

NOTICE

STATE OF FLORIDA SUSPENSION OF BUILD AMERICA BONDS ISSUANCE

The State of Florida (the “State”) has temporarily suspended issuing Build America Bonds due to concerns about the potential for reducing Build America Bond subsidy payments (“Offset”) for any other liabilities due by the State to the federal government. The issuer of Build America Bonds is entitled to receive a direct subsidy from the federal government equal to 35% of the interest cost on Build America Bonds. The federal government has authority to reduce subsidy payments to offset other monies owed to the federal government by issuers of Build America Bonds.

The federal government has not Offset any subsidy payments due to the State for Build America Bonds. Additionally, the State’s Division of Bond Finance is not aware of any amounts owed the federal government which could be used to Offset subsidy payments on Build America Bonds but has not completed its inquiry of all State agencies. The temporary suspension of Build America Bond issuance is being done so that the State can assess the risk that the federal government may withhold subsidy payments due to the State.

Offsets, should any occur, will not have any adverse impact on the full and timely payment of debt service on any Build America Bonds issued by the State. Although the State expects to use subsidy payments to pay debt service on its Build America Bonds, such subsidy payments have not been pledged for such purpose. Additionally, the State is budgeting for gross debt service on its Build America Bonds and pledged revenues are sufficient to provide the full and timely payment of debt service, without regard to the receipt of subsidy payments for Build America Bonds.

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