

A RESOLUTION SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY BONDS, FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CAPITAL OUTLAY PROJECTS FOR THE STATE SYSTEM OF PUBLIC EDUCATION IN FLORIDA, PURSUANT TO SUBSECTION (A)(2) OF SECTION 9 OF ARTICLE XII OF THE CONSTITUTION OF FLORIDA, AS AMENDED; PROVIDING THE TERMS AND CONDITIONS UPON WHICH SUCH BONDS MAY BE ISSUED; AND PROVIDING AN EFFECTIVE DATE"; AND AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$1,436,600,000 PUBLIC EDUCATION CAPITAL OUTLAY BONDS, 2006 SERIES, FOR THE PURPOSE OF FINANCING CAPITAL OUTLAY PROJECTS FOR THE STATE SYSTEM OF PUBLIC EDUCATION; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE STATE BOARD OF EDUCATION OF FLORIDA:

**ARTICLE I
AUTHORITY, DEFINITIONS AND FINDINGS**

SECTION 1.01. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act.

SECTION 1.02. DEFINITIONS. (a) All of the definitions contained in Section 1.02 of the Master Resolution shall be deemed applicable to this Thirty-ninth Supplemental Authorizing Resolution, except to the extent that the same are inconsistent or in conflict with the definitions set forth below.

(b) The following terms shall have the following meanings in this Thirty-ninth Supplemental Authorizing Resolution:

“Act” shall mean, in addition to the meaning ascribed thereto in the Master Resolution, Chapter 2006-26, Laws of Florida (the Fiscal Year 2006-2007 General Appropriations Act) adopted during the regular session of the 2006 Legislature.

“2006 Bonds” shall mean the Public Education Capital Outlay Bonds, 2006 Series issued pursuant to this Thirty-ninth Supplemental Authorizing Resolution.

“Master Resolution” shall mean the Master Resolution adopted by the State Board on July 21, 1992, authorizing the issuance of Public Education Capital Outlay Bonds.

“Thirty-ninth Supplemental Authorizing Resolution” shall mean this Thirty-ninth Supplemental Authorizing Resolution.

SECTION 1.03. FINDINGS. It is hereby found, determined and declared by the State Board as follows:

(a) That the Capital Outlay Projects described herein are necessary for the improvement of the State System of Public Education in Florida and that the construction and financing of a portion of such projects shall be in accordance with the provisions of this Thirty-ninth Supplemental Authorizing Resolution and the Master Resolution.

(b) That the Legislature has found that the items and sums designated herein constitute authorized Capital Outlay Projects within the meaning of and as required by the Public Education Bond Amendment and other applicable laws.

(c) That the amount of 2006 Bonds herein authorized to be issued, together with the Outstanding Bonds and the Prior Lien Obligations, shall not exceed ninety percent (90%) of the amount of such bonds which can be serviced as to both principal and interest by the revenues derived from the Gross Receipts Taxes as determined at the date of issuance.

(d) That the Division of Bond Finance shall serve as the agent of the State Board with respect to the issuance of the 2006 Bonds pursuant to the applicable provisions of the State Bond Act.

ARTICLE II AUTHORIZATION OF CAPITAL OUTLAY PROJECTS

SECTION 2.01. AUTHORIZED PROJECTS. Pursuant to the Public Education Bond Amendment and the Act, there is authorized the expenditure of the proceeds of the 2006 Bonds for the purpose of acquiring, building, constructing, altering, remodeling, improving, enlarging, equipping or renovating of Capital Outlay Projects for the State System of Public Education. The proceeds of the 2006 Bonds are hereby authorized to be expended for and on only those Capital Outlay Projects listed in the following Specific Appropriations, found in Chapter 2006-25, Laws of Florida:

- Specific Appropriation 27;
- Specific Appropriation 28;
- Specific Appropriation 29;
- Specific Appropriation 30;
- Specific Appropriation 31;
- Specific Appropriation 31A;
- Specific Appropriation 32;
- Specific Appropriation 35;
- Specific Appropriation 36;
- Specific Appropriation 36A;
- Specific Appropriation 38A;

provided that the aggregate amount expended for such projects listed under each Specific Appropriation may not exceed the total amount indicated for such Specific Appropriation, and, if

applicable, may not exceed the total amount indicated for each category or institution within each Specific Appropriation, and then only from those amounts appropriated from the Public Education Capital Outlay and Debt Service Trust Fund. Additionally, there shall be excluded from the foregoing Specific Appropriations any project (or portion thereof) that will be used for or in a "private business use" as determined under Section 141 of the Code.

SECTION 2.02. COST OF CAPITAL OUTLAY PROJECTS. The cost of the Capital Outlay Projects, in addition to the items set forth in the approved plans and specifications, or elsewhere in this Thirty-ninth Supplemental Authorizing Resolution, may also be deemed to include the following:

The acquisition of existing buildings and all lands or interests therein, and any other property, real or personal, appurtenant to or useful in the construction of the Projects; architectural, technical and engineering fees; legal fees; fees of a financial advisor, if any; expenses of the State Board relating to the issuance of the 2006 Bonds; fees and expenses of the Division of Bond Finance relating to the issuance of the 2006 Bonds; advertising of resolutions, notices of sale and other proceedings; court costs; plans, specifications and surveys; repayment of advances made by State agencies, School Districts, Community College Districts, State Universities, or from other legally available sources for the benefit of such Projects; interest to become due on the 2006 Bonds for a reasonable period of time from the date of delivery thereof; reasonable amounts for contingencies; and any other costs and expenses necessary or desirable for the completion of the Projects and of the financing thereof.

ARTICLE III AUTHORIZATION AND TERMS OF 2006 BONDS

SECTION 3.01. AUTHORIZATION OF 2006 BONDS. Subject and pursuant to the provisions of this Thirty-ninth Supplemental Authorizing Resolution, bonds of the State Board are hereby authorized to be issued in the aggregate principal amount of not exceeding \$1,436,600,000. Such bonds shall each be designated "State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2006 Series [appropriate identifying letter]." The 2006 Bonds shall be issued under and secured by the Master Resolution, as supplemented by this Thirty-ninth Supplemental Authorizing Resolution, and all the terms and provisions contained in the Master Resolution shall be applicable to the 2006 Bonds, except as expressly set forth herein, including the pledge of the Gross Receipts Taxes and the pledge of the Full Faith and Credit of the State of Florida to the payment of the principal, premium if any, and interest on the 2006 Bonds.

SECTION 3.02. DESCRIPTION OF 2006 BONDS. Except as provided by subsequent resolution adopted prior to the sale of any Series thereof, the 2006 Bonds shall be issued only as fully registered bonds in the denominations of \$5,000 or integral multiples thereof; shall be dated and mature as determined pursuant to a resolution or resolutions adopted by the State Board prior to the sale of the 2006 Bonds; shall bear interest at not exceeding the maximum lawful rate of interest authorized on the date of sale of the 2006 Bonds, payable semi-annually on June 1 and December 1 of each year; and shall be payable as to both principal and interest, shall be subject to registration, exchange, and transfer, shall be executed and authenticated, shall be in the form, and shall have such other terms as set forth in Article III of the Master Resolution. The 2006 Bonds may be made

redeemable at the option of the State Board upon such terms and conditions as determined pursuant to a subsequent resolution or resolutions adopted by the State Board prior to the issuance of the 2006 Bonds. If issued in multiple Series, each Series shall have an identifying letter.

SECTION 3.03 FORM OF BONDS. (A) Notwithstanding anything to the contrary in the Master Resolution, this Thirty-ninth Supplemental Resolution, or any other resolution relating to the 2006 Bonds (for the purposes of this section, collectively, the “Resolution”), the 2006 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 2006 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 2006 Bonds are issued in book-entry only form:

(1) The 2006 Bonds shall be issued in the name of the Securities Depository as the Registered Owner of the 2006 Bonds, and held in the custody of the Securities Depository or its designee.

(2) Transfers of beneficial ownership of the 2006 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 2006 Bonds. Beneficial ownership interests in the 2006 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 2006 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 2006 Bonds. Transfers of ownership interests in the 2006 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 State Board, 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 2006 Bonds registered in its name for the purposes of

(a) payment of the principal of, premium, if any, and interest on the 2006 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 State Board'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 2006 Bonds; and

(ii) a certificate of any such Participant as to the identity of, and the respective principal amount of 2006 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 2006 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 2006 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 2006 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 2006 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 2006 Bonds to produce the same effect. Any provision hereof permitting or requiring delivery of the 2006 Bonds shall, while the 2006 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 2006 Bonds in the form of fully registered bonds to each Beneficial Owner.

SECTION 3.04. DELEGATION OF SALE OF THE 2006 BONDS. The 2006 Bonds shall be sold at competitive sale and may be sold at one time or in multiple Series from time to time as hereinafter provided.

In order to take advantage of opportunities as and when they arise in the municipal market, the State Board hereby authorizes the Division of Bond Finance, as agent for the State Board, to determine the financing structure of the 2006 Bonds. The Division of Bond Finance, as agent for the State Board, is hereby authorized and directed to determine when, if, where and in what principal amount (if less than the full authorized amount) the 2006 Bonds shall be offered for sale, to determine the method(s) by which bids will be accepted, and to determine the specific fiscal details of the 2006 Bonds (or Series thereof) to be sold.

SECTION 3.05. AWARD AND DELIVERY OF 2006 BONDS. The Commissioner or Deputy Commissioner of Education and the Secretary or an Assistant Secretary of the Governing Board of the Division of Bond Finance are hereby authorized and empowered to award each Series of 2006 Bonds, when offered, on their determination of the best proposal submitted in accordance with the terms of the Notice of Bond Sale published in connection with the sale of such Series of 2006 Bonds. Such award shall be final. The Secretary or other appropriate officer shall report such award to the State Board. In the event of the absence of the Commissioner or Deputy Commissioner of Education at the time bids are received, the Secretary or an Assistant Secretary of the Governing Board of the Division of Bond Finance is authorized to act on behalf of the State Board in awarding each Series of 2006 Bonds, with the concurrence of a duly designated representative of the State Board.

The proper officials of the State Board are hereby authorized to execute the 2006 Bonds in the manner provided by the resolution authorizing the issuance of the 2006 Bonds, and the Division of Bond Finance is hereby authorized to deliver each Series of 2006 Bonds to the purchasers thereof upon payment of the purchase price, together with accrued interest to the date of delivery, and to distribute the proceeds of each Series of 2006 Bonds as provided by the proceedings authorizing the issuance of such 2006 Bonds.

The appropriate officers and employees of the State Board and of the Division of Bond Finance 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 State Board and the Division of Bond Finance, in each case as they may deem necessary or desirable, in connection with the execution and delivery of each Series of 2006 Bonds.

SECTION 3.06. ACCOUNTS FOR 2006 BONDS. There shall be created a subaccount in the Sinking Fund for each Series of the 2006 Bonds and an Amortization Account therein for each maturity of Term Bonds of the 2006 Bonds. Amounts deposited into such subaccounts shall be applied as provided in Section 4.03 of the Master Resolution.

**ARTICLE IV
APPLICATION OF BOND PROCEEDS**

SECTION 4.01. APPLICATION OF 2006 BOND PROCEEDS. Upon receipt of the proceeds of the 2006 Bonds, the State Board shall transfer and apply such proceeds as follows:

(a) The amount necessary to pay all costs and expenses of the Division of Bond Finance in connection with the preparation, sale and issuance of the 2006 Bonds, including a reasonable charge for the services of the Division of Bond Finance, shall be transferred to the Division of Bond Finance 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 Trust Fund pursuant to written instructions at the delivery of the 2006 Bonds unless such amount shall be provided from another legally available source.

(b) The accrued interest on the 2006 Bonds, plus an amount determined in the sole discretion of the State Board and the Division of Bond Finance as being necessary, together with such accrued interest, to provide for the payment of interest on the 2006 Bonds for a period not to exceed 12 months from the date of issuance of the 2006 Bonds shall be transferred to the Board of Administration and deposited in the Sinking Fund created by the Master Resolution.

(c) All remaining proceeds shall be deposited in the Public Education Fund and shall be used by the State Board to finance Capital Outlay Projects, as provided by this Thirty-ninth Supplemental Authorizing Resolution. Included within the meaning of financing Capital Outlay Projects is the expenditure of proceeds for encumbrances provided for pursuant to Section 1013.65(1), Florida Statutes.

SECTION 4.02. ALLOCATION OF FUNDS. As moneys become available pursuant to the Public Education Bond Amendment, including the proceeds of the 2006 Bonds authorized herein, the State Board may allocate such moneys among the Capital Outlay Projects authorized in Article II, in such amounts as the State Board in its discretion shall deem proper.

SECTION 4.03. APPLICATION OF SURPLUS 2006 BOND PROCEEDS AND OTHER FUNDS. (a) If the amount needed to complete any Capital Outlay Project heretofore authorized by the Florida Legislature and by the State Board is less than the specific sum certified forward by the Office of Planning and Budgeting, Executive Office of the Governor for such Capital Outlay Project then, pursuant to Section 1013.66, Florida Statutes, the surplus amount unexpended may be used to finance, in whole or in part, any Capital Outlay Project authorized by the Florida Legislature, or as provided in the Public Education Bond Amendment, and herein.

(b) If for any reason any of the proceeds from the sales of the 2006 Bonds shall not be expended for the Capital Outlay Projects described in Article II, the State Board may use such unexpended proceeds as provided in Section 4.03(b) of the Master Resolution.

SECTION 4.04. REGISTERED OWNERS NOT AFFECTED BY APPLICATION OF 2006 BOND PROCEEDS. The proceeds derived from the sale of the 2006 Bonds shall be applied and disbursed pursuant to the provisions of the Act and this Thirty-ninth Supplemental Authorizing Resolution. The Registered Owners of 2006 Bonds shall not have any responsibility whatsoever for the application or use of any of the proceeds derived from the sale of the 2006 Bonds, and the rights

and remedies of the Registered Owners of 2006 Bonds and their right to payment, pursuant to the Public Education Bond Amendment and this Thirty-ninth Supplemental Authorizing Resolution, shall not be affected or impaired by the application or use of such proceeds. Upon the issuance of the 2006 Bonds authorized by this Thirty-ninth Supplemental Authorizing Resolution, all the covenants and agreements between the State Board and the Registered Owners of 2006 Bonds contained in this Thirty-ninth Supplemental Authorizing Resolution shall be valid and binding covenants and agreements between the State Board and the Registered Owners of 2006 Bonds without regard to the application of the proceeds of the 2006 Bonds.

ARTICLE V
APPLICATION OF PROVISIONS OF MASTER RESOLUTION
AND SECURITY FOR THE 2006 BONDS

The 2006 Bonds herein authorized shall for all purposes (except as herein expressly changed) be considered to be Additional Parity Bonds issued under the authority of the Master Resolution and shall be entitled to all the protection and security provided therein for the Parity Bonds.

The covenants and pledges contained in the Master Resolution (to the extent the same are not inconsistent with the provisions hereof) shall be applicable to the 2006 Bonds herein authorized in like manner as applicable to the Parity Bonds, and the Funds and Accounts established in the Master Resolution shall be continued and maintained as long as any of the 2006 Bonds and interest thereon issued hereunder are outstanding and unpaid. The principal of and interest on the 2006 Bonds herein authorized shall be payable from the Sinking Fund heretofore established by the Master Resolution on a parity with the Parity Bonds, and payment shall be made into such Sinking Fund from the Public Education Fund in amounts fully sufficient to pay the principal of and interest on the 2006 Bonds herein authorized as such principal and interest become due.

ARTICLE VI
MISCELLANEOUS

SECTION 6.01. SEVERABILITY OF PROVISIONS. If any one or more of the covenants, agreements or provisions of this Thirty-ninth Supplemental Authorizing Resolution shall be held contrary to any express provision of law, or contrary to the policy of express law though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other covenants, agreements or provisions of this Thirty-ninth Supplemental Authorizing Resolution or of the 2006 Bonds.

SECTION 6.02. CONTINUING DISCLOSURE. (A) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the State Board hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(B) The Commissioner or Deputy Commissioner of Education, in conjunction with the appropriate officer of the Division of Bond Finance, is authorized and directed to execute and

deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

SECTION 6.03. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Thirty-ninth Supplemental Authorizing Resolution, to the extent that they are inconsistent with this Thirty-ninth Supplemental Authorizing Resolution, are hereby repealed, revoked, and rescinded.

SECTION 6.04. TIME OF TAKING EFFECT. This Thirty-ninth Supplemental Authorizing Resolution shall take effect immediately upon its adoption.

ADOPTED ON August 15, 2006.