

AGENDA

DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION

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(Contact person: J. Ben Watkins III - 488-4782)
The Capitol
June 25, 2013

This meeting is open to the public.

1. Approval of minutes of the meeting of April 23, 2013.

Attachment #1

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

- A. \$183,140,000 Department of Transportation Turnpike Revenue Refunding Bonds, Series 2013A

Bids were received at the office of the Division of Bond Finance on April 18, 2013. The bonds were awarded to the low bidder, Wells Fargo Bank, National Association, which submitted a bid at an annual true interest cost rate of 1.8578%. The bonds were delivered on May 9, 2013.

The bonds were issued to refund the outstanding Series 2003B Bonds. The average interest rate on the bonds being refunded is 4.91% compared to the interest rate of 1.85% on the refunding bonds. The bond proceeds are invested with the State Treasury until the refunded bonds are redeemed on July 1, 2013. The refunding is expected to result in gross debt service savings of approximately \$46.3 million and present value savings of approximately \$40.8 million, or 18.8% of the principal amount being refunded.

A report and tabulation of bids is attached.

Attachment #2

- B. \$297,965,000 State Board of Education Public Education Capital Outlay Refunding Bonds, 2013 Series C

Bids were received at the office of the Division of Bond Finance on May 22, 2013. The bonds were awarded to the low bidder, Wells Fargo Bank, National Association which submitted a bid at an annual true interest cost rate of 2.9952%. The bonds will be delivered on July 2, 2013.

The bonds are being issued to refund the callable Public Education Capital Outlay Refunding Bonds, 2003 Series C and 2004 Series A. The average interest rate on the bonds being refunded is 4.88% compared to the interest rate of 2.99% on the refunding bonds. The bond proceeds will be invested with the State Treasury until the refunded bonds are redeemed on June 1, 2014. The refunding

is expected to result in gross debt service savings of approximately \$65.8 million and present value savings of approximately \$48.9 million, or 15.2% of the principal amount being refunded.

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

Attachment #3

3. Adoption of a resolution authorizing the issuance and the competitive sale of \$245,000,000 Department of Transportation Turnpike Revenue Refunding Bonds.

The bonds will be payable from tolls and other revenues of the Florida 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.

Copies of the resolution may be obtained from the Division of Bond Finance upon request.

(Recommend)

T H E C A B I N E T
S T A T E O F F L O R I D A

Representing:

DIVISION OF BOND FINANCE
STATE BOARD OF ADMINISTRATION
FLORIDA LAND AND WATER ADJUDICATORY COMMISSION

The above agencies came to be heard before THE FLORIDA CABINET, the Honorable Governor Scott presiding, in the Cabinet Meeting Room, LL-03, The Capitol, Tallahassee, Florida, on Tuesday, April 23, 2013, commencing at approximately 9:03 a.m.

Reported by:

MARY ALLEN NEEL
Registered Professional Reporter
Florida Professional Reporter
Notary Public

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APPEARANCES:

Representing the Florida Cabinet:

RICK SCOTT
Governor

PAM BONDI
Attorney General

JEFF ATWATER
Chief Financial Officer

ADAM PUTNAM
Commissioner of Agriculture

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I N D E X

Appointment Parole Commission	Approved	7
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Appointment Department of Revenue	Approved	8
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DIVISION OF BOND FINANCE
(Presented by BEN WATKINS)

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7	Approved	14

STATE BOARD OF ADMINISTRATION
(Presented by ASH WILLIAMS)

ITEM	ACTION	PAGE
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FLORIDA LAND AND WATER ADJUDICATORY COMMISSION
(Presented by MARK KRUSE)

ITEM	ACTION	PAGE
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CERTIFICATE OF REPORTER		22
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1 GOVERNOR SCOTT: Now I would like to recognize
2 Director Ben Watkins with the Division of Bond
3 Finance to present their agenda.

4 Good morning, Ben.

5 MR. WATKINS: Good morning, Governor and
6 Cabinet members.

7 Item Number 1 is the minutes from the March
8 19th meeting.

9 GOVERNOR SCOTT: Is there a motion to approve?

10 ATTORNEY GENERAL BONDI: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 CFO ATWATER: Second.

13 GOVERNOR SCOTT: Any comments or objections?

14 Hearing none, the motion carries.

15 MR. WATKINS: Item Number 2 is a report of
16 award on the competitive sale of \$46,445,000 in
17 Everglades restoration revenue bonds sold to
18 finance wastewater collection and disposal
19 facilities in the Florida Keys. The bonds were
20 awarded to the low bidder at a true interest cost
21 of 3.03 percent.

