



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

FLORIDA SURPLUS ASSET FUND TRUST
MINUTES OF
SPECIAL MEETING OF THE BOARD OF TRUSTEES

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

DATE: September 23, 2008

TIME: 4:15 p.m.

MEMBERS IN ATTENDANCE:

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

CALLED IN ATTENDEES: Mark Mason, Treasurer Trustee
Harry Dressler, Non-Treasurer Trustee
Chris Blackwood, Managing Director - DFIM
Jeff Larson, SVP - D.A. Davidson & Co.

OTHER ATTENDEES: Bill Spivey Jr., VP Client Service Manager - DFIM
Diane Cooper, Administration Assistant - DFIM

1. CALL TO ORDER/ROLL CALL

The Chairman, Henry Fishkind, called the meeting to order at 4:15 p.m.

2. STAFF REPORTS

a. Market Update: Chris Blackwood reported what has transpired in the last week.

As of the close of business on September 22, 2008, FLSAFE had approximately \$227 million in assets. Approximately 38% were held in two money market funds, the Reserve Primary Money Market Fund and American Beacon Money Market Fund that FLSAFE requested, but has not received the proceeds of its redemption requests.

American Beacon had indicated their fund did not have credit issues, but had experienced liquidity problems associated with the volume of redemption requests. American Beacon has announced that it will fund redemption requests in cash or in-kind distributions (investors who do not wish to receive in-kind distributions may defer redemptions until the fund resumes paying entirely in cash, which is expected to be no later than December 12, 2008). The Reserve Primary Fund, which has assets of approximately \$62 billion as of opening of business on September 15, 2008, announced that it held \$785 million in investments in Lehman Holdings, Inc. which has filed for bankruptcy on September 14, 2008. On

September 16, 2008, the Reserve announced that it would fund redemptions received prior to 3:00 p.m. EDT at \$1.00 Net Asset Value (“NAV”) and thereafter at the then NAV of the Fund (which was calculated at \$0.97 NAV on September 16, 2008). FLSAFE’s redemption request was accepted at 9:31 a.m. on September 16, 2008. The Reserve initially indicated that redemptions would be funded in seven calendar days (September 23, 2008 for the FLSAFE request). Late on September 19th, the Reserve announced it had sought the SEC’s approval to further postpone payment of redemption requests beyond seven calendar days. This request was granted on September 22nd.

In light of the events of the past week and the continuing uncertainty in the market and the funding of the Reserve redemption request, the Board of Trustees considered various alternatives designed to provide stability to FLSAFE and to prevent a potential run on the fund, which is not considered to be in the best interests of all participants. In addition, the Board of Trustees considered how to best ensure a fair and equitable process so that no participant is advantaged or disadvantaged by the timing of their redemption requests in light of these extraordinary market conditions.

In terms of the investments of FLSAFE, which totaled \$227.4 million on September 23, 2008, approximately 62% were defined as Liquid Assets and 38% (the American Beacon and Reserve Primary money market funds) were defined as Illiquid Assets.

- b. Based on the information presented, the Board of Trustees considered as Resolution to implement Temporary Redemption Restrictions as follows:
1. The maximum amount of redemption by a participant on any single business day is limited to 5% of each participant’s portion of the Liquid Assets at the commencement of that business day.
 2. Request for Redemptions above the 5% should be approved by having the Board delegate two members to form a committee – all board members agreed. The two members appointed are Hank Fishkind, Chairman and Jim Anderson, Vice Chairman, with one alternate for a backup. Harry Dressler accepted the appointment as the alternate/backup.
 3. The investment advisor was directed to develop a plan to accept new purchases while the Temporary Redemption Restrictions were in effect.

Mark Mason motioned to approve the Resolution with the changes, Harry Dressler seconded, the board voted unanimously to approve.

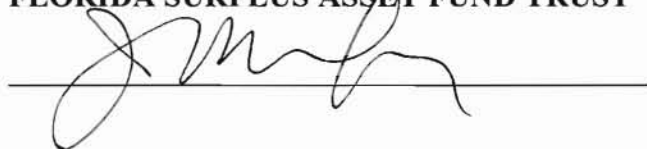
- c. Chris Blackwood stated that during the time period in which the Temporary Redemption Restrictions are in effect, Davidson Fixed Income Management shall waive its management fees.

3. ADJOURNMENT

Joe MacLaren moved to adjourn the meeting. Jim Anderson seconded the motion. The motion passed unanimously.

APPROVED THIS 14th DAY OF NOVEMBER, 2008.

FLORIDA SURPLUS ASSET FUND TRUST



ATTEST:

