

## **NOTICE OF BOND SALE**

**\$238,770,000\***

**STATE OF FLORIDA**

**Full Faith and Credit**

**Department of Transportation**

**Right-of-Way Acquisition and Bridge Construction Bonds, Series 2011B**

NOTICE IS HEREBY GIVEN that the Division of Bond Finance of the State Board of Administration of Florida (hereinafter called the "Division of Bond Finance") will receive bids (hereinafter referred to as "Bids") in the office of the Division of Bond Finance, 1801 Hermitage Boulevard, Hermitage Centre, Suite 200, Tallahassee, Florida 32308 up to such date and time as may be determined by the Director of the Division of Bond Finance and communicated through THOMSON MUNICIPAL MARKET MONITOR (and as otherwise provided herein - see "BIDS") not less than 18 hours prior to the time Bids are to be opened for the purchase of \$238,770,000\* STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES 2011B (hereinafter referred to as the "2011B Bonds"), as described in the Preliminary Official Statement published in connection with the issuance and sale of the 2011B Bonds (the "Preliminary Official Statement"). For definitions of capitalized terms not defined in the text hereof, see the Preliminary Official Statement.

### **FORM OF THE 2011B BONDS - BOOK-ENTRY ONLY**

The 2011B Bonds will be issued as registered bonds in book-entry only form through The Depository Trust Company, New York, New York ("DTC"), in the denomination of \$1,000 or integral multiples thereof; will be dated the date of delivery thereof (the "Dated Date"); and will bear interest as set forth in the terms of this Notice of Bond Sale, payable on July 1, 2012, for the period from the Dated Date to July 1, 2012, and semiannually thereafter on January 1 and July 1 of each year until maturity or redemption.

### **MATURITY SCHEDULE**

The 2011B Bonds will mature on July 1 in the years specified in the attached Bid.

### **TERM BONDS OPTION**

The successful bidder on the 2011B Bonds has the option of specifying that all of the principal amount of 2011B Bonds scheduled to mature in any two or more consecutive years beginning in or after 2022 will, in lieu of maturing in each of such years, be considered to comprise a single maturity of 2011B Bonds (a "Term Bond") scheduled to mature in the latest of such years and be subject to mandatory sinking fund redemption in the manner described below in each of the years and in the principal amounts as given in the maturity schedule. The successful bidder may exercise the above option one or more times.

The successful bidder must provide the Division of Bond Finance with the details of its intentions regarding the designation of Term Bonds immediately after the award of the 2011B Bonds.

### **REDEMPTION PROVISIONS**

The 2011B Bonds maturing in the years 2012 through 2021 are not redeemable prior to their stated dates of maturity. The 2011B Bonds maturing in 2022 and thereafter (including any Term Bonds) are redeemable prior to their stated dates of maturity, at the option of the Division of Bond Finance, (i) in part, by maturities and/or Amortization Installments to be selected by the Division of Bond Finance, and by lot within a maturity and/or Amortization Installment if less than an entire maturity and/or Amortization Installment is to be redeemed, or (ii) as a whole, on July 1, 2021, or on any date thereafter, at the principal amount of the 2011B Bonds so redeemed, together with interest accrued to the date of redemption.

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\*Preliminary, subject to change.

Any Term Bonds specified pursuant to the Term Bonds option will also be redeemable from funds on deposit in the sinking fund for mandatory redemption of Term Bonds, by lot at par, plus accrued interest, without premium, in the amounts and in the years specified in the maturity schedule and pursuant to the Term Bonds option.

## **BASIS OF AWARD**

Bids must be only for all of the 2011B Bonds and must be unconditional. **The price bid for the 2011B Bonds may include a discount not to exceed 2% of the aggregate principal amount of the 2011B Bonds.** The reoffering price for each maturity of the 2011B Bonds maturing in 2022 and thereafter shall not be less than 97% of the principal amount of each such maturity. No more than one Bid from any bidder will be considered.

The 2011B Bonds will be awarded to the bidder offering to purchase the 2011B Bonds at the lowest annual interest cost rate computed on the true interest cost basis. The annual true interest cost rate will be determined by doubling the semiannual interest rate (compounded semiannually on a 30 day month and a 360 day year basis) necessary to discount the semiannual debt service payments on the 2011B Bonds to the price bid. **Bidders will be notified by Thomson Municipal Market Monitor of the proposed delivery date; such date will be the date from which the annual true interest cost rate will be calculated.** For purposes of calculating the annual true interest cost rate, the principal amount of the 2011B Bonds which any bidder might wish to designate as being subject to mandatory redemption in each year as part of a Term Bond will be considered to be a serial maturity. If two or more Bids provide the lowest annual true interest cost rate, the Division of Bond Finance will determine by lot which Bid will be accepted, and such determination will be final. The Division of Bond Finance reserves the right to waive any informality or irregularity in any Bid and to reject any and all Bids.

## **INTEREST RATES PERMITTED**

The 2011B Bonds will bear interest expressed in multiples of 1/8 or 1/20 of 1%. No difference greater than 3% will be permitted between the highest and lowest rates of interest specified.

It will not be necessary that all 2011B Bonds bear the same rate of interest, provided that all 2011B Bonds maturing on the same date must bear the same rate of interest. Maturities designated as Term Bonds must bear one rate of interest; however, if more than one Term Bond is designated, each Term Bond need not bear the same rate of interest, as long as the restrictions above are complied with. A rate of interest based upon the use of split or supplemental interest payments or a zero rate of interest will not be considered.

## **ADJUSTMENT OF PRINCIPAL AMOUNT**

If, after final computation of the Bids, the Division of Bond Finance determines in its sole discretion that the funds necessary to accomplish the purposes of the 2011B Bonds are either more or less than the proceeds of the sale of all of the 2011B Bonds or if restructuring the principal maturities is necessary to accomplish the purpose of the financing, the Division of Bond Finance reserves the right to increase or decrease, by no more than 10%, the principal amount (as set forth in this Notice of Bond Sale) of the 2011B Bonds (to be rounded to the nearest \$1,000). The amount of 2011B Bonds maturing in each year may be increased or decreased by more than 10% so long as the Division of Bond Finance adheres to the overall 10% limitation on the amount of change to the total principal amount.

In the event of any such adjustment, no rebidding or recalculation of the Bids submitted will be required or permitted. The purchase price of the 2011B Bonds will be computed by taking the adjusted par amount of the 2011B Bonds and: (1) either subtracting the aggregate original issue discount or adding the aggregate original issue premium, as applicable, computed based on the adjusted par amounts of each maturity of the 2011B Bonds and the prices provided by the underwriters, and (2) subtracting the amount obtained by multiplying the per bond dollar amount of the underwriters' spread by the adjusted par amount of the 2011B Bonds. The 2011B Bonds of each maturity, as adjusted, will bear interest at the same rate and must have the same initial reoffering yield as specified for that maturity immediately after award of the 2011B

Bonds by the successful bidder for the 2011B Bonds. However, the award will be made to the bidder whose Bid produces the lowest annual true interest cost rate, calculated as specified above, solely on the basis of the 2011B Bonds offered, without taking into account any adjustment made pursuant to this paragraph.

## **BOND REGISTRAR/PAYING AGENT**

The Bond Registrar/Paying Agent for the 2011B Bonds is U.S. Bank Trust National Association, New York, New York (“U.S. Bank”).

## **BIDS**

Bids for the purchase of the 2011B Bonds will be opened by the Division of Bond Finance on a date and at a time which will be communicated by Thomson Municipal Market Monitor. Bidders not having access to such service may request telephone notification of such date and time by calling Kimberly Barrett of the Division of Bond Finance at (850) 488-4782. Because of the possibility that such date may be as early as the day after this Notice of Bond Sale is received, potential bidders without access to Thomson Municipal Market Monitor are urged to request such notification immediately.

Bids may be submitted via i-Deal LLC's Parity/Bidcomp Competitive Bidding System (“*PARITY*®”) only by bidders who have executed the Division of Bond Finance's “ELECTRONIC BIDDING CONDITIONS” agreement.

*Each bidder will be solely responsible for making the necessary arrangements to access the *PARITY*® service for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Bond Sale. I-Deal LLC will not have any duty or obligation to provide or assure such access to any bidder, and neither the Division of Bond Finance nor i-Deal LLC will be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, the *PARITY*® service. The Division of Bond Finance is authorizing the use of *PARITY*® as a communications mechanism to conduct the electronic bidding for the 2011B Bonds; the owners of such service are not agents of the Division of Bond Finance. The Division of Bond Finance is not bound by any advice and determination of i-Deal LLC to the effect that any particular bid complies with the terms of this Notice of Bond Sale and in particular the specifications set forth in “BASIS OF AWARD” and “INTEREST RATES PERMITTED” above. All costs and expenses incurred by bidders in connection with their registration and submission of bids via *PARITY*® are the sole responsibility of such bidders.*

Alternatively, bids may be submitted by mail, messenger or facsimile, on forms which will be furnished by the Division of Bond Finance. Such Bids must be signed by an authorized representative of the bidder.

Bids will be accepted by facsimile only from bidders making prior arrangement with the Division of Bond Finance. Facsimile transmission of Bids will be solely at the risk of the bidder and neither the Department of Transportation (the “Department”) nor the Division of Bond Finance is responsible or liable for any errors in such transmission or any failure of the Division of Bond Finance to receive such transmission in legible form.

Submission of a Bid in any form permitted herein indicates acknowledgment, understanding and acceptance of the terms and provisions of this Notice of Bond Sale and of such Bid.

A Good Faith Deposit is not required to accompany a Bid; however, the successful bidder must wire transfer a Deposit in the amount of \$4,775,400 to the Division of Bond Finance to be received no later than 2:00 p.m., Eastern Standard Time, on the date bids are received. In the event the Deposit is not received by such time, the Division of Bond Finance reserves the right to award the 2011B Bonds to another bidder. No interest on the Deposit will accrue to the successful bidder. The Deposit will be applied to the purchase price of the 2011B Bonds. In the event the successful bidder fails to honor its accepted Bid, the Deposit will be retained by the Division of Bond Finance as liquidated damages. In the event that the Division of Bond Finance fails to deliver the 2011B Bonds to the successful bidder, the Deposit will be immediately delivered

by the Division of Bond Finance to the successful bidder, and neither the successful bidder, the Division of Bond Finance, nor any other party will have any further obligation with respect to the 2011B Bonds.

The bidders must provide the Division of Bond Finance with the public reoffering prices and/or yields of the 2011B Bonds with a Bid for the 2011B Bonds.

### **MINORITY PARTICIPATION**

By law (Section 287.0931, Florida Statutes), the State of Florida encourages offering not less than 20% participation to minority underwriting firms in connection with the issuance of its bonds or other tax-exempt obligations. Minority underwriting firms must have full-time employees located in Florida, a permanent place of business located in Florida, and must be at least 51% owned by minority persons (including women), who need not be Florida residents. The winning bidder for the 2011B Bonds will be requested to document its efforts to comply with this policy on a form provided by the Division of Bond Finance. Questions concerning this policy may be addressed to the Division of Bond Finance at the above address or by calling (850) 488-4782.

### **MUNICIPAL BOND INSURANCE**

Bidders may not elect to insure the 2011B Bonds.

### **DELIVERY AND PAYMENT**

It is anticipated that the 2011B Bonds will be available for delivery to DTC in book-entry only form approximately three weeks from the date Bids for the 2011B Bonds are received or some other date to be mutually agreed upon between the successful bidder and the Division of Bond Finance. Full payment of the balance of the purchase price must be made by Federal Reserve wire transfer to the State of Florida, as directed by the Division of Bond Finance, without cost to the State.

### **CLOSING DOCUMENTS**

If requested, the Division of Bond Finance will furnish to the purchaser upon delivery of the 2011B Bonds the following closing documents in a form satisfactory to Bond Counsel: (1) a signature and no-litigation certificate, (2) a certificate respecting arbitrage, (3) a certificate regarding information in the Official Statement, (4) the approving opinion of Bond Counsel, and (5) the seller's receipt as to payment. A copy of the complete transcript of the proceedings authorizing the 2011B Bonds will be delivered to the purchaser of the 2011B Bonds subsequent to the delivery of the 2011B Bonds. Copies of the forms of such closing papers and certificates may be obtained from the Division of Bond Finance.

### **OFFICIAL STATEMENT**

Upon the sale of the 2011B Bonds, the Division of Bond Finance will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. The Division of Bond Finance deems the Preliminary Official Statement to be "final" as described in SEC Rule 15c2-12(b)(1) for the purposes of such Rule. Up to 3,500 copies of the Final Official Statement will be made available to the successful bidder at the expense of the Division of Bond Finance not later than seven business days subsequent to the date of the award of the 2011B Bonds; additional copies, if needed, will be furnished at the expense of the successful bidder.

### **CUSIP NUMBERS AND DTC ELIGIBILITY**

It is anticipated that CUSIP identification numbers will be printed on the 2011B Bonds, but neither the failure to print such number on any 2011B Bonds nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the 2011B Bonds in accordance with their agreement to purchase the

2011B Bonds. The State of Florida will obtain CUSIP numbers and will be responsible for all expenses in relation to the printing of CUSIP numbers on the 2011B Bonds; provided, however, that it will be the responsibility of the successful bidder to timely pay for the assignment of such CUSIP numbers.

It is anticipated that the 2011B Bonds will be eligible for custodial deposit with DTC; however, it will be the responsibility of the successful bidder to obtain such eligibility. Failure of the successful bidder to obtain DTC eligibility will not constitute cause for failure or refusal by the successful bidder to accept delivery of and pay for the 2011B Bonds in accordance with its agreement to purchase the 2011B Bonds.

#### **UNDERWRITER'S CERTIFICATE**

Prior to or at the time of delivery of the 2011B Bonds, the successful bidder will be required to furnish a certificate, in a form satisfactory to Bond Counsel, certifying the initial offering price. Copies of the form of such certificate may be obtained from the Division of Bond Finance.

#### **CONTINUING DISCLOSURE**

In order to assist bidders in complying with SEC Rule 15c2-12, the Department will undertake to provide, or cause to be provided, certain financial information and operating data and to provide notices of certain material events. Such financial information and operating data will be transmitted to the Municipal Securities Rulemaking Board (the "MSRB") using its Electronic Municipal Market Access System ("EMMA"). Any notice of material events will also be transmitted to the MSRB using EMMA. The form of such undertaking is set forth in the Preliminary Official Statement as an appendix. A copy of the executed undertaking (in substantially the form set forth in such appendix) will be included in the transcript of proceedings relating to the issuance of the 2011B Bonds.

#### **COPIES OF DOCUMENTS**

Copies of the Preliminary Official Statement, this Notice of Bond Sale and the Bid form, and further information which may be desired, may be obtained from the Director, Division of Bond Finance, 1801 Hermitage Boulevard, Hermitage Centre, Suite 200, Tallahassee, Florida 32308, telephone (850) 488-4782.

DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA,  
on behalf of the DEPARTMENT OF TRANSPORTATION

RICK SCOTT  
Governor, as Chairman of the  
Governing Board of the  
Division of Bond Finance

J. BEN WATKINS III,  
Assistant Secretary of the Governing Board  
and Director of the Division of Bond Finance

*THE TERMS AND CONDITIONS OF THE PRELIMINARY OFFICIAL STATEMENT  
ARE INCORPORATED BY REFERENCE IN THIS NOTICE OF BOND SALE*

*THE TERMS AND CONDITIONS OF THIS NOTICE OF BOND SALE  
ARE INCORPORATED BY REFERENCE IN THE BID FOR THE 2011B BONDS*

**BID FOR  
\$238,770,000\*  
STATE OF FLORIDA  
FULL FAITH AND CREDIT  
DEPARTMENT OF TRANSPORTATION  
RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION  
BONDS, SERIES 2011B  
DATED DATE OF DELIVERY**

State Board of Administration of Florida  
Division of Bond Finance  
1801 Hermitage Boulevard, Suite 200  
Tallahassee, Florida 32308

Ladies and Gentlemen:

For the State of Florida, Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds, Series 2011B (the "2011B Bonds"), dated the date of delivery thereof, and maturing annually on July 1 in the years designated below, in the aggregate principal amount of \$238,770,000\* being all of the issue described in the attached Notice of Bond Sale and hereby made a part of this Bid, we will pay you \$238,770,000\*, which,

less a **DISCOUNT** in the amount of \$ \_\_\_\_\_,  
**OR**  
plus a **PREMIUM** in the amount of \$ \_\_\_\_\_,

is our price bid.

The Bonds will bear interest at the rates specified below. **(Do not leave any lines blank.)**

<u>Due July 1</u>	<u>Principal Amount *</u>	<u>Interest Rate</u>	<u>Due July 1</u>	<u>Principal Amount *</u>	<u>Interest Rate</u>
2012	\$650,000	_____%	2027**	\$17,155,000	_____%
2013	1,595,000	_____%	2028**	18,015,000	_____%
2014	1,675,000	_____%	2029**	18,915,000	_____%
2015	1,760,000	_____%	2030**	19,860,000	_____%
2016	1,845,000	_____%	2031**	20,850,000	_____%
2017	1,935,000	_____%	2032**	12,955,000	_____%
2018	2,035,000	_____%	2033**	4,230,000	_____%
2019	2,135,000	_____%	2034**	4,440,000	_____%
2020	2,245,000	_____%	2035**	4,665,000	_____%
2021	2,355,000	_____%	2036**	4,895,000	_____%
2022**	2,475,000	_____%	2037**	5,140,000	_____%
2023**	16,965,000	_____%	2038**	5,400,000	_____%
2024**	14,820,000	_____%	2039**	5,670,000	_____%
2025**	15,555,000	_____%	2040**	5,950,000	_____%
2026**	16,335,000	_____%	2041**	6,250,000	_____%

If we are the successful bidder, we will wire transfer the Deposit to the Division of Bond Finance in accordance with the terms of the Notice of Bond Sale.

This Bid is not subject to any conditions not expressly stated herein or in the attached Notice of Bond Sale. Receipt of the Preliminary Official Statement relating to the 2011B Bonds is hereby acknowledged. The names of the underwriters or the members of the account who are associated for the purpose of this Bid are listed either below or on a separate sheet attached hereto:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The signature below indicates acknowledgment, understanding and acceptance of the terms and provisions of this Bid and of the Notice of Bond Sale.

By: \_\_\_\_\_

No addition or alteration is to be made to this Bid. Bids must be submitted on this form except as otherwise provided in the Notice of Bond Sale.

*(The below computation is submitted for purposes of information only and is not a part of this Bid.)*

The annual true interest cost rate of the Bonds calculated from the date of delivery is \_\_\_\_\_ %

\* Preliminary, subject to change.

\*\* Term Bonds option available; see Term Bonds option provided for in the attached Notice of Bond Sale.