22 GOVERNOR SCOTT: Thank you, Ben.

23 Congratulations.

24 MR. WATKINS: Thank you, sir.

25 Item Number 3 are resolutions authorizing the

1 issuance and competitive sale of \$51.4 million in
2 dormitory revenue bonds for construction of a new
3 dormitory at Florida State University as well as
4 \$18 million in dormitory revenue refunding bonds
5 being sold for debt service savings.

6 GOVERNOR SCOTT: Is there a motion to approve?

7 COMMISSIONER PUTNAM: So moved.

8 GOVERNOR SCOTT: Is there a second?

9 ATTORNEY GENERAL BONDI: Second.

10 GOVERNOR SCOTT: Any comments or objections?

11 Hearing none, the motion the carries.

12 MR. WATKINS: Item Number 4 are resolutions
13 authorizing the issuance and competitive sale of
14 \$33.5 million in parking facility revenue bonds for
15 construction of a new parking facility at Florida
16 International University, as well as \$18 million in
17 parking facility revenue refunding bonds being sold
18 for debt service savings.

19 GOVERNOR SCOTT: I've asked our universities,
20 as you know, to hold the line on tuition. The cost
21 of higher education has gone up significantly the
22 last five years. Approximately 50 percent of our
23 Florida counties make less than \$53,000 a year.

24 I was very disappointed to see that the House
25 of Representatives has actually reversed course

1 last night and proposed a 6 percent tuition
2 increase in their latest education budget offering.

3 In contrast, I'm thrilled that FIU has
4 committed to a six-year freeze of its
5 transportation access fee. This fee is paid by all
6 FIU students, even those who walk or ride their
7 bike to school. The freeze in the fee will keep
8 the cost of education low. It's the right thing to
9 do, and I commend FIU for their work to achieve a
10 worthy motion -- worthy goal.

11 Is there a motion to approve this item?

12 ATTORNEY GENERAL BONDI: So moved.

13 GOVERNOR SCOTT: Is there a second?

14 CFO ATWATER: Second.

15 GOVERNOR SCOTT: Any comments or objections?

16 Hearing none, the motion carries.

17 MR. WATKINS: Thank you. Item Number 5 are
18 resolutions authorizing the issuance and
19 competitive sale of \$350 million in public
20 education capital outlay refunding bonds being sold
21 for debt service savings.

22 GOVERNOR SCOTT: Is there a motion to approve?

23 CFO ATWATER: So moved.

24 GOVERNOR SCOTT: Is there a second?

25 COMMISSIONER PUTNAM: Second.

1 GOVERNOR SCOTT: Any comments or objections?

2 Hearing none, the motion carries.

3 MR. WATKINS: Item Number 6 is a
4 recommendation for the selection of bond counsel
5 needed for implementing the seaport investment
6 program. This is -- the firm being recommended to
7 you is Bryant, Miller & Olive, which was the
8 highest ranked firm by the Selection Committee.
9 They graded the RFPs submitted in connection with
10 this engagement.

11 GOVERNOR SCOTT: Is there a motion to approve?

12 COMMISSIONER PUTNAM: So moved.

13 GOVERNOR SCOTT: Is there a second?

14 ATTORNEY GENERAL BONDI: Second.

15 GOVERNOR SCOTT: Any comments or objections?

16 Hearing none, the motion carries.

17 MR. WATKINS: And lastly, Item 7 is a
18 resolution recommending a financial advisor for the
19 Division of Bond Finance. Again, the three firms
20 being recommended are First Southwest, Public
21 Resources Advisory Group, and Public Financial
22 Management. These were the three highest ranked
23 firms by the Selection Committee who graded the
24 RFPs submitted in connection with this engagement.

25 GOVERNOR SCOTT: Is there a motion to approve?

1 ATTORNEY GENERAL BONDI: So moved.

2 GOVERNOR SCOTT: Is there a second?

3 CFO ATWATER: Second.

4 GOVERNOR SCOTT: Any comments or objections?

5 Hearing none, the motion carries.

6 Thank you, Ben.

7 MR. WATKINS: Thank you.

8 COMMISSIONER PUTNAM: Governor, I have a
9 question about the FIU issue. Do the FSU and the
10 FIU, do they have the same commitment not to
11 raise --

12 GOVERNOR SCOTT: No. Here's the difference.
13 On FSU's, they -- on their dormitories, there's no
14 mandate to live in a dorm, and there's no -- my
15 understanding is that there are no fees attached to
16 living in a dorm.

17 In FIU's case they have a transportation fee
18 that's going to be used to pay for the bonds. Ben,
19 tell me if I'm getting this wrong, but it's the
20 transportation fee that's going to be bonded to pay
21 for the garage.

22 MR. WATKINS: That's correct.

23 GOVERNOR SCOTT: So I asked them to -- if
24 we're going to continue to have them do these
25 things, asked them to freeze their increase in the

1 transportation fee, because it's being paid by all
2 students, whether they ride a bike or they walk to
3 school, and they've agreed to do that.

4 COMMISSIONER PUTNAM: So will that be a new
5 prerequisite for any new parking garage?

6 GOVERNOR SCOTT: Yes, it is. We're doing it
7 for this one. But I think we ought to really be
8 looking at how much these fees are going up each
9 and every year and how much it's costing these
10 kids. That's why I completely oppose tuition
11 increases. Tuition has been going up approximately
12 13 percent a year for the last three years.

13 MR. WATKINS: So just to round out the
14 discussion on this, FIU committed to forgo an
15 increase in transportation access fees as a
16 condition -- for six years as a condition precedent
17 for approval of the parking garage.

18 And likewise, in evaluating the FSU dormitory
19 deal, they also have sent a letter committing not
20 to change -- not to have a mandatory residency
21 requirement for freshmen living on campus and not
22 to require a meal plan in connection with kids who
23 are living in the dormitory. So those are the
24 commitments made by the universities in connection
25 with the review of these two items.

1 COMMISSIONER PUTNAM: Student service fees are
2 ratified by the student government; right?

3 MR. WATKINS: The capital improvement fees,
4 that's correct, yes, and activity and service fees
5 as well. There is a student body who advises on
6 how those moneys are to be used.

7 COMMISSIONER PUTNAM: So there's student input
8 whenever they make a change to that fee?

9 MR. WATKINS: Correct.

10 COMMISSIONER PUTNAM: So when they're -- who
11 sets the transportation fees?

12 MR. WATKINS: The board of trustees of the
13 university. But there's not the same mechanism
14 relative to the student involvement, I don't
15 believe, in the setting of the transportation
16 access fee that there is on the A&S fee and the
17 capital improvement fee, where there's more
18 involvement of the students in connection with the
19 setting of the fees or the use of the moneys from
20 the fees.

21 COMMISSIONER PUTNAM: Thank you, Ben.

22 GOVERNOR SCOTT: Thank you, Ben.

23 MR. WATKINS: Thank you.

24

25

1 CERTIFICATE OF REPORTER

2
3 STATE OF FLORIDA:

4 COUNTY OF LEON:

5 I, MARY ALLEN NEEL, Registered Professional
6 Reporter, do hereby certify that the foregoing
7 proceedings were taken before me at the time and place
8 therein designated; that my shorthand notes were
9 thereafter translated under my supervision; and the
10 foregoing pages numbered 1 through 22 are a true and
11 correct record of the aforesaid proceedings.12 I FURTHER CERTIFY that I am not a relative,
13 employee, attorney or counsel of any of the parties, nor
14 relative or employee of such attorney or counsel, or
15 financially interested in the foregoing action.16 DATED THIS 7th day of May, 2013.
17
1819 _____
20 MARY ALLEN NEEL, RPR, FPR
21 MaryAllenNeel@gmail.com
22 ACCURATE STENOGRAPHY REPORTERS, INC.
23 2894-A Remington Green Lane
24 Tallahassee, Florida 32308
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STATE OF FLORIDA

DIVISION OF BOND FINANCE
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AS SECRETARY


JEFF ATWATER
CHIEF FINANCIAL OFFICER
AS TREASURER

ADAM H. PUTNAM
COMMISSIONER OF AGRICULTURE

J. BEN WATKINS III
DIRECTOR

MEMORANDUM

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

FROM: J. Ben Watkins III 

DATE: June 25, 2013

SUBJECT: Award of \$183,140,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2013A

Pursuant to authorization by the Governor and Cabinet by resolution adopted on March 19, 2013, bids were received for the above referenced bond issue at the office of the Division of Bond Finance at 11:00 a.m. on Thursday, April 18, 2013.

Five bids were received with a tabulation of such bids included herein. The low bid was from Wells Fargo Bank, National Association at an annual true interest cost rate of 1.8578%. The annual true interest cost rate using the applicable Bloomberg Benchmark Revenue Yield Curve for the day of the sale was 2.0325%. The bids were reviewed by representatives of the Division of Bond Finance and the bonds were awarded to such low bidder as authorized. The bonds were delivered on May 9, 2013.

The bonds were issued to refund the Series 2003B Bonds. The average interest rate on the bonds being refunded is 4.91% compared to the interest rate of 1.86% on the refunding bonds. The bond proceeds are invested with the State Treasury and will be used to redeem the 2003B bonds on July 1, 2013. The refunding is expected to result in gross debt service savings of approximately \$46.3 million and present value savings of approximately \$40.8 million, or 18.8% of the principal amount being refunded.

The bonds are dated May 9, 2013, with interest payable July 1, 2013, and semiannually on each January 1 and July 1 thereafter. The bonds consist of serial bonds maturing on July 1 in the years 2014 through 2025.

Debt Service payments for the bonds are secured by the net revenues derived from the operation of the turnpike system and are on a parity with the outstanding Turnpike Revenue Bonds, Series 2003A through 2012A. The bonds are not secured by the full faith and credit of the State of Florida.

Attachment #2

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

BID TABULATION

<u>Bidder</u>	<u>Annual True Interest Cost Rate</u>
Wells Fargo Bank, National Association	1.8578%
Bank of America Merrill Lynch	1.8695%
J.P. Morgan Securities LLC	1.8846%
Barclays Capital Inc.	1.9037%
Raymond James & Associates, Inc.	1.9340%

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
07/01/14	11,870,000	5.00	0.25
07/01/15	12,275,000	5.00	0.42
07/01/16	12,820,000	5.00	0.57
07/01/17	13,530,000	5.00	0.77
07/01/18	14,280,000	5.00	1.00
07/01/19	14,305,000	5.00	1.18
07/01/20	15,100,000	5.00	1.42
07/01/21	15,945,000	5.00	1.65
07/01/22	16,825,000	5.00	1.85
07/01/23	17,745,000	5.00	2.04
07/01/24	18,715,000	5.00	2.36
07/01/25	19,730,000	5.00	2.64



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J. BEN WATKINS III
DIRECTOR

MEMORANDUM

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

FROM: J. Ben Watkins III 

DATE: June 25, 2013

SUBJECT: Award of \$297,965,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2013 Series C

Pursuant to authorization by the Governor and Cabinet by a resolution adopted on April 23, 2013, bids were received for the above referenced bond issue at the office of the Division of Bond Finance at 11:00 a.m. on Wednesday, May 22, 2013.

Seven bids were received with a tabulation of such bids included herein. The low bid was from Wells Fargo Bank, National Association at an annual true interest cost rate of 2.9952%. The annual true interest cost rate using the Thomson Municipal Market benchmark interest rate scale for the day of sale was 3.0495%. 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 July 2, 2013.

The bonds are being issued to refund the callable 2003 Series C and 2004 Series A Bonds. The average interest rate on the bonds being refunded is 4.88% compared to the interest rate of 2.99% on the refunding bonds. The bond proceeds will be invested with the State Treasury until the refunded bonds are redeemed on June 1, 2014. The refunding is expected to result in gross debt service savings of approximately \$65.8 million and present value savings of approximately \$48.9 million, or 15.2% of the principal amount being refunded.

The bonds are dated July 2, 2013, with interest payable on December 1, 2013, and semiannually on each June 1 and December 1 thereafter. The bonds consist of serial bonds maturing on June 1 in the years 2015 through 2034.

The bonds are payable from the gross receipts taxes and are additionally secured by a pledge of the full faith and credit of the State. The lien of the bonds on gross receipts taxes is on a parity with the outstanding Public Education Capital Outlay Bonds, 1998 Series B through 2013 Series B.

The bonds have been rated AAA, Aa1 and AAA by Fitch Ratings, Moody's Investors Service and Standard & Poor's Ratings Services, respectively.

BID TABULATION

<u>Bidder</u>	<u>Annual True Interest Cost Rate</u>
Wells Fargo Bank, National Association	2.9952%
Bank of America Merrill Lynch	2.9980%
Citigroup Global Markets Inc.	3.0039%
J.P. Morgan Securities, LLC	3.0062%
Morgan Stanley & Co., LLC	3.0197%
Barclays Capital Inc.	3.0206%
Goldman, Sachs & Co.	3.0592%

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
6/1/2015	\$9,165,000	5.00%	0.35%
6/1/2016	9,620,000	5.00	0.53
6/1/2017	10,100,000	5.00	0.72
6/1/2018	10,605,000	5.00	0.93
6/1/2019	11,140,000	5.00	1.22
6/1/2020	11,695,000	5.00	1.45
6/1/2021	12,275,000	5.00	1.69
6/1/2022	12,890,000	5.00	1.90
6/1/2023	13,540,000	5.00	2.11
6/1/2024	14,215,000	5.00	2.36
6/1/2025	14,925,000	5.00	2.64
6/1/2026	15,675,000	5.00	2.86
6/1/2027	16,455,000	4.00	3.21
6/1/2028	17,115,000	4.00	3.31
6/1/2029	17,835,000	4.00	3.40
6/1/2030	18,595,000	4.00	3.46
6/1/2031	19,335,000	4.00	3.52
6/1/2032	20,110,000	4.00	3.58
6/1/2033	20,920,000	4.00	3.63
6/1/2034	21,755,000	4.00	3.67

THIRTY-FIFTH SUPPLEMENTAL TURNPIKE REVENUE BOND RESOLUTION

A RESOLUTION (THE THIRTY-FIFTH 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 THE COMPETITIVE SALE OF STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION TURNPIKE REVENUE REFUNDING BONDS, SERIES 2013 (TO BE DETERMINED); AUTHORIZING A NOTICE OF BOND SALE; PROVIDING FOR APPLICATION OF THE PROCEEDS OF THE SERIES 2013 (TO BE DETERMINED) BONDS; AUTHORIZING A PRELIMINARY AND A FINAL OFFICIAL STATEMENT; PROVIDING FOR OTHER TERMS AND AUTHORIZATIONS IN CONNECTION WITH THE SALE AND ISSUANCE OF THE SERIES 2013 (TO BE DETERMINED) BONDS; 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, which resolution, as restated on May 17, 2005 (the “Authorizing Resolution”), was adopted to secure the issuance by the Division from time to time of one or more series of Turnpike Revenue Bonds, subject to the terms and conditions of the Authorizing Resolution; 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 2013 (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 2004A (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 competitive sale of the Refunding Bonds (the “Notice of Bond Sale”), and

WHEREAS, upon the adoption of this Thirty-fifth 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 Thirty-fifth 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 Thirty-fifth Supplemental Resolution are used with the same meaning throughout this Thirty-fifth Supplemental Resolution unless the context clearly requires otherwise. All terms used in this Thirty-fifth 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 THIRTY-FIFTH SUPPLEMENTAL RESOLUTION. This Thirty-fifth 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 Thirty-fifth 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 Thirty-fifth Supplemental Resolution, and the covenants and agreements therein 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 Refunding Bonds over any other thereof except as expressly provided in or permitted by the Authorizing Resolution, as supplemented by this Thirty-fifth Supplemental Resolution.

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

(A) The not exceeding \$245,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2013 (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 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 \$245,000,000 and to pay the costs, fees and expenses associated therewith. Such award by the Director or the 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 Thirty-fifth 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 the Secretary 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, 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.

SECTION 5. SECURITY FOR THE REFUNDING BONDS.

(A) The Refunding Bonds authorized by this Thirty-fifth 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 Thirty-fifth 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 Refunding Bonds as fully and to the same extent as the Registered Owners of the Outstanding Bonds. The amount of Refunding Bonds herein authorized to be issued is in addition to the amount of Turnpike Revenue Bonds previously authorized in the Authorizing Resolution.

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 Thirty-fifth Supplemental Resolution to the same extent as if incorporated verbatim in this Thirty-fifth Supplemental Resolution, and shall be fully enforceable in the manner provided in the Authorizing Resolution by any of the Registered Owners of the Refunding 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 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 2013 (to be determined) Escrow Deposit Trust Fund” (hereinafter referred to as 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 hereinafter 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 Thirty-fifth 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 Thirty-fifth 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 Thirty-fifth 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 1998A through Series 2013A 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 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 up to 3,000 copies of the Preliminary Official Statement and 3,000 copies of the Final Official Statement relating to the Refunding Bonds printed and distributed; to contract with national rating services; 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.

SECTION 10. FORM OF REFUNDING BONDS. (A) Notwithstanding anything to the contrary in the Authorizing Resolution, this Thirty-fifth 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.

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

(1) 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.

(2) 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).

(3) 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.

(4) 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) 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) 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.

(5) 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.

(6) 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) The Division of Bond Finance 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 of Bond Finance 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 Thirty-fifth 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, it is the intent of the Governing Board that interest on the 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 the 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 the 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 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.

(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 Rule 15c2-12 and the Securities and Exchange Commission.

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 Thirty-fifth 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 Thirty-fifth Supplemental Resolution, the Authorizing Resolution is in all respects ratified and confirmed, and this Thirty-fifth 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 Resolution, including the Notice of Bond Sale, but only to the extent of any such inconsistency.

SECTION 15. EFFECTIVE DATE. This Thirty-fifth 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 June 25, 2013.