



J. BEN WATKINS III
DIRECTOR

STATE OF FLORIDA DIVISION OF BOND FINANCE

RON DeSANTIS
GOVERNOR

ASHLEY MOODY
ATTORNEY GENERAL

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

NIKKI FRIED
COMMISSIONER OF AGRICULTURE

CABINET MEETING AGENDA

July 25, 2019

1. Approval of minutes of the meeting of June 4, 2019.

Attachment #1

2. Report of Award on the following bond sales:

- A. \$19,805,000 Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2019A

Bids were received by the Division of Bond Finance on May 21, 2019. The bonds were awarded to the low bidder, J.P. Morgan Securities LLC, which submitted a bid at an annual true interest cost rate of 2.7407%. The bonds were delivered on July 2, 2019.

The bonds were issued to refund the outstanding Florida International University Parking Facility Revenue Bonds, Series 2009B Build America Bonds (Federally Taxable-Issuer Subsidy). The average interest rate on the bonds being refunded is 4.40% compared to the interest rate of 2.74% on the refunding bonds. The refunding will generate gross debt service savings of \$6.2 million, present value savings of \$4.1 million, or 16.4% of the principal amount being refunded.

A report on the sale and tabulation of bids is attached.

Attachment #2

- B. \$135,465,000 Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2019 Series B

Bids were received by the Division of Bond Finance on June 18, 2019. The bonds were awarded to the low bidder, Citigroup Global Markets Inc., which submitted a bid at an annual true interest cost rate of 2.5795%. The bonds were delivered on July 18, 2019.

The bonds were issued to refund the outstanding Public Education Capital Outlay Bonds 2008 Series D Build America Bonds (Federally Taxable-Issuer Subsidy). The average interest rate on the bonds being refunded is 3.80% compared to the interest rate of 2.58% on the refunding bonds. The refunding will generate gross debt service savings of \$24.8 million,

present value savings of \$19.3 million, or 12.2% of the principal amount being refunded.

A report on the sale and tabulation of bids is attached.

Attachment #3

3. Adoption of resolutions authorizing the issuance and competitive sale of \$224,500,000 Department of Transportation Federal Highway Reimbursement Revenue Bonds.

The bonds will be payable from federal highway aid reimbursements received each year for eligible highway projects. The bonds will not be secured by the full faith and credit of the State. The proceeds of the bonds will be used to finance the construction, reconstruction, and improvement of projects that are eligible to receive federal-aid highway funds.

(Recommend)

STATE OF FLORIDA

Original
C & N Reporters

IN RE: MEETING OF THE GOVERNOR AND
CABINET

CABINET MEMBERS: GOVERNOR RON DESANTIS
ATTORNEY GENERAL ASHLEY MOODY
CHIEF FINANCIAL OFFICER JIMMY
PATRONIS
COMMISSIONER OF AGRICULTURE
NIKKI FRIED

DATE: TUESDAY, JUNE 4, 2019

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
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INDEX

	PAGE NO.
Interview and Appointment - Clemency Coordinator, Florida Commission on Offender Review	4
Florida Department of Law Enforcement By Assistant Commissioner Pritt	11
Division of Bond Finance By Executive Director Watkins	14
Administration Commission By Director Kruse	17
Florida Land and Water Adjudicatory Commission By Director Kruse	29
Department of Revenue By Executive Director Zingale	31
State Board of Administration By Executive Director Williams	34
Board of Trustees of the Internal Improvement Trust Fund By Secretary Valenstein	42

* * * *

DIVISION OF BOND FINANCE

GOVERNOR DESANTIS: Division of Bond Finance,
you're next.

EXECUTIVE DIRECTOR WATKINS: Good morning,
Governor and Cabinet.

GOVERNOR DESANTIS: Good morning.

EXECUTIVE DIRECTOR WATKINS: Item Number 1 is
approval of the minutes of the April 2nd meeting.

GOVERNOR DESANTIS: All right. I move to
approve.

Is there a second?

CFO PATRONIS: Second.

GOVERNOR DESANTIS: Okay. Any objections?

(NO RESPONSE).

GOVERNOR DESANTIS: Hearing none, the motion
carries.

Item 2.

EXECUTIVE DIRECTOR WATKINS: Item 2 is a
two-part, 2A and 2B. Both are reports on bond
sales.

The first was a competitive sale of 19.6
million in Everglades Restoration Refunding Bonds.
The bonds were awarded to the true bidder -- or the
low bidder at a true interest cost of 1.91 percent.

1 That allowed us to reduce the interest rates, from
2 3.94 percent to 1.91 percent; generating gross debt
3 service savings of 3.7 million; present value
4 savings of 3 million or 11.2 percent of the
5 principal amount refunded.

6 And Item 2B is a report of award on the
7 competitive sale of \$86.6 million in Sunshine
8 Skyway Revenue Bonds. This was a new-money bond
9 issue for improvements in Hillsborough, Pinellas,
10 and Manatee Counties. The bonds were awarded to
11 the low bidder at a true interest cost of 2.77
12 percent.

13 GOVERNOR DESANTIS: Okay. Item 3.

14 EXECUTIVE DIRECTOR WATKINS: Item 3 is a
15 resolution authorizing the competitive sale of up
16 to \$205 million of right-of-way acquisition bonds
17 for the Department of Transportation.

18 GOVERNOR DESANTIS: Okay. Move to approve.

19 Is there a second?

20 CFO PATRONIS: Second.

21 GOVERNOR DESANTIS: Okay. Any objections?

22 ATTORNEY GENERAL MOODY: None.

23 GOVERNOR DESANTIS: Okay. The motion carries.

24 Item 4.

25 EXECUTIVE DIRECTOR WATKINS: And Item 4 is

1 adoption of a resolution authorizing the issuance
2 and competitive sale of \$55 million in Everglades
3 Restoration Refunding Bonds. This actually is
4 being used to fix the interest rate on variable
5 rate bonds.

6 It's been an effectively strategy to have
7 variable rate bonds for the last ten years while
8 these bonds have been outstanding at a very low
9 interest rate, but given the interest rate
10 environment and federal monetary policy, we think
11 it's in our best interest to go ahead and fix that
12 rate out for the remaining term.

13 GOVERNOR DESANTIS: Okay. Move to approve.

14 Is there a second?

15 CFO PATRONIS: Second.

16 ATTORNEY GENERAL MOODY: Second.

17 GOVERNOR DESANTIS: Okay. Any objections?

18 (NO RESPONSE).

19 GOVERNOR DESANTIS: Hearing none, the motion
20 carries.

21 Okay. Thank you.

22 EXECUTIVE DIRECTOR WATKINS: Thank you.

23 * * * *



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NIKKI FRIED
COMMISSIONER OF AGRICULTURE

MEMORANDUM

TO: Governor and Cabinet, as the Governing Board of the Division of Bond Finance

FROM: J. Ben Watkins III 

DATE: July 25, 2019

SUBJECT: Award of \$19,805,000 State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2019A

Pursuant to authorization by the Governor and Cabinet by a resolution adopted on April 2, 2019, bids were received for the above referenced bond issue at the office of the Division of Bond Finance at 12:00 noon on Tuesday, May 21, 2019.

Nine bids were received with a tabulation of such bids included herein. The low bid was from J.P. Morgan Securities LLC, at an annual true interest cost rate of 2.7407%. The bids were reviewed by representatives of the Division of Bond Finance and the bonds were awarded to the low bidder as authorized. The bonds were delivered on July 2, 2019.

The bonds were issued to refund the outstanding Florida International University Parking Facility Revenue Bonds, Series 2009B Build America Bonds (Federally Taxable-Issuer Subsidy). The average interest rate on the bonds being refunded is 4.40% compared to the interest rate of 2.74% on the refunding bonds. The refunding will generate gross debt service savings of \$6.2 million, present value savings of \$4.1 million, or 16.4% of the principal amount being refunded.

The bonds are dated July 2, 2019, with interest payable January 1, 2020, and semiannually on each July 1 and January 1 thereafter. The bonds consist of serial bonds maturing on July 1 in the years 2020 through 2039.

The bonds are secured by the net revenues of the parking system at the University on a parity with the outstanding parking system bonds. The bonds are not secured by the full faith and credit of the State of Florida or the University.

Attachment #2

The bonds have been rated Aa3, AA-, and A+, by Moody's Investors Service, S&P Global Ratings and Fitch Ratings, respectively.

BID TABULATION

<u>Bidder</u>	<u>Annual True Interest Cost Rate</u>
J.P. Morgan Securities LLC	2.7407%
Fidelity Capital Markets	2.7799%
Citigroup Global Markets Inc.	2.7952%
Bank of America Merrill Lynch	2.8053%
Janney Montgomery Scott LLC	2.8090%
Mesirow Financial, Inc.	2.8627%
Robert W. Baird & Co., Inc.	2.8671%
Hutchinson, Shockey, Erley & Co.	2.8808%
Wells Fargo Bank, National Association	2.8900%

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
7/1/2020	\$615,000	5.00%	1.48%
7/1/2021	645,000	5.00	1.50
7/1/2022	680,000	5.00	1.52
7/1/2023	715,000	5.00	1.55
7/1/2024	750,000	5.00	1.57
7/1/2025	785,000	5.00	1.61
7/1/2026	825,000	5.00	1.66
7/1/2027	870,000	5.00	1.73
7/1/2028	910,000	5.00	1.80
7/1/2029	955,000	5.00	1.89
7/1/2030	1,005,000	4.00	2.20
7/1/2031	1,045,000	4.00	2.41
7/1/2032	1,085,000	4.00	2.61
7/1/2033	1,130,000	4.00	2.77
7/1/2034	1,175,000	4.00	2.94
7/1/2035	1,220,000	4.00	3.05
7/1/2036	1,270,000	4.00	3.15
7/1/2037	1,320,000	4.00	3.21
7/1/2038	1,375,000	4.00	3.26
7/1/2039	1,430,000	4.00	3.31



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MEMORANDUM

TO: Governor and Cabinet, as the Governing Board of the Division of Bond Finance

FROM: J. Ben Watkins III 

DATE: July 25, 2019

SUBJECT: Award of \$135,465,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2019 Series B

Pursuant to authorization by the Governor and Cabinet by a resolution adopted on April 2, 2019, bids were received for the above referenced bond issue at the office of the Division of Bond Finance at 10:30 a.m. on Tuesday, June 18, 2019.

Seven bids were received with a tabulation of such bids included herein. The low bid was submitted by Citigroup Global Markets Inc. at an annual true interest cost rate of 2.5795%. The bids were reviewed by representatives of the Division of Bond Finance and the bonds were awarded to the low bidder as authorized. The bonds were delivered on July 18, 2019.

The bonds were issued to refund the outstanding Public Education Capital Outlay Bonds 2008 Series D Build America Bonds (Federally Taxable-Issuer Subsidy). The average interest rate on the bonds being refunded is 3.80% compared to the interest rate of 2.58% on the refunding bonds. The refunding will generate gross debt service savings of \$24.8 million, present value savings of \$19.3 million, or 12.2% of the principal amount being refunded.

The bonds are dated July 18, 2019, with interest payable on December 1, 2019, and semiannually on each June 1 and December 1 thereafter. The bonds consist of serial bonds maturing on June 1 in the years 2020 through 2039.

The bonds are payable from gross receipts taxes and are additionally secured by a pledge of the full faith and credit of the State. The lien on the bonds on gross receipts taxes is on a parity with the outstanding Public Education Capital Outlay Bonds.

Attachment #3

The bonds have been rated AAA, Aaa and AAA by Fitch Ratings, Moody's Investors Service and S&P Global Ratings, respectively.

BID TABULATION

<u>Bidder</u>	<u>Annual True Interest Cost Rate</u>
Citigroup Global Markets Inc.	2.5795%
J.P. Morgan Securities LLC	2.5893
Goldman Sachs & Co. LLC	2.5928
Wells Fargo Bank, National Association	2.6100
Morgan Stanley & Co, LLC	2.6299
Jefferies LLC	2.6318
Bank of America Merrill Lynch	2.6826

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
6/1/2020	\$4,335,000	5.00%	1.28%
6/1/2021	4,450,000	5.00	1.30
6/1/2022	4,670,000	5.00	1.33
6/1/2023	4,895,000	5.00	1.34
6/1/2024	5,135,000	5.00	1.38
6/1/2025	5,385,000	5.00	1.44
6/1/2026	5,645,000	5.00	1.52
6/1/2027	5,925,000	5.00	1.59
6/1/2028	6,090,000	5.00	1.66
6/1/2029	6,395,000	5.00	1.74
6/1/2030	6,715,000	5.00	2.04
6/1/2031	7,045,000	5.00	2.29
6/1/2032	7,400,000	5.00	2.50
6/1/2033	7,770,000	4.00	2.67
6/1/2034	8,085,000	4.00	2.81
6/1/2035	8,405,000	4.00	2.90
6/1/2036	8,740,000	4.00	2.97
6/1/2037	9,090,000	4.00	3.04
6/1/2038	9,455,000	4.00	3.10
6/1/2039	9,835,000	4.00	3.15

DIVISION OF BOND FINANCE
OF THE
STATE BOARD OF ADMINISTRATION OF FLORIDA

A RESOLUTION
AUTHORIZING THE ISSUANCE OF
STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY REIMBURSEMENT REVENUE BONDS
SERIES 2019A

July 25, 2019

TABLE OF CONTENTS

ARTICLE I	GENERAL	1
SECTION 1.01.	AUTHORITY FOR THIS RESOLUTION	1
SECTION 1.02.	RESOLUTION TO CONSTITUTE CONTRACT.....	1
SECTION 1.03.	DEFINITIONS	2
SECTION 1.04.	FINDINGS	10
 ARTICLE II	 AUTHORIZATION, TERMS, EXECUTION, REGISTRATION, TRANSFER AND ISSUANCE OF BONDS.....	 10
SECTION 2.01.	AUTHORIZATON OF THE BONDS	10
SECTION 2.02.	DESCRIPTION OF BONDS	11
SECTION 2.03.	BONDS MAY BE ISSUED AS SERIAL BONDS, TERM BONDS, ETC.....	12
SECTION 2.04.	PRIOR REDEMPTION OF THE BONDS.....	12
SECTION 2.05.	EXECUTION OF THE BONDS.....	14
SECTION 2.06.	NEGOTIABILITY	15
SECTION 2.07.	REGISTRATION AND TRANSFER.....	15
SECTION 2.08.	AUTHENTICATION.....	17
SECTION 2.09.	DISPOSITION OF BONDS PAID OR EXCHANGED.....	17
SECITON 2.10	BONDS MUTILATED, DESTROYED, STOLEN OR LOST.....	18
SECTION 2.11.	FORMS OF BONDS.....	18
 ARTICLE III	 APPLICATION OF BOND PROCEEDS	 22
SECTION 3.01.	APPLICATION OF BOND PROCEEDS	22
SECTION 3.02.	FEDERAL HIGHWAY REIMBURSEMENT REVENUE BOND PROCEEDS ACCOUNT.....	23
SECTION 3.03.	INVESTMENT OF FEDERAL HIGHWAY REIMBURSEMENT BOND PROCEED ACCOUNT.....	23
SECTION 3.04.	LIEN OF REGISTRERED OWNERS ON BOND PROCEED ACCOUNT MONEYS.....	24
 ARTICLE IV	 SECURITY FOR THE BONDS, APPLICATION AND ADMINISTRATION OF PLEDGED REVENUES.....	 24

SECTION 4.01.	BONDS SECURED BY PLEDGED REVENUES	24
SECTION 4.02.	CREATION OF FUNDS AND ACCOUNTS	25
SECTION 4.03.	FLOW OF FUNDS.....	25
ARTICLE V	ADDITIONAL BONDS, REFUNDING BONDS, AND ISSUANCE OF OTHER OBLIGATIONS.....	29
SECTION 5.01.	ISSUANCE OF ADDITIONAL BONDS.....	29
SECTION 5.02.	REFUNDING BONDS.....	30
SECTION 5.03.	ISSUANCE OF OTHER OBLIGATION OR CREATION OF ENCUMBRANCES	31
SECTION 5.04.	NO ACCELERATION	31
ARTICLE VI	COVENANTS.....	31
SECTION 6.01.	PLEDGE OF PLEDGED REVENUES; PLEDGED REVENUE COLLECTION TRANSFER.....	31
SECTION 6.02.	PROTECTION OF RIGHTS OF REGISTERED OWNERS.....	32
SECTION 6.03.	COMPLIANCE WITH TAX REQUIREMENTS.....	32
SECTION 6.04.	CONTINUING DISCLOSURE.....	35
ARTICLE VII	REMEDIES.....	36
SECTION 7.01.	ENFORCEABILITY BY REGISTERED OWNERS.....	36
ARTICLE VIII	MISCELLANEOUS.....	37
SECTION 8.01.	MODIFICATION OR AMENDMENT.....	37
SECTION 8.02	NONPRESENTMENT OF BONDS; FUNDS HELD FOR BONDS AFTER DUE DATE OF BONDS.....	39
SECTION 8.03.	DEFEASANCE.....	40
SECTION 8.04.	SURVIVAL OF CERTAIN PROVISIONS.....	42
SECTION 8.05.	TRUST FUNDS.....	42
SECTION 8.06.	SUBSTITUTE FOR MAILING.....	43
SECTION 8.07.	INSTRUMENTS OF REGISTERED OWNERS.....	43
SECTION 8.08.	VALIDATION AUTHORIZED.....	44
SECTION 8.09.	GOVERNING LAW.....	44
SECTION 8.10.	SEVERABILITY OF INVALID PROVISIONS.....	44

SECTION 8.11.	REPEAL OF INCONSISTENT RESOLUTIONS.....	45
SECTION 8.12.	EFFECTIVE DATE.....	45

A RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION, FEDERAL HIGHWAY REIMBURSEMENT REVENUE BONDS, SERIES 2019A, TO FINANCE PROJECTS ELIGIBLE TO RECEIVE FEDERAL AID HIGHWAY FUNDS; PROVIDING FOR CERTAIN COVENANTS IN CONNECTION THEREWITH; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT RESOLVED BY THE GOVERNOR AND CABINET OF THE STATE OF FLORIDA AS THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION, ON BEHALF OF THE STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION:

**ARTICLE I
GENERAL**

SECTION 1.01. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Article VII, Section 11(d) of the Florida Constitution; Sections 215.57-215.83, Florida Statutes (the “State Bond Act”); Section 215.616, Florida Statutes; Title 23 of the United States Code, and other applicable provisions of law.

SECTION 1.02. RESOLUTION TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Bonds by those who shall be Registered Owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the Division, the Department, and such Registered Owners. The covenants and agreements to be performed by the Department shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Bonds, as defined herein, all of which shall be of equal rank and without preference, priority, or distinction as to any of such Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 1.03. DEFINITIONS. When used in this Resolution, the following terms shall have the following meanings, unless the context clearly otherwise requires:

“2019A Bonds” means the State of Florida, Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A (or such other designation as may be determined by the Director of the Division).

“Additional Bonds” means any obligations issued pursuant to the terms and conditions of this Resolution and payable from the Pledged Revenues on a parity with any Bonds previously issued hereunder. Such Additional Bonds shall be deemed to have been issued pursuant to this Resolution the same as the Bonds previously authorized and issued pursuant to this Resolution, and all of the applicable covenants and other provisions of this Resolution (except as to details of such Additional Bonds inconsistent herewith), shall be for the equal benefit, protection and security of the Registered Owners of the Bonds previously authorized and issued pursuant to this Resolution, and the Registered Owners of any Additional Bonds evidencing additional obligations subsequently issued within the limitations of and in compliance with this Resolution. All of such Additional Bonds, regardless of the time or times of their issuance, shall rank equally with other Bonds with respect to their lien on and source and security for payment from the Pledged Revenues without preference or priority of any Bonds over any other.

“Administrative Expenses” means, with respect to the Bonds or the administration of any funds under this Resolution, to the extent applicable: (i) fees or charges, or both, of the Board of Administration and the Division; and (ii) such other fees or charges, or both, as may be approved by the Board of Administration or the Division, including but not limited to those relating to tax law compliance, disclosure of information, paying agents, rating agencies and providers of credit enhancement; all as may be determined from time to time as necessary.

“Amortization Installment” means an amount so designated which is established for the Term Bonds of each Series; provided that each such Amortization Installment shall be deemed due upon the date determined pursuant to a subsequent resolution adopted by the Division and the aggregate of such Amortization Installments for each Series shall equal the aggregate principal of the Term Bonds of such Series.

“Annual Debt Service” means, for any Fiscal Year, the remaining amount (with respect to the particular Series of Bonds, or all Bonds, as the case may be) required to be deposited in such Fiscal Year into the Sinking Fund to pay the interest, principal and Amortization Installment in such Fiscal Year, provided that any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year.

“Assistant Secretary” means an Assistant Secretary of the Division.

“Board of Administration” means the State Board of Administration, as created pursuant to the provisions of Article IV, Section 4, Florida Constitution and Chapter 215, Florida Statutes.

“Bond Insurance Policy” means an insurance policy issued for the benefit of the Registered Owners of any Bond, pursuant to which the issuer of such insurance policy shall be obligated to pay when due the principal of and interest on such Bond to the extent of any deficiency in the amounts in the funds and accounts held under this Resolution, in the manner and in accordance with the terms provided in such Bond Insurance Policy.

“Bond Registrar/Paying Agent” means U.S. Bank National Association, New York, New York, or its successor, unless a different Bond Registrar/Paying Agent is provided for by subsequent resolution of the Division.

“Bond Year” means, with respect to a particular Series of Bonds issued hereunder, the annual period relevant to the application of Section 148(f) of the Code to the Series of Bonds,

except that the first and last Bond Years may be less than 12 months long. The last day of a Bond Year shall be the close of business on the day preceding the anniversary of the date of issuance of the Series unless the Division selects another date on which to end a Bond Year in the manner permitted by the Code.

“Bonds” means the 2019A Bonds, together with any Additional Bonds issued pursuant to this Resolution.

“Code” means the Internal Revenue Code of 1986, as amended, and temporary, proposed or permanent implementing regulations promulgated thereunder.

“Defeasance Obligations” means, to the extent permitted by law, direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States and including advance refunded tax-exempt bonds fully secured by non-callable direct obligations of the United States of America, non-callable obligations guaranteed by the United States of America, or “stripped” interest payment obligations of debt obligations of the Resolution Funding Corporation.

“Department” means the State of Florida Department of Transportation.

“Director” means the Director of the Division and shall include any Assistant Secretary to whom the Director delegates authority.

“Division” means the Division of Bond Finance of the State Board of Administration of Florida.

“Eligible Project” means any undertaking eligible for assistance under Title 23, as defined herein.

“Fiscal Year” means the period commencing on July 1 of each year and continuing through the next succeeding June 30, or such other period as may be prescribed by law.

“Federal Aid Authorization” means, as applicable, (a) Title 23 of the United States Code, (b) any extension of Title 23, or (c) any successor to Title 23 authorizing federal funding of state highways.

“Federal Fiscal Year” means the period commencing on October 1 in each calendar year and ending on September 30 of the following calendar year, or any other twelve-month period which may hereafter be established by the federal government for its fiscal year.

“Federal Highway Administration” means the United States Department of Transportation Federal Highway Administration, and any successor to its functions.

“Federal Highway Reimbursement Revenue Bond Proceeds Account” means the Federal Highway Reimbursement Revenue Bond Proceeds Account created in Section 3.02 hereof.

“Governing Board” means Governor and Cabinet of the State of Florida as the Governing Board of the Division.

“Interest Payment Date” means, for each Series of Bonds, the dates of each Fiscal Year on which interest on the Outstanding Bonds of such Series is payable, as provided for pursuant to a subsequent resolution of the Division.

“Maximum Annual Debt Service” means, at any time, the maximum amount (with respect to the particular Series of Bonds, or all Bonds, as the case may be), required to be deposited into the Sinking Fund to pay the interest, principal, and Amortization Installment for the then current or any succeeding Fiscal Year, whichever is greater. For the purpose of calculating the deposits to be made into a subaccount in the Reserve Account, the Maximum Annual Debt Service means, at any time, the maximum amount, if any, required to be deposited in the then current or

any succeeding Fiscal Year into the Sinking Fund to pay interest, principal, and Amortization Installment with respect to the Bonds for which such subaccount has been established. In the calculation of the Maximum Annual Debt Service, any interest, principal, or Amortization Installment payable on July 1 of any Fiscal Year shall be deemed payable in the prior Fiscal Year.

“Outstanding” means, as of any date of determination, all Bonds theretofore authenticated and delivered except:

- (i) Bonds theretofore cancelled by the Bond Registrar/Paying Agent or delivered to the Bond Registrar/Paying Agent for cancellation;

- (ii) Bonds which are deemed paid and defeased and no longer Outstanding as provided herein;

- (iii) Bonds in lieu of which other Bonds have been issued pursuant to the provisions hereof relating to Bonds destroyed, stolen or lost, unless evidence satisfactory to the Bond Registrar/Paying Agent has been received that any such Bond is held by a bona fide purchaser;

- (iv) For purposes of any consent or other action to be taken hereunder by the Registered Owners of a specified percentage of principal amount of Bonds, Bonds held by or for the account of the Division or the Department; and

- (v) Bonds with respect to which debt service has been paid pursuant to a Bond Insurance Policy, to the extent that the amount of such payment has been reimbursed to the issuer of such Bond Insurance Policy (or monies have been deposited to defease such payment).

“Pledged Revenues” means all revenues or funds received by the Department pursuant to Federal Aid Authorization that are legally available for the reimbursement of costs of Eligible Projects under Title 23 of the U.S. Code.

“Principal Payment Date” means, for each Series of Bonds, the dates during each Fiscal Year on which principal of the Outstanding Bonds of such Series is payable, as provided for pursuant to a subsequent resolution of the Governing Board.

“Rating Agency” means a nationally recognized bond rating agency.

“Rebate Amount” means the excess of the amount earned on all nonpurpose investments (as defined in Section 148(f)(6) of the Code) over the amount which would have been earned if such nonpurpose investments were invested at a rate equal to the yield on the Bonds, plus any income attributable to such excess.

“Rebate Fund” means the Rebate Fund established pursuant to Section 4.02 of this Resolution.

“Record Date” means with respect to each Series of Bonds, the 15th day of the calendar month next preceding the month of an Interest Payment Date or Principal Payment Date. With respect to redemption of Bonds prior to maturity, the Record Date shall be the date 45 days prior to the date fixed for redemption.

“Registered Owner” means the owner of any Bond or Bonds as shown on the registration books kept by the Bond Registrar/Paying Agent.

“Reserve Account” means the account within the Sinking Fund created in Section 4.02 of this Resolution and shall include any subaccounts established for one or more Series of Bonds.

“Reserve Account Credit Facility” means a Reserve Account Insurance Policy, Reserve Account Letter of Credit or other comparable insurance or financial product deposited in a

subaccount of the Reserve Account in lieu of or in partial substitution for cash or securities otherwise required to be on deposit therein. Such Reserve Account Credit Facility shall be issued by a provider whose credit facility results in a rating of municipal securities secured thereby in one of the three highest full rating categories of a Rating Agency.

“Reserve Account Insurance Policy” means the insurance policy, surety bond or other acceptable evidence of insurance deposited in a subaccount of the Reserve Account in lieu of or in partial substitution for cash or securities otherwise required to be on deposit therein.

“Reserve Account Letter of Credit” means the irrevocable, transferable letter of credit, deposited in a subaccount of the Reserve Account in lieu of or in partial substitution for cash or securities otherwise required to be on deposit therein.

“Reserve Requirement” means, as of any date of calculation with respect to all Bonds secured by a particular subaccount within the Reserve Account, an amount, which may be zero, determined pursuant to a resolution of the Governing Board, which amount shall not exceed the lesser of:

- (i) the Maximum Annual Debt Service on the Bonds;
- (ii) 125% of the average Annual Debt Service of the Bonds for the then current and succeeding Fiscal Years;
- (iii) 10% of the stated principal amount of the Bonds secured by such subaccount, or
- (iv) the maximum amount permitted with respect to tax-exempt obligations and applicable to the Bonds secured by such subaccount under the Code.

“Resolution” means this resolution adopted by the Governor and Cabinet as the Governing Board of the Division, as amended and supplemented from time to time.

“Securities Depository” means The Depository Trust Company, New York, New York, or its nominees, successors and assigns, or such other depository authorized by the Governing Board.

“Serial Bonds” means the Bonds of a Series which shall be stated to mature in periodic installments.

“Series” or **“Series of Bonds”** means all of the Bonds authenticated and delivered on original issuance pursuant to this Resolution or any supplemental resolution authorizing such Bonds as a separate Series of Bonds, or any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article II hereof, regardless of variations in maturity, interest rate or other provisions.

“Sinking Fund” means the Sinking Fund created and established pursuant to Section 4.02 of this Resolution.

“State” means the State of Florida.

“State Transportation Trust Fund” means the State Transportation Trust Fund created pursuant to Section 206.46, Florida Statutes.

“Term Bonds” means the Bonds of a Series which shall be stated to mature on one date and for the amortization of which payments are required to be made into the Sinking Fund, hereinafter created, as may be determined pursuant to a subsequent resolution of the Division.

“Title 23” means Chapter 1 of Title 23, United States Code, as amended and supplemented from time to time and any successor or replacement provision of law.

Where the context so requires, words importing singular number shall include the plural number in each case and vice versa, words importing persons shall include firms and corporations, and the masculine includes the feminine and vice versa.

SECTION 1.04. FINDINGS. It is hereby ascertained, determined and declared that:

(A) Section 215.616, Florida Statutes, provides for the issuance of bonds payable from federal highway aid reimbursements for Eligible Projects.

(B) The bonds to be issued pursuant to Section 215.616, Florida Statutes, are to be secured by a pledge of and shall be payable from the Pledged Revenues, as defined herein.

(C) The Pledged Revenues are not pledged, encumbered or committed in any manner and are available for pledge and application in the manner provided herein.

(D) The estimated Pledged Revenues will be sufficient to pay the principal of and interest on the Bonds to be issued pursuant to this Resolution, as the same become due, and all other payments provided for in this Resolution.

(E) The Bonds shall not be or constitute a general obligation of the State or a pledge of the full faith and credit or taxing power of the State, but shall be payable solely from the Pledged Revenues, as provided herein. No Registered Owner or Registered Owners of the Bonds shall ever have the right to compel the exercise of the taxing power of the State, or any political subdivision thereof, to pay such Bonds or the interest thereon, or be entitled to payment of such principal and interest from any other funds except such payments consisting of the Pledged Revenues, in the manner provided herein.

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION,
REGISTRATION, TRANSFER, AND ISSUANCE OF BONDS

SECTION 2.01. AUTHORIZATION OF 2019A BONDS. Subject and pursuant to the provisions of this Resolution, fully registered revenue bonds designated as “State of Florida, Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A” (or such other designation as may be determined by the Director), are hereby authorized to be

issued by the Division in an aggregate principal amount not exceeding \$224,500,000 for the purpose of financing Eligible Projects. The limitation on the amount of Bonds which may be issued does not apply to refunding Bonds or to Additional Bonds authorized by subsequent resolution of the Governing Board. Such Bonds may be sold and issued in one or more Series, and in combination with other Federal Highway Reimbursement Revenue Bonds; provided that the actual designation of any Series of such Bonds, whether sold in one or more than one Series (including a change of year designation, if desirable), and whether such bonds or any portion thereof are to be taxable or tax-exempt, shall be determined by the Director.

SECTION 2.02. DESCRIPTION OF BONDS. The Bonds shall be issued in fully registered form without coupons; shall be dated as determined pursuant to a subsequent resolution of the Division; shall be numbered consecutively from one upward within each Series and shall be in the denomination of \$1,000 each or any integral multiples thereof; shall bear interest at not exceeding the maximum rate permitted by law, payable on each Interest Payment Date; and shall mature on such dates in such years and amounts as shall be determined pursuant to a subsequent resolution adopted by the Division on or prior to the sale of the Bonds.

The Bonds may be sold at one time or in Series from time to time as the Division may determine pursuant to resolution. If issued in Series, each Series shall be dated and have an identifying number or letter. All of such Bonds, when issued, will rank equally as to source and security for payment.

The principal amount of the Bonds shall be paid to the Registered Owner on the maturity date of the Bonds, unless redeemed prior thereto as determined pursuant to a subsequent resolution of the Division, upon presentation and surrender of the Bonds at the corporate trust office of the Bond Registrar/Paying Agent.

Interest shall be paid on the Interest Payment Dates to the Registered Owner whose name appears on the books of the Bond Registrar/Paying Agent as of 5:00 p.m. (local time, New York, New York) on the Record Date next preceding such Interest Payment Date; provided, however, that if the Record Date is a Saturday, Sunday or holiday, then to the Registered Owner and at the address shown on the registration books at the close of business on the day next preceding such Record Date which is not a Saturday, Sunday or holiday. Interest on the Bonds shall be paid by check or draft mailed (or transferred by a mode at least equally as rapid as mailing) on each Interest Payment Date from the Bond Registrar/Paying Agent to the Registered Owner, or in certain cases shall be paid by wire transfer as provided pursuant to subsequent resolution of the Division.

SECTION 2.03. BONDS MAY BE ISSUED AS SERIAL BONDS, TERM BONDS, ETC. The Bonds may be issued as, or as a combination of, Serial Bonds, Term Bonds, or such other type of bonds as shall be determined pursuant to a subsequent resolution of the Division.

SECTION 2.04. PRIOR REDEMPTION OF THE BONDS. The Bonds of each Series may be made redeemable in such manner and upon such terms and conditions as determined pursuant to subsequent resolution adopted by the Governing Board prior to the sale of such Series of Bonds.

Unless waived by any Registered Owner of Bonds to be redeemed, a notice of the redemption prior to maturity of any of the Bonds shall be mailed to each Registered Owner of record as of the Record Date of Bonds to be redeemed, by first class mail (postage prepaid), or other method at least as fast as first class mail, at least thirty days prior to the date of redemption. In lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of

receiving notices. Such notice of redemption shall specify any conditions to such redemption, the CUSIP number and the serial or other distinctive numbers or letters of the Bonds to be redeemed, if less than all, the date fixed for redemption, the redemption price thereof, and, in the case of Bonds to be redeemed in part only, the principal amount thereof to be redeemed. Failure to give any such notice by mailing (or other approved method) to any Registered Owner of Bonds, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bond or portion thereof with respect to which no such failure has occurred. Any notice mailed as provided above shall be conclusively presumed to have been given, whether or not the Registered Owner of such Bond receives such notice.

The Bond Registrar/Paying Agent shall not be required to issue, transfer or exchange any Bonds selected for redemption during a period beginning at the opening of business on the Record Date applicable to such redemption and ending on the date fixed for redemption.

Upon notice given in the manner and under the conditions provided above, the Bonds or portions of Bonds so called for redemption shall, on the redemption date designated in such notice, be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date. On the date so designated for redemption, notice having been given and moneys for payment of the redemption price being held in separate accounts by an escrow agent, the Board of Administration, or the Bond Registrar/Paying Agent, in trust for the Registered Owners of the Bonds or portions thereof to be redeemed, all as provided in this Resolution, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds and portions of Bonds shall cease to be Outstanding under the provisions of this Resolution and shall not be entitled to any lien, benefit or security under this Resolution. The Registered Owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment

of the redemption price thereof from the moneys held in trust for such purpose and, to the extent provided herein, to receive Bonds for any unredeemed portion of the Bonds. Bonds redeemed prior to maturity shall be duly canceled by the Bond Registrar/Paying Agent and shall not be reissued.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying the Bonds redeemed with the proceeds of such check or other transfer.

In case part but not all of an Outstanding Bond shall be selected for redemption, the Registered Owner thereof shall present and surrender such Bond to the Bond Registrar/Paying Agent for payment of the principal amount thereof so called for redemption, and the Bond Registrar/Paying Agent shall execute and deliver to or upon the order of such Registered Owner without charge therefor, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds fully registered as to principal and interest.

SECTION 2.05. EXECUTION OF BONDS. The Bonds shall be executed by the Governor, as Chairman of the Governing Board, and attested to by the Secretary or an Assistant Secretary of the Governing Board, or such other officers as may be designated by subsequent resolution of the Governing Board, and the corporate seal of the Division shall be affixed thereto or reproduced thereon. The Bond Registrar/Paying Agent's certificate of authentication shall appear on the Bonds, signed by an authorized signatory of said Bond Registrar/Paying Agent. Any of the above signatures may be a facsimile signature imprinted or reproduced on the Bonds, provided that at least one signature required shall be manually subscribed. In case any officer of the Governing Board or authorized officer, employee, or attorney-in-fact of the Bond Registrar/Paying Agent whose manual or facsimile signature shall appear on any of the Bonds or

on the certificate of authentication thereon shall cease to be such officer of the Governing Board or officer, employee, or attorney-in-fact of the Bond Registrar/Paying Agent before delivery of such Bonds or certificate of authentication, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such persons had remained in office until such delivery, and also any Bonds may bear the manual or facsimile signature of, or such certificate of authentication may be manually signed by, any person who, as of the time of the execution or authentication of such Bonds, shall be the proper officer of the Governing Board or the duly authorized officer, employee or attorney-in-fact of the Bond Registrar/Paying Agent, who is entitled to execute, attest, or authenticate such Bonds, although at the dated date of such Bonds such person may not have been such an officer of the Governing Board or an officer, employee or attorney-in-fact of the Bond Registrar/Paying Agent.

A certificate as to the approval of the issuance of the Bonds pursuant to the provisions of the State Bond Act shall be executed by a signature or facsimile signature of the Secretary or an Assistant Secretary of the Governing Board.

SECTION 2.06. NEGOTIABILITY. The Bonds shall have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida. The original Registered Owner and each successive Registered Owner of any of the Bonds shall be conclusively deemed by the acceptance thereof to have agreed that the Bonds shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code - Investment Securities Law of the State of Florida.

SECTION 2.07. REGISTRATION AND TRANSFER. The Bonds shall be issued only as fully registered bonds without coupons. The Bond Registrar/Paying Agent shall be

responsible for maintaining the books for the registration of and for the transfer of the Bonds in compliance with its agreement with the State.

Upon surrender to the Bond Registrar/Paying Agent for transfer or exchange of any Bond, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Bond Registrar/Paying Agent shall deliver in the name of the transferee or transferees a fully registered Bond or Bonds of authorized denomination of the same maturity for the aggregate principal amount which the Registered Owner is entitled to receive. The Bond Registrar/Paying Agent shall not be required to issue, transfer or exchange any Bonds on a Record Date.

All Bonds presented for transfer, exchange, redemption or payment shall be accompanied (if so required by the Division or the Bond Registrar/Paying Agent) by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Division and the Bond Registrar/Paying Agent, duly executed by the Registered Owner or by his duly authorized attorney.

Neither the Division nor the Bond Registrar/Paying Agent may charge the Registered Owner or his transferee for any expenses incurred in making any exchange or transfer of the Bonds. However, the Division and the Bond Registrar/Paying Agent may require payment from the Registered Owner of a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation thereto. Such governmental charges and expenses shall be paid before any such new Bond shall be delivered.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Department evidencing the same debt as the Bonds surrendered, shall be secured by this

Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Division and the Bond Registrar/Paying Agent may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

Notwithstanding the foregoing provisions of this section, the Division reserves the right, on or prior to the delivery of the Bonds, to amend or modify the foregoing provisions relating to registration of the Bonds in order to comply with all applicable laws, rules, and regulations of the United States and the State of Florida relating thereto.

SECTION 2.08. AUTHENTICATION. Unless otherwise provided by subsequent resolution, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond shall have been duly executed by the manual signature of the Bond Registrar/Paying Agent, and such executed certificate of the Bond Registrar/Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The Bond Registrar/Paying Agent's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Bond Registrar/Paying Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereinafter.

SECTION 2.09. DISPOSITION OF BONDS PAID OR EXCHANGED. Whenever any Bond shall be delivered to the Bond Registrar/Paying Agent for cancellation, upon payment of the principal amount thereof or for replacement or transfer or exchange, such Bonds shall either be cancelled and retained by the Bond Registrar/Paying Agent for a period of time

specified in writing by the Division or the Board of Administration, or, at the option of the Division or the Board of Administration, shall be cancelled and destroyed by the Bond Registrar/Paying Agent and counterparts of a certificate of destruction evidencing such destruction shall be furnished to the Division or the Board of Administration.

SECTION 2.10. BONDS MUTILATED, DESTROYED, STOLEN OR LOST. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Division may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner furnishing the Division proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Division may prescribe and paying such expense as the Division may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar/Paying Agent. If any such Bond shall have matured or is about to mature, instead of issuing a substitute Bond, the Division may pay the same, upon being indemnified as aforesaid, and if such Bond is lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this section shall constitute an original, additional, contractual obligation on the part of the Division, whether or not the lost, stolen or destroyed Bond is at any time found by anyone and such duplicate Bond shall be entitled to equal and proportionate benefits and rights as to lien, source and security for payment, pursuant to this Resolution from the Pledged Revenues.

SECTION 2.11. FORM OF BONDS. The Bonds will be in such form as determined by the Director.

Notwithstanding anything to the contrary in this Resolution, the Bonds may be issued in book-entry only form utilizing the services of the Securities Depository. So long as a book-entry only system of evidence of transfer of ownership of all the Bonds is maintained in accordance herewith, any provision of this Resolution relating to the delivery of physical bond certificates shall be inapplicable, and this Resolution shall be deemed to give full effect to such book-entry system.

If the Bonds are issued in book-entry only form:

(A) The Bonds shall be issued in the name designated by the Securities Depository as Registered Owner of the Bonds, and held in the custody of the Securities Depository or its designee.

(B) Transfers of beneficial ownership of the Bonds will be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository (“Participants” include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, as well other organizations that clear through or maintain a custodial relationship with such organizations, either directly or indirectly).

(C) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant’s interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through Participants. The holders of these beneficial ownership interests are hereinafter referred to as the “Beneficial Owners.” The Beneficial Owners shall not receive Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the Participant from which such Beneficial Owner purchased its Bonds. Transfers of

ownership interests in the Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.

(D) Unless otherwise provided herein, the Division, the Department, the Board of Administration and the Bond Registrar/Paying Agent (as used in this section, the “State and its agents”) shall treat the Securities Depository as the sole and exclusive owner of the Bonds registered in its name for the purposes of:

(1) payment of the principal of, premium, if any, and interest on the Bonds or portion thereof to be redeemed or purchased. Payments made to the Securities Depository of principal, premium, and interest shall be valid and effective to fully satisfy and discharge the Department’s obligations to the extent of the sums so paid;

(2) giving any notice permitted or required to be given to Registered Owners under this Resolution; and

(3) the giving of any direction or consent or the making of any request by the Registered Owners hereunder. The State and its agents may rely conclusively upon

(i) a certificate of the Securities Depository as to the identity of the Participants with respect to the Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owners.

(E) The State and its agents shall have no responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other person which is not shown on the Bond Register, with respect to:

(1) the accuracy of any records maintained by the Securities Depository or any Participant;

(2) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption or purchase price of, or interest on, any Bond;

(3) the delivery of any notice by the Securities Depository or any Participant;

(4) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or

(5) any consent given or any other action taken by the Securities Depository or any Participant.

(F) The requirements in this Resolution of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of the Securities Depository as to registering or transferring the book-entry Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the Bonds shall, while the Bonds are in book-entry only form, be satisfied by the notation thereof on the books of the Securities Depository in accordance with applicable state law.

The Division may discontinue the book-entry system with the then-current Securities Depository, subject to the terms of its agreement with such Securities Depository. In this event, the Division shall either

(1) identify another qualified Securities Depository or

(2) prepare and deliver replacement Bonds in the form of fully registered bonds to each Beneficial Owner.

ARTICLE III
APPLICATION OF BOND PROCEEDS

SECTION 3.01. APPLICATION OF BOND PROCEEDS. Upon receipt of the proceeds of the sale of the Bonds, the Division shall transfer and apply such proceeds as follows:

(A) The amount necessary to pay all costs and expenses of the Division (to the extent permitted by the Code) in connection with the preparation, issuance, and sale of the Bonds, including a reasonable charge for the services of the Division for its fiscal services and for arbitrage rebate compliance program set-up, shall be transferred to the Division.

(B) Any accrued interest and capitalized interest on the Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund, and used for the payment of interest on the Bonds.

(C) An amount which, together with other moneys which may be available therefor and on deposit in the Reserve Account, is necessary to fund the Reserve Requirement, if any, shall be transferred to the Board of Administration and deposited in the applicable subaccount in the Reserve Account within the Sinking Fund. Alternatively, the Division, as provided in Section 4.04 of this Resolution, may elect at any time to provide in lieu of all or a portion of such funds a Reserve Account Credit Facility in an amount equal to the difference between the Reserve Requirement and the sums then on deposit in the applicable subaccount in the Reserve Account.

(D) After making the transfers provided for in (A) through (C) above, the balance of the proceeds of the Bonds shall be transferred to and deposited into the Federal Highway Reimbursement Revenue Bond Proceeds Account, as created in Section 3.02, and used for the purposes of said fund, or in the case of refunding bonds issued pursuant to Section 5.02, an amount which, together with any other available funds, is sufficient for purposes of such refunding including the payment of the amount of fees and expenses estimated to be due in connection with

such refunding, is to be deposited into a separate trust fund created pursuant to an escrow deposit agreement.

SECTION 3.02. FEDERAL HIGHWAY REIMBURSEMENT REVENUE BOND PROCEEDS ACCOUNT. There is hereby created in the Treasury of the State an account to be known as the Federal Highway Reimbursement Revenue Bond Proceeds Account. The Federal Highway Reimbursement Bond Proceeds Account shall be administered by the Department and shall be used only for the distribution of bond proceeds for purposes authorized pursuant to Section 215.616(1), Florida Statutes. If the Bonds are issued in Series, separate subaccounts within the Federal Highway Reimbursement Bond Proceeds Account may be established from the proceeds of the sale of each Series of Bonds.

If any unexpended balance of funds shall remain in any subaccount of the Federal Highway Reimbursement Bond Proceeds Account after the completion of the purposes for which a Series of Bonds were issued, such unexpended balance shall be deposited into the Sinking Fund to be used to pay debt service or to purchase or redeem Bonds, unless otherwise requested by the Department, provided that such application will not adversely affect the exemption from federal income taxation of interest on any of the Bonds.

SECTION 3.03. INVESTMENT OF FEDERAL HIGHWAY REIMBURSEMENT BOND PROCEEDS ACCOUNT. Any moneys in the Federal Highway Reimbursement Bond Proceeds Account not immediately needed for the purposes of said account may be temporarily invested and reinvested, as provided in Section 17.57, Florida Statutes. Any and all income and interest received upon any investment or reinvestment of moneys in the Federal Highway Reimbursement Bond Proceeds Account shall be deposited in said account and all investments shall be liquidated whenever necessary to provide moneys needed for the purposes of said account.

SECTION 3.04. LIEN OF REGISTERED OWNERS ON BOND PROCEEDS

ACCOUNT MONEYS. The Registered Owners of each Series of Bonds shall have a lien on all the proceeds of such Series of Bonds deposited in the Federal Highway Reimbursement Bond Proceeds Account, and interest earnings thereon, until such moneys are expended as provided herein, except to the extent such moneys are required for the payment of any Rebate Amount. The Registered Owners shall not acquire a lien upon any property acquired or constructed with Bond proceeds and shall not have any authority over, or responsibility for, the application or use of any of the proceeds derived from the sale of Bonds.

ARTICLE IV SECURITY FOR THE BONDS; APPLICATION AND ADMINISTRATION OF PLEDGED REVENUES

SECTION 4.01. BONDS SECURED BY PLEDGED REVENUES.

(A) The payment of principal of and interest on the Bonds shall be secured forthwith equally and ratably by a valid and enforceable first lien upon the Pledged Revenues to be received under this Resolution as provided for in Section 6.01 of this Resolution, and such Pledged Revenues, except as may be required for payment of Rebate Amounts, are hereby irrevocably pledged to the payment of the principal and interest on the Bonds, as the same become due.

(B) The Bonds shall not be or constitute a general obligation of the State or a pledge of the full faith and credit or taxing power of the State, but shall be payable solely from the Pledged Revenues, as provided herein. No Registered Owner or Registered Owners of the Bonds shall ever have the right to compel the exercise of the taxing power of the State, or any political subdivision thereof, to pay such Bonds or the interest thereon, or be entitled to payment of such principal and interest from any other funds except such payments consisting of the Pledged Revenues, in the manner provided herein.

SECTION 4.02. CREATION OF FUNDS AND ACCOUNTS. There are hereby created separate funds to be held by the Board of Administration and known as the “Sinking Fund” and the “Rebate Fund.” The Sinking Fund shall contain two accounts: the “Debt Service Account” and the “Reserve Account.”

The funds and accounts created and established by this Article IV constitute trust funds for the purposes provided in this Resolution and shall be used only for the purposes and in the manner provided in this Resolution. All of such funds shall be continuously secured in the same manner as deposits of State funds are required to be secured by the laws of the State.

SECTION 4.03. FLOW OF FUNDS.

(A) The Department shall cause federal highway aid reimbursements received and deposited in the State Transportation Trust Fund to be transferred (after provision is made for payment of Administrative Expenses) in the following manner, amounts, and order of priority:

(1) The Department shall transfer to the Board of Administration for deposit to the Debt Service Account on the 15th day of each month while any of the Bonds remain Outstanding, the amount sufficient to pay 1/6 of the interest becoming due on the Bonds on the next Interest Payment Date; provided that (a) such monthly deposits for interest shall not be required to be made into the Debt Service Account to the extent that money on deposit therein is sufficient for such purpose and (b) if the period to elapse between interest payment dates will be other than 6 months, then such monthly deposits shall be adjusted to provide equal monthly deposits aggregating to the amount due on the next interest payment date. Failure to deposit the full payment amount by the 15th day of the month shall not constitute an event of default, but the Department shall deposit funds sufficient to make up any deficiency as soon as available.

(2) The Department shall transfer to the Board of Administration for deposit to the Debt Service Account on the 15th day of each month while any of the Bonds remain Outstanding, the amount sufficient to pay 1/12 of the principal amount of the Bonds, including Amortization Installments, which will mature and become due on the next Principal Payment Date, beginning with the first full calendar month following the delivery date of the first Series of Bonds, provided that (a) such monthly deposits for principal shall not be required to be made into the Debt Service Account to the extent that money on deposit therein is sufficient for such purpose and (b) if the period to elapse between the date of delivery of the Bonds and the next Principal Payment Date will be other than 12 months, then such monthly deposits shall be adjusted to provide equal monthly deposits aggregating to the required principal amount maturing on the next Principal Payment Date. Failure to deposit the full payment amount by the 15th day of the month shall not constitute an event of default, but the Department shall deposit funds sufficient to make up any deficiency as soon as available.

(3) The Department shall transfer to the Board of Administration on the 15th day of each month while any of the Bonds remain Outstanding for the maintenance and establishment of the Reserve Account, or subaccounts therein, an amount which, together with other moneys available for such purposes, equals the applicable Reserve Requirement. The moneys in a subaccount in the Reserve Account shall be used for the payments provided for in subsections (1) and (2) above when the other moneys in the Sinking Fund are insufficient therefor. Any withdrawals from a subaccount in the Reserve Account shall be restored from the first moneys available therefor.

The Division shall cause to be established and the Board of Administration shall establish one or more specific subaccounts in the Reserve Account. Each subaccount may be established for one or more Series of Bonds. Each subaccount shall be available only to cure deficiencies in the accounts in the Sinking Fund with respect to the Series of Bonds for which such subaccount has been established, and no amounts in the other subaccounts in the Reserve Account shall be available for such purpose. Such separate subaccount shall be established and designated in the resolution authorizing such Series of Bonds. Such resolution may also specify the method of valuation of the amounts held in such separate subaccount.

Any unused portion of the moneys in a subaccount in the Reserve Account may be used by the Department to reduce the final installments of the Annual Debt Service becoming due on Bonds secured by such subaccount.

Notwithstanding the foregoing provisions, in lieu of the required deposits into the Reserve Account, the Department may at any time cause to be deposited into one or more subaccounts in the Reserve Account, one or more Reserve Account Credit Facilities for the benefit of the Registered Owners for which each subaccount has been established, in an amount which, together with sums on deposit, equals the Reserve Requirement. In no event shall the use of such Reserve Account Credit Facilities be permitted if such use would cause, at the time of acquisition of such Reserve Account Credit Facility, an impairment in any existing rating on the Bonds or any Series of Bonds. The Reserve Account Credit Facilities shall be payable or available to be drawn upon, as the case may be, on or before any Interest Payment Date or Principal Payment Date on which a deficiency exists which cannot be cured by funds in any other account held for such Bonds pursuant to this Resolution and

available for such purpose. If more than one Reserve Account Credit Facility is deposited into a subaccount in the Reserve Account, each Reserve Account Credit Facility shall be drawn upon in a proportion equal to its relative share of the amounts in such subaccount in the Reserve Account. If a disbursement is made under the Reserve Account Credit Facility, the Department shall be obligated, from the first Pledged Revenues available, to either reinstate such Reserve Account Credit Facility immediately following such disbursement to the amount required to be maintained in the applicable subaccount in the Reserve Account or to deposit into the applicable subaccount in the Reserve Account from the Pledged Revenues, as herein provided, funds in the amount of the disbursement made under such Reserve Account Credit Facility plus any amounts required to reimburse the Reserve Account Credit Facility provider for previous disbursements made pursuant to such Reserve Account Credit Facility, or a combination of such alternatives as shall equal the amount required to be maintained. To the extent that the Department reinstates a Reserve Account Credit Facility or reimburses a Reserve Account Credit Facility provider, such reinstatement or reimbursement shall be in proportion to the amounts drawn from the various Reserve Account Credit Facilities.

Any moneys in a subaccount in the Reserve Account in excess of the amount required to be maintained therein shall, to the extent permitted by the Code, first be used to cure any deficiency in any other subaccount in the Reserve Account and then for the purposes and in the priority established by this section.

(4) The Department shall transfer to the Board of Administration for deposit to the Rebate Fund on the 15th day of each month while any of the Bonds remain Outstanding, an amount sufficient to pay the Rebate Amount, if any.

The balance of any money not needed for the payments provided above shall be transferred to the Department for deposit in the State Transportation Trust Fund to be used for any lawful purpose.

(B) If on any payment date the Pledged Revenues are insufficient to place the required amounts in any of the funds, accounts, or subaccounts as above provided, the deficiency shall be made up in subsequent payments in addition to the payments which would otherwise be required to be made into such funds, accounts, or subaccounts on the subsequent payment dates.

(C) Except insofar as such funds may be needed for any payment required to be made by the terms of this Resolution or the Bonds, and except as otherwise provided herein, moneys in any of the funds authorized or required by this Resolution may be invested and reinvested at any time as provided by Section 17.57 or 215.47, Florida Statutes, where applicable. When so invested or reinvested, the proceeds derived from the investment or reinvestment of such obligations shall be held for and credited to the fund, account, or subaccount for which said obligations were purchased except as otherwise provided in this Resolution; provided, however, that any such obligations purchased as investments for moneys in the Sinking Fund shall mature not later than the dates upon which such moneys will be needed for the payment of maturing principal and interest to be paid from said Sinking Fund.

ARTICLE V

ADDITIONAL BONDS, REFUNDING BONDS, AND ISSUANCE OF OTHER OBLIGATIONS

SECTION 5.01. ISSUANCE OF ADDITIONAL BONDS. The Division is authorized to issue Additional Bonds, but only upon the following terms, restrictions and conditions:

(A) The proceeds from such Additional Bonds shall be used to finance projects eligible to receive federal aid highway funds or to refund Outstanding Bonds.

(B) The Department shall request the issuance of such Additional Bonds.

(C) The Board of Administration shall approve the fiscal sufficiency of such Additional Bonds.

(D) The Board of Administration, or other appropriate State official, shall certify that the Department is current in all deposits into the various funds and accounts and all payments required to have been deposited or made under the provisions of this Resolution, and the Department is currently in compliance with the covenants and provisions of this Resolution and any supplemental resolution hereafter adopted for the issuance of Additional Bonds, or upon the issuance of such Additional Bonds the Department will be brought into compliance with all such financial requirements, covenants and provisions.

(E) A certificate shall be filed with the Board and the Division signed by an authorized officer of the Department or other appropriate State official setting forth (1) the total amount of federal highway aid reimbursements received pursuant to Federal Aid Authorization during the two immediately preceding Fiscal Years; and (2) the Annual Debt Service and the Maximum Annual Debt Service on the then-Outstanding Bonds and on the Additional Bonds proposed to be issued.

(F) The average amount of Pledged Revenues for the two immediately preceding Fiscal Years, as certified by the Department, will be at least equal to 500% of the Maximum Annual Debt Service on (i) the Bonds then Outstanding and (ii) the Additional Bonds proposed to be issued.

SECTION 5.02. REFUNDING BONDS. The Bonds originally issued pursuant to this Resolution then Outstanding, together with all Additional Bonds issued and then Outstanding,

may be refunded as a whole or in part. If the Annual Debt Service of the refunding Bonds in each Fiscal Year is equal to or less than the corresponding Annual Debt Service of the refunded Bonds, then the provisions of subsections 5.01 (D), (E), and (F) of this Resolution shall not apply to the issuance of such refunding Bonds.

SECTION 5.03. ISSUANCE OF OTHER OBLIGATIONS OR CREATION OF ENCUMBRANCES. The Division and the Department covenant that they will not issue any other obligations, except Additional Bonds provided for in Section 5.01 hereof, and refunding Bonds provided for in Section 5.02 hereof, payable from the Pledged Revenues nor voluntarily create or cause to be created any other debt, lien, pledge, assignment, encumbrance or other charge, having priority to or being on a parity with the lien of the Bonds, upon the Pledged Revenues securing the Bonds provided for in this Resolution. Any such other obligations hereafter issued by the Department, other than the Bonds and the Additional Bonds and parity refunding Bonds provided for in Sections 5.01 and 5.02 hereof, shall contain an express statement that such obligations are junior and subordinate to the Bonds, as to lien on and source and security for payment from such Pledged Revenues.

SECTION 5.04. NO ACCELERATION. The Bonds shall not be accelerated on account of any default on any payments required under the Resolution.

ARTICLE VI COVENANTS

SECTION 6.01. PLEDGE OF PLEDGED REVENUES; PLEDGED REVENUES COLLECTION AND TRANSFER.

(A) The Department hereby covenants and agrees with the Registered Owners of Bonds that, so long as any of the Bonds, or interest thereon, are Outstanding and unpaid, all of the Pledged

Revenues provided for in this Resolution shall be pledged to the payment of the principal of and interest on the Bonds and the payment of such other amounts as are provided for in this Resolution, in the manner provided in this Resolution, and the Registered Owners of the Bonds shall have a valid and enforceable first lien on such Pledged Revenues in the manner provided herein.

(B) The Department covenants that it will punctually apply the Pledged Revenues in the manner and at the times provided in this Resolution, that the Pledged Revenues will be applied in a manner that assures the availability of sufficient moneys for the full and timely payment of debt service on the Bonds and that it will duly and punctually perform and carry out all the covenants of the Department made herein and the duties imposed upon the Department by this Resolution.

(C) The Department covenants that it will, to the extent permitted by law, annually apply for and reasonably cooperate with the Federal Highway Administration in order to receive the greatest amount of federal highway aid reimbursements reasonably available to the State that will become Pledged Revenues.

SECTION 6.02. PROTECTION OF RIGHTS OF REGISTERED OWNERS.

State has covenanted in Section 215.616, Florida Statutes, that it will not repeal, impair, or amend the section of the law that establishes the prior and superior claim on the Pledged Revenues committed to repayment of the Bonds, or take any other action that will materially and adversely affect the rights of Registered Owners of Bonds so long as the Bonds are outstanding.

SECTION 6.03. COMPLIANCE WITH TAX REQUIREMENTS.

(A) In addition to any other requirement contained in this Resolution, the Division, the Department, and the Board of Administration hereby covenant and agree, for the benefit of the Registered Owners from time to time of the Bonds issued subject to the provisions of the Code, that each will comply with the applicable requirements contained in Section 103 and Part IV of

Subchapter B of Chapter 1 of the Code as shall be set forth in the non-arbitrage certificate of the Department dated and delivered on the date of delivery of each such Series of Bonds. Specifically, without intending to limit in any way the generality of the foregoing, the Division and the Department covenant and agree:

(1) to pay or cause to be paid to the United States of America from the Pledged Revenues and any other legally available funds, at the times required pursuant to Section 148(f) of the Code, the Rebate Amount;

(2) to maintain and retain or cause to be maintained and retained all records pertaining to and to be responsible for making or causing to be made all determinations and calculations of the Rebate Amount and required payments of the Rebate Amount as shall be necessary to comply with the Code;

(3) to refrain from using proceeds from the Bonds in a manner that might cause any of the Bonds to be classified as private activity bonds under Section 141(a) of the Code; and

(4) to refrain from taking any action that would cause any of the Bonds to become arbitrage bonds under Section 148 of the Code.

The Department, the Division and the Board of Administration acknowledge that the foregoing covenants impose continuing obligations that will exist throughout the term of the issue to comply with the requirements of the Code.

(B) The Division and Department covenant and agree that they shall maintain and retain or cause to be maintained and retained all records pertaining to and they shall be responsible for making and having made all determinations and calculations of the Rebate Amount for each Series of Bonds issued hereunder for each Bond Year within 60 days after the end of such Bond Year

and within 60 days after the final maturity of each such Series of Bonds. On or before the expiration of each such 60 day period, the Department shall deposit or direct the Board of Administration to deposit into the Rebate Fund from investment earnings or moneys deposited into the other funds and accounts created hereunder, or from any other legally available funds of the Department, an amount equal to the Rebate Amount for such Bond Year. The Board of Administration shall use such moneys deposited in the Rebate Fund only for the payment of the Rebate Amount to the United States as required by subsection (A) of this section, and as directed by the Department, which payments shall be made in installments, commencing not more than 60 days after the end of the fifth Bond Year and with subsequent payments to be made not later than five years after the preceding payment was due except that the final payment shall be made within 60 days after the final maturity of the last obligation of the Series of Bonds issued hereunder. In complying with the foregoing, the Division and the Department may rely upon any instructions or opinions from a nationally recognized bond/tax counsel.

Notwithstanding anything in this Resolution to the contrary, to the extent moneys on deposit in the Rebate Fund are insufficient for the purpose of paying the Rebate Amount and other funds of the Department are not available to pay the Rebate Amount, then the Board of Administration shall pay the Rebate Amount first from Pledged Revenues and, to the extent the Pledged Revenues are insufficient to pay the Rebate Amount, then from moneys on deposit in any of the funds and accounts created hereunder.

If at any time the Division or the Department determines that the amount of money on deposit in the Rebate Fund is in excess of the Rebate Amount, the Division or the Department may direct the Board of Administration to transfer the amount of money in excess of the Rebate Amount

to the Department, for deposit into (i) the fund(s) or account(s) created hereunder to which such amount of money is attributable, or (ii) the State Transportation Trust Fund.

If any amount shall remain in the Rebate Fund after payment in full of all Bonds issued hereunder and after payment in full to the United States of any Rebate Amount in accordance with the terms hereof, such amounts shall be paid over to the Department and may be used for other purposes authorized by law.

The Rebate Fund shall be held separate and apart from all other funds and accounts of the Department and shall be subject to a lien in favor of the Registered Owners, but only to secure payment of the Rebate Amount, and the moneys in the Rebate Fund shall be available for use only as herein provided.

The Division, the Board of Administration, and the Department shall not be required to continue to comply with the requirements of this section in the event that the Division and the Board of Administration receive an opinion of nationally recognized bond/tax counsel that (1) such compliance is no longer required in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds or (2) compliance with some other requirement will comply with the provisions of the Code in respect of arbitrage rebate, or in the event that any other agency is subsequently designated by proper authority to comply with the requirements of this section.

SECTION 6.04. CONTINUING DISCLOSURE.

(A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Department shall be required to provide such information as may be required, from time to time, under such rule.

(B) The Department, or its duly appointed representative, in conjunction with the appropriate officer of the Division, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission or any applicable successor rule.

ARTICLE VII REMEDIES

SECTION 7.01. ENFORCEABILITY BY REGISTERED OWNERS.

(A) This Resolution, including the pledge of the Pledged Revenues, shall be deemed to have been made for the benefit of the Registered Owners from time to time of the Bonds. Such pledge and all the provisions of this Resolution shall be enforceable in any court of competent jurisdiction by any Registered Owner or Registered Owners of such Bonds, against either the Department or the Board of Administration or any other agency of the State, or instrumentality thereof, having any duties concerning collection, administration and disposition of the Pledged Revenues. The Department does hereby consent to the bringing of any proceedings in any court of competent jurisdiction by any Registered Owner or Registered Owners of the Bonds for the enforcement of all provisions of this Resolution and does hereby waive, to the extent permitted by law, any privilege or immunity from suit which it may now or hereafter have as an agency of the State. However, no covenant or agreement contained in this Resolution or any Bond issued pursuant hereto shall be deemed to be the covenant or agreement of any officer or employee of the State in such person's individual capacity, and neither the officers nor employees of the State nor any official executing any of the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

(B) Any Registered Owner of the Bonds, or any trustee acting for the Registered Owner of such Bonds, may by civil action in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State, or granted and contained in this Resolution, and may enforce and compel the performance of all duties required by this Resolution, and by any applicable Statutes, to be performed by the Division, the Department, or the Board of Administration, or by any officer thereof, including the payment of the Pledged Revenues payable under this Resolution. Other than as specifically provided herein, nothing herein shall be construed to grant to any Registered Owner of the Bonds any lien on any facility or funds of the Department or the Division.

(C) For purposes of exercising remedies pursuant to this section, the issuer of a Bond Insurance Policy shall be deemed the sole Registered Owner of Bonds it has insured, provided that the issuer of such Bond Insurance Policy has not failed to comply with its payment obligations under the Bond Insurance Policy and the ratings on the insured Bonds, based on the Bond Insurance Policy, are no lower than the “A” category by each Rating Agency which has rated such Bonds, including any rating modifiers.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01. MODIFICATION OR AMENDMENT. Except as otherwise provided in the second and third paragraphs of this section, no materially adverse modification or amendment of this Resolution, or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of (i) the Registered Owners of more than fifty percent in principal amount of the Bonds then Outstanding or (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, the Registered Owners

of more than fifty percent in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or affecting the promise to pay the interest on and principal of the Bonds, as the same mature or become due, or reduce the percentage of Registered Owners of Bonds required above for such modification or amendments, without the consent of the Registered Owners of all the Bonds.

For purposes of this section, except where the consent of all Registered Owners of a Series of Bonds is required, to the extent any Series of Bonds is insured by a Bond Insurance Policy and such Series of Bonds is then rated in as high a rating category as the rating category in which such Series of Bonds was rated at the time of initial delivery thereof by a Rating Agency, then the consent of the issuer of the Bond Insurance Policy shall constitute the consent of the Registered Owners of such Series.

The Division may amend, change, modify and alter this Resolution without the consent of the Registered Owners of Bonds, (i) to cure any defect, omission, conflict, or ambiguity in this Resolution or between the terms and provisions hereof and any other document executed or delivered herewith, (ii) to provide other changes, including such changes as may be necessary in order to adjust the terms hereof so as to facilitate the issuance of various types of Bonds, and any other Bonds which may be issued hereunder, which will not materially adversely affect the interest of such Registered Owner of Bonds, (iii) to provide for the issuance of Bonds in coupon form if, in the opinion of a nationally recognized bond/tax counsel, such issuance will not affect the exemption from federal income taxation of interest on the Bonds, (iv) to obtain credit enhancements or a higher rating in one of the three highest full rating categories of a Rating Agency, (v) to add to the covenants and agreements of the Division, the Board of Administration

or the Department in this Resolution, other covenants and agreements to be observed by the Division, the Board of Administration, or the Department which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vi) to add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the Division, the Board of Administration or the Department which are not contrary to or inconsistent with this Resolution as theretofore in effect, (vii) to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualifications of the Bonds for sale under the securities laws of any of the states of the United States of America, (viii) to enable the Division, the Board of Administration and the Department to comply with their covenants, agreements and obligations under Section 6.03 of this Resolution, (ix) to specify and determine any matters and things relative to the Bonds which are not contrary to or inconsistent with this Resolution and which shall not materially adversely affect the interests of the Registered Owners, and (x) to amend or modify any provisions of this Resolution so long as such amendment or modification does not materially adversely affect the interests of the Registered Owners.

SECTION 8.02. NONPRESENTMENT OF BONDS; FUNDS HELD FOR BONDS AFTER DUE DATE OF BONDS. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Board of Administration for the benefit of the Registered Owner thereof, all liability of the Department to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Board of Administration to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Bonds, who

shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Resolution or on, or with respect to, said Bond. Any such funds held by the Board of Administration for the Registered Owners of such Bonds for seven years after the principal of the respective Bonds for which such funds have been so set aside has become due and payable and remaining (whether at maturity or upon redemption or otherwise) shall be subject to the laws of the State of Florida relating to disposition of unclaimed property, and unless demand for the payment of such Bonds shall have been made, the obligation thereon shall be extinguished.

SECTION 8.03. DEFEASANCE. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to any of the Bonds in any one or more of the following ways:

(A) By paying the principal of and interest on such Bonds when the same shall become due and payable; or

(B) By depositing with the Board of Administration, certain moneys which are irrevocably pledged to the payment of such Bonds and which, together with other moneys lawfully available therefor, shall be sufficient at the time of such deposit to pay when due the principal of, redemption premium, if any, and interest due and to become due on such Bonds on or prior to the redemption date or maturity date thereof; or

(C) By depositing with the Board of Administration, moneys which are irrevocably pledged to the payment of such Bonds and which, together with other moneys lawfully available therefor when invested in Defeasance Obligations, will provide moneys (principal and interest thereof at maturity) which shall be sufficient to pay the principal of, redemption premium, if any, and interest due and to become due on such Bonds on or prior to a date fixed for redemption or the maturity date thereof.

Upon such payment or deposit in the amount and manner provided in this section, the Bonds with respect to which payments on deposit have been made shall be deemed to be paid and shall no longer be deemed to be Outstanding for the purposes of this Resolution and all liability of the Department and Division with respect to such Bonds shall cease, terminate and be completely discharged and extinguished, and the Registered Owners thereof shall be entitled to payment solely out of the moneys or securities so deposited.

(D) Notwithstanding the foregoing, all references to the discharge and satisfaction of Bonds shall include the discharge and satisfaction of any Series of Bonds, any portion of any Series of Bonds, any maturity or maturities of any Series of Bonds, any portion of a maturity of any Series of Bonds or any combination thereof.

(E) If any portion of the moneys deposited for the payment of the principal of and redemption premium, if any, and interest on any portion of Bonds is not required for such purpose, the Department or the Board of Administration may use the amount of such excess which is not otherwise obligated under this Resolution, for any lawful purpose, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Resolution.

(F) Nothing herein shall be deemed to require the Department or Division to call any of the Bonds for redemption prior to maturity pursuant to any applicable optional redemption provisions, or to impair the discretion of the Department or the Division in determining whether to exercise any such option for early redemption.

(G) Notwithstanding the foregoing, the covenants, liens and pledges entered into, created or imposed pursuant to this Resolution shall not be discharged and satisfied with respect to any of the Bonds with respect to which debt service has been paid pursuant to a Bond Insurance

Policy, to the extent that the amount so paid has not been reimbursed to the issuer of such Bond Insurance Policy (or monies have not been deposited as set forth above to provide for payment of such amounts). The bond insurer shall be subrogated to the rights of the Registered Owners of Bonds with respect to which it has made payments pursuant to a Bond Insurance Policy.

SECTION 8.04. SURVIVAL OF CERTAIN PROVISIONS. Notwithstanding the foregoing, any provisions of this Resolution which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, credit against mandatory redemption requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, the calculation of the Rebate Amount and the paying of the Rebate Amount to the United States, shall remain in effect and be binding upon the Division, the Department, the Bond Registrar/Paying Agent and the Registered Owners notwithstanding the release and discharge of the lien and pledge of this Resolution or any subsequent resolution. The provisions of this section shall survive the release, discharge and satisfaction of this Resolution or any subsequent resolution.

SECTION 8.05. TRUST FUNDS.

(A) The funds and accounts established by this Resolution and all moneys on deposit therein shall constitute trust funds for their respective purposes as provided herein. The Sinking Fund shall be held and administered by the Board of Administration, and such funds shall be fully and continuously secured in the manner provided by the laws of the State for the securing of deposits of State funds. The Registered Owners shall have a lien on moneys in the Sinking Fund until such moneys are used or applied as provided herein.

(B) The designation and establishment of the various funds and accounts in and by this Resolution shall not be construed to require the establishment of any completely independent, self-balancing funds as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of certain revenues for certain purposes and to establish certain priorities for application of such revenues as herein provided. Cash and investments required to be accounted for in each of the funds and accounts established by or pursuant to this Resolution may be deposited in a single bank account, provided that accounting records are maintained to reflect the moneys and investments therein and the receipts of and disbursements from such funds and accounts and the investment income earned therefrom.

SECTION 8.06. SUBSTITUTE FOR MAILING. If, because of the temporary or permanent suspension of postal service, any person shall be unable to mail any notice required to be given by the provisions of this Resolution, such person shall give notice in such other manner as in its judgment shall most effectively approximate such mailing; and the giving of such notice in such manner shall for all purposes of this Resolution be deemed to be in compliance with the requirement for the mailing thereof.

SECTION 8.07. INSTRUMENTS OF REGISTERED OWNERS. Any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, required under this Resolution to be executed by any Registered Owner may be in any number of concurrent writings of similar tenor and may be executed by that Registered Owner in person or by an attorney-in-fact appointed in writing. Proof of (i) the execution of any writing, including without limitation, any consent, request, direction, approval, objection or other instrument or document, (ii) the execution of any writing appointing any attorney-in-fact, and (iii) the ownership of Bonds, shall be sufficient for any of the purposes of this

Resolution, if made in the following manner, and if so made, shall be conclusive in favor of the Division, the Department, and the Board of Administration, with regard to any action taken thereunder, namely:

(a) the fact and date of the execution by any person of any writing may be proved by the certificate of any officer in any jurisdiction who has the power by law to take acknowledgments within that jurisdiction that the person signing the writing acknowledged that execution before that officer, or by affidavit of any witness to that execution; and

(b) the fact of ownership of Bonds of any Series shall be proved by the Bond Registrar/Paying Agent for such Series.

SECTION 8.08. VALIDATION AUTHORIZED. The attorneys for the Division are hereby authorized to institute proceedings to validate the Bonds, pursuant to Chapter 75, Florida Statutes.

SECTION 8.09. GOVERNING LAW. The laws of the State shall govern the construction of this Resolution and of all Bonds issued hereunder.

SECTION 8.10. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants or provisions of this Resolution shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void and shall be deemed separable from the remaining covenants or provisions of this Resolution or of the Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this Resolution or of the Bonds issued hereunder.

SECTION 8.11. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Resolution, to the extent that they are inconsistent with this Resolution, are hereby repealed, revoked, and rescinded, but only to the extent of any such inconsistencies.

SECTION 8.12. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

ADOPTED July 25, 2019.

**A RESOLUTION OF THE DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION OF
FLORIDA AUTHORIZING THE SALE OF NOT
EXCEEDING \$224,500,000 STATE OF FLORIDA,
DEPARTMENT OF TRANSPORTATION, FEDERAL
HIGHWAY REIMBURSEMENT REVENUE BONDS,
SERIES 2019A; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, on July 25, 2019, the Governor and Cabinet of the State of Florida, as the Governing Board of the Division of Bond Finance of the State Board of Administration of Florida (the “Governing Board”), adopted a resolution authorizing the issuance of not exceeding \$224,500,000 State of Florida, Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A, (the “Resolution”); and

WHEREAS, the Department of Transportation has requested the issuance of the Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A, by resolution; and

WHEREAS, the Division of Bond Finance desires to issue the 2019A Bonds and provide for various terms of the sale thereof by resolution;

**NOW THEREFORE, BE IT RESOLVED BY THE GOVERNOR AND CABINET
OF THE STATE OF FLORIDA, AS THE GOVERNING BOARD OF THE DIVISION OF
BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA:**

Section 1. Any capitalized terms not defined in this resolution shall have the same meaning as in the Resolution.

Section 2. The not exceeding \$224,500,000 State of Florida, Department of Transportation, Federal Highway Reimbursement Revenue Bonds, Series 2019A, or such other designation as may be determined by the Director of the Division of Bond Finance (hereinafter the

“Director”), authorized by the Resolution, are hereby authorized to be sold at competitive sale on the date and at the time to be determined by the Director.

Section 3. The Director is hereby authorized to determine the most advantageous date and time of sale and provide notice pursuant to applicable law of such sale (the “Notice of Bond Sale”), at a time and in such manner as determined by the Director to be appropriate to provide adequate notice to potential bidders; provided, that if no bids are received, or if all bids received are rejected, such 2019A Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director. Bids for the purchase of the 2019A Bonds will be received at the office of the Division of Bond Finance or at another location designated in the Notice of Bond Sale, until the time and date of sale determined by the Director.

Section 4. The Director is hereby authorized to publish and distribute the Notice of Bond Sale and a proposal for the sale of the 2019A Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director and shall contain such information as is consistent with the terms of the Resolution which the Director determines is in the best financial interest of the State.

Section 5. The Director is hereby authorized to prepare and distribute preliminary and final official statements in connection with the offering of the 2019A Bonds. The Director is further authorized and directed to amend, supplement or complete the information contained in the preliminary official statement, as may be needed, and to furnish such certification as to the completeness and finality of the preliminary official statement as is necessary to permit the successful bidder to fulfill its obligations under any applicable securities laws. The Chairman and Secretary of the Governing Board and the Director are hereby authorized to execute the final official statement in connection with the offering of the 2019A Bonds, and the execution thereof

by any of the authorized individuals shall be conclusive evidence that the Governing Board has approved the form and content of the final official statement and that the final official statement is complete as of its date.

Section 6. The Director is hereby authorized to cause as many copies of the preliminary official statement and the official statement relating to the offering of the 2019A Bonds as the Director determines to be necessary to be prepared, printed and delivered; to contract with national rating services and providers of municipal bond insurance and Reserve Account Credit Facilities; to retain bond counsel; to make a determination that the preliminary official statement is “deemed final” for purposes of SEC Rule 15c2-12(b)(1); to conduct information meetings; and to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the 2019A Bonds. Any prior publication and distribution of a preliminary official statement is hereby ratified.

Section 7. The Director or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said 2019A Bonds when offered, on his or her determination of the best Proposal, as defined in the Notice of Bond Sale, submitted in accordance with the terms of the Notice of Bond Sale provided for herein, and such award shall be final. The Director or any Assistant Secretary of the Division shall report such sale to this Governing Board after award of the 2019A Bonds. The Secretary or any Assistant Secretary of the Governing Board is authorized to deliver such 2019A Bonds to the purchasers thereof upon payment of the purchase price, together with any accrued interest to the date of delivery, and to distribute the proceeds of the 2019A Bonds as provided by the Resolution and other proceedings authorizing the issuance of the 2019A Bonds.

Section 8. U.S. Bank Trust National Association, or its successor, is hereby designated as Bond Registrar and Paying Agent for the 2019A Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement by and between the State Board of Administration of Florida and U.S. Bank Trust National Association, or its successor.

Section 9. The Interest Payment Dates and the Principal Payment Dates for the 2019A Bonds shall be as set forth in the Notice of Bond Sale. Interest on the 2019A Bonds shall be paid by check or draft mailed on the Interest Payment Date (or, in certain cases, may be paid by wire transfer at the election of a Registered Owner, other than a securities depository, in the manner and under the terms provided for in the State's agreement with the Bond Registrar/Paying Agent, provided that such Registered Owner advances to the Bond Registrar/Paying Agent the amount, if any, necessary to pay the wire charges or authorizes the paying agent to deduct the amount of such payment) to the Registered Owner thereof as of 5:00 pm New York time on the Record Date shown on the registration books maintained by the Bond Registrar/Paying Agent for the 2019A Bonds.

Section 10. The 2019A Bonds shall be dated, shall mature in such years and amounts and shall bear interest commencing on such date as set forth in the Notice of Bond Sale, a copy of which, as published, shall be retained in the files of the Division with this resolution. The 2019A Bonds shall be issued in denominations of \$1,000 or any integral multiple thereof unless otherwise provided in the Notice of Bond Sale. The 2019A Bonds shall be payable at the corporate trust office of U.S. Bank Trust National Association, New York, New York, or its successors.

Section 11. The 2019A Bonds shall be subject to redemption as provided in the Notice of Bond Sale. The Notice of Bond Sale shall contain such redemption provisions as shall be determined by the Director to be in the best financial interest of the State. Upon election by the successful bidder as provided in the Notice of Bond Sale, a portion of the 2019A Bonds identified

in such election may be designated as Term Bonds. Additionally, in lieu of mailing the notice of redemption, the Bond Registrar/Paying Agent may elect to provide such notice by electronic means to any Registered Owner who has consented to such method of receiving notices.

Section 12. The Reserve Requirement for the 2019A Bonds shall be an amount determined by the Director (such amount may be zero), which shall not exceed the maximum amount permitted pursuant to the Resolution. The Reserve Requirement for the 2019A Bonds, if one is required, shall be funded with proceeds of the 2019A Bonds, a Reserve Account Credit Facility, or some combination thereof, as determined by the Director. The Reserve Requirement for the 2019A Bonds, if one is required, shall be deposited, as determined by the Director, in a subaccount in such Reserve Account. Amounts on deposit in any subaccount in the Reserve Account may be commingled with amounts deposited for Bonds of additional Series which are secured thereby, shall be held for the benefit of the Registered Owners of only such Bonds as may be specifically secured by the respective subaccount, and shall be applied in the manner provided in the Resolution.

Section 13. Any portion of the 2019A Bonds may be issued as a separate series, provided that the bonds of each series shall be numbered consecutively from one upward. The 2019A Bonds referred to herein may be sold separately or combined with any other Department of Transportation Federal Highway Reimbursement Revenue Bonds authorized by the Governing Board to be sold.

Section 14. The Director is hereby authorized to offer for sale a lesser principal amount of 2019A Bonds than that set forth in this resolution and to adjust the maturity schedule and redemption provisions for the 2019A Bonds, if necessary, to reflect the issuance of such lesser

amount, and to modify the Notice of Bond Sale as may be required. Any portion of the 2019A Bonds not offered shall remain authorized to be offered at a later date.

Section 15. The Director is authorized to provide in the Notice of Bond Sale of the 2019A Bonds that the purchase price for the 2019A Bonds may include a discount of not to exceed three percent (3%) excluding original issue discount, if any, of the aggregate principal amount of such 2019A Bonds offered for sale.

Section 16. The Chairman, Secretary, and any Assistant Secretary of the Governing Board, the Director, and such other officers and employees of the Division as may be designated by this Governing Board as agents of the Division in connection with the issuance and delivery of the 2019A Bonds, are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Division, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the 2019A Bonds.

Section 17. Notwithstanding anything contained in the Resolution to the contrary, it is the intent of the Governing Board that interest on any 2019A Bonds which are issued as tax-exempt Bonds be and remain excluded from gross income for federal income tax purposes and therefore to comply with all requirements of federal tax law applicable to such tax-exempt 2019A Bonds, whether such requirements are now in effect, pending or subsequently enacted. The Division is hereby authorized and directed to take all actions necessary with respect to the 2019A Bonds to comply with such requirements of federal tax law.

Section 18. In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Department of Transportation hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

The Director, in conjunction with the appropriate officer of the Department of Transportation, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

Section 19. All prior or concurrent resolutions or parts of resolutions inconsistent with this resolution are hereby amended by this resolution, but only to the extent of any such inconsistency.

Section 20. Any references in the Resolution to offices, bodies, or agencies which have been or are superseded, replaced or abolished by law shall be deemed to refer to the successors of such offices, bodies, and agencies. Any action required or authorized to be taken by an official whose office, body, or agency has been or is so superseded, replaced, or abolished shall be taken by the successor to such official.

Section 21. This resolution shall take effect immediately.

ADOPTED on July 25, 2019