

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:

STATE BOARD OF ADMINISTRATION
FLORIDA HURRICANE CATASTROPHE FUND FINANCE CORPORATION

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Crist presiding,
in the Cabinet Meeting Room, LL-03, The Capitol,
Tallahassee, Florida, on Tuesday, June 10, 2008,
commencing at approximately 9:03 a.m.

Reported by:

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Representing the Florida Cabinet:

CHARLIE CRIST
Governor

ALEX SINK
Chief Financial Officer

* * *

I N D E X

STATE BOARD OF ADMINISTRATION
(Presented by GENERAL BOB MILLIGAN)

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FLORIDA HURRICANE CATASTROPHE FUND FINANCE CORPORATION
(Presented by JACK NICHOLSON)

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P R O C E E D I N G S

(The agenda items commenced at 9:06 a.m.)

GOVERNOR CRIST: We'll have a special meeting of the State Board of Administration and the Florida Hurricane Catastrophe Fund on Tuesday, June 17th. The next meeting of the Governor and Cabinet will be Tuesday, July 29th.

The first order of business this morning, General Bob Milligan, good morning, sir, State Board of Administration. How are you?

GENERAL MILLIGAN: Fine, sir.

CFO SINK: Governor?

GOVERNOR CRIST: CFO?

CFO SINK: Since General McCollum is not here today, I would like to make a motion to defer all the items except for Items 2, 3, and 9. And as you've just announced, we will have an opportunity next week to reconvene to consider the other items.

GOVERNOR CRIST: Very good.

CFO SINK: Items 2, 3, and 9 for today, Governor.

GOVERNOR CRIST: I second it. Show that done without objection.

GENERAL MILLIGAN: Item 2 then, Governor.

GOVERNOR CRIST: Yes, sir.

1 GENERAL MILLIGAN: Request approval of a
2 fiscal determination of an amount not exceeding
3 11,250,000 Florida Housing Finance Corporation
4 multifamily mortgage revenue bonds.

5 CFO SINK: Move approval.

6 GOVERNOR CRIST: I second it. Show Item 2
7 approved without objection.

8 GENERAL MILLIGAN: Item 3, request approval of
9 a fiscal determination of an amount not exceeding
10 \$8 million Florida Housing Finance Corporation
11 multifamily mortgage revenue bonds.

12 CFO SINK: Move it.

13 GOVERNOR CRIST: Second. Show Item 3, I guess
14 it is now, approved without objection.

15 GENERAL MILLIGAN: Item 9, the Florida
16 Hurricane Catastrophe Fund requests that the
17 Trustees adopt a resolution which requests the
18 Florida Hurricane Catastrophe Fund Finance
19 Corporation to issue and sell by negotiated sale,
20 not exceeding \$225 million Florida Hurricane
21 Catastrophe Fund Finance Corporation post-event
22 revenue bonds. The proceeds of the bonds will be
23 used for the reimbursement of insurance companies
24 for additional claims paid due to hurricanes during
25 the 2005 season. Request approval.

1 CFO SINK: Governor, before I make a motion, I
2 do have a couple of things to say.

3 GOVERNOR CRIST: Please.

4 CFO SINK: I just wanted to take a moment to
5 talk about what we're really doing here. We're
6 issuing -- giving approval for \$625 million in
7 additional bonds. This is going to add at least
8 two years to the assessments, and it's really a tax
9 on insurance policies that homeowners and
10 businesses are already paying. It's something we
11 have to do because these are representative of
12 claims that have been filed by homeowners as a
13 result of Hurricane Wilma, which, as we will
14 recall, was just barely a Cat 2 storm that hit
15 South Florida.

16 And it certainly concerns me that here we are
17 three years after Wilma, and we're still having to
18 issue more debt and maybe more assessments on our
19 homeowners. In fact, just last night while I was
20 at home reading my mail, I got another e-mail from
21 a homeowner talking about six different assessments
22 that he has on his policies. We really have to in
23 our state kind of be addressing this issue of how
24 we reduce the amount of risk that we Floridians are
25 bearing, and heaven forbid if we have a Cat 3

1 hurricane, which would be up in the \$20 billion
2 plus range. So once again, we're all going to hope
3 we don't have any storms, or any major storms this
4 year.

5 Certainly I'm going to support the resolution
6 today, because the homeowners have to have their
7 claims paid. But, General, I am curious. As we go
8 back and think about this, our initial assessment
9 for the Wilma-related Cat Fund claims, I think we
10 initially had a deficit of a billion four, which
11 was approved right after the storm, but yet since
12 then, there have been -- this will total up to yet
13 another billion dollars in additional claims. And
14 it concerns me that here we are three years later,
15 and I guess there is the possibility there may be
16 even more coming. Would you address why there's
17 such a lag time, and is this what we can begin to
18 expect when we have hurricanes in the future?

19 GENERAL MILLIGAN: Well, first, let me make it
20 clear that this is for 625 million. I might have
21 misspoke as to the number. It is 625 million.

22 CFO SINK: Well, I calculated it as a
23 billion --

24 GENERAL MILLIGAN: No, I --

25 CFO SINK: -- because we got a little cushion

1 in the first six years of assessments, and so I'm
2 adding on the \$300 million cushion that we have
3 which will be applied to the 600 million.

4 GENERAL MILLIGAN: Yes. I understood your
5 question. I was clarifying my statement, making
6 sure --

7 CFO SINK: Oh, okay.

8 GENERAL MILLIGAN: -- that it was clear that
9 it was 625.

10 There are a lot of discussions as to why there
11 has been such an increase in reopened claims. I
12 think I saw yesterday in a report done by the task
13 force that looked at the Citizens Insurance
14 Corporation that there were some -- about 10,000
15 reopened claims, of which about 7,000 were
16 attributed to Wilma. It's not all Citizens either,
17 I might add, with all these reopened claims.

18 There are a lot of discussions as to why there
19 are so many reopened claims. There are a lot of
20 discussions as to how many of these claims are in
21 fact being met in terms of the adjusters going out
22 and either approving or disapproving all or part of
23 the claim.

24 So there's a lot of unanswered questions. I
25 think that there's also the question of the public

1 adjusters being very aggressive certainly down in
2 the area that was affected by Wilma. So there's a
3 lot of things that come to play as to why.

4 There's also the argument that we haven't had
5 hurricanes for a couple of years, and people are
6 out there shaking the bushes trying to find an
7 opportunity to make some money. So there are all
8 kinds of reasons. Maybe Jack would want to expound
9 on it.

10 So there really is no concrete answer, other
11 than we know the insurance companies are seeing a
12 lot of reopened claims.

13 CFO SINK: Well, can I ask you to put on your
14 insurance consumer advocate's hat? Do you believe
15 this is something we ought to explore further and
16 study? Because on the one hand, we want --
17 homeowners who have legitimate claims need to get
18 their repairs done. But the flip side is that
19 there are millions of insurance consumers in
20 Florida who are going to see another \$600 million
21 in assessments on their bills to pay for these
22 claims, and I'm looking out for their interests
23 too.

24 GENERAL MILLIGAN: Well, the question that I
25 have is, one, are the claims that are being

1 reopened legitimate? Are the insurance companies
2 in fact doing the due diligence in adjusting those
3 claims, and really, what percentage of the claims
4 that are reopened are actually being closed and
5 being paid or being closed and not being paid? I
6 think there's a lot of questions that need to be
7 answered.

8 I agree with you. I raised that question
9 yesterday, as a matter of fact. We really don't
10 know how many of these claims are being settled
11 properly or if for some reason the insurance
12 companies feel they can just pass it on to the Cat
13 Fund and don't have to do their due diligence in
14 terms of adjusting the claims.

15 CFO SINK: Because, I mean, you're right. The
16 insurance companies at this point, since they're
17 already into the Cat Fund, you could argue that
18 they don't really have that much of an incentive to
19 reduce the claims or to do really serious due
20 diligence because of the fact that it's not their
21 equity that's being impacted, because whatever they
22 approve is just going to come right back into the
23 Cat Fund.

24 GENERAL MILLIGAN: Exactly my question, and I
25 do think it needs to be looked at.

1 GOVERNOR CRIST: I have a thought. If we
2 think it needs to be looked at, why don't we look
3 at it and not vote on it today?

4 CFO SINK: Well, Governor, I think we have to
5 vote on it today, because we can't -- we do have a
6 contractual arrangement, and this is the way --
7 when we were looking at what items we could defer,
8 this is really time critical. We're going to have
9 to issue these bonds so these claims can get paid.
10 But I'm sure there are probably mechanisms that if
11 we determine that the process is flawed and that
12 the companies are not being as diligent, we can go
13 back on them. I think you might address the timing
14 issue, General.

15 GENERAL MILLIGAN: The Cat Fund does audit --
16 we'll be going back and doing audits on the filings
17 that have been made. It takes time, but they will
18 ultimately at least sample, I believe -- Jack, it's
19 not a 100 percent audit, is it?

20 MR. NICHOLSON: Right.

21 GENERAL MILLIGAN: It's a sample. They will
22 go back and be sampling whether or not these claims
23 are legitimate, including these claims that have
24 been reopened. So there is a follow-on checks and
25 balance.

1 I'm not so sure that that will really get at
2 the issues, and I'm not so sure we shouldn't look
3 at something down the pike here to really take a
4 look at what has happened. You know, we had that
5 task force for Citizens. Maybe you want to keep
6 that task force open for a while. Maybe you want
7 to ask them to go back and really look, at least
8 from Citizens' perspective, at how they handled
9 these reopened claims and how much were in fact
10 considered legitimate and how many were not
11 considered legitimate and exactly what happened to
12 the settlement.

13 They did settle, as you know, 99 percent of
14 those claims. Whether they settled them on the
15 basis of no payment or full payment or partial
16 payment, I don't know, and I don't think that task
17 force knows. But maybe they should still be tasked
18 to follow up on that.

19 CFO SINK: Well, Governor, I'm prepared to
20 move it with the caveat that we receive a report
21 back from the -- a more detailed report back from
22 the Cat Fund or the Insurance Consumer Advocates
23 Claims Task Force that already exists specifically
24 for Citizens, but other private companies are
25 involved as well.

1 GENERAL MILLIGAN: I have to say the task
2 force is about to close out. They issued a report
3 yesterday, I think, or are about to issue a report.
4 They'll probably shoot me here for keeping them on
5 the hook, but I think it's a legitimate thing for
6 them to go back and take a look at the reopened
7 claims and how they were in fact handled by
8 Citizens as a sample of how perhaps other insurance
9 companies also handle them.

10 CFO SINK: Well, I think maybe our staffs of
11 our three -- at your pleasure, Governor, maybe the
12 staffs, our staffs could get together and figure
13 out a way, because we've got to look into this.
14 And these assessments -- actually, the way they've
15 got it structured, the \$625 million in bonds will
16 be issued, but these assessments to repay these
17 bonds will not be levied until years 6 and 7 from
18 now. They're not going to go onto the consumers'
19 bills today.

20 GENERAL MILLIGAN: No.

21 CFO SINK: The proposal is -- today's
22 assessments are for the next five years, I guess,
23 and so the request is to just continue with the
24 assessments for year 6 and year 7. So there's not
25 any immediate impact today on the policyholders

1 until we get into those future years except for, of
2 course, the interest rate we have to pay for the
3 borrowing.

4 GOVERNOR CRIST: But it's still 1 percent; is
5 that correct?

6 GENERAL MILLIGAN: One percent, yes, and
7 extending --

8 GOVERNOR CRIST: No increase in the levels?

9 GENERAL MILLIGAN: No increase, extended two
10 years.

11 GOVERNOR CRIST: Well, what happens if we
12 don't approve this today?

13 GENERAL MILLIGAN: What happens if we don't do
14 it --

15 GOVERNOR CRIST: We're meeting next week.

16 GENERAL MILLIGAN: We have -- I think it's
17 around \$158 million to pay, which will last another
18 maybe optionally about nine to ten, eleven weeks of
19 being able to pay --

20 GOVERNOR CRIST: Here's where I'm coming from.
21 You know, when the CFO of our state, who I have
22 great respect for, and yourself, General Milligan,
23 who I have enormous respect for as well, indicate
24 to me that there may be illegitimate claims, it
25 makes it more challenging for me to vote in the

1 affirmative on the motion.

2 GENERAL MILLIGAN: Well, you have to be
3 comfortable with the audit function that will be
4 done by the Cat Fund to try to detect any
5 illegitimate claims, and then you have to be
6 comfortable with the idea that we need to really
7 take a look at how these companies did in fact
8 handle the reopened claims. I think those are all
9 things that need to be done.

10 But we are at a point where we only have
11 several weeks left that we can pay these claims
12 that have been made that have been reopened. And
13 this \$625 million allows us to carry through really
14 for the next year, and it's important that we do
15 that. And it may not even be enough now. There
16 may be -- we think that there's a chance that it
17 will go even higher, and so --

18 GOVERNOR CRIST: Well, if you let the
19 insurance companies have their way, I'm sure that's
20 true.

21 GENERAL MILLIGAN: Well, between the audits
22 that will be done by the Cat Fund audit folks, and
23 I think if we energize, if not the task force to
24 look at this, somebody to look at how these have
25 been handled, these reopened claims are being

1 handled, I think if we do both those things, we'll
2 have an answer. In the meantime, we can do what we
3 need to do to make sure that the citizens of this
4 state are in fact, if they are due money, are
5 getting their money.

6 CFO SINK: Governor, if I could --

7 GOVERNOR CRIST: Please.

8 CFO SINK: Just to -- I'm all for this audit
9 process, of course. But, Jack, do you have a
10 number on -- I mean, this would be, I would assume,
11 tens of thousands of additional claims that are
12 being filed. I don't think it's a simple process.

13 MR. NICHOLSON: Well, let me explain that the
14 Cat Fund's audit process audits the companies
15 reporting claims to the Cat Fund, and we make sure
16 that they report proper claims, claims that they're
17 obligated to pay the policyholders.

18 GOVERNOR CRIST: If I could, forgive me. I
19 mean, just to kind of give an overview, correct me
20 if I'm wrong, but basically, insurance companies
21 come to you and say, "We've got X amount of claims.
22 We need to take some out of the Cat Fund in order
23 to make us whole," and that's what causes the
24 recommendation that's before us today for 625
25 million more?

1 MR. NICHOLSON: That's correct.

2 GOVERNOR CRIST: That's correct. So we're
3 relying upon the insurance industry to tell you the
4 truth for you to bring this to us so that we would
5 extend bonding for more coverage for the Cat Fund;
6 is that right?

7 MR. NICHOLSON: Yes.

8 GOVERNOR CRIST: Am I hearing you right?
9 Okay. Yet we're concerned that some of it may be
10 illegitimate. Is that also correct?

11 MR. NICHOLSON: That's correct.

12 GOVERNOR CRIST: Okay. So who's bringing this
13 item before the CFO and I to vote on today that has
14 confidence that it's okay?

15 MR. NICHOLSON: Well --

16 GOVERNOR CRIST: Do you? I'm just asking.

17 MR. NICHOLSON: Well, based on the reported
18 claims, I mean, the way you've painted the picture,
19 it's like there's a problem here, but --

20 GOVERNOR CRIST: It's not me painting it. I'm
21 listening to the CFO and the General talk to me
22 about illegitimate claims, and I'm just voicing --

23 MR. NICHOLSON: We're not -- from the Cat
24 Fund's perspective, we're not aware of any
25 illegitimate claims. If we were, we would correct

1 them. And we start -- our audit process for the
2 2005 season starts in January, even though we --

3 GOVERNOR CRIST: I don't have a whole lot of
4 confidence in the property insurance industry
5 making representations to us for \$625 million more
6 in bonds, you know. And when I start to hear that
7 maybe it's illegitimate or there's some monkey
8 business going on here, it gives me less confidence
9 to vote affirmatively on this item today.

10 MR. NICHOLSON: Well, like I say, I'm not
11 aware of any illegitimate claims. We suspect that
12 when you look at the Citizens --

13 GOVERNOR CRIST: Except that these are old.
14 Did you say three years, maybe, some of these?

15 MR. NICHOLSON: I mean, when you look at the
16 -- let's just take Citizens, for example --

17 GOVERNOR CRIST: The CFO is suspicious. I
18 think I'm becoming suspicious too.

19 MR. NICHOLSON: Well, let's take Citizens, for
20 example. If you believe that's the case, then you
21 might believe that Citizens is --

22 GOVERNOR CRIST: I don't think if I believe
23 that's the case. I'm trying to learn.

24 MR. NICHOLSON: Let me make the point --

25 GOVERNOR CRIST: Please.

1 MR. NICHOLSON: -- that Citizens with regard
2 to Hurricane Wilma, as the General mentioned
3 earlier, has 7,819 reopened or newly reported
4 claims. Of those, 6,198 are reopened. 1,621 are
5 totally new. And when you look at the other
6 hurricanes -- let's go back to Charley. Charley
7 only had 234 reopened claims versus almost 6,200
8 from Wilma. Now --

9 GOVERNOR CRIST: Can you explain, Jack, why
10 that might be the case?

11 MR. NICHOLSON: Well, I think what we hear
12 from Citizens and people that we talked to is
13 that --

14 GOVERNOR CRIST: What other companies are
15 involved in this besides Citizens?

16 MR. NICHOLSON: Excuse me?

17 GOVERNOR CRIST: What other companies are
18 involved?

19 MR. NICHOLSON: I think every company to a
20 large degree is being impacted --

21 GOVERNOR CRIST: Who are the big three?

22 MR. NICHOLSON: State Farm, Allstate, USAA.
23 You know, I could go on, but companies like that.
24 So whatever it is that's affecting these companies
25 affects Citizens as well as these other companies

1 as well. I think there are honest efforts being
2 made by the people at Citizens and the task force
3 to recognize what is going on.

4 GOVERNOR CRIST: Do you think honest efforts
5 are being made by State Farm and Allstate and the
6 others as well? Do you have same level of
7 confidence in that?

8 MR. NICHOLSON: I think there is. I think the
9 problem is not so much with the companies' fraud or
10 dishonesty. I think if there is a problem, it goes
11 to the independent adjusters and the legal
12 profession and all those people that are reopening
13 claims and milking the system and getting Wilma's
14 claims up for the industry of almost \$11 billion.
15 That's what we're looking at for Wilma claims.

16 Hurricane Andrew, the residential losses were
17 \$10 billion at the time versus 11 billion today.
18 On an inflation-adjusted basis, still Andrew is
19 bigger. But this is the largest payout expected of
20 any storm that Florida has ever had.

21 GOVERNOR CRIST: More than Andrew?

22 MR. NICHOLSON: In terms of actual dollars.
23 Andrew adjusted for inflation would be a lot
24 larger. We only paid around 10 --

25 GOVERNOR CRIST: So Andrew is really the

1 largest ever?

2 MR. NICHOLSON: Andrew is definitely the
3 largest. I don't want to mislead you on that. But
4 I'm just saying \$11 billion is pretty big for
5 Wilma, when we didn't anticipate the losses were
6 going to be this much.

7 They continue to come in. Over just the last
8 six months, we had \$634 million -- excuse me, the
9 last year, \$634 million of new losses reported,
10 128 million since January.

11 These are losses that are reported to us based
12 on a reimbursement basis. The companies have paid
13 these losses. Consumers have the dollars. We're
14 reimbursing the companies for that. The companies
15 aren't keeping the money. They couldn't. We
16 wouldn't pay them if that were the case. So this
17 is money in the consumers' hands today.

18 The situation that we're in is, we have
19 \$187 million left to pay claims. Claims are on
20 average of 13 million a week that we're paying out
21 right now. We are at the slow end of the payout
22 curve, but we're still having to pay. But we
23 continue to get, like I said, new claims reported.
24 We would expect that somewhere in the 10- to
25 20-week period, we would be out of money, and then

1 in that situation, I guess technically we would be
2 in default of our contract provisions.

3 GOVERNOR CRIST: That's 10 to 20 weeks from
4 today?

5 MR. NICHOLSON: Right, give or take. I don't
6 know exactly how long. It could be shorter, or it
7 could be longer, depending on if somebody came to
8 us tomorrow and said, "We have a \$60 million claim
9 to report."

10 GOVERNOR CRIST: "Since you approved that
11 thing yesterday, we've got a thousand new claims
12 for you."

13 MR. NICHOLSON: Right. But what we will do in
14 the process is, when we do the audits, we will look
15 at that. We want to make sure that companies pay
16 claims that they're obligated to pay, not the ones
17 that they're not obligated to pay.

18 GOVERNOR CRIST: Is this recommendation of
19 this amount of bond coverage based upon ones we
20 think we ought to pay?

21 MR. NICHOLSON: Absolutely. We should pay
22 every one of these claims until we find out
23 otherwise. I have no evidence --

24 GOVERNOR CRIST: So you have confidence in
25 this recommendation?

1 MR. NICHOLSON: I have no --

2 GOVERNOR CRIST: This is your recommendation?

3 MR. NICHOLSON: This is my recommendation,
4 yes, sir.

5 GOVERNOR CRIST: General, you look like you
6 want to say something.

7 GENERAL MILLIGAN: I think it's important --

8 GOVERNOR CRIST: Thank you, Jack.

9 GENERAL MILLIGAN: I think it's important to
10 remember that these claims are claims that have
11 been paid. And people who, even if they reopened a
12 claim, if they had a legitimate reopened claim,
13 they deserve their insurance company, "they" being
14 the insured, to get paid. So --

15 GOVERNOR CRIST: I don't question the
16 consumer. What I'm questioning here is something
17 you alluded to earlier in your presentation --

18 GENERAL MILLIGAN: We need to --

19 GOVERNOR CRIST: -- about whether or not the
20 insurance companies are being scrutinizing of the
21 claims that they're getting.

22 GENERAL MILLIGAN: We need to be comfortable
23 with that.

24 GOVERNOR CRIST: Right. I concur.

25 GENERAL MILLIGAN: That is true. Until we

1 sort that out, though, I think we have to honor the
2 request for payment of these claims. And then, you
3 know, if we find out otherwise through audit or
4 through other sampling that may be done or other
5 examination that may be done, that's a horse of
6 another color.

7 CFO SINK: Governor?

8 GOVERNOR CRIST: Please.

9 CFO SINK: So, General, there are provisions
10 -- if we go through the audit process and we
11 determine that we want to deny some of the claims,
12 there are processes to go back and recoup?

13 GENERAL MILLIGAN: That's exactly right.
14 That's exactly --

15 CFO SINK: Well, that's a fail-safe, Governor.

16 GOVERNOR CRIST: Okay. Well, I'll second it
17 under that circumstance. Show it approved.

18 GENERAL MILLIGAN: Yes, sir. We have a
19 follow-on now with the Florida Hurricane
20 Catastrophe Fund Finance Corporation.

21 GOVERNOR CRIST: Yes, sir.

22 MR. BAILEY: I need to ask a simple question.
23 On the 17th, what is expected to be on the agenda?
24 As I understood, it would be --

25 GOVERNOR CRIST: We're trying to find

1 additional --

2 GENERAL MILLIGAN: -- Item 10.

3 GOVERNOR CRIST: I'm sorry. We're trying to
4 find additional coverage in terms of reinsurance or
5 some --

6 GENERAL MILLIGAN: Yes, sir. I understand.
7 It would be Item 10 on the 17th?

8 GOVERNOR CRIST: Yes. I don't know what the
9 number is.

10 GENERAL MILLIGAN: Yes, sir. I just wanted
11 clarification.

12 GOVERNOR CRIST: Thank you, General.

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1 GENERAL MILLIGAN: Jack.

2 GOVERNOR CRIST: Florida Hurricane Catastrophe
3 Fund Finance Corporation Board. Jack Nicholson.

4 MR. NICHOLSON: Thank, sir.

5 GOVERNOR CRIST: I will now -- wait. I think
6 I have to say this in order for this to be in the
7 proper posture. I will now convene a meeting of
8 the Florida Hurricane Catastrophe Fund Finance
9 Corporation Board. This board is composed of the
10 members of the State Board of Administration and
11 also Ben Watkins and Jack Nicholson. The members
12 are present except for Attorney General McCollum
13 and Ben Watkins.

14 Dr. Nicholson.

15 MR. NICHOLSON: Thank you, Governor.

16 GOVERNOR CRIST: Thank you, sir.

17 MR. NICHOLSON: We have four items on the
18 agenda. We are requesting that the first three be
19 deferred.

20 CFO SINK: I move that we defer all items
21 except for Item Number 4.

22 GOVERNOR CRIST: I second the motion. Show it
23 approved without objection.

24 MR. NICHOLSON: Item 4, request adoption of a
25 resolution authorizing the corporation to issue

1 revenue bonds. I'll read it as follows.

2 GOVERNOR CRIST: This is step 2 to what we
3 just did, I assume.

4 MR. NICHOLSON: Yes.

5 CFO SINK: I move approval, Governor.

6 GOVERNOR CRIST: I second it. Show it
7 approved without objection.

8 Thank you. We are adjourned.

9 (Proceedings concluded at 9:31 a.m.)

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CERTIFICATE OF REPORTER

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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 27 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 23rd day of June, 2008.

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19 _____
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