County of Monroe
The Florida Keys

County Commission Meeting
August 17, 2022
Agenda Item Number: I.10
Agenda Item Summary #10979

BULK ITEM: No **DEPARTMENT:** County Administrator

TIME APPROXIMATE: n/a **STAFF CONTACT:** Richard Strickland (305) 809-5200

AGENDA ITEM WORDING: Approval of a supplemental resolution authorizing the issuance of Monroe County Airport Revenue Bonds to finance and refinance various costs of capital improvements to the Key West International Airport and approval of the terms and details of said Series 2022 bonds.

ITEM BACKGROUND: The Supplemental Bond Resolution authorizes the acquisition, construction and equipping of various capital improvements to the Key West International Airport; authorizes the issuance of not to exceed $50,000,000 in aggregate principal amount revenue bonds for the Key West International Airport; authorizes the distribution of a preliminary official statement and execution and delivery of an official statement; and establishes a book-entry system of registration for the Series 2022 bonds. See attached exhibits.
The Bonds will be issued to (1) finance and refinance the cost of certain capital improvements at the Key West International Airport including the development, construction and equipping of a new second-level concourse of approximately 48,805 square feet ("Concourse A") consisting of: (A) seven gates all fitted with passenger boarding bridges, holdroom areas, passenger circulation space, concession areas, restrooms, a nursing room, a pet relief area, building support areas, including mechanical rooms, IT/Communication rooms, an electrical room, elevator, storage, janitors closet, and stair areas and (B) a ground (apron) level below Concourse A to support a new baggage make-up area and device(s), tug lanes, airline ramp space, ramp equipment storage, and circulation space (collectively the "Project"); (2) fund necessary deposits to the reserve account securing the Bonds; (3) capitalize a portion of the interest of the Bonds; and (4) pay costs related to the issuance of the Bonds.

PREVIOUS RELEVANT BOCC ACTION: On July 20, 2022, the BOCC approved advertising of a public hearing for August 17, 2022 for the purpose of receiving comments and hearing discussion concerning the County's proposed issuance of NTE $50,000,000.00 in aggregate principal amount of Monroe County, Florida Airport Revenue Bonds (Key West International Airport), Series 2022.

CONTRACT/AGREEMENT CHANGES:
n/a

TABLE OF CONTENTS

Page

$__________*
MONROE COUNTY, FLORIDA
AIRPORT REVENUE BONDS
(KEY WEST INTERNATIONAL AIRPORT), SERIES 2022 (AMT)

INTRODUCTION

General

This Official Statement, including the cover page and the Appendices, is provided to furnish certain information regarding the Key West International Airport (the "Airport") in connection with the issuance and sale by Monroe County, Florida (the "County"), of its $_________* aggregate principal amount of Airport Revenue Bonds (Key West International Airport), Series 2022 (AMT) (the "Series 2022 Bonds"). Certain capitalized terms used in this Official Statement, unless otherwise defined herein, are defined in "FORM OF THE BOND RESOLUTION," included as Appendix D attached hereto.

Purpose

The Series 2022 Bonds are being issued for the purpose of providing a portion of the funds necessary to (1) finance and refinance various costs of certain capital improvements to the Airport, as more particularly described herein (see "THE SERIES 2022 PROJECT" herein), (2) refinance all amounts outstanding, if any, under an existing line of credit (as further described herein, the "Interim Indebtedness"), (3) fund the Reserve Account, (4) pay capitalized interest and (5) pay the costs of issuance of the Series 2022 Bonds.

The County and the Airport

The County was constitutionally formed in 1823. It is comprised primarily of the Florida Keys, which are a string of coral islands extending in a southwesterly arc from Biscayne Bay to the Dry Tortugas. The Florida Keys separate the Atlantic Ocean on the southeast from the Gulf of Mexico to the northwest, and extend approximately 100 miles south from the United States mainland. The County seat, Key West, located on the southernmost of the Florida Keys, lies 98 miles north of Cuba, approximately 160 miles southwest of Miami and 66 nautical miles north of the Tropic of Cancer. The County has a five-member Board of County Commissioners elected for staggered terms of four years. The Mayor (Chairman) and the Mayor Pro-Tem (Vice Chairman) are elected by the Board.

The Airport is a small-hub, commercial airport located within the city limits of Key West, Monroe County, Florida and covers approximately 268 acres. Of this area, 87 acres are salt ponds and mangrove vegetation. The remaining 181 acres are usable for the Airport.

See "THE COUNTY AND THE AIRPORT" herein for more information.

Marathon Airport

In addition to the Airport, the County owns and operates the Florida Keys Marathon International Airport, a general aviation airport. See "THE COUNTY AND THE AIRPORT" herein. Revenues received

*Preliminary, subject to change.

by the County from the operation of Marathon Airport are not part of the Pledged Funds. Similarly, the operating expenses of Marathon Airport are not part of the Airport's Operation and Maintenance Costs.

Authorization

The Series 2022 Bonds will be issued pursuant to the Constitution and laws of the State of Florida, particularly Chapter 125, Part I, and Chapter 332, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), and Resolution No. ______ duly adopted by the Board of County Commissioners of the County (the "Board") on August 17, 2022, as amended and supplemented from time to time, and as particularly supplemented by Resolution No. ______ duly adopted by the Board on August 17, 2022 (collectively, the "Bond Resolution"). A form of the Bond Resolution is provided in Appendix D attached hereto.

Security for the Bonds

The payment of the principal of or Redemption Price, if applicable, and interest on the Series 2022 Bonds is secured equally and ratably by a pledge of and lien upon (1) the Net Revenues, (2) Eligible PFC Revenues, (3) any Hedge Receipts, and (4) until applied in accordance with the provisions of the Bond Resolution, all moneys, including investments thereof, in the funds and accounts established thereunder, except (A) moneys in the PFC Account and the PFC Capital Improvement Fund (but only to the extent not legally available to pay debt service on the Series 2022 Bonds) and the Rebate Fund, (B) moneys in any fund or account to the extent such moneys shall be required to pay the Operation and Maintenance Costs in accordance with the terms of the Bond Resolution, and (C) moneys on deposit in a subaccount of the Reserve Account to the extent moneys on deposit therein shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions of the Bond Resolution. The Series 2022 Bonds together with any Additional Bonds hereafter issued are referred to herein as the "Bonds."

The Series 2022 Bonds are secured by the Reserve Account in an amount equal to the Reserve Account Requirement for the Series 2022 Bonds (each as further defined and described herein). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Reserve Account" herein.

THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. NO HOLDER OF ANY BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE COUNTY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. THE BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON THE AIRPORT OR ANY OTHER PROPERTY OF THE COUNTY, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS.

Impact of COVID-19 on the Airport

The worldwide outbreak of novel coronavirus SARS-CoV-2 (together with all variants thereof "COVID-19") has caused significant disruption to domestic and international air travel, including passenger operations, and has had significant negative and adverse effects on the economies of the nation and the world. The effects of COVID-19 and actions taken to halt its spread had a significant adverse effect on the revenues, the financial condition and the operations of the Airport.

The impact to air travel began in East Asia in December 2019 and rapidly accelerated to other regions of the world in March and April 2020. Airlines responded by reducing capacity across their networks due to decreased demand, travel restrictions, and border closures. By May 2020, which represented the low point in terms of passenger airline capacity offered, scheduled departing seats decreased to 24.0% of May 2019 capacity for all U.S. airports and 27.5% of May 2019 capacity at the Airport. Airline capacity started to recover in June 2020 nationwide and at the Airport.

As presented in the table below, enplaned passenger activity declined sharply beginning in March 2020, reaching a low in April and May 2020. However, enplaned passenger activity recovered to pre-COVID-19 levels at the Airport by February 2021. For Fiscal Year 2021, enplanements were 139% of Fiscal Year 2019 levels. This higher level of activity has continued through the first nine months of Fiscal Year 2022. Fiscal year-to-date, enplanements were 24.7% above the prior year and 56.3% above Fiscal Year 2019 for the first nine months, respectively.

Fiscal Year to Date Enplaned Passenger Recovery
(Fiscal Years Ended September 30)

Month	Fiscal Year 2019	Fiscal Year 2020	2020 vs. 2019	Fiscal Year 2021	2021 vs. 2019	Fiscal Year 2022	2022 vs. 2019
October	31,148	33,034	106%	28,709	92%	53,525	172%
November	32,855	37,836	115	31,844	97	60,901	185
December	39,463	43,701	111	36,818	93	67,332	171
January	46,450	56,694	122	44,312	95	67,826	146
February	44,968	56,381	125	47,057	105	64,290	143
March	56,129	38,826	69	67,097	120	78,310	140
April	45,442	1,219	3	68,489	151	71,766	158
May	41,282	2,506	6	72,160	175	66,802	162
June	38,347	13,946	36	74,928	195	57,095	149
July	38,163	21,442	56	73,950	194	N/A	N/A
August	32,571	16,108	49	63,689	196	N/A	N/A
September	28,216	18,614	66	50,268	178	N/A	N/A
Total	475,034	340,307	72%	659,321	139%	N/A	N/A

Source: Monroe County, Florida.

The recovery and increase in activity at the Airport has been driven in part by factors that are specific to the Airport and the COVID-19 pandemic:

- Leisure destinations like Key West, with an abundance of outdoor activities where visitors can remain socially distanced, were popular with leisure travelers during the COVID-19 pandemic.

- International travel restrictions and quarantine requirements suppressed demand for travel to competing international leisure destinations.

- With the broader downturn in demand for air travel, airlines had more aircraft and crew availability to add service to destinations like Key West where there is strong demand for leisure travel.

See "CERTAIN INVESTMENT CONSIDERATIONS" herein for more information about COVID-19 and its impact on the Airport and the County.

Environmental, Social, and Governance (ESG) Factors for the Series 2022 Project

The Series 2022 Project is designed to provide a highly efficient, economically prosperous, environmentally responsible, healthy, and safe facility. The design considers energy efficiency, energy use reduction; potable water use reduction, demolition and construction waste reduction, operational waste reduction with increased recycling, increased interior environmental air quality through selection of durable, low maintenance, low/no volatile organic compound materials, increased daylighting, glare reduction, and efficient building systems management. These considerations make the building more energy efficient, reduce operational water consumption, while improving indoor environmental quality, occupant comfort, and building operations leading to a reduction of net operational and embodied carbon, CO2 emissions and pollutants. See "THE COUNTY AND THE AIRPORT – Environmental Social Governances" herein for more information.

Investment Considerations

The purchase and ownership of the Series 2022 Bonds involve investment risks. Prospective purchasers of the Series 2022 Bonds should read this Official Statement in its entirety. For a discussion of certain risks relating to the Series 2022 Bonds, see "CERTAIN INVESTMENT CONSIDERATIONS" herein.

Summaries

This Official Statement contains summaries of the Bond Resolution, the hereinafter defined Use Agreements and the terms of and security for the Bonds, together with descriptions of the Airport and its operations. All references herein to agreements and documents are qualified in their entirety by references to the definitive forms of each such agreement or document. All references to the Series 2022 Bonds are further qualified by references to the information with respect to them contained in the Bond Resolution. See "APPENDIX D – FORM OF THE BOND RESOLUTION" attached hereto.

INTERIM INDEBTEDNESS

The County previously issued the Interim Indebtedness, entering into a Line of Credit Agreement with PNC Bank, National Association ("PNC") on July 1, 2021 for up to $10,000,000 to fund, on an interim basis, portions of the Series 2022 Project. The Interim Indebtedness is currently outstanding in the principal amount of $_________. The County has determined, through the issuance of the Series 2022 Bonds and/or other available funds, to refinance all amounts outstanding, if any, under the Interim Indebtedness. Provision for payment will be accomplished through the issuance of the Series 2022 Bonds or the use of a portion in full of the proceeds thereof and other available funds. The Interim Indebtedness is expected to be prepaid prior to its maturity, on or before the closing date of the Series 2022 Bonds (___________, 2022) at a repayment price of 100% of the principal amount thereof, plus accrued interest to the redemption date. At that time, the Line of Credit Agreement with PNC Bank will be terminated.

THE SERIES 2022 PROJECT AND PLAN OF FINANCE

General

The "Series 2022 Project" includes, but is not limited to, the development, construction and equipping of a new second-level concourse of approximately 48,805 square feet ("Concourse A") consisting of: (1) seven gates all fitted with passenger boarding bridges, hold-room areas, passenger circulation space, concession areas, restrooms, a nursing room, a pet relief area, building support areas, including mechanical rooms, IT/Communication rooms, an electrical room, elevator, storage, janitors closet and stair areas, and (2) a ground (apron) level below Concourse A to support a new baggage make-up area and devices, