

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
April 14, 2015

This meeting is open to the public.

1. Approval of minutes of the meeting of March 10, 2015.

Attachment #1

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

- A. \$231,825,000, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series B.

Bids were received at the office of the Division of Bond Finance on March 3, 2015. The bonds were awarded to the low bidder, J.P. Morgan Securities LLC which submitted a bid at an annual true interest cost rate of 2.1872%. The bonds were delivered on April 2, 2015.

The bonds were issued to refund the callable Public Education Capital Outlay Refunding Bonds, 2005 Series C. The average interest rate on the bonds being refunded is 4.90% compared to the interest rate of 2.19% on the refunding bonds. The refunding will generate gross debt service savings of \$51.1 million, present value savings of \$44.3 million, or 16.8% of the principal amount being refunded.

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

Attachment #2

- B. \$253,945,000, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series C.

Bids were received at the office of the Division of Bond Finance on March 23, 2015. The bonds were awarded to the low bidder, Citigroup Global Markets Inc. which submitted a bid at an annual true interest cost rate of 3.0785%. The bonds will be delivered on April 23, 2015.

The bonds will be issued to refund a portion of the Public Education Capital Outlay Refunding Bonds, 2003 Series D, 2004 Series C, and 2005 Series E. The average interest rate on the bonds being refunded is 4.63% compared to the interest rate of 3.08% on the refunding bonds. The refunding will generate gross debt service savings of \$58.5 million, present value savings of \$42.3 million, or 15.6% of the principal amount being refunded.

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

Attachment #3

3. Adoption of resolutions authorizing the issuance and the competitive sale of \$600,000,000 Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds.

The bonds will be payable primarily from gross receipts taxes and will be additionally secured by the full faith and credit of the State. The proceeds of the bonds will be used to refund certain outstanding Public Education Capital Outlay Bonds for debt service savings.

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

(Recommend)

4. Adoption of a resolution authorizing the issuance and the competitive sale of \$225,000,000 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 resolutions may be obtained from the Division of Bond Finance upon request.

(Recommend)

5. Adoption of a resolution authorizing the redemption of the University of Central Florida Bookstore Revenue Bonds, Series 1997.

The resolution authorizes the redemption of the bonds from moneys to be provided by the University of Central Florida, as provided for in the documents relating to the bonds.

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

(Recommend)

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STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND
CABINET

_____ /

CABINET MEMBERS: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
CHIEF FINANCIAL OFFICER
JEFF ATWATER
COMMISSIONER OF AGRICULTURE
ADAM PUTNAM

DATE: TUESDAY, MARCH 10, 2015

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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3 GOVERNOR SCOTT: Next we have the
4 Division of Bond Finance, and Ben Watkins is here
5 to present.

6 Hi, Ben.

7 DIRECTOR WATKINS: Good afternoon, Governor
8 and Cabinet Members.

9 Item Number 1 is the minutes of the
10 December 9th meeting.

11 GOVERNOR SCOTT: Is there a motion to approve?

12 ATTORNEY GENERAL BONDI: So moved.

13 GOVERNOR SCOTT: Is there a second?

14 COMMISSIONER PUTNAM: Second.

15 GOVERNOR SCOTT: Moved and seconded, show the
16 minutes approved without objection.

17 DIRECTOR WATKINS: Item 2 is two reports of
18 award: The first is a competitive sale of
19 \$99.6 million of refunding certificates of
20 participation for the Department of Management
21 Services. The bonds were awarded to the low bidder
22 at a true interest cost of 1.84%. That allowed us
23 to reduce the interest rate on outstanding
24 certificates from 4.7% to 1.84%, generating gross
25 debt service savings of 17.1 million; present value

1 savings of 15 million, or 11.9% of the principal
2 amount of the refunded certificates.

3 Item 2B is the competitive sale of
4 \$233.8 million of PECO refunding bonds. The bonds
5 were awarded to the low bidder at a true interest
6 cost of 2.01%. This allowed us to reduce the
7 interest rate on outstanding PECO bonds from 4.9%
8 to 2.01%, generating gross debt service savings of
9 57 million; present value savings of 49.7 million,
10 or 18.6% of the principal amount of the refunded
11 bonds.

12 So just to review, for the current fiscal
13 year, we've executed nine refunding transactions
14 totaling \$1.4 billion, generating gross debt
15 service savings of 250 million or 220 million on a
16 present value basis. So we continue to pursue --
17 we've been the beneficiary of extraordinarily
18 favorable market conditions, and continue to pursue
19 refundings when the opportunities present
20 themselves.

21 The dynamics of the current market is that the
22 focus is really on when the Fed liftoff will occur
23 and when the Fed is going to change its
24 extraordinarily accommodative federal monetary
25 policy and move off the zero interest per se. So

1 that's been the focus of the dynamics affecting the
2 market currently.

3 There are also global factors that are
4 impacting the fixed income markets, and what I'm
5 referring to is Europe, in the ECB's version of QE,
6 which is a bond buying program, which has had the
7 effect of depressing sovereign interest rates in
8 Europe -- and they're trying to get their economy
9 started again, it's in recession -- and weak growth
10 in China and Japan.

11 So we have those countervailing influences
12 impacting. We continue to enjoy very favorable
13 interest rates, and that sort of sets up the
14 overview of the next authorizations, which is,
15 Item 3 is the authority for the issuance and
16 competitive sale --

17 GOVERNOR SCOTT: Why can't we -- why can't
18 we get like -- isn't it Switzerland where they're
19 paying people just to put money in the bank?

20 DIRECTOR WATKINS: Well, they are in Europe,
21 yes, sir, but not here in the States yet. But,
22 you know, we should be in that position, too, I
23 would think, Governor, knowing that they're going
24 to get repaid; whereas, I'm not so sure that same
25 is the case for the European sovereigns.

1 GOVERNOR SCOTT: Right.

2 DIRECTOR WATKINS: But we'll work on that.

3 Item Number 3 is the issuance and competitive
4 sale of \$590 million of PECO refunding bonds for
5 debt service savings.

6 GOVERNOR SCOTT: All right. Is there a motion
7 to approve?

8 COMMISSIONER PUTNAM: So moved.

9 GOVERNOR SCOTT: Is there a second?

10 ATTORNEY GENERAL BONDI: Second.

11 GOVERNOR SCOTT: Any comments or objections?

12 (NO RESPONSE).

13 GOVERNOR SCOTT: Hearing none, the motion
14 carries.

15 DIRECTOR WATKINS: Item Number 4 is a
16 resolution authorizing the issuance and competitive
17 sale of up to \$300 million in right-of-way
18 refunding bonds, again, for debt service savings.

19 GOVERNOR SCOTT: Is there a motion to approve?

20 ATTORNEY GENERAL BONDI: So moved.

21 GOVERNOR SCOTT: Is there a second?

22 CFO ATWATER: Second.

23 GOVERNOR SCOTT: Any comments or objections?

24 (NO RESPONSE).

25 GOVERNOR SCOTT: Hearing none, the motion

1 carries.

2 DIRECTOR WATKINS: Item Number 5 is a
3 resolution authorizing the issuance and competitive
4 sale of 195 million of Turnpike revenue bonds,
5 along with an \$80 million sale for a refunding
6 piece. The new money issue is the continued
7 implementation of the financing associated with
8 their five-year work plan which we scrubbed four
9 years ago and vetted all of the projects and the
10 return on investment. This is being implemented
11 over a period of years, and this is another traunch
12 of that authorization.

13 GOVERNOR SCOTT: Is there a motion to approve
14 Item 5?

15 CFO ATWATER: So moved.

16 GOVERNOR SCOTT: Is there a second?

17 ATTORNEY GENERAL BONDI: Second.

18 GOVERNOR SCOTT: Any comments or objections?

19 (NO RESPONSE).

20 GOVERNOR SCOTT: Hearing none, the motion
21 carries.

22 DIRECTOR WATKINS: Item Number 6 is a
23 resolution authorizing the issuance and
24 competitive sale of \$40.5 million in Florida State
25 University dormitory revenue bonds, along with a

1 \$27 million refunding piece for debt service
2 savings.

3 GOVERNOR SCOTT: Is there a motion to approve
4 Item 6?

5 COMMISSIONER PUTNAM: So moved.

6 GOVERNOR SCOTT: Is there a second?

7 ATTORNEY GENERAL BONDI: Second.

8 GOVERNOR SCOTT: Any comments or objections?

9 (NO RESPONSE).

10 GOVERNOR SCOTT: Hearing none, the motion
11 carries.

12 DIRECTOR WATKINS: And lastly, Item 7 is a
13 resolution authorizing the issuance and competitive
14 sale of \$32 million of dormitory revenue refunding
15 bonds for Florida International University, again,
16 for debt service savings.

17 GOVERNOR SCOTT: Is there a motion to approve
18 Item 7?

19 ATTORNEY GENERAL BONDI: So moved.

20 GOVERNOR SCOTT: Is there a second?

21 CFO ATWATER: Second.

22 GOVERNOR SCOTT: Any comments or objections?

23 (NO RESPONSE).

24 GOVERNOR SCOTT: Hearing none, the motion
25 carries.

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Thank you, Ben.

DIRECTOR WATKINS: Thank you.

* * * *



STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

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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: April 14, 2015

SUBJECT: Award of \$231,825,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2015 Series B

Pursuant to authorization by the Governor and Cabinet by a resolution adopted on December 9, 2014, 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, March 3, 2015.

Six bids were received with a tabulation of such bids included herein. The low bid was from J.P. Morgan Securities LLC at an annual true interest cost rate of 2.1872%. The annual true interest cost rate using the applicable TM3 Municipal Market Data general obligation benchmark interest rate scale for the day of sale was 2.24%. 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 April 2, 2015.

The bonds were issued to refund the callable 2005 Series C Bonds. The average interest rate on the bonds being refunded is 4.90% compared to the interest rate of 2.19% on the refunding bonds. The refunding will generate gross debt service savings of \$51.1 million, present value savings of \$44.3 million, or 16.8% of the principal amount being refunded.

The bonds are dated April 2, 2015, with interest payable on June 1, 2015, and semiannually on each December 1 and June 1 thereafter. The bonds consist of serial bonds maturing on June 1 in the years 2016 through 2029.

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, 1999 Series D through 2015 Series A.

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>
J.P. Morgan Securities LLC	2.1872%
Morgan Stanley & Co. LLC	2.1993
Bank of America Merrill Lynch	2.2297
Citigroup Global Markets Inc.	2.2415
Wells Fargo Bank, National Association	2.2699
Barclays Capital Inc.	2.2812

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
6/1/2016	\$14,110,000	5.00%	0.30%
6/1/2017	14,845,000	5.00	0.60
6/1/2018	15,625,000	5.00	0.95
6/1/2019	16,460,000	5.00	1.14
6/1/2020	17,320,000	5.00	1.35
6/1/2021	18,230,000	5.00	1.52
6/1/2022	19,185,000	5.00	1.75
6/1/2023	20,195,000	5.00	1.91
6/1/2024	21,225,000	5.00	2.06
6/1/2025	22,315,000	3.00	2.32
6/1/2026	23,010,000	5.00	2.69
6/1/2027	9,295,000	5.00	2.92
6/1/2028	9,760,000	5.00	3.12
6/1/2029	10,250,000	3.00	3.10



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DIRECTOR

MEMORANDUM

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

FROM: J. Ben Watkins III 

DATE: April 14, 2015

SUBJECT: Award of \$253,945,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2015 Series C

Pursuant to authorization by the Governor and Cabinet by a resolution adopted on March 10, 2015, bids were received for the above referenced bond issue at the office of the Division of Bond Finance at 12:00 noon on Monday, March 23, 2015.

Seven bids were received with a tabulation of such bids included herein. The low bid was submitted by Citigroup Global Markets Inc. at an annual true interest cost rate of 3.0785%. The annual true interest cost rate using the applicable TM3 Municipal Market Data general obligation benchmark interest rate scale for the day of sale was 3.25%. 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 April 23, 2015.

The bonds will be issued to refund a portion of the 2003 Series D, 2004 Series C, and 2005 Series E Bonds. The average interest rate on the bonds being refunded is 4.63% compared to the interest rate of 3.08% on the refunding bonds. The refunding will generate gross debt service savings of \$58.5 million, present value savings of \$42.3 million, or 15.6% of the principal amount being refunded.

The bonds are dated April 23, 2015, with interest payable on June 1, 2015, and semiannually on each December 1 and June 1 thereafter. The bonds consist of serial bonds maturing on June 1 in the years 2016 through 2035.

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, 1999 Series D through 2015 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>
Citigroup Global Markets Inc.	3.0785%
Bank of America Merrill Lynch	3.0918
J.P. Morgan Securities LLC	3.0942
Morgan Stanley & Co. LLC	3.1032
Wells Fargo Bank, National Association	3.1099
Barclays Capital Inc.	3.1172
Goldman, Sachs & Co.	3.1660

INTEREST RATES AND YIELDS TO MATURITY FROM WINNING BID

<u>Maturity Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Yield</u>
6/1/2016	\$5,905,000	5.00%	0.30%
6/1/2017	6,195,000	5.00	0.61
6/1/2018	6,510,000	5.00	0.91
6/1/2019	6,830,000	5.00	1.13
6/1/2020	7,175,000	5.00	1.33
6/1/2021	7,530,000	5.00	1.49
6/1/2022	7,915,000	5.00	1.72
6/1/2023	8,305,000	5.00	1.84
6/1/2024	8,720,000	5.00	1.96
6/1/2025	9,160,000	5.00	2.28
6/1/2026	9,615,000	5.00	2.56
6/1/2027	10,100,000	2.80	2.78
6/1/2028	10,385,000	3.00	2.99
6/1/2029	15,375,000	3.15	3.14
6/1/2030	22,345,000	3.00	3.07
6/1/2031	20,820,000	3.00	3.10
6/1/2032	21,450,000	4.00	3.40
6/1/2033	22,300,000	4.00	3.45
6/1/2034	23,190,000	4.00	3.49
6/1/2035	24,120,000	4.00	3.52

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$600,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION, PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2015 SERIES (TO BE DETERMINED).

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:

Section 1. That this resolution is adopted pursuant to the provisions of Sections 215.61 and 215.68, Florida Statutes.

Section 2. That the Division of Bond Finance of the State Board of Administration of Florida (the "Division") is hereby authorized to issue not exceeding \$600,000,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2015 Series (to be determined) (the "Bonds") in accordance with the terms, conditions and restrictions set forth in the Fifty-ninth Supplemental Authorizing Resolution expected to be adopted by the State Board of Education on April 15, 2015, with respect to the issuance of the Bonds for the purpose of refunding all or a portion of the outstanding Public Education Capital Outlay Bonds, 2004 Series D, 2005 Series F, and 2006 Series A, as set forth therein.

Section 3. That this resolution shall take effect immediately upon its adoption.

ADOPTED on April 14, 2015.

A RESOLUTION AUTHORIZING THE SALE OF NOT EXCEEDING \$600,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION, PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2015 SERIES (TO BE DETERMINED).

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:

Section 1. That this resolution is adopted pursuant to the provisions of Sections 215.61 and 215.68, Florida Statutes.

Section 2. That the Division of Bond Finance of the State Board of Administration (the "Division") is hereby authorized to sell by competitive sale, the not exceeding \$600,000,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2015 Series (to be determined) (the "Bonds") in accordance with the terms, conditions and restrictions set forth in the Sale Resolution expected to be adopted by the State Board of Education on April 15, 2015, with respect to the sale of the Bonds for the purpose of refunding all or a portion of the outstanding Public Education Capital Outlay Bonds, 2004 Series D, 2005 Series F, and 2006 Series A. The Director of the Division may 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.

Section 3. That this resolution shall take effect immediately upon its adoption.

ADOPTED on April 14, 2015.

FORTIETH SUPPLEMENTAL TURNPIKE REVENUE BOND RESOLUTION

A RESOLUTION (THE FORTIETH 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 2015 (TO BE DETERMINED); AUTHORIZING A NOTICE OF BOND SALE; PROVIDING FOR APPLICATION OF THE PROCEEDS OF THE SERIES 2015 (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 2015 (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 2015 (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 2007A (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 Fortieth 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 Fortieth 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 Fortieth Supplemental Resolution are used with the same meaning throughout this Fortieth Supplemental Resolution unless the context clearly requires otherwise. All terms used in this Fortieth 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 FORTIETH SUPPLEMENTAL RESOLUTION. This Fortieth 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 Fortieth 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 Fortieth 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 Fortieth Supplemental Resolution.

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

(A) The not exceeding \$225,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2015 (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 \$225,000,000 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 Fortieth 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 Fortieth 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 Fortieth 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 Fortieth Supplemental Resolution to the same extent as if incorporated verbatim in this Fortieth 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 2015 (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 Fortieth 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 Fortieth 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 Fortieth 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 2005A through Series 2014A 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 Fortieth 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 Fortieth 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 Fortieth 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 Fortieth Supplemental Resolution, the Authorizing Resolution is in all respects ratified and confirmed, and this Fortieth 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 Fortieth 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 April 14, 2015.

**A RESOLUTION OF THE DIVISION OF BOND FINANCE
AUTHORIZING THE REDEMPTION OF CERTAIN STATE
OF FLORIDA BOARD OF REGENTS, UNIVERSITY OF
CENTRAL FLORIDA BOOKSTORE REVENUE BONDS,
SERIES 1997; AUTHORIZING THE EXECUTION OF AN
ESCROW DEPOSIT AGREEMENT; PROVIDING FOR AN
EFFECTIVE DATE.**

WHEREAS, the Governing Board of the Division of Bond Finance has previously authorized and issued the State of Florida Board of Regents, University of Central Florida Bookstore Revenue Bonds, Series 1997 (the “Bonds”);

WHEREAS, in accordance with the provisions of the documents authorizing the Bonds, the Bonds may be redeemed prior to maturity at the option of the Division of Bond Finance;

WHEREAS, the University of Central Florida (the “University”) wishes to make provision for the payment of all of the outstanding Bonds, currently outstanding in the aggregate principal amount of \$545,000, by depositing with the State Board of Administration monies and/or securities which will be sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds as the same mature or are called for redemption at the discretion of the Director of the Division;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION, that, subject only to the deposit of sufficient monies and/or securities to accomplish the redemption, the Bonds may be called for redemption, on such date or dates as may be determined by the Director of the Division of Bond Finance, at the principal amount thereof, together with accrued interest thereon to the date of redemption plus any applicable redemption premium. U.S. Bank Trust National Association, Paying Agent for the Bonds, is hereby authorized and directed to pay, upon the surrender thereof, all Bonds, if any, which are called for redemption in accordance with the authorizing resolution. The Director and any Assistant Secretary of the Division of Bond Finance are hereby authorized, collectively or individually, to take all actions and steps, and to execute one or more Escrow Deposit Agreements, and any other instruments, documents and contracts, necessary or desirable in connection with the redemption of the Bonds.

This resolution shall become effective immediately upon adoption.

ADOPTED: April 14, 2015.