



**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

February 4, 2020

1. Approval of minutes of the meeting of December 3, 2019.

Attachment #1

2. Report of Award on the following competitive bond sales:

- A. \$177,930,000 Department of Transportation Turnpike Revenue Bonds, Series 2019B

Bids were received at the office of the Division of Bond Finance on November 19, 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 2.7874%. The bonds were delivered on December 17, 2019.

The bonds were issued to finance capital improvements to the Turnpike System and to fund a debt service reserve account.

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

Attachment #2

- B. \$20,530,000 State Board of Education Capital Outlay Refunding Bonds, 2020 Series A

Bids were received at the office of the Division of Bond Finance on December 11, 2019. The bonds were awarded to the low bidder Janney Montgomery Scott LLC, which submitted a bid at an annual true interest cost rate of 1.3391%. The bonds were delivered on January 14, 2020.

The bonds were issued to refund the outstanding Capital Outlay Bonds, 2010 Series A. The average interest rate on the bonds being refunded is 4.04% compared to the interest rate of 1.34% on the refunding bonds. The refunding will generate gross debt service savings of \$3.0 million, present value of \$2.8 million or 12.0% of the principal amount being refunded.

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

Attachment #3

C. \$6,120,000 Board of Governors, University of Central Florida Parking Facility Revenue Refunding Bonds, Series 2019A

Bids were received at the office of the Division of Bond Finance on January 8, 2020. The bonds were awarded to the low bidder, Janney Montgomery Scott LLC which submitted a bid at an annual true interest cost rate of 1.2895%. The bonds will be delivered on February 6, 2020.

The bonds are being issued to refund the outstanding University of Central Florida Parking Facility Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable – Issuer Subsidy). The average interest rate on the bonds refunded is 3.82% compared to the interest rate of 1.29% on the refunding bonds. The refunding will generate gross debt service savings of \$1.3 million, present value savings of \$1.1 million, or 12.1% of the principal amount being refunded.

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

Attachment #4

3. Adoption of a resolution authorizing the issuance and the competitive sale of \$25,000,000 Department of Transportation Turnpike Revenue Refunding Bonds.

The bonds will be payable from tolls and other revenues of the Turnpike System. The bonds will not be secured by the full faith and credit of the State. The proceeds of the bonds will be used to refund certain outstanding bonds of the Turnpike System for debt service savings.

(Recommend)

4. Adoption of a resolution authorizing the issuance and the competitive sale of \$11,800,000 State of Florida, Board of Governors, University of North Florida Mandatory Student Fee Revenue Refunding Bonds.

The bonds will be payable from the student health fee charged to each student at the University. The bonds will not be secured by the full faith and credit of the State. The proceeds of the bonds will be used to refund certain outstanding Mandatory Student Fee Revenue Bonds for debt service savings.

(Recommend)

STATE OF FLORIDA

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IN RE: MEETING OF THE GOVERNOR AND  
CABINET

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

DATE: TUESDAY, DECEMBER 3, 2019

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

REPORTED BY: NANCY S. METZKE, RPR, FPR  
COURT REPORTER

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**DIVISION OF BOND FINANCE**

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2  
3 GOVERNOR DESANTIS: All right. Bond Finance.  
4 Ben Watkins.

5 EXECUTIVE DIRECTOR WATKINS: Good morning,  
6 Governor, Cabinet members.

7 GOVERNOR DESANTIS: Good morning.

8 EXECUTIVE DIRECTOR WATKINS: Item 1 is  
9 approval of the minutes of the September 24th  
10 meeting.

11 GOVERNOR DESANTIS: Move to approve.

12 Is there a second?

13 CFO PATRONIS: Second.

14 COMMISSIONER FRIED: Second.

15 GOVERNOR DESANTIS: Any objections?

16 (NO RESPONSE).

17 GOVERNOR DESANTIS: Hearing none, the motion  
18 carries.

19 EXECUTIVE DIRECTOR WATKINS: Item 2 is a  
20 report of award on the competitive sale of  
21 \$123.2 million in federal highway reimbursement  
22 revenue bonds. This is the inaugural -- this is  
23 the first issue of our leverage of state revenue  
24 sharing.

25 The bonds were awarded to the low bidder at a

1 true interest cost of approximately 1.57 percent.

2 And Item 3 is resolutions authorizing the  
3 issuance and competitive sale of 24 and a half  
4 million dollars of capital outlay refunding bonds  
5 for debt service savings.

6 I need a motion on 3.

7 GOVERNOR DESANTIS: Okay. Recommend approval.

8 CFO PATRONIS: Second.

9 ATTORNEY GENERAL MOODY: Second.

10 GOVERNOR DESANTIS: Okay. Is there objection?

11 (NO RESPONSE).

12 GOVERNOR DESANTIS: Hearing none, the motion  
13 carries.

14 EXECUTIVE DIRECTOR WATKINS: Item 4 are  
15 resolutions authorizing the issuance and  
16 competitive sale of 555 million in PECO refunding  
17 bonds for debt service savings.

18 GOVERNOR DESANTIS: Do you have a question?

19 CFO PATRONIS: No, when he's done.

20 GOVERNOR DESANTIS: Okay. Move to approve the  
21 item.

22 Is there a second?

23 CFO PATRONIS: Second.

24 GOVERNOR DESANTIS: Any objections?

25 (NO RESPONSE).

1 GOVERNOR DESANTIS: Hearing none, the motion  
2 carries.

3 I think Jimmy has got a question on that.

4 CFO PATRONIS: Well, I'll just -- it's a  
5 general question at the end when he gets done.

6 GOVERNOR DESANTIS: Oh, when you're done?  
7 Okay. Great.

8 Okay. Item 5.

9 EXECUTIVE DIRECTOR WATKINS: Item 5 is a  
10 resolution authorizing the issuance and competitive  
11 sale of 215 million in turnpike refunding bonds for  
12 debt service savings.

13 GOVERNOR SCOTT: Move to approve.

14 Is there a second?

15 CFO PATRONIS: Second.

16 GOVERNOR DESANTIS: Any objections?

17 (NO RESPONSE).

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

20 EXECUTIVE DIRECTOR WATKINS: And lastly,  
21 Governor, is our annual debt affordability report.  
22 Annually we prepare an overview of the state's debt  
23 position and credit ratings and reserves and  
24 provide that information to the Legislature for  
25 purposes of them making informed decisions

1 regarding the state's finances.

2 And for context for you all, relative to  
3 before I start in on the details of the debt  
4 report, I wanted to share with you my  
5 perspective -- from a macro perspective, the  
6 favorable climate that we have been operating in.

7 What I mean by that is two fundamental  
8 factors: One is a favorable interest rate  
9 environment, and the second is a very strong  
10 economy.

11 So the two things that are most important to  
12 us from a credit perspective have been working in  
13 our favor.

14 And what I would say, as an overlay of that,  
15 more specifically with respect to municipal market  
16 conditions, we have dollars flowing into the space  
17 to be invested; and we have interest rates that  
18 are very low. So the combination of those factors  
19 has led to very strong demand for municipal bonds  
20 and has kept us in the game on our ability to be  
21 able to reduce our long-term costs through  
22 refinancings.

23 Specifically on the debt report, I would say  
24 that it is a continuation, but I mean that in a  
25 very positive way because we have the wind at our

1 back. And so we've got a strong economy with  
2 growing revenues. We have reduction in the amount  
3 of debt that we have outstanding because of our  
4 limited use of debt to finance the budget, and  
5 we've been able to reduce our cost of the debt that  
6 we have outstanding by lowering the interest rate  
7 through refinancings. So we have the wind at our  
8 back, and our balance sheet is very well positioned  
9 currently.

10 With respect to refundings, over the last --  
11 over the calendar year 2019, so this calendar year  
12 ending, we've executed transactions totaling  
13 \$1.7 billion which saves the state \$260 million in  
14 avoided interest costs. And to also provide a  
15 longer term context around that, is we've been able  
16 to, over the last nine years, execute refinancings  
17 totaling \$16.2 billion, saving the state  
18 \$3.2 billion in avoided interest costs.

19 So we've been able to take advantage over --  
20 of historically very favorable interest rates and  
21 market conditions to save the state money and to  
22 reduce our long-term fixed costs associated with  
23 debt.

24 With respect to our debt ratio, our policy  
25 ratio established by the Legislature says: What is

1 our annual debt service requirement? What is the  
2 annual payment required? And it divides that by:  
3 What are your revenues that you have available to  
4 make those payments with? And the target debt  
5 ratio is six percent.

6 Well, I'm happy to report, at the end of 2019,  
7 the actual number is 4.65 percent. So we're south  
8 of our target ratio, again because of the  
9 combination of limited debt issuance, reduced debt  
10 service cost, and growing revenues.

11 So we're well positioned with debt capacity  
12 available to fund critical infrastructure needs.  
13 And just so I don't get accused of giving only good  
14 news, a dose of sobriety, two things that I see  
15 that I would like to make note of and are noted in  
16 the report, really messaging the Legislature; and  
17 that is, vulnerabilities with respect to our  
18 rating.

19 What are those? One, maintaining adequate  
20 reserves; and two, adequately funding the pension.  
21 So those are the two things that I see that --  
22 where the state is vulnerable in terms of over  
23 the long term maintaining our stellar credit  
24 ratings.

25 GOVERNOR DESANTIS: Great.

1 CFO PATRONIS: Thanks, Governor.

2 And, Ben, thank you for your presentation.  
3 Two quick questions, and you kind of touched on  
4 them at the end, but one is dealing with reserves;  
5 and the other one is our unfunded liability in  
6 relation to local governments.

7 One, as we're -- it's a hot market. I think  
8 growth is still great that's taking place. I know  
9 at some point the head hunters and these site  
10 selectors have got to evaluate what the economic  
11 conditions are in the state.

12 In regards to reserves: What do those numbers  
13 need to be at? Looking historically and where  
14 we're at right now, you know, where should -- what  
15 type of message do we need to be sending to the  
16 Legislature?

17 And then, two, you know, I haven't really dug  
18 into it, but getting into pension and unfunded  
19 liabilities, there's the state participation; but  
20 we've got members all over the state when it comes  
21 to local law enforcement, school districts, and  
22 county employees. What type of split is there  
23 between the exposure that they should be  
24 participating in towards the unfunded liability  
25 versus ours?

1 EXECUTIVE DIRECTOR WATKINS: Right. So first,  
2 the reserves. We finished the year 6/30/2019 at  
3 approximately \$3.4 billion in general fund  
4 reserves. So that's unspent general revenue, plus  
5 the budget stabilization fund. That is  
6 10.4 percent of general revenues, and that is  
7 adequate -- considered adequate and strong by the  
8 rating agencies.

9 If I had -- there are a lot of factors that go  
10 into a rating, but if I had to pinpoint a number,  
11 it would be ten percent. So we're right at where  
12 we need to be.

13 We expect to end 2020, so the current fiscal  
14 year that we're in, we expect to end at three  
15 billion or approximately nine percent. So we're  
16 within shouting distance with no adjustments. And  
17 there are positive adjustments to that number at  
18 the end of the year for unspent budgeted dollars.  
19 So I would expect that number to go up. So I would  
20 say we're where we need to be.

21 The critical piece, obviously, is going to be:  
22 How much unspent GR does the Legislature leave on  
23 the table in formulating the current spending  
24 plan? The Governor's budget rec. sets the right  
25 mark at a combined general fund reserves of \$3.1

1 billion, so a hundred-million-dollar increase  
2 based on the Governor's recommendation to the  
3 Legislature of the spending plan funding the  
4 priorities that he believes are important to the  
5 state.

6 So that's the bottom line. That's the -- you  
7 know, at the end of the day when you look at  
8 revenues coming in and expenditures going out, that  
9 is the bottom-line measure that the rating agencies  
10 look to.

11 Given where we are, we've been very, very  
12 fortunate to have the strength of those reserves  
13 to deal with unexpected financial contingencies,  
14 primarily in the recent past, hurricane costs and  
15 being able to front those monies and do the  
16 recovery in anticipation of FEMA's reimbursement.  
17 If we did not maintain adequate liquidity, if we  
18 did not maintain adequate reserves, we would not  
19 have the luxury of that financial flexibility.

20 But it also serves as a cushion against the  
21 inevitable economic cycles which will occur. For  
22 the last ten years, since the credit crisis, it's  
23 all been in one direction, right? It's all been  
24 up; it's all been good.

25 And I'm here to say that even a stopped clock

1 is right twice a day. At some point that will  
2 turn. And it's important that we be  
3 well-positioned to have adequate resources to deal  
4 with the inevitable economic cycles.

5 With respect to pension funding and the  
6 liability, we've got an estimated \$25 billion in  
7 the unfunded liability, \$25 billion. That's more  
8 debt -- that's more than the debt that we have  
9 outstanding for all -- in the aggregate of  
10 everything that we borrowed to fund bricks and  
11 sticks and infrastructure throughout the state.

12 The state share of that -- because it's a  
13 multi-employer plan, there are some four to five  
14 hundred participants in the plan, the state  
15 employees are just one element of that. Our share  
16 of that, state share of that, 20 percent.

17 And with respect to vulnerabilities and  
18 progress to be made, and we've been very direct and  
19 vocal about this with respect to the estimating  
20 conference, it's getting the assumptions right.  
21 It's getting the numbers right that we use to  
22 calculate how much is necessary to adequately fund  
23 the pension.

24 And while we've made progress on that front,  
25 over the last five years, we've moved the --

1 probably the single factor that the rating agencies  
2 are focused on two things: What is your return  
3 assumption? What do you expect to earn on the  
4 investment returns of the Florida Retirement  
5 System?

6 And the second is: What kind of actuarial  
7 methodologies are using to calculate the amount  
8 necessary to adequately fund the pension?

9 And while we've made progress, reducing that  
10 return assumption from 7.75 percent to 7.4 percent  
11 over the last five years, and importantly, with  
12 support from the Governor's office doubling down on  
13 that -- and what I mean by that is making a  
14 20-basis point move in the return assumption from  
15 7.4 percent to 7.2 percent.

16 So we are moving in the right direction, but  
17 we still have more work to be done in that space.  
18 And a plan would be -- a legislatively articulated  
19 plan on how to get from Point A to Point B, i.e. to  
20 a reasonable investment return, would be an  
21 extraordinarily important signal to send to the  
22 rating agencies that we understand the magnitude of  
23 the challenges and we're working to address those.

24 CFO PATRONIS: Thanks.

25 GOVERNOR DESANTIS: Great. Thank you.

EXECUTIVE DIRECTOR WATKINS: Thank you.

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COMMISSIONER OF AGRICULTURE

MEMORANDUM

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

**FROM:** J. Ben Watkins III 

**DATE:** February 4, 2020

**SUBJECT:** Award of \$177,930,000 State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2019B

Pursuant to authorization by the Governor and Cabinet by a resolution adopted on September 24, 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, November 19, 2019.

Six 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 2.7874%. The annual true interest cost rate using the applicable TM3 Municipal Market Data revenue benchmark interest rate scale was 2.79%. 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 December 17, 2019.

The bonds were issued to finance capital improvements to the Turnpike System and to fund a debt service reserve account.

The bonds are dated December 17, 2019, with interest payable July 1, 2020, and semiannually on each January 1 and July 1 thereafter. The bonds consist of serial bonds maturing on July 1 in the years 2020 through 2044 and a term bond maturing in 2049.

The bonds are payable from tolls and other revenues of the Turnpike System and are on a parity with the outstanding Turnpike Revenue Bonds. The bonds are not secured by the full faith and credit of the State.

Attachment #2

The bonds have been rated AA, Aa2, and AA, 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.	2.7874%
Wells Fargo Bank, National Association	2.8116%
J.P. Morgan Securities LLC	2.8262%
Mesirow Financial, Inc.	2.8296%
Bank of America Merrill Lynch	2.8296%
Morgan Stanley & Co, LLC	2.8305%

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	\$1,670,000	5.00%	1.11%
7/1/2021	3,185,000	5.00	1.14
7/1/2022	3,345,000	5.00	1.17
7/1/2023	3,510,000	5.00	1.21
7/1/2024	3,685,000	5.00	1.27
7/1/2025	3,870,000	5.00	1.33
7/1/2026	4,065,000	5.00	1.45
7/1/2027	4,270,000	5.00	1.52
7/1/2028	4,480,000	5.00	1.60
7/1/2029	4,705,000	5.00	1.68
7/1/2030	4,940,000	5.00	2.00
7/1/2031	5,190,000	5.00	2.26
7/1/2032	5,445,000	4.00	2.44
7/1/2033	5,665,000	5.00	2.64
7/1/2034	5,950,000	3.00	2.63
7/1/2035	6,125,000	3.00	2.69
7/1/2036	6,310,000	3.00	2.74
7/1/2037	6,500,000	3.00	2.79
7/1/2038	6,695,000	3.00	2.82
7/1/2039	6,895,000	3.00	2.87
7/1/2040	7,105,000	3.00	2.89
7/1/2041	7,315,000	3.00	2.91
7/1/2042	7,535,000	3.00	2.93
7/1/2043	7,760,000	3.00	2.95
7/1/2044	7,995,000	3.00	2.95

\$43,720,000 3.00% Term Bond maturing July 1, 2049 (at a yield of 3.00%)



**J. BEN WATKINS III**  
DIRECTOR

## STATE OF FLORIDA DIVISION OF BOND FINANCE

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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:** February 4, 2020

**SUBJECT:** Award of \$20,530,000 State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Refunding Bonds, 2020 Series A

Pursuant to authorization by the Governor and Cabinet by a resolution adopted on December 3, 2019, bids were received for the above referenced bond issue at the office of the Division of Bond Finance at 12:00 p.m. on Wednesday, December 11, 2019.

Ten bids were received with a tabulation of such bids included herein. The low bid was submitted by Janney Montgomery Scott LLC at an annual true interest cost rate of 1.3391%. 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 January 14, 2020.

The bonds were issued to refund the outstanding Capital Outlay Bonds, 2010 Series A. The average interest rate on the bonds being refunded is 4.04% compared to the interest rate of 1.34% on the refunding bonds. The refunding will generate gross debt service savings of \$3.0 million, present value savings of \$2.8 million, or 12.0% of the principal amount being refunded.

The bonds are dated January 14, 2020, with interest payable on July 1, 2020, and semi-annually on each January 1 and July 1 thereafter. The bonds consist of serial bonds maturing on January 1 in the years 2021 through 2030.

The bonds are payable from motor vehicle license taxes and are additionally secured by a pledge of the full faith and credit of the State. The lien on the bonds on motor vehicle license taxes is on a parity with the outstanding 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>
Janney Montgomery Scott LLC	1.3391%
Raymond James & Associates, Inc.	1.3425%
Mesirow Financial, Inc.	1.3554%
Piper Jaffray	1.3560%
Jefferies LLC	1.3573%
J.P.Morgan Securities LLC	1.3702%
Citigroup Global Markets Inc.	1.3717%
INTL FCStone Financial Inc.	1.3719%
Wells Fargo Bank, National Association	1.3731%
BNYMellon Capital Markets	1.3820%

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
1/1/2021	\$4,160,000	5.00%	1.05%
1/1/2022	3,440,000	5.00	1.06
1/1/2023	1,370,000	2.00	1.07
1/1/2024	1,410,000	5.00	1.09
1/1/2025	1,480,000	5.00	1.14
1/1/2026	1,570,000	5.00	1.23
1/1/2027	1,645,000	5.00	1.29
1/1/2028	1,720,000	5.00	1.37
1/1/2029	1,820,000	5.00	1.46
1/1/2030	1,915,000	5.00	1.52



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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:** February 4, 2020

**SUBJECT:** Award of \$6,120,000 State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Refunding Bonds, Series 2019A

Pursuant to authorization by the Governor and Cabinet by resolutions adopted on September 24, 2019, bids were received for the above referenced bond issue at the office of the Division of Bond Finance at 12:00 noon on Wednesday, January 8, 2020.

Ten bids were received with a tabulation of such bids included herein. The low bid was from Janney Montgomery Scott LLC, at an annual true interest cost rate of 1.2895%. 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 will be delivered on February 6, 2020.

The bonds are being issued to refund the Outstanding University of Central Florida Parking Facility Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable – Issuer Subsidy), and to pay costs of issuance. The average interest rate on the bonds being refunded is 3.82% compared to the interest rate of 1.29% on the refunding bonds. The refunding will generate gross debt service savings of \$1.3 million, present value savings of \$1.1 million, or 12.1% of the principal amount being refunded.

The bonds are dated February 6, 2020, with interest payable July 1, 2020, and semiannually on each January 1 and July 1 thereafter. The bonds consist of serial bonds maturing on July 1 in the years 2020 through 2029.

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 #4

Governor and Cabinet

February 4, 2020

Page Two

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

BID TABULATION

<u>Bidder</u>	<u>Annual True Interest Cost Rate</u>
Janney Montgomery Scott LLC	1.2895%
J.P. Morgan Securities LLC	1.3138%
Morgan Stanley & Co, LLC	1.3389%
Wells Fargo Bank, National Association	1.3477%
Bank of America Merrill Lynch	1.3485%
Jeffries LLC	1.3511%
Robert W. Baird & Co., Inc.	1.3561%
INTL FCStone Financial Inc.	1.3795%
BYNMellon Capital Markets	1.4402%
Hutchinson, Shockey, Erley & Co.	1.4811%

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
07/01/2020	\$205,000	5.00%	1.00%
07/01/2021	535,000	5.00	1.02
07/01/2022	565,000	5.00	1.04
07/01/2023	590,000	5.00	1.07
07/01/2024	620,000	5.00	1.08
07/01/2025	650,000	5.00	1.11
07/01/2026	685,000	5.00	1.19
07/01/2027	720,000	5.00	1.27
07/01/2028	755,000	5.00	1.34
07/01/2029	795,000	5.00	1.40

**FIFTY-SECOND SUPPLEMENTAL  
TURNPIKE REVENUE BOND RESOLUTION**

**A RESOLUTION (THE FIFTY-SECOND SUPPLEMENTAL RESOLUTION) OF THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA SUPPLEMENTING THE TURNPIKE REVENUE BOND AUTHORIZING RESOLUTION, AS SUPPLEMENTED AND AMENDED; AUTHORIZING THE ISSUANCE AND COMPETITIVE SALE OF THE STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION TURNPIKE REVENUE REFUNDING BONDS, SERIES 2020 (TO BE DETERMINED); AUTHORIZING A NOTICE OF BOND SALE; PROVIDING FOR APPLICATION OF THE PROCEEDS OF THE SERIES 2020 (TO BE DETERMINED) BONDS; AUTHORIZING A PRELIMINARY AND A FINAL OFFICIAL STATEMENT; PROVIDING FOR OTHER TERMS AND AUTHORIZATIONS IN CONNECTION WITH THE ISSUANCE AND COMPETITIVE SALE OF THE SERIES 2020 (TO BE DETERMINED) BONDS; PROVIDING FOR CONSENT TO THE AMENDMENT OF THE MASTER RESOLUTION; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, acting on behalf of the State of Florida Department of Transportation (the “Department”), the Governor and Cabinet sitting as the governing board (the “Governing Board”) of the Division of Bond Finance of the State Board of Administration of Florida (formerly, the Division of Bond Finance of the State of Florida Department of General Services) (the “Division”) adopted a resolution on October 25, 1988 authorizing the issuance of State of Florida Department of Transportation Turnpike Revenue Bonds (“Turnpike Revenue Bonds”), and such resolution, as amended and restated on May 17, 2005 (the “Authorizing Resolution”), was adopted to secure the issuance of one or more series of Turnpike Revenue Bonds by the Division from time to time, subject to the terms and conditions of the Authorizing Resolution; and

**WHEREAS**, there are currently \$2,758,295,000 of Outstanding Turnpike Revenue and Revenue Refunding Bonds; and

**WHEREAS**, the Department has adopted a resolution requesting the Division to proceed with the issuance and sale of STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION TURNPIKE REVENUE REFUNDING BONDS, SERIES 2020 (to be determined) (the “Refunding Bonds”) to refund all or a portion of the callable Outstanding State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2006A (when refunded, the “Refunded Bonds”); and

**WHEREAS**, the Governing Board has determined to sell the Refunding Bonds, on behalf of the Department, under and pursuant to the Authorizing Resolution and pursuant to the request of the Department of Transportation; and

**WHEREAS**, the Governing Board wishes to authorize the publication of a Notice of Bond Sale for the public sale of the Refunding Bonds (the “Notice of Bond Sale”); and

**WHEREAS**, the Governing Board adopted a resolution on December 4, 2018 (the Forty-eighth Supplemental Resolution), which amends the definition of “Debt Service Reserve Requirement” to permit the issuance of Turnpike Revenue and Revenue Refunding Bonds without a Debt Service Reserve Account and to remove the Debt Service Reserve Requirement for certain Outstanding Turnpike Revenue and Revenue Refunding Bonds (the “Springing Amendment”), which becomes effective upon receipt of the written consent of the Holders of more than fifty percent, in aggregate principal amount, of Outstanding Turnpike Revenue and Revenue Refunding Bonds; and

**WHEREAS**, the Holders of the State of Florida Department of Transportation Turnpike Revenue and Revenue Refunding Bonds, Series 2018A, Series 2019A and Series 2019B, have expressly and irrevocably consented to the Springing Amendment, through the acceptance of such bonds by the Initial Registered Owners; and

**WHEREAS**, upon the adoption of this Fifty-second Supplemental Resolution and the completion of certain actions required hereunder and under the Authorizing Resolution, the execution and delivery of the Refunding Bonds will have been duly authorized and all things necessary to make the Refunding Bonds, when executed and authenticated in the manner set forth in the Authorizing Resolution, valid and binding legal obligations of the State of Florida and the Department, and to make the Authorizing Resolution, as supplemented by this Fifty-second Supplemental Resolution, a valid and binding agreement with the Registered Owners of the Refunding Bonds, will have been done;

**NOW, THEREFORE, BE IT RESOLVED** by the Governor and Cabinet of the State of Florida sitting as the Governing Board of the Division of Bond Finance of the State Board of Administration of Florida, on behalf of the State of Florida Department of Transportation, as follows:

**SECTION 1. DEFINITIONS.** All terms used in this Fifty-second Supplemental Resolution are used with the same meaning throughout this Fifty-second Supplemental Resolution unless the context clearly requires otherwise. All terms used in this Fifty-second Supplemental Resolution that are defined in the Authorizing Resolution have the same meaning as in the Authorizing Resolution unless the context clearly requires otherwise.

**SECTION 2. AUTHORITY FOR THIS FIFTY-SECOND SUPPLEMENTAL RESOLUTION.** This Fifty-second Supplemental Resolution is adopted pursuant to the provisions of the Act and constitutes a resolution authorizing bonds pursuant to the Act.

**SECTION 3. RESOLUTION TO CONSTITUTE CONTRACT.** In consideration of the purchase and acceptance of any and all of the Refunding Bonds by those who shall own the same from time to time, the Authorizing Resolution, as supplemented by this Fifty-second Supplemental Resolution, shall be deemed to be and shall constitute a contract between the Department and the Registered Owners from time to time of the Refunding Bonds; and the security interest granted and the pledge made in the Authorizing Resolution, as supplemented by this Fifty-second Supplemental Resolution, and the covenants and agreements therein and herein set forth to be performed on behalf of the Department shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Refunding Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by the Authorizing Resolution, as supplemented by this Fifty-second Supplemental Resolution.

**SECTION 4. AUTHORIZATION OF ISSUANCE AND SALE OF THE REFUNDING BONDS.**

(A) The not exceeding \$25,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2020 (to be determined) (or such other designation as may be provided by the Director) are hereby authorized to be issued and sold at competitive sale on the date and at the time to be determined by the Director. The Refunding Bonds are authorized in addition to the amounts authorized in the Authorizing Resolution. The Refunding Bonds may be sold at different times in more than one series. If sold in more than one series, the authorizations contained in this resolution shall apply to each of such series. The Refunding Bonds may also be sold separately or combined with any other Turnpike System Revenue Bonds authorized to be sold. The final maturity date of the Refunding Bonds shall not be later than 35 years from their date of issue. The Refunding Bonds shall be issued in fully registered form in denominations of \$1,000 or integral multiples thereof. The Refunding Bonds shall be dated and bear interest from such date, and be payable in each year, as indicated or provided for in the Notice of Bond Sale. The interest rates of the Refunding Bonds, not to exceed the maximum lawful rate on the date of sale of

the Refunding Bonds, shall be determined in accordance with the Notice of Bond Sale, and the Refunding Bonds shall mature as determined by the Director in the Notice of Bond Sale. Interest on the Refunding Bonds will be paid by check or draft mailed on each Interest Payment Date [or by wire transfer, at the election of a Registered Owner, 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 Bond Registrar/Paying Agent to deduct the amount of such payment)] to the Registered Owner thereof as of 5:00 p.m. on the Record Date at the address shown on the registration books maintained by the Bond Registrar/Paying Agent for the Refunding Bonds. Principal of the Refunding Bonds will be payable to the Registered Owners thereof upon their presentation and surrender when due at the corporate trust office of the Bond Registrar/Paying Agent.

(B) The Director or an Assistant Secretary of the Governing Board is authorized to determine the most advantageous date and time of a public sale and to provide notice pursuant to applicable law of such sale, at a time and in such manner as determined by the Director to be appropriate to provide adequate notice to potential bidders. Bids for the purchase of the Refunding Bonds will be received at the offices of the Division in Tallahassee, Florida, or at another location designated in the Notice of Bond Sale, until the time and date of sale determined by the Director.

(C) The Director is hereby authorized to distribute a Notice of Bond Sale and a form of proposal for the sale of the Refunding Bonds. The Notice of Bond Sale shall be in such form as shall be determined by the Director, with the advice of bond counsel, and shall contain such information as required by applicable law. Any prior distribution of a Notice of Bond Sale and form of proposal is hereby ratified.

(D) The Director or the Secretary or an Assistant Secretary of the Governing Board is authorized to award the sale of the Refunding Bonds in an aggregate principal amount not exceeding \$25,000,000 and to pay the costs, fees, and expenses associated therewith. Such award by the Director or Secretary or an Assistant Secretary shall be based on his or her determination of the best bid submitted in accordance with the terms of the Notice of Bond Sale and such award shall be final. The sale shall be reported to the Governing Board after award of the Refunding Bonds.

(E) In the event that conditions preclude, or circumstances render unnecessary or undesirable, the sale of the maximum principal amount of the Refunding Bonds authorized to be sold by this Fifty-second Supplemental Resolution, then, in such event, the Director or the Secretary or an Assistant Secretary of the Governing Board is hereby authorized to offer for sale a lesser principal amount than that set forth in the Notice of Bond Sale and to adjust the maturity schedule and redemption provisions for the Refunding Bonds, if necessary, to reflect the issuance of such lesser amount, and to modify the Notice of Bond Sale as may be required.

(F) The Refunding Bonds shall be subject to redemption as provided in the Notice of Bond Sale.

(G) The Director or an Assistant Secretary of the Governing Board is authorized to provide in the Notice of Bond Sale that the purchase price for the Refunding Bonds may include a discount to par not to exceed the statutory amount.

(H) The Chairman, Secretary or an Assistant Secretary of the Governing Board or their duly authorized alternative officers are hereby authorized on behalf of the Division to execute the Refunding Bonds (including any temporary bond or bonds) as provided in the Authorizing Resolution and any of such officers is hereby authorized, upon the execution of the Refunding Bonds in the form and manner set forth in the Authorizing Resolution, to deliver the Refunding Bonds in the amounts authorized to be issued hereunder to the Bond Registrar/Paying Agent for authentication and, upon receipt of payment of the purchase price (together with accrued interest), for delivery to or upon the order of the original purchaser of the Refunding Bonds, and to distribute the proceeds of the Refunding Bonds as provided herein and in the Authorizing Resolution.

(I) The Chairman, Secretary, or any Assistant Secretary of the Governing Board, and the Director, and such other officers and employees of the Division as may be designated as agents of the Division in connection with the issuance and delivery of the Refunding 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 sale, execution and delivery of the Refunding Bonds.

(J) The Director is authorized to cause the manual or facsimile signature of the Governor, as Chairman of the Governing Board, and the corporate seal of the Division to be imprinted on the Refunding Bonds, which shall be attested and countersigned with the manual or facsimile signature of the Director, as Assistant Secretary of the Governing Board.

## **SECTION 5. SECURITY FOR THE REFUNDING BONDS.**

(A) The Refunding Bonds authorized by this Fifty-second Supplemental Resolution shall be payable on a parity and rank equally as to lien on and source and security for payment from the Net Revenues of the Turnpike System and in all other respects with the Outstanding Bonds.

(B) The Refunding Bonds authorized by this Fifty-second Supplemental Resolution shall be deemed to have been issued pursuant to the Authorizing Resolution as fully and to the same extent as the Outstanding Bonds and all of the covenants and agreements contained in the Authorizing Resolution shall be deemed to have been made for the benefit of the Registered Owners of the Series 2020 (to be determined) Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds.

All of the covenants, agreements, and provisions of the Authorizing Resolution, except to the extent inconsistent herewith, shall be deemed to be part of this Fifty-second Supplemental Resolution to the same extent as if incorporated verbatim in this Fifty-second Supplemental Resolution, and shall be fully enforceable in the manner provided in the Authorizing Resolution by any of the Registered Owners of the Bonds.

## **SECTION 6. APPLICATION OF PROCEEDS.**

(A) Upon receipt of the proceeds of the Refunding Bonds, the Division shall transfer and apply such proceeds as follows:

- (i) The amount necessary to pay all costs and expenses of the Division in connection with the preparation, sale and issuance of the Refunding Bonds, including a reasonable charge for the services of the Division, shall be transferred to the Division to be deposited in the Bond Proceeds Trust Fund, subject to disbursement of the funds to the Bond Fee Trust Fund and the Arbitrage Compliance Fund pursuant to written instructions at the delivery of the Refunding Bonds unless such amount shall be provided from another legally available source.
- (ii) The accrued interest on the Refunding Bonds, if any, shall be deposited into the Interest Account and shall be used only for the purpose of paying the interest which shall thereafter become due on the Refunding Bonds.
- (iii) The amount necessary to fund the Debt Service Reserve Requirement for the Refunding Bonds shall be deposited into the Debt Service Reserve Subaccount designated by the Director pursuant to Section 7 of this Fifty-Second Supplemental Resolution.
- (iv) All remaining proceeds shall be transferred to the Board for deposit into a trust fund, hereby created, to be known as the "State of Florida, Department of Transportation Turnpike Revenue Refunding

Bonds, Series 2020 (to be determined) Escrow Deposit Trust Fund” (the “Escrow Deposit Trust Fund”). Such amount, together with the income on the investment thereof, and other legally available funds, if required, shall be sufficient to pay when due the entire principal of the Refunded Bonds, together with interest accrued and to accrue thereon to their respective maturity dates or, if called for redemption prior to maturity, such prior redemption dates and redemption premiums, if any, and the expenses and fees listed in the Escrow Deposit Agreement as provided in Section 6(B)(i) below.

(B) The moneys deposited by the Board in the Escrow Deposit Trust Fund shall be administered and applied as follows:

- (i) The Escrow Deposit Trust Fund shall be held in irrevocable trust by the Board and, except as provided in Section 6(B)(ii) below, shall be applied solely to refund the Refunded Bonds and to the payment of the fees and expenses incurred in connection with such refunding. The application of the moneys in the Escrow Deposit Trust Fund shall be made for said purposes pursuant to an Escrow Deposit Agreement hereby authorized to be entered into by the Division and the Board and endorsed and accepted by the Department, in a form normally utilized by the Board.
- (ii) Moneys on deposit in the Escrow Deposit Trust Fund shall be used to purchase Federal Obligations (as defined in the Escrow Deposit Agreement) in accordance with the schedules given in the Escrow Deposit Agreement. The maturing Federal Obligations, the earnings thereon, if required, and the cash on deposit in the Escrow Deposit Trust Fund shall be sufficient to accomplish the refunding described above. In the alternative, in the discretion of the Director of the Division of Bond Finance, moneys on deposit in the Escrow Deposit Trust Fund shall be invested in the State Treasury, or in such other legally authorized investments, or held uninvested, until such time as such funds, together with other legally available funds, if necessary, are needed to effect the redemption of the Refunded Bonds.

(C) The proceeds derived from the sale of the Refunding Bonds shall be applied and disbursed pursuant to the provisions of the Act and this Fifty-second Supplemental Resolution. The Registered Owners of the Refunding Bonds shall not have any responsibility whatsoever for the application or use of any of the proceeds derived from the sale of the Refunding Bonds, and the rights and remedies of the Registered Owners of Refunding Bonds and their right to payment, pursuant to the Authorizing Resolution as supplemented by this Fifty-second Supplemental Resolution, shall not be affected or impaired by the application or use of such proceeds. Upon the issuance of the Refunding Bonds, all the covenants and agreements between the Board and the Registered Owners of the Refunding Bonds contained in the Authorizing Resolution and this Fifty-second Supplemental Resolution shall be valid and binding covenants and agreements between the Division and the Registered Owners of the Refunding Bonds without regard to the application of the proceeds of the Refunding Bonds.

**SECTION 7. RESERVE REQUIREMENT.** The Refunding Bonds shall be secured, together with the Outstanding Turnpike Revenue and Revenue Refunding Bonds, and any other Series of Turnpike Bonds designated to be secured thereby, by the Debt Service Reserve Subaccount in the Debt Service Reserve Account securing the Series 2006A through Series 2019B Bonds, or in such other Debt Service Reserve Subaccount as may be established, as needed, by the Director.

**SECTION 8. BOND REGISTRAR/PAYING AGENT.** U.S. Bank Trust National Association, New York, New York, is hereby designated as the Bond Registrar/Paying Agent for the Refunding Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement between the State of Florida and U.S. Bank Trust National Association.

**SECTION 9. AUTHORIZATION OF OFFICIAL STATEMENT.** The Division is hereby authorized to prepare and distribute Preliminary and Final Official Statements in connection with the Refunding Bonds, on behalf of the Department, pursuant to the State Bond Act. The Director is further authorized and directed to amend,

supplement, or complete the information contained in the Official Statement, as the Director determines to be necessary or desirable. The Chairman, Secretary, or an Assistant Secretary of the Governing Board and the Director are hereby authorized to execute the Final Official Statement in connection with the Refunding Bonds, and the execution thereof shall be conclusive evidence that the Governing Board has approved the form and content of the Final Official Statement. The Division is further authorized to have as many copies of the Preliminary Official Statement and the Final Official Statement relating to the Refunding Bonds as the Director determines to be necessary to be prepared, printed, and distributed; to contract with national rating services; to make a determination that the Preliminary Official Statement is “deemed final” for purposes of subsection (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”); 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 Refunding Bonds. Any prior printing and distribution of a Preliminary Official Statement is hereby ratified.

**SECTION 10. FORM OF THE REFUNDING BONDS.** Notwithstanding anything to the contrary in the Authorizing Resolution, this Fifty-second Supplemental Resolution, or any other resolution relating to the Refunding Bonds (for the purposes of this section, collectively, the “Resolution”), the Refunding Bonds may be issued in book-entry only form utilizing the services of a Securities Depository (as used herein, “Securities Depository” means the Depository Trust Company, New York, New York, or its nominees, successors, and assigns).

So long as a book-entry only system of evidence of transfer of ownership of all the Refunding Bonds is maintained in accordance herewith, any provision of the Resolution relating to the delivery of physical bond certificates shall be inapplicable, and the Resolution shall be deemed to give full effect to such book-entry system.

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.

(A) If the Refunding Bonds are issued in book-entry only form:

- (2) The Refunding Bonds shall be issued in the name of the Securities Depository as the Registered Owner of the Refunding Bonds, and held in the custody of the Securities Depository or its designee.
- (3) Transfers of beneficial ownership of the Refunding 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).
- (4) Each Participant shall be credited in the records of the Securities Depository with the amount of such Participant's interest in the Refunding Bonds. Beneficial ownership interests in the Refunding 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 Refunding 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 Refunding Bonds. Transfers of ownership interests in the Refunding Bonds shall be accomplished by book entries made by the Securities Depository and, in turn, by Participants acting on behalf of Beneficial Owners.
- (5) Unless otherwise provided herein, the Department, the Division of Bond Finance, 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 Refunding Bonds registered in its name for the purposes of:

- (a) the payment of the principal of, premium, if any, and interest on the Refunding 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;
  - (b) the giving any notice permitted or required to be given to Registered Owners under the Resolution; and
  - (c) 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 Refunding Bonds; and
    - (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of Refunding Bonds beneficially owned by, the Beneficial Owners.
- (6) 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 Refunding Bond Register, with respect to:
- (a) the accuracy of any records maintained by the Securities Depository or any Participant;
  - (b) 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 Refunding Bond;
  - (c) the delivery of any notice by the Securities Depository or any Participant;
  - (d) the selection of the Participants or the Beneficial Owners to receive payment in the event of any partial redemption of the Refunding Bonds; or
  - (e) any consent given or any other action taken by the Securities Depository or any Participant.
- (7) The requirements in the Resolution of holding, delivering or transferring Refunding 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 Refunding Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the Refunding Bonds shall, while the Refunding 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.
- (B) If the Division of Bond Finance discontinues the book-entry system, it shall either:
- (1) identify another qualified securities depository, or
  - (2) prepare and deliver replacement Refunding Bonds in the form of fully registered bonds to each Beneficial Owner.

**SECTION 11. FEDERAL TAX MATTERS.** Upon the execution of a "Federal tax certificate," "non-arbitrage certificate," or other certificate relating to compliance by the Department or the Division with Federal tax law requirements, the representations, terms, and covenants in each such certificate shall be deemed to be

incorporated in this Fifty-second Supplemental Resolution and shall be deemed to benefit the Registered Owners of the Refunding Bonds.

Notwithstanding anything contained in the Authorizing Resolution to the contrary, to the extent that all or any portion of the Refunding Bonds are sold as tax-exempt bonds, it is the intent of the Governing Board that interest on such Refunding 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 Refunding Bonds, or any series thereof, whether such requirements are now in effect, pending or subsequently enacted. The officers, employees and agents of the Division of Bond Finance are hereby authorized and directed to take all actions necessary with respect to such Refunding Bonds and each series thereof to comply with such requirements of federal tax law.

#### **SECTION 12. CONTINUING DISCLOSURE.**

(A) In order to comply with the Rule, the Department hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such Rule.

(B) The Secretary of the Department, in conjunction with the appropriate officers of the Division, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of the Rule.

**SECTION 13. INCIDENTAL ACTION.** The members and officers of the Governing Board and the staff of the Division are hereby authorized and directed to execute and deliver such other documents, and to take such other actions as may be necessary or appropriate in order to accomplish the sale, issuance and securing of the Refunding Bonds pursuant to the terms of the Authorizing Resolution and this Fifty-second Supplemental Resolution, and the performance of the obligations of the Division under the Authorizing Resolution.

**SECTION 14. CONFIRMATION OF AUTHORIZING RESOLUTION/PRIOR RESOLUTIONS.** As supplemented by this Fifty-second Supplemental Resolution, the Authorizing Resolution is in all respects ratified and confirmed, and this Fifty-second Supplemental Resolution shall be read, taken and construed as a part of the Authorizing Resolution. All prior or concurrent resolutions or parts of resolutions inconsistent with this Resolution are hereby amended by this Fifty-second Resolution, including the Notice of Bond Sale, but only to the extent of any such inconsistency.

**SECTION 15. CONSENT TO AMENDMENT.** The initial Registered Owners of Bonds issued pursuant to this Fifty-second Supplemental Resolution, by virtue of their purchase and acceptance of the Bonds, shall be deemed to have consented to in writing and approved the Springing Amendment, consisting of (i) the amendment to the definition of "Debt Service Reserve Requirement," in the Authorizing Resolution as set forth in the Forty-eighth Supplemental Resolution, and (ii) the reduction of the Debt Service Reserve Requirement to zero for the Refunding Bonds issued pursuant to this Fifty-second Supplemental Resolution, upon the effectiveness of the amendment. Once the Debt Service Reserve Requirement has been reduced to zero on the Refunding Bonds issued pursuant to this Fifty-second Supplemental Resolution, such Registered Owners will no longer have any claim on any subaccount in the Debt Service Reserve Account. All subsequent Registered Owners of Refunding Bonds issued pursuant to this Fifty-second Supplemental Resolution shall be bound by the terms of such consent and approval.

**SECTION 16. EFFECTIVE DATE.** This Fifty-second Supplemental Resolution shall take effect on the date of its adoption by the Governing Board.

Adopted by the Governor and Cabinet of the State of Florida sitting as the Governing Board of the Division of Bond Finance of the State Board of Administration of Florida, on behalf of the Department of Transportation, on February 4, 2020.

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

**A RESOLUTION  
(THE FIRST SUPPLEMENTAL RESOLUTION)  
AUTHORIZING THE ISSUANCE AND SALE OF  
STATE OF FLORIDA, BOARD OF GOVERNORS,  
UNIVERSITY OF NORTH FLORIDA  
MANDATORY STUDENT FEE REVENUE REFUNDING BONDS,  
SERIES 2020A**

**February 4, 2020**

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**A RESOLUTION (THE FIRST SUPPLEMENTAL RESOLUTION) AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$11,800,000 STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF NORTH FLORIDA MANDATORY STUDENT FEE REVENUE REFUNDING BONDS, SERIES 2020A, REFUNDING ALL OR A PORTION OF THE OUTSTANDING STATE OF FLORIDA, BOARD OF GOVERNORS, UNIVERSITY OF NORTH FLORIDA MANDATORY STUDENT FEE REVENUE BONDS, SERIES 2010B BUILD AMERICA BONDS (FEDERALLY TAXABLE – ISSUER SUBSIDY); 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 OF FLORIDA:**

**ARTICLE I  
DEFINITIONS; AUTHORITY; RESOLUTION TO CONSTITUTE CONTRACT**

**SECTION 1.01. DEFINITIONS.** All of the definitions contained in Article I of the Original Resolution (as defined herein), in addition to the definitions contained herein and except to the extent inconsistent with or amended by definitions contained herein, shall apply fully to the Outstanding Bonds and the Refunding Bonds (as defined herein).

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

**“Original Resolution”** means the resolutions adopted on November 9, 2010, by the Governor and Cabinet as the Governing Board of the Division authorizing the issuance and sale of the State of Florida, Board of Governors, University of North Florida Mandatory Student Fee Revenue Bonds, Series 2010A Tax-Exempt Bonds and Series 2010B Build America Bonds (Federally Taxable – Issuer Subsidy).

**“Outstanding Bonds”** means the Outstanding State of Florida, Board of Governors, University of North Florida Mandatory Student Fee Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy).

**“Refunded Bonds”** means the Outstanding State of Florida, Board of Governors, University of North Florida Mandatory Student Fee Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy) to be refunded by the issuance of the Refunding Bonds.

**“Refunding Bonds”** means the State of Florida, Board of Governors, University of North Florida Mandatory Student Fee Revenue Refunding Bonds, Series 2020A, authorized by this First Supplemental Resolution.

**“Resolution”** means the Original Resolution, as supplemented by this resolution.

**“First Supplemental Resolution”** means this resolution to be adopted by the Governor and Cabinet as the Governing Board of the Division authorizing the issuance and sale of the Refunding Bonds.

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 1.02. AUTHORITY FOR THIS RESOLUTION.** This First Supplemental 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 1010.62, Florida Statutes, and other applicable provisions of law; and Section 5 of the Original Resolution, and is supplemental to said Original Resolution.

**SECTION 1.03. RESOLUTION TO CONSTITUTE CONTRACT.** In consideration of the acceptance of the Refunding Bonds by the Registered Owners, the Resolution shall be deemed to be and shall constitute a contract among the Division, the Board of Governors, the University and such Registered Owners. The covenants and agreements to be performed by the Board of Governors and the University shall be for the equal benefit, protection, and security of the Registered Owners of any and all of the Outstanding Bonds and the Refunding Bonds, 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 in the Resolution.

**ARTICLE II**  
**AUTHORIZATION, TERMS, EXECUTION,**  
**REGISTRATION, TRANSFER, ISSUANCE, FORM OF BONDS, AND**  
**AUTHORIZATION TO EXECUTE ESCROW DEPOSIT AGREEMENT**

**SECTION 2.01. AUTHORIZATION OF ISSUANCE AND SALE OF REFUNDING BONDS.** (A) Subject and pursuant to the provisions of the Resolution, fully registered revenue bonds of the Board of Governors to be known as “State of Florida, Board of Governors, University of North Florida Mandatory Student Fee Revenue Refunding Bonds, Series 2020A” (or such other designation as may be determined by the Director), are hereby authorized to be issued and sold at competitive sale by the Division in an aggregate principal amount not exceeding \$11,800,000 on a date and at the time to be determined by the Director. The Refunding Bonds shall be sold to refund all or a portion of the Refunded Bonds. The Refunding Bonds may be combined with, designated the same as, and sold with any other series of University of North Florida Mandatory Student Fee Revenue Bonds. The maturities or portions of maturities to be refunded shall be as

determined by the Director to be in the best financial interest of the State. The redemption of the Refunded Bonds on or after their first call date is hereby authorized.

(B) The Director is hereby authorized to determine the most advantageous date and time of sale and to provide notice pursuant to applicable law of such 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 Refunding 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 Refunding Bonds will be received at the office of the Division or at another location designated in the Notice of Bond Sale, until the time and date of sale determined by the Director.

(C) The Director is hereby authorized to publish and distribute a Notice of Bond Sale and a proposal for the sale of the Refunding 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. Any prior publication or distribution of a Notice of Bond Sale, or abbreviated version thereof, and proposal for sale is hereby ratified.

(D) The Director is hereby authorized to prepare and distribute preliminary and final official statements in connection with the public offering of the Refunding 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 public offering of the Refunding 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.

(E) The Director is hereby authorized to have copies of the preliminary official statement and the final official statement relating to the public offering of the Refunding Bonds prepared, printed, and distributed in an amount the Director determines to be necessary; 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 Refunding Bonds. Any prior printing and distribution of a preliminary official statement is hereby ratified.

(F) The Secretary or any Assistant Secretary of the Governing Board is hereby authorized and empowered to award said Refunding Bonds when offered, on his 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 Governing Board shall report such sale to the Governing Board after award of the Refunding Bonds. The Secretary or any Assistant Secretary of the Governing Board is authorized to deliver such Refunding 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 Refunding Bonds as provided by this First Supplemental Resolution and other proceedings authorizing the issuance of the Refunding Bonds.

(G) The Refunding Bonds shall be executed in the name of the Board of Governors by its Chair, or by such other authorized person. Any of the signatures required hereinabove may be a facsimile signature imprinted or reproduced on the Refunding Bonds. In case any one or more of the officers who shall have signed any of the Refunding Bonds shall cease to be such officer before the Refunding Bonds so signed and sealed shall have been actually sold and delivered, the Refunding Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Refunding Bonds had not ceased to hold office.

(H) A certificate as to the approval of the issuance of the Refunding Bonds, shall be executed by the facsimile signature of the Secretary of the Governing Board, an Assistant Secretary, or as otherwise provided by law.

(I) U.S. Bank Trust National Association, or its successor, is hereby designated as Bond Registrar/Paying Agent for the Refunding Bonds on the terms and conditions set forth in the Registrar, Paying Agent and Transfer Agreement by and between the Board of Administration and U.S. Bank Trust National Association or its successor.

(J) The Interest Payment Dates and the Principal Payment Dates for the Refunding Bonds shall be as set forth in the Notice of Bond Sale. Interest on the Refunding 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 p.m. New York time on the Record Date shown on the registration books maintained by the Bond Registrar/Paying Agent for the Refunding Bonds.

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

(L) The Refunding 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 Refunding 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.

(M) Notwithstanding the provisions of the Original Resolution, the Reserve Account for the Refunding Bonds authorized by this First Supplemental Resolution shall be funded in an amount determined by the Director, which shall not exceed the Reserve Requirement for the Refunding Bonds. Such amount may be zero. The amount of the Reserve Requirement funded from the proceeds of the Refunding Bonds shall not exceed the amount permitted under the Code.

The incremental increase in the Reserve Requirement, if any, attributable to the Refunding Bonds shall be (i) funded with proceeds of the Refunding Bonds, amounts previously on deposit in a reserve account on behalf of the Refunded Bonds, a Reserve Account Credit Facility, or some combination thereof, as determined by the Director, and (ii) deposited in the Reserve Account which was created pursuant to Section 4.02(1)(c) of the Original Resolution. Amounts on deposit in the Reserve Account, if any, may be commingled with the 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 Reserve Account, and shall be applied in the manner provided in the Original Resolution.

The Reserve Requirement for the Refunding Bonds, if any, shall be deposited, as determined by the Director, in either a subaccount in the Reserve Account established for any of the Outstanding Bonds or in a subaccount in such Reserve Account which is hereby established for the Refunding Bonds. Amounts on deposit in any subaccount in the Reserve Account may be commingled with the 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.

(N) Any portion of the Refunding Bonds may be issued as a separate series, provided that the Refunding Bonds of each series shall be numbered consecutively from one upward. The Refunding Bonds referred to herein may be sold separately or combined with any other Bonds authorized by the Division to be sold.

(O) The Director is hereby authorized to offer for sale a lesser principal amount of Refunding Bonds than that set forth in this First Supplemental Resolution and to adjust the maturity schedule and redemption provisions for the Refunding 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 Refunding Bonds not offered shall remain authorized to be offered at a later date.

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

(Q) 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 the Governing Board as agents of the Division in connection with the issuance and delivery of the Refunding 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 Refunding Bonds, including but not limited to, contracting with a consultant to verify escrow calculations of the Refunding Bonds, retaining bond counsel to render a special tax opinion relating to the use of the proceeds from the sale of the Refunding Bonds, and providing for redemption of the Refunded Bonds. Notwithstanding anything contained in the Original Resolution to the contrary, it is the intent of the Division that interest on the Refunding Bonds, if issued as tax-exempt Refunding 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 Refunding 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 Refunding Bonds to comply with such requirements of federal tax law.

**SECTION 2.02. AUTHORIZATION TO EXECUTE AND DELIVER AN ESCROW DEPOSIT AGREEMENT; DESIGNATION OF ESCROW AGENT.** The Chairman and Secretary or an Assistant Secretary of the Governing Board and such other officers and employees of the Division as may be designated by the Governing Board as agents of the Division are hereby each authorized to execute and deliver an escrow deposit agreement on behalf of the Division in such form as may be determined by the Director for the purpose of providing for the deposit of a portion of the proceeds of the Refunding Bonds and such other funds as determined to be necessary into an escrow deposit trust fund for the refunding of the Refunded Bonds. The escrow deposit trust fund shall be held and administered by an escrow agent acceptable to the Director as evidenced by the Director's execution of the escrow deposit agreement.

**SECTION 2.03. APPLICABILITY OF ARTICLE II OF THE ORIGINAL RESOLUTION.** Except as otherwise provided in this First Supplemental Resolution, the terms, description, execution, negotiability, redemption, authentication, disposition, replacement, registration, transfer, issuance and form of the Refunding Bonds shall be governed by the provisions of Article II of the Original Resolution, adjusted to the extent necessary to apply to the Refunding Bonds.

**ARTICLE III  
APPLICATION OF PROCEEDS**

**SECTION 3.01. APPLICATION OF REFUNDING BOND PROCEEDS.** Upon receipt of the proceeds of the sale of the Refunding Bonds, and after reserving an amount sufficient to pay all costs and expenses incurred in connection with the preparation, issuance, and sale of the Refunding Bonds, including a reasonable charge for the Division's services, including arbitrage rebate compliance, the Division shall transfer and deposit the remainder of the Refunding Bond proceeds as follows:

(1) An amount which, together with other moneys available therefor and on deposit in the Reserve Account, is equal to the Reserve Requirement shall be transferred to the Board of Administration and deposited into the Reserve Account in the Sinking Fund to be used solely for the purpose of the Reserve Account. Alternatively, the Board of Governors, as provided in Section 4.02(1)(c) of the Original 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 sub-account in the Reserve Account.

(2) Any accrued interest or amounts to be used to pay interest for a specified period of time shall be transferred to the Board of Administration and deposited into the Sinking Fund, created by the Original Resolution, and used for the payment of interest on the Refunding Bonds.

(3) After making the transfers provided for in subsections (1) and (2) above, the balance of the proceeds of the Refunding Bonds shall be transferred to and deposited in escrow pursuant to the terms of the escrow deposit agreement or, at the discretion of the Director, deposited with the Bond Registrar/Paying Agent, to pay when due (a) the principal amount of the Refunded Bonds, (b) the amount of interest and redemption premium, if any, payable on the Refunded Bonds, and (c) the amount of fees and expenses incurred in connection with the payment and retirement of the Refunded Bonds.

(4) Any balance of the proceeds of the Refunding Bonds after providing for the requirements of subsections (1) through (3) above shall be transferred to the Sinking Fund and used for the purposes set forth therein.

**ARTICLE IV  
SECURITY FOR THE BONDS**

**SECTION 4.01. REFUNDING BONDS ON A PARITY WITH THE OUTSTANDING BONDS.** The Refunding Bonds shall be payable on a parity and rank equally

as to lien on and source and security for payment from the Pledged Revenues and in all other respects, with the Outstanding Bonds.

**SECTION 4.02. REFUNDING BONDS SECURED BY ORIGINAL RESOLUTION.**

The Refunding Bonds shall be deemed to have been issued pursuant to the Original Resolution, as supplemented by this First Supplemental Resolution, as fully and to the same extent as the Outstanding Bonds, and all of the covenants and agreements contained in the Original Resolution shall be deemed to have been made for the benefit of the Registered Owners of the Refunding Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds. All of the covenants, agreements, and provisions of the Original Resolution, except to the extent inconsistent herewith, shall be deemed to be part of this First Supplemental Resolution to the same extent as if incorporated verbatim in this First Supplemental Resolution, and shall be fully enforceable in the manner provided in the Original Resolution by any of the Registered Owners of the Refunding Bonds.

**ARTICLE V  
MISCELLANEOUS**

**SECTION 5.01. RESOLUTION NOT ASSIGNABLE.** This First Supplemental Resolution shall not be assignable by the Division or the Board of Administration, except for the benefit of the Registered Owners.

**SECTION 5.02. MODIFICATION OR AMENDMENT.** Modification or amendment hereof shall be governed by Section 8.01 of the Original Resolution.

**SECTION 5.03. CONTINUING DISCLOSURE.** (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the Board of Governors hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule or any successor rule applicable to the Board of Governors.

(B) The Director, in conjunction with the appropriate officer of the Board of Governors, is authorized and directed to execute and deliver any documents or agreement which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission or any successor rule applicable to the Board of Governors.

**SECTION 5.04. SEVERABILITY OF INVALID PROVISIONS.** If any one or more of the covenants or provisions of this First Supplemental 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 First Supplemental Resolution or of the Refunding Bonds and shall in no way affect the validity or enforceability of any other covenants, agreements or provisions of this First Supplemental Resolution or of the Refunding Bonds issued hereunder.

**SECTION 5.05. FISCAL AGENT.** Upon the sale and delivery of the Refunding Bonds by the Division on behalf of the Board or Governors, the Board of Administration shall act as the fiscal agent for the Board of Governors with respect to the Refunding Bonds.

**SECTION 5.06. REPEAL OF INCONSISTENT RESOLUTIONS AND CANCELLATION OF PRIOR ISSUANCE AUTHORITY.** All prior or concurrent resolutions or parts of resolutions inconsistent with this First Supplemental Resolution are hereby amended by this First Supplemental Resolution, but only to the extent of any such inconsistency. The authority for the issuance and delivery of the unissued portion of any bonds previously authorized pursuant to the Original Resolution is hereby canceled.

**SECTION 5.07. SUCCESSOR AGENCIES AND OFFICIALS.** 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 5.08. CONFIRMATION OF ORIGINAL RESOLUTION.** As supplemented by this First Supplemental Resolution, the Original Resolution is in all respects ratified and confirmed, and this First Supplemental Resolution shall be read, taken, and construed as a part of the Original Resolution.

**SECTION 5.09. EFFECTIVE DATE.** This First Supplemental Resolution shall take effect immediately upon its adoption.

**ADOPTED on February 4, 2020.**