

JUL 23 1984

84-B-19
RESOLUTION

APPROVING THE ISSUANCE OF
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT REVENUE BONDS
(HARCOURT BRACE JOVANOVIICH, INC. PROJECT)
IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$9,500,000

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

WHEREAS, the Authority on July 18, 1984, 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") adopted the resolution attached hereto as Exhibit "B" (the "Resolution") providing for the issuance of an aggregate principal amount of not to exceed \$9,500,000 of Orange County Industrial Development Authority Industrial Development Revenue Bonds (Harcourt Brace Jovanovich, Inc. Project) (the "Bonds") for acquisition, construction and equipping of the therein described industrial or manufacturing plant for Harcourt Brace Jovanovich, Inc. (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 July 18, 1984, with respect to the Authority's approval of the Resolution 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 under the provisions of Section 125.01(1)(z) of the Florida Statutes, as amended, and Section 103(k) of the Internal Revenue Code of 1954, as amended;

NOW, THEREFORE, BE IT RESOLVED by the Board of County

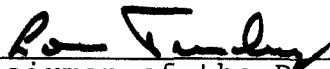
Commissioners of Orange County as follows:

1. Issuance of the Bonds by the Authority in an aggregate principal amount of not to exceed \$9,500,000 of Orange County Industrial Development Authority Industrial Development Revenue Bonds (Harcourt Brace Jovanovich, Inc. Project) as contemplated by the Resolution is hereby approved, subject to the bonds being issued and delivered on or before December 31, 1984. If the bonds are not issued and delivered by that date, the approval granted hereby shall be deemed void and revoked.

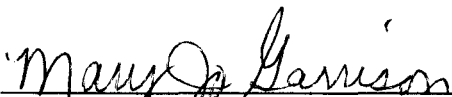
2. This approval is intended to comply with the provisions of Section 125.01(1)(z) of the Florida Statutes, as amended, and Section 103(k) of the Internal Revenue Code of 1954, as amended.

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 23rd day of July, 1984, and effective immediately upon its adoption.



Chairman of the Board of
County Commissioners



Deputy Clerk of the Board of
County Commissioners

EXHIBIT A

The Orlando Sentinel

Published Daily
Orlando, Orange County, Florida

ADVERTISING CHARGE \$ 91.36

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
Orange County Industrial Development Authority
_____ in the _____ Court,
was published in said newspaper in the issues of _____
July 4, 1984

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 af-
fiant 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 July A.D., 1984

Virginia M. Hollingsworth
Notary Public

Notary Public, State of Florida at Large
My Commission Expires July 13, 1985 FORM NO. AD-262
Bonded by American Fire & Casualty Co.



**NOTICE OF PUBLIC HEARING
ORANGE COUNTY
INDUSTRIAL DEVELOPMENT
AUTHORITY**

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

1. Maximum of \$9,500,000 of industrial development revenue bonds for Harcourt Brace Jovanovich, Inc. ("HBJ") to acquire approximately 30 acres of land and to construct and equip thereon a building containing approximately 188,000 sq. ft. of warehouse space and approximately 24,000 sq. ft. of office space to house the southeastern distribution facilities of the following subsidiaries and departments of HBJ:
 - (i) Beckley-Cary Company - school and office graphic supplies and equipment;
 - (ii) School department and Coronado Publishers, Inc. - elementary and secondary textbooks and other instructional materials;
 - (iii) The Psychological Corporation - achievement and aptitude test materials;
 - (iv) college department - undergraduate college textbooks; and
 - (v) Additional support services for HBJ and its subsidiaries and departments including assembly operation for maps and globes manufactured by the Weber Costello Division; records and equipment storage for HBJ; marketing services for Sea World, and clerical, secretarial and managerial support services for HBJ and certain of its subsidiaries.

The project site is located west of Narcoossee Road, north of Dowden Road, east of the Orlando International Airport and approximately 1 1/2 miles south of the Seeline Expressway in unincorporated south Orange County. If the bond issue is approved, issuance of the bonds will be subject to annexation of the project site into the City of Orlando.

2. Maximum of \$2,500,000 of industrial development revenue bonds for Continental Meats, Inc. to acquire approximately six acres of land and to construct and equip an approximately 80,000 sq. ft. building including approximately 5,000 sq. ft. of processing area, approximately 25,000 sq. ft. of refrigerated storage, approximately 10,000 sq. ft. of office space and approximately 40,000 sq. ft. of dry storage and staging areas for shipping and receiving. The project site is at the northwest corner of the intersection of Silver Star Road and Regent Avenue in the City of Orlando and includes the east approximately 410 feet of the property between Silver Star Road and Silver Meteor Drive west of Regent Avenue.

Members of the public will be given a reasonable opportunity to express their views on the issuance of the bonds and the location and nature of the proposed project at the public hearing which will be conducted as a part of the Authority's regular monthly public meeting to be held on Wednesday, July 18, 1984 at 2:00 p.m. in Suite 890, Hartford Building, 200 East Robinson Street, Orlando, Florida.

If a person decides to appeal any decision made by the Orange County Industrial Development Authority with respect to any matter considered at this meeting or hearing, he will need a record of the proceedings, and for such purpose, he may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

July 4, 1984.
ORANGE COUNTY
INDUSTRIAL
DEVELOPMENT
AUTHORITY
By: Roy L. Harris, Jr.
Title: Secretary
CL-503 July 4, 1984

EXHIBIT B

RESOLUTION NO. 84- 012

RESOLUTION

AUTHORIZING A MEMORANDUM OF AGREEMENT WITH HARCOURT BRACE JOVANOVIICH, INC., A NEW YORK CORPORATION

A RESOLUTION AUTHORIZING A MEMORANDUM OF AGREEMENT WITH HARCOURT BRACE JOVANOVIICH, INC., A NEW YORK CORPORATION, WITH RESPECT TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A CAPITAL PROJECT CONSISTING OF AN INDUSTRIAL OR MANUFACTURING PLANT OR A WAREHOUSING OR DISTRIBUTION FACILITY IN ORANGE COUNTY, FLORIDA; THE PROPOSED PRIVATE ISSUANCE AND SALE OF NOT EXCEEDING \$9,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, INDUSTRIAL DEVELOPMENT REVENUE BONDS (HARCOURT BRACE JOVANOVIICH, 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 SAID CORPORATION 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, Parts II and III, 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 (the "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 a warehousing or distribution 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 (Harcourt Brace Jovanovich, Inc. Project) Series 1984, in the aggregate amount of not exceeding \$9,500,000 (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 issuance of the Bonds,

(ii) to pay all or any part of the cost of acquiring a parcel of real estate which is currently located in the County but which, as a condition precedent to issuance of the Bonds, will be annexed by the City of Orlando (the parcel is expected to consist of approximately 39.5 acres of land and is located west of Narcoossee Road, north of Dowden Road, east of the Orlando International Airport and approximately 1 1/2 miles south of the Beeline Expressway within the jurisdiction of the Authority),

(iii) to pay all or any part of the cost of constructing and equipping certain improvements on the aforementioned parcel of real estate, including the construction of an approximately 212,000-square foot warehousing or and distribution facility and related office facilities,

(iv) 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 therefore (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

(v) to pay any other "cost" (as defined in the Act) of the Project; and

(3) That the Authority either (i) sell the Project to Harcourt Brace Jovanovich, Inc., a New York 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) otherwise finance the acquisition of the Project in a manner which will pay

all the 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 300 new full-time jobs and 50 new part-time jobs immediately following completion of the Project; 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 welfare of the State of Florida and its people and will result in a substantial public benefit; and

(E) 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, 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; and

(F) In view of rising construction costs, interest rate fluctuations 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 or financing of the Project by the Authority to the Company pursuant to a sale agreement or loan agreement requiring the Company to pay (or cause to be paid) 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 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 agreement (or loan agreement), including the obligation to make installment payments in the amount and at the times to be required by the sale agreement (or loan 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 the sale agreement (or loan agreement), due consideration having been given to the Company's ratio of current assets to current liabilities, net worth, earning trends, coverage of all fixed charges, 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 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, 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 the State of Florida or of any political subdivision thereof will be pledged to the payment of the principal, premium (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 within the boundaries of the Authority, 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 presented at and 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 thereto 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 and 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 similar 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 Mr. Davis, who moved its adoption. The motion was seconded by Mr. Tedder, and, upon being put to a vote, the vote was as follows:

Voting in Favor: Messrs. Lord, J. Harris, Davis and Tedder

Voting Against: None

Abstain: None

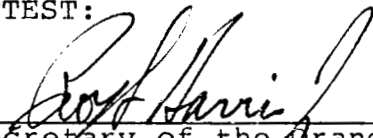
Absent: Mr. Arthur

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

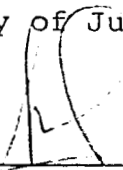
PASSED AND APPROVED this 18th day of July, 1984.

(OFFICIAL SEAL)

ATTEST:



Secretary of the Orange
County Industrial
Development Authority,
Orange County, Florida



Chairman of the Orange
County Industrial Development
Authority, Orange County, Florida

MEMORANDUM OF AGREEMENT

This MEMORANDUM OF AGREEMENT, dated as of the ____ day of July, 1984, between ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a public body politic and corporate and a public instrumentality duly created and existing under any by virtue of the laws of the State of Florida (the "Authority"), and HARCOURT BRACE JOVANOVIICH, INC., a New York 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 authorized and empowered by the Florida Industrial Development Financing Act, Parts II and III of Chapter 159, Florida Statutes, as amended (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 a warehousing or distribution facility".

(b) In order to improve the economic base of the Authority and the industrial economy in the State, to promote the economic growth of Orange County, Florida (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 (Harcourt Brace Jovanovich, Inc. Project), Series 1984, in the aggregate principal amount not to exceed \$9,500,000 (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 a part of the cost of acquiring a parcel of real estate which is currently located within the County but which, as a condition precedent to issuance of the Bonds, will be annexed by the City of Orlando, in order to permit the Company to construct and equip a warehousing or distribution facility to be located on said parcel, (iii) to pay all or any part of the cost of constructing and equipping certain improvements on the aforementioned parcel of real estate (the parcel consists of approximately 39.5 acres of land and is located west of Narcoosee Road, north of Dowden Road, east of the Orlando International Airport and approximately 1 1/2 miles south of the Beeline Expressway in the County), including the construction of an approximately 212,000-square foot warehousing or distribution facility and related office facilities, (iv) 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 (v) to pay any other "cost" (as defined in the Act) 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 through a loan agreement 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 300 new full-time jobs and 50 part-time jobs upon completion of the Project.

(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, 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 Company and the Authority 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, validation of the Bonds by any court, 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 to the payment of the principal or premium (if any), interest or costs due pursuant to or under such Bonds.

From the date hereof until the sale of the Bonds, there shall be furnished to the Authority in reasonable detail a financial statement of operations, balance sheet and income statement of the Company for and within thirty (30) days following the end of each of the first three quarters of its fiscal year and for and within one hundred twenty days following the end of each fiscal year. In addition to, and notwithstanding the aforesaid 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 its business, operations or financial condition. In the event the Authority shall, at any time prior to sale of the Bonds, determine in its sole discretion that there has been a material adverse change in the business, operations or financial condition of the Company, 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, submit applications, 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 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 Act 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 (in lieu of a sale agreement, the Authority and the Company may enter into a loan agreement providing for such payment), to

operate, repair and maintain the Project at the Company's own expense, to pay all 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 for so long as any of the Bonds remain outstanding, and, in the event that there is a sale agreement, 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 agreement have been performed and satisfied.

Section 6. Having determined that the purposes of the Act 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 Nine Million Five Hundred Thousand Dollars (\$9,500,000.00), inclusive of 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 Florida corporate trustee to secure the Bonds, whereby the Authority's interest in the Project, the sale agreement (or loan 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 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 Project site shall have been annexed by the City of Orlando.

(b) 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 loan agreement), the aforementioned indenture and such other agreements, instruments and documents as may be required to be specifically authorized.

(c) All public hearing and approval requirements imposed by Section 103(k) of the Internal Revenue code of 1954, as amended (the "Code"), shall have been complied with by or for the Authority.

(d) The Board of Directors of the Company shall have duly passed and adopted a resolution authorizing the execution, delivery and performance by the Company of the sale agreement (or loan agreement) and any other documents relating to the issuance of the Bonds as may be requested by the Authority or bond counsel, and approving the aforementioned indenture and the issuance and sale of the Bonds, and authorizing or approving such other agreements, instruments, and documents for which specific authorization or approval may be required.

(e) The Company shall have provided 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 respective 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 loan 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 of other agency or government or of the certificate of incorporation, bylaws, and agreements, indentures or other instruments to which the Company is a party or by which it or any of its properties is or may be bound.

(f) 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 public approval, 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.

(g) The Company and the Authority shall have executed and delivered such non-arbitrage certificates and representations, and special bond counsel shall have rendered such opinion relating to arbitrage, as may be required to comply with Section 103 (c) of the Code, and the regulations, rulings and interpretative court decisions thereunder.

(h) The election contemplated by Section 103

(b)(6)(D) of the Code, and the regulations, rulings, and interpretative court decisions thereunder shall have been filed with the Internal Revenue Service, if required by the Authority.

(i) Akerman, Senterfitt & Eidson, as special 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 in the case of Bonds held by a "substantial user" of the Project or any "related person," as such terms are defined in the Code and the regulations thereunder or except in the case of a violation of Sections 103(b)(14) or 103(l) of the Code and the regulations thereunder after issuance of the Bonds.)

(j) 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.

(k) The Company shall have provided such other or additional representations, warranties, covenants, agreements, certificates, certified financial statements, and other proofs as may be required by the Authority or by Akerman, Senterfitt & Eidson, as special bond counsel.

Section 9. In the event that the Bonds are not issued and sold and the transactions contemplated hereby are not closed within twelve 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 herein or contemplated hereby, the Company agrees that:

(a) The Company 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 a special 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.

(b) The Company will indemnify and hold the Authority, and the Authority's 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 indenture, the sale agreement (or loan 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 nor 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.

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

ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

(OFFICIAL SEAL)

By _____
Chairman

Attest:

Secretary

HARCOURT BRACE JOVANOVIICH, INC.

(CORPORATE SEAL)

By _____

Attest:
