

**RESOLUTION 98-B-13
APPROVING THE ISSUANCE OF
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
INDUSTRIAL DEVELOPMENT REVENUE BONDS
(LAKE HIGHLAND PREPARATORY SCHOOL, INC), SERIES 1998
IN A PRINCIPAL AMOUNT OF
NOT TO EXCEED \$16,000,000**

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 August 20, 1998, adopted the Resolution attached hereto and incorporated herein as Exhibit "A" (the "Authority's Inducement Resolution") providing for the issuance of an aggregate principal amount of not to exceed \$16,000,000 of Orange County Industrial Development Authority Industrial Development Revenue Bonds (the "Bonds"), the proceeds of which would be loaned to Lake Highland Preparatory School, Inc., a Florida not for profit corporation (the "Borrower") for the purposes of (i) financing the cost of construction of new educational facilities and renovation and expansion of existing educational facilities on the Borrower's campus at 901 Highland Avenue, Orlando, Florida (the "Project"), (ii) refunding an existing bond issue and (iii) paying the expenses incurred in connection with the issuance of the Bonds; and,

WHEREAS, under the terms of the Authority's Inducement Resolution it was a condition to the issuance of the Bonds by the Authority that the public hearing required by the Internal Revenue Code of 1986, as amended (the "Code), be held by the Authority to give residents of Orange County reasonable notice of, and a reasonable opportunity to express their views with respect to, the Project and the proposed issuance of the Bonds; and

WHEREAS such public hearing was held on August 20, 1998 (the "Public Hearing") pursuant to the notice thereof published in The Orlando Sentinel on August 4, 1998, a copy of which is attached hereto and incorporated herein as Exhibit "B" (the "Notice") and no member of the public attended or appeared at the Public Hearing other than personnel of the Authority and the Borrower who supported the Project and the issuance of the Bonds; and,

WHEREAS, the approval of the Board of County Commissioners of Orange County, as the elected legislative body of Orange County which has jurisdiction over Orange County and over the Project for purposes of the Code, is also required under the terms of the Authority's Inducement Resolution, the Code and the Florida Statutes; and,

WHEREAS, the Board of County Commissioners of Orange County has been furnished with copies of the Authority's Inducement Resolution and the Notice and has been advised that the only comments which were made at the Public Hearing were made by persons who were present on behalf of the Authority or the Borrower and who, in each case, spoke in favor of approval of the Bonds; 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 147(f) of Code and Section 125.01(1)(z) of the Florida Statutes.

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 \$16,000,000 Orange County Industrial Development Authority Industrial Development Revenue Bonds (Lake Highland Preparatory School, Inc. Project), Series 1998, as contemplated by the Authority's Inducement Resolution and the Notice is hereby approved.

2. This approval is solely for the purposes of Section 147 (f) of the Code and Sections 125.01(z) and 159.47(1)(f), Florida Statutes, and shall not be construed as an approval of any zoning application or any regulatory permit required in connection with such project nor creating any vested rights with respect to any land use regulations, and this Board shall not be construed by virtue of its adoption of this Resolution to have waived, or be estopped from asserting, any authority or responsibilities it may have in that regard.

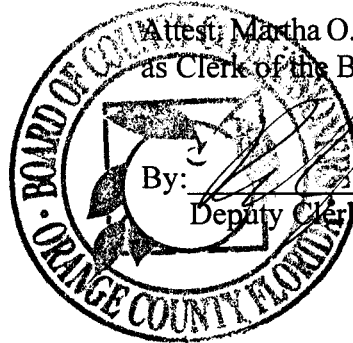
3. Nothing contained in this approval shall be deemed to create any obligation or obligations of Orange County, Florida or the Board of County Commissioners of Orange County.

ADOPTED as of this 1st day of September, 1998, and effective immediately upon its adoption.

Orange County, Florida
By: Board of County Commissioners

By: Jean C. Bennett
Linda W. Chapin
Orange County Chairman

Attest: Martha O. Haynie, Orange County Comptroller
as Clerk of the Board of County Commissioners



RESOLUTION NO. _____

RESOLUTION
AUTHORIZING A MEMORANDUM OF AGREEMENT
WITH LAKE HIGHLAND PREPARATORY SCHOOL, INC.

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, ORANGE COUNTY, FLORIDA, OF A MEMORANDUM OF AGREEMENT WITH LAKE HIGHLAND PREPARATORY SCHOOL, INC. A FLORIDA NON-PROFIT CORPORATION, WITH RESPECT TO THE AUTHORITY'S ISSUANCE OF ITS VARIABLE RATE REVENUE BOND IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$16,000,000 TO REFINANCE AND FINANCE ON BEHALF OF SAID CORPORATION THE COST OF BUILDINGS, EQUIPMENT STRUCTURES AND SPECIAL EDUCATION USES LOCATED AT 901 NORTH HIGHLAND AVENUE, 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 a duly created Industrial Development Authority 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 land, rights in land, buildings, equipment, structures and special education uses 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 and its inhabitants, and to finance the cost of such projects by the issuance of its revenue bonds.

B. Lake Highland Preparatory School, Inc., a Florida non-profit corporation (the "Company"), desiring to take advantage of

lower rates of interest available through the use of industrial development revenue bonds submitted its application to the Issuer for the issuance of the Issuer's Variable Rate Revenue Bonds (Lake Highland Preparatory School, Inc. Project) Series 1998, in the principal amount of not to exceed \$16,000,000 (the "Bond"), for the purpose of financing the cost of expanding Lake Highland Preparatory School (the "School"), which is an educational facility within the meaning of the Act, on property located at 901 North Highland Avenue, Orlando, Orange County, Florida (the "Project").

C. The Company has requested that the Issuer indicate to the Company, by and through this resolution, that it is taking affirmative official action toward the issuance of the Bond.

D. The location of the Project in Orange County, Florida (the "County") within the Issuer's area of operation is appropriate to the needs and circumstances of, will make a significant contribution to the economic growth of the County and the area of operation of the Issuer and to the educational and cultural needs of its inhabitants, will provide or preserve gainful employment, will serve a public purpose by advancing the economic prosperity, the educational opportunities, the public health and the general welfare of the State of Florida and its people.

E. The Project will be a "Project" within the meaning of Section 159.27(22) of the Act in that, without limiting the generality of the foregoing, the Project constitutes an "educational facility" consisting of property that comprises the buildings and equipment, structures, and special education use areas that are built, installed, or established to serve primarily the educational purposes of operating any nonprofit private preschool, kindergarten, elementary school, middle school, or high school that is established under Chapter 617 or Chapter 623, or that is owned or operated by an organization described in s. 501(c)(3) of the United States Internal Revenue Code.

F. The Project will be owned and operated by the Company.

G. The Company has obtained or represents that it expects to obtain as needed all necessary permitting and approvals from City and County officials for construction of the Project.

H. Giving due regard to projected revenues from operation of the Project, the experience of the Company in operating the School and the past success of the School, and all other factors determinative of the financial success of the School including the Project and the Company's capabilities, financial and otherwise, of fulfilling its obligations consistent with the purpose of the Act, the Company is financially responsible and fully capable and willing to fulfill its obligation to make the payments under and pursuant to the terms of the Loan 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 Company is desirous of serving the purposes of the Act and is willing and capable of fully performing all other obligations and responsibilities imposed upon it by the provisions of the Loan Agreement.

I. 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 construction, operation, repair, improvement and maintenance 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 and the area of operation of the Issuer.

J. Adequate provision will be made under the terms of the proposed Loan Agreement for the operation, repair and maintenance of the Project at the expense of the Company, and for the payment of the principal of and premium, if any, and interest on the Bond.

K. The Bond will be secured by and payable from a direct pay letter of credit issued by First Union National Bank. The Bond will bear such maturity not exceeding thirty years and bear interest at such fixed or variable rate or rates (not to exceed the highest rate allowed by applicable law) as the Issuer shall, by subsequent resolution, determine. The Bond will be subject to optional and mandatory redemption as specified by the Issuer in the Bond. The proceeds of the Bond will be used (i) to pay all or any part of the cost of issuance of the Bond; (ii) to pay all or any part of the cost of constructing 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 Bond to the Company, pursuant to the Loan Agreement between the Issuer and the Company (the "Loan Agreement"), which will require repayment thereof in installments sufficient to pay the principal of, premium (if any), interest and other costs due pursuant to the Bond when and as the same may become due.

L. Neither the Issuer, nor the State of Florida, nor the County, nor any other political subdivision of said State shall be obligated to pay the principal of, premium, if any, or interest on the Bond or other costs incident thereto, and all payments to be made by the Company under the Loan Agreement, and the County shall never be required to 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 Bond or to make any other payments provided for under the Loan Agreement and the Issuer shall never be required to pay the same from any funds of the Issuer other than those derived by the Issuer under the Loan Agreement; and the Bond 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

EXHIBIT

The Orlando Sentinel

Published Daily

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

Before the undersigned authority personally appeared ELIZABETH RIVERA, who on oath says that he/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 advertisement, being a NOTICE OF PUBLIC in the matter of LAKE HIGHLAND PREPARATORY SCHOOL, INC. in the ORANGE Court, was published in said newspaper in the issue; of 08/04/98

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

The foregoing instrument was acknowledged before me this 7TH day of AUGUST, 1998, by ELIZABETH RIVERA, who is personally known to me and who did take an oath

(SEAL)

DENISE LITTLE
My Comm Exp. 4/23/2002
No. CC 736349
 Personally Known Other I.D.

NOTICE OF PUBLIC HEARING

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY PROPOSED ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS LAKE HIGHLAND PREPARATORY SCHOOL, INC. PROJECT, SERIES 1998

Notice is hereby given that a public hearing will be conducted by the Orange County Industrial Development Authority (the "Authority") on August 18, 1998, in the Eola Park Center, 200 East Robinson Street, Suite 600, Orlando, Florida, at 2:00 P.M., local time, or as soon thereafter as the matter shall be heard, for purposes of complying with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and to give interested persons an opportunity to express their views either orally or in writing, or both on the proposed issuance of the bonds referred to above.

The public hearing will be conducted at the regular meeting of the Authority and the Authority will also consider and act upon such other business including, but not limited to a resolution approving the issuance of the bonds, as may properly come before the Authority at the hearing.

All interested person are invited to attend and be heard at the public meeting and public hearing on August 18, 1998. Written comments may be submitted to the Authority in care of Ms. Patricia A. Werner, Secretary, Orange County Industrial Development Authority, Economic Development Commission of Mid-Florida, Inc., 200 E. Robinson St., Ste. 600, Orlando, FL 32801, until 5:00 P.M. on the date prior to the hearing.

Comments made at, or submitted for, the hearing are for the consideration of the members of the Authority and will not bind any legal action to be taken by the Authority.

IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE AUTHORITY WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH MEETING OR HEARING, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS, AND FOR SUCH PURPOSE, SUCH PERSON 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.

Dated: August 4, 1998
Orange County Industrial Development Authority
By: Patricia A. Werner
Title: Secretary
COR2258034 Aug. 4, 1998

The proceeds of the bonds, which will not exceed \$18,000,000 principal amount, will be loaned to Lake Highland Preparatory School, Inc., a Florida not for profit corporation and an entity described in Section 501(c)(3) of the Code ("Lake Highland") to finance the acquisition and/or construction of or to refinance the following facilities.

TO REFINANCE THE FOLLOWING

A building containing a classroom, library and related facilities. Chillers and related improvements to Lake Highland's HVAC system.

TO CONSTRUCT THE FOLLOWING.

Math/Science Administration Building
Phase I - Leu Center Expansion
Phase II - Leu Center Expansion
Existing Lab Renovation
Olympic Swim Pool Complex

All the facilities to be financed, or refinanced will be owned by Lake Highland and all such facilities are or will be located on the campus of Lake Highland located at 901 North Highland Avenue, Orlando, Florida.

The bonds and the interest thereon shall not constitute a debt, liability or obligation of the Authority, Orange County, or the State of Florida or any political subdivision thereof but shall be payable from the revenues payable under a loan agreement to be entered into between the Authority and Lake Highland.