



**FLORIDA SURPLUS ASSET FUND TRUST
3452 LAKE LYNDA DRIVE, SUITE 365, ORLANDO, FLORIDA 32817**

**FLORIDA SURPLUS ASSET FUND TRUST
MINUTES OF THE BOARD OF TRUSTEES**

LOCATION: Fishkind & Associates
12051 Corporate Blvd., Orlando, FL 32817

DATE: August 27, 2008

TIME: 12:12 p.m.

MEMBERS IN ATTENDANCE:

BOARD OF TRUSTEES: Henry Fishkind, Chairman
Joseph MacLaren, Treasurer and Secretary
James Anderson, Vice Chairman
Mark Mason

OTHER ATTENDEES: Chris Blackwood, Managing Director - DFIM
Jeff Larson, S.V.P. - D.A. Davidson & Co.
Diane Cooper, Administration Assistant – DFIM
Fritz Behring – County Manager - Clay County

1. CALL TO ORDER/ROLL CALL

The Chairman, Henry Fishkind, called the meeting to order at 12:12 p.m.

2. BUSINESS ADMINISTRATION

Reviewed and approved the April 30, 2008 meeting minutes. Mark Mason moved to approve the minutes of April 30, 2008, Jim Anderson motioned to approve and Joe MacLaren 2nd. Minutes approved.

3. BUSINESS ITEMS

- a. Board Liability Insurance: Chris Blackwood presented the entire insurance package coverage and discussed the policy coverage and retention levels. Chris also discussed the potential for increasing the insurance amount in the future as asset levels increase in FLSAFE. Mark Mason, Hank Fishkind and Jim Anderson stated that \$1,000,000 liability policy is reasonable at the current time. Joe MacLaren had no comment.

4. STAFF REPORTS

- a. Financial Statement: Chris Blackwood provided an overview of the financial statements and checking account. Mark Mason moved to approve the unaudited Financial Statement, and Jim Anderson seconded. The vote was unanimously in favor.

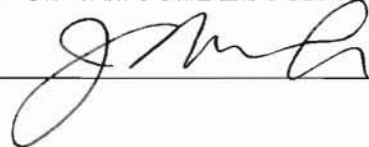
- b. Portfolio Structure: Chris Blackwood presented a summary overview of the current state of the economy. In the meeting, Chris brought up that Indian River County joined FLSAFE sometime in the spring, opened up three accounts totaling approximately \$11 million. Indian River recently withdrew all its funds because of their perception that they were paying double fees by FLSAFE investing in money market funds. Mark Mason explained our fee structure is very low compared to outside banks – the outside banks simply often hide their fees and/or the size of the accounts are not the same and Chris Blackwood concurred. Chris indicated that he is in the process of reducing money market fund positions and adding securities, U.S. Agency paper and highly rated commercial paper - GE and Toyota we recent purchases.
- c. Economic Update: Chris spoke about the economy strengths and weaknesses. The federal government stimulus checks made a small impact to consumer spending in the spring. Housing continues to be a drag on the economy. Inflation continues to be a concern as a result of rising energy prices. Chris stated that the economy is not in an “official recession” however, employment growth has been negative in each of the first six months of the year. The yield curve continues to steepen, a reflection of market expectation of rising short-term interest rates later in the year and into 2009.
- b. Marketing Plans: Chris Blackwood discussed marketed efforts along with various conferences in which we served as a sponsor. Chris indicated that Bill Spivey, the FLSAFE client services representative, has made over 100 direct communications with potential prospects. Chris discussed retaining outside solicitor to assist in the marketing effort.
- c. Website: Chris stated the website is operating efficiently and there have not been any problems.
- d. Next Board Meeting: The Board directed staff to: 1) discover if FLSAFE Board of Trustees meetings can be held outside of Orange County; 2) to determine if Board members can call-in to attend the meeting and 3) to determine if a physical quorum of least 3 Board members is required to hold an official meeting.

5. NEXT MEETING DATE/ADJOURNMENT

The next Board Meeting is expected to meet sometime in November. James Anderson moved to adjourn the meeting. Joseph MacLaren seconded the motion. The motion passed unanimously.

APPROVED THIS 14th DAY OF NOVEMBER, 2008.

FLORIDA SURPLUS ASSET FUND TRUST



ATTEST: