately two acres in order to permit the construction of a building with approximately 23,000 square feet with approximately two-thirds of this space to be used as a

manufacturing facility for the fabrication of electronic, infrared detectors, and with approximately one-third of this space to be used as a headquarters facility for Infrared Industries, Inc.,

(iii) To pay all or any part of the cost of the acquisition and installation of certain machinery, equipment and appurtenances and facilities incidental thereto, and other improvements necessary and convenient therefor (the aforementioned parcel of real estate and improvements to be constructed, and such machinery, equipment and appurtenances and facilities incidental thereto, being referred to herein, collectively, as the "Project"), and to pay any other "cost" (as defined in the Act) of the Project; and

3. That the Authority either (i) sell the Project to Infrared Industries, Inc., a Delaware corporation (the "Company"), for or at a purchase price payable in installments sufficient to pay the principal of, premium (if any), interest and other costs due pursuant to the Bonds when and as the same may become due, or (ii) at the Authority's option, otherwise finance the acquisition of the Project in a manner which will pay all sums and costs due under the Bonds; and

C. The Company has shown that the Project will increase employment in the County by creating approximately seventy (70) additional new jobs, of which approximately forty (40) jobs will be filled with people hired from the local community; and

D. The Project shall make a significant contribution to the economic growth of the County, shall provide gainful employment and shall serve a public purpose by advancing the economic prosperity and the general health and welfare of the State of Florida and its people; and

E. Issuance of the Bonds shall be conditioned, among other conditions, upon a determination by the Authority, based upon such evidence as the Authority shall deem satisfactory, that the County be able to cope satisfactorily with the impact of the Project and is able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that will be necessary for the construction, operation, repair and maintenance for the Project and on account of any increase in population or other circumstances resulting therefrom; in furtherance of the foregoing, prior to the adoption of a Bond Resolution authorizing the issuance of these Bonds, the Company will provide the Authority with such additional information as the Authority shall request concerning the impact of the Project on the County, and the County's ability to provide the public facilities, including utilities and public services, that the Project will require, and the Authority shall have no obligation to proceed with the issuance and sale of these Bonds unless the Authority, in the exercise of its sole discretion, finds such additional information to be satisfactory; and

F. In view of the rising construction costs, rising interest rates and other factors, it is believed essential that the acquisition, construction and equipping of the Project commence at the earliest practical date, and the Company is unwilling to make commitments therefor without satisfactory assurances from the Authority that, upon satisfaction of all requirements of law and other conditions to be met by the Company, the Bonds will be issued and sold and the proceeds thereof will be made available to finance the cost of the Project, to the extent of such proceeds; and

G. It is necessary and desirable and in the best interest of the Authority and the County that the Authority and the Company enter into a Memorandum of Agreement (the "Memorandum of Agreement"), engaging the Company as an independent contractor of the Authority for the performance of the functions described therein, including the arranging for the acquisition, construction and equipping of the Project; and providing among other things for the issuance and sale by the Authority 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 sale of the Project by the Authority to the Company pursuant to a sale agreement requiring the Company to pay the purchase price thereof in 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 (or, at the Authority's option, in lieu of such a sale agreement the financing of such Project in a manner providing for the payment of such sums and costs), to operate, repair and maintain the Project at the Company's own expense, and to pay all other costs incurred by the Authority in connection with the financing, construction and administration of the Project which are not paid out of the Bond proceeds or otherwise; and

H. The Company is financially responsible and fully capable and willing to fulfill its obligations under the proposed sale or financing agreement, including the obligation to make payments in the amount and at the times to be required by such agreement, the obligation to operate, repair and maintain such Project at its own expense, and to serve the purposes of the Act and other responsibilities to be imposed under such agreement, due consideration having been given to the Company's forecast of its ratio of current assets to current liabilities, net worth, earning trends, coverage of all fixed charges, and the nature of its business and the industry in which it is involved, its inherent stability, and other factors determinative of the capabilities of the Company, financially and otherwise, to fulfill its obligations consistently with the purposes of the Act; and

I. The Bonds shall and will be payable solely from the revenues and proceeds derived by the Authority from the financing, sale, operation or leasing of the Project, and will not constitute a debt, liability or obligation of the Authority or the State of Florida or of any political subdivision thereof, the Authority shall not be obligated to pay the same nor interest, premiums (if any) or costs thereon except from the revenues and proceeds pledged therefor, and neither the faith and credit nor the taxing power of the Authority or the State of Florida or of any political subdivision thereof will be pledged to the payment of the principal, premiums (if any), interest, or costs due pursuant to or under such Bonds.

SECTION 3. APPROVAL OF MEMORANDUM OF AGREEMENT. In order to assure the location of and to induce the Company to locate the Project in the boundaries of the County, with the resulting public benefits which flow therefrom, and to more effectively serve the purposes of the Act, the proposed Memorandum of Agreement to be made between the Authority and the Company, in the form and with the contents filed with the minutes of this meeting, be and the same is hereby approved.

SECTION 4. AUTHORIZATION OF EXECUTION AND DELIVERY OF MEMORANDUM OF AGREEMENT. The Chairman of the Authority is hereby authorized and directed to execute the Memorandum of

Agreement in the name of and on behalf of the Authority, and the Secretary of the Authority is hereby authorized and directed to attest the same and to affix the Official Seal of the Authority, and the Chairman is hereby authorized to deliver the Memorandum of Agreement to the Company. Such officers and all other officers and employees of the Authority are hereby authorized to execute and deliver such further agreements, instruments and documents and to take such further action as may be necessary or desirable to effectuate and carry out the intent and purposes of the Memorandum of Agreement, when executed and delivered by the Company.

SECTION 5. EFFECT OF RESOLUTION. This resolution is intended to and shall constitute "a Bond Resolution or some other official action" of the Authority for purposes of Section 103(b) of the Internal Revenue Code of 1954, as amended, and the related regulations, ruling and interpretative court decisions thereunder.

SECTION 6. REPEALING CLAUSE. All resolutions or orders and parts thereof in conflict herewith, to the extent of such conflicts, are hereby superseded and repealed.

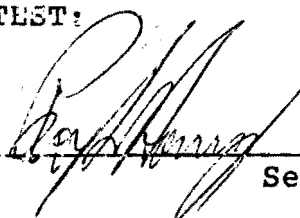
SECTION 7. EFFECTIVE DATE. This resolution shall take effect immediately upon its adoption.


The foregoing resolution was offered by Authority Member Mr. Fischer, who moved its adoption. The motion was seconded by Authority Member Mr. J. Harris and, upon being put to a vote, the resolution was unanimously adopted.

The Chairman then declared the resolution to be duly passed and adopted.

PASSED AND APPROVED this 19th day of August, 1982.

ATTEST:

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Chairman of the Orange  
County Industrial Develop-  
ment Authority  
Orange County, Florida

(OFFICIAL SEAL)

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT, dated as of the 19<sup>th</sup> day of August, 1982, between ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a public body politic and corporate and a public instrumentality duly created and existing under and by virtue of the laws of the State of Florida (the "Authority"), and INFRARED INDUSTRIES, INC., a Delaware corporation (the "Company").

Section 1. The matters of mutual inducement and reliance which resulted in the execution of this Memorandum of Agreement are as follows:

A. The Authority is hereby authorized and empowered by the Florida Industrial Development Financing Act, Part II of Chapter 159, Florida Statutes, as amended, and Part III of Chapter 159, Florida Statutes, as amended (the "Acts"), to provide for the issuance of and to issue and sell its Industrial Development Revenue Bonds for the purpose of paying all or any part of the cost of any capital project comprising an industrial or manufacturing plant" or "headquarters facility".

B. In order to improve the economic base of Orange County, Florida (the "County") and the industrial economy in the State, to promote the economic growth of the County and the State, to increase purchasing power and opportunities for gainful employment, to improve living conditions and to advance and improve the economic prosperity and the general welfare of the State and its people, it is desirable that the Authority issue and sell its Industrial Development Revenue Bonds (Infrared Industries, Inc. Project), Series 1982, in the aggregate principal amount of approximately \$1,750,000 (the "Bonds").

C. The Authority intends to use the proceeds thereof to the extent of such proceeds as follows: (i) to pay all or any part of the cost of issuance of the Bonds, (ii) to pay all or any part of the cost of acquiring a parcel of real estate located in the County (the parcel consists of approximately two (2) acres of land) in order to permit the Company to construct and equip certain improvements, including a building with approximately 28,000 square feet, with approximately two-thirds (2/3) of this space to be used as a manufacturing facility for the fabrication of electronic, infrared detectors, and with approximately one-third (1/3) of this space to be used as the Company's headquarters facility, (iii) to pay for all or any part of the cost of the acquisition and installation of certain machinery, equipment and appurtenances and facilities incidental thereto, and other improvements necessary and convenient therefor (the aforementioned parcel of real estate and improvements to be constructed, and such machinery, equipment and appurtenances and facilities incidental thereto, being referred to herein collectively as the ("Project)), and (iv) to pay any other "cost" (as defined in the Acts) of the Project.

D. The Authority either: (i) intends to sell the Project to the Company at a purchase price payable in 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, or (ii) otherwise finance the acquisition of this Project in a manner which will pay all sums and costs due under the Bonds.

E. The Company has shown that the Project will increase employment in the County by creating approximately seventy (70) additional new jobs, of which approximately forty



(40) jobs will be filled with people hired from the local community.

F. The Company has requested that the Authority enter into this Memorandum of Agreement for the purpose of declaring the Authority's intention to provide financing to pay all or a portion of the cost of the Project.

G. The Authority, by resolution duly passed and adopted, has made certain findings and determinations and has approved and authorized the execution and delivery of this Memorandum of Agreement.

H. The Company represents that it has not financed the Project, acquired the aforementioned interest in real estate, nor commenced construction or the ordering of equipment.

Section 2. The Authority will cooperate with the Company and its agents in the Company's efforts to find one or more purchasers for the Bonds, and if purchase arrangements satisfactory to the Company can be made by the Company and its agents, the Authority will authorize the issuance and sale of the Bonds, and will issue and sell the Bonds to such purchaser or purchasers of the Bonds as may be designated by the Company, all upon such terms and conditions as shall be approved by the Authority and the Company and authorized by law. The Bonds shall be sold only at private sale to an institutional investor, such as a bank, insurance company or investment firm for its own portfolio and not for resale, without any requirement for a vote of electors, or the consent or approval of any other government or governmental subdivision, agency or other instrumentality except as specifically required by law. The Bonds will be payable solely from the revenues and proceeds derived by the Authority from the sale, operation or leasing of the Project, and will not constitute a debt, liability or obligation of the Authority or of the State of Florida or of any political subdivision thereof. The Authority shall not be obligated to pay the same nor interest, premium (if any) or costs thereon except from the revenues and proceeds pledged therefor, and neither the faith and credit nor the taxing power of the Authority or of the State of Florida or of any political subdivision thereof will be pledged for the payment of the principal of, premium (if any), interest or costs due pursuant to or under such Bonds. The Authority will have no obligation to issue and sell the Bonds unless the Company satisfies the conditions contained in paragraph (E) of Section 2 of the resolution adopted by the Authority on August 19, 1982 authorizing this Memorandum of Agreement.

From the date hereof until the sale of the Bonds, the Company shall furnish to the Authority in reasonable detail (i) a financial statement of operations of the Company for and within 45 days of the end of each of the first three quarters of the Company's fiscal year and (ii) an audited balance sheet and statement of operations for and within 120 days of the end of the Company's fiscal year. In addition to, and notwithstanding the Company's obligation to provide such financial statements, until the sale of the Bonds, the Company will, within ten (10) days after its occurrence, notify the Authority of any material change, whether or not adverse, in the Company's business, operations or financial condition. In the event the Authority shall, at any time prior to the sale of the Bonds, determine in its sole discretion that there has been a material adverse change in the Company's business, operations or financial condition, whether or not such determination is based upon financial statements or notices provided by the Company in accordance herewith, the obligation of the Authority to issue and sell the Bonds shall, at the option of the Authority, be terminated.

Section 3. The Authority will, at the proper time, and subject in all respects to the prior advice, consent and approval of the Company, 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 acquisition and financing of the Project, all as shall be authorized by law and mutually satisfactory to the Authority and the Company.

Section 4. The Bonds issued shall be in such aggregate principal amount, shall bear interest at such rate or rates, shall be payable at such times and places, shall be in such forms and denominations, shall be sold in such manner and in such time or times, shall have such provisions for redemption, shall be executed, and shall be secured, all as shall be authorized by the Acts and all on terms mutually satisfactory to the Authority and the Company.

Section 5. The Authority 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 the Project, and will sell the Project to the Company pursuant to a sale agreement requiring the Company to make payment for the account of the Authority of purchase price 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 (or at the Authority's option, in lieu of a sale agreement the Authority and the Company shall enter into a financing agreement providing for such payment), to operate, repair and maintain the Project at the Company's own expense, to pay the Authority a processing and administrative fee of one-half of one percent (1/2%) of the principal amount of the Bonds upon the issuance and sale thereof (but in no event shall such fee be in excess of Ten Thousand Dollars (\$10,000.00)) to pay all other costs incurred by the Authority in connection with the financing, construction and administration of the Project which are not paid out of the Bond proceeds or otherwise paid by the Company for so long as any of the Bonds remain outstanding, and for the conveyance to the Company of all rights, title and interest of the Authority in and to the Project when all of the obligations of the Company under the sale or financing agreement have been performed and satisfied.

Section 6. Having determined that the purposes of the Acts would be more effectively served, the Authority hereby engages the services of the Company as an independent contractor of the Authority, and the Company hereby accepts such engagement, for the acquisition, construction and equipping of the Project, it being understood and agreed that the Company shall provide all services incident to the acquisition, construction and equipping of the Project (including, without limitation, the preparation of plans, specifications and contract documents, the award of contracts, the inspection and supervision of work performed, the employment of engineers, architects, builders and other contractors) and that the Company shall pay all costs of the Project, subject to reimbursement by the Authority upon the issuance and sale of the Bonds and the use and application of the proceeds thereof as provided above. The Authority shall have no responsibility for the provision of the aforesaid services. It is expected that the Project will cost approximately One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000.00), exclusive of interest during the period of construction, underwriting discount or commissions, and legal, accounting and financing expenses. The Company agrees that to the extent that the proceeds derived from the sale of the Bonds are not sufficient to complete the Project, the Company will supply all additional funds which

are necessary for the completion of the Project. So long as this Memorandum of Agreement is in effect, all risk of loss to the Project will be borne by the Company.

Section 7. At or prior to the time of issuance and sale of the Bonds, the Authority will enter into an Indenture with a corporate trustee or bank to secure the Bonds, whereby the Authority's interest in the Project, the sale agreement with the Company (or other financing agreement with the Company), and all fees, rents, charges, proceeds from the sale of the Project, and other funds and revenues in respect of the Project, excluding certain rights reserved to the Authority, will be pledged and assigned to such trustee or bank or held by such party in trust, for the benefit of the holders, from time to time, of the Bonds.

Section 8. At the time of issuance and sale of the Bonds, the following conditions precedent shall have been satisfied:

A. The Authority shall have duly passed and adopted a resolution making all findings required by law and authorizing the issuance and sale of the Bonds and the execution and delivery of the sale agreement or the financing agreement, the trust indenture and such other agreements, instruments and documents as may be required to be specifically authorized.

B. The Company shall have duly authorized the execution, delivery and performance by the Company of the sale agreement or other financing agreement, and approved the trust indenture and the issuance and sale of the Bonds, and authorized or approved such other agreements, instruments and documents for which specific authorization or approval may be required.

C. The Company shall have provided the Authority with a satisfactory opinion of counsel for the Company with respect to the due organization, existence, qualification to do business in various jurisdictions (including the State of Florida) and good standing of the Company, its power and authority to own its properties (including the Project) and to carry on its business and activities (including those to be carried on, at or in connection with the Project), the due authorization and execution, and delivery of the sale agreement or financing agreement, the indenture 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 Company or any of its subsidiaries is a party or by which any of them, or any of their respective property is or may be bound.

D. The Authority shall have been provided, at the cost of the Company, a satisfactory opinion of its counsel with respect to the due organization and existence of the Authority and that all necessary proceedings in connection with the authorization, issuance and sale of the Bonds and the other transactions of the Authority contemplated hereby have been properly conducted in accordance with applicable law.

E. The Company and the Authority shall have executed and delivered such non-arbitrage certificates and representations, and a law firm acceptable to the Authority and serving as bond counsel ("Bond Counsel") shall have rendered such opinion relating to arbitrage, as may be required to comply with Section 103(c) of the Internal Revenue Code of 1954, as amended, and the regulations, rulings and interpretative court decisions thereunder.

F. The election contemplated by Section 103(b)(6)(D) of the Internal Revenue Code of 1954, as amended, and the regulations, rulings and interpretive court decisions thereunder shall have been filed with the Internal Revenue Service, if required by the Authority.

G. Bond Counsel shall have delivered its opinion with respect to the validity of the Bonds, and to the effect that the interest on the Bonds is exempt from Federal Income Taxes under existing statutes and published regulations, rulings and interpretative court decisions (except as to Bonds held by a "substantial user" of the Project or any related persons", as such terms are defined in the Internal Revenue Code and the regulations thereunder).

H. The Company shall have furnished satisfactory plans and specifications for the Project, in reasonable detail, showing that the Project complies in all respects with the requirements of law.

I. The Company shall have provided such other or additional representations, warranties, covenants, agreements, certificates, certified financial statements, legal opinions, and other proofs as may be required by the Authority or by Bond Counsel.

#### Section 9.

A. In the event that the Bonds are not issued and sold and the transactions contemplated hereby are not closed within twelve (12) months after the date hereof, for any reason whatsoever and whether or not as a result of any failure to find one or more purchasers for the Bonds, any default or failure of performance by the Authority, the inability of the Authority to issue and sell the Bonds or the failure or inability of the Authority and the Company to agree to the terms and conditions of the agreements, instruments and other documents provided for herein or contemplated hereby, the Company agrees that it will (i) pay all its costs and expenses, including any fees and expenses of its financial agent, (ii) pay the reasonable fees and expenses of Bond Counsel, and (iii) reimburse the Authority for all reasonable out-of-pocket costs and expenses, including reasonable fees and expenses of the Authority's counsel, which the Authority may have incurred in connection with this Memorandum of Agreement or the agreements, instruments and other documents provided for herein or contemplated hereby.

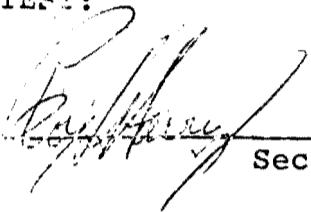
B. The Company agrees that it will indemnify and hold the Authority, the County and the State of Florida, and their respective members, officers, employees and agents, harmless against any liabilities, allegations or claims of loss or damage (including attorneys' fees and expenses) pertaining to the Project, the Bonds or any transaction contemplated hereunder or arising out of or predicated upon this Memorandum of Agreement, any action or non-action taken or omitted in reliance upon this Memorandum of Agreement, or any default or failure of performance hereunder.

Section 10. No covenant or agreement contained in this Memorandum of Agreement or the Bonds, the trust indenture, the sale or financing agreement, or in any other instrument relating to the Bonds or the Project, shall be deemed to be a covenant or agreement of any member, officer, employee or agent of the Authority in an individual capacity, and neither the members or any officer of the Authority executing the Bonds or any such other agreements or instruments shall be liable

personally thereon or be subject to any personal liability or accountability by reason thereof. It is expressly agreed that any pecuniary liability or obligation of the Authority hereunder shall be limited to the revenues and proceeds derived by the Authority from the sale, operation or leasing of the Project, and in the event of a breach of any undertaking on the part of the Authority contained in this Memorandum of Agreement, no personal liability or charge payable directly or indirectly from the general funds of the Authority shall arise therefrom.


IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement and affixed their respective seals, as of the date first written above.

ATTEST:

BY  Secretary

(OFFICIAL SEAL)

ORANGE COUNTY INDUSTRIAL DEVELOPEMENT AUTHORITY

BY  Chairman

ATTEST:

By \_\_\_\_\_

(CORPORATE SEAL)

INFRARED INDUSTRIES, INC.

By \_\_\_\_\_