



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

FLORIDA SURPLUS ASSET FUND TRUST
MINUTES OF
JOINT MEETING OF THE BOARD OF PARTICIPANTS AND THE BOARD OF TRUSTEES

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

DATE: January 2, 2008

TIME: 10:20 a.m.

MEMBERS IN ATTENDANCE:

BOARD OF PARTICIPANTS: Traditions Community Development District No. 1
Traditions Community Development District No. 2
Traditions Community Development District No. 3

BOARD OF TRUSTEES: Henry Fishkind
Joseph MacLaren
James Anderson

1. CALL TO ORDER/ROLL CALL

The Secretary of Traditions Community Developments Districts Nos. 1-3, Henry Fishkind, called the meeting to order at 10:20 a.m.

2. BUSINESS ADMINISTRATION

- a. The Secretary of Traditions Community Development Nos. 1-3, Henry Fishkind, moved to elect Henry Fishkind as Secretary of Florida Surplus Asset Fund Trust (the "Trust") solely for purposes and duration of the current meeting. The Chairman of Traditions Community Development District Nos. 1-3, James Anderson, seconded the motion. The motion passed unanimously.
- b. The Board of Participants considered Resolution 2007-1 appointing officers of the Trust. The Secretary of Traditions Community Development Nos. 1-3, Henry Fishkind, moved to elect Henry Fishkind as Chairman, James Anderson as Vice Chairman, Joseph MacLaren as Treasurer and Secretary, effective immediately. The Chairman of Traditions Community Development District Nos. 1-3, James Anderson, seconded the motion. The motion passed unanimously.

- c. The Board of Participants considered Resolution 2007-2 increasing the number of seats on the Board of Trustees and electing trustees. The Board of Participants discussed the need to increase the number of seats on the Board of Trustees at such time as the Trust admitted more Participants. The Board of Participants also discussed the need for the members of the Board of Participants to serve staggered terms. The Secretary of Traditions Community Development Nos. 1-3, Henry Fishkind, moved to maintain the current number of seats on the Board of Trustees and elect, effective immediately, (i) James Anderson to serve a term of one year, (ii) Joseph MacLaren to serve a term of two years, and (iii) Henry Fishkind to serve a term of three years. The District Manager of Traditions Community Development District Nos. 1-3, Joseph MacLaren, seconded the motion. The motion passed unanimously.
- d. The Board of Trustees considered whether or not to authorize execution of the Investment Advisory and Administration Agreement (the "Agreement") with Davidson Fixed Income Management, Inc. ("Davidson"). The Managing Director of Davidson, Chris Blackwood, summarized the terms of the Agreement. Chris Blackwood and the Board of Trustees discussed, *inter alia*, the ability of the Trust to terminate the Agreement upon sixty days written notice, the payment of start-up expenses, and the imposition of fees. The Board of Trustees also discussed the advisability of Davidson to purchase directors' and officers' liability insurance on behalf of the Trust. Joseph MacLaren moved to approve the execution of the Agreement and to direct Davidson to purchase directors' and officers' liability insurance on behalf of the Trust. James Anderson seconded the motion. The motion passed unanimously.
- e. The Board of Trustees considered the selection of a custodian for the Trust. Chris Blackwood summarized his discussions with several potential custodians for the Trust. James Anderson moved to pass a delegation resolution authorizing Davidson to select a custodian; provided, however, that any agreement to be entered into between the Trust and a potential custodian would be subject to approval of and execution by Henry Fishkind as Chairman of the Board of Trustees. Joseph MacLaren seconded the motion. The motion passed unanimously.

3. ADJOURNMENT

Joseph MacLaren moved to adjourn the meeting. James Anderson seconded the motion. The motion passed unanimously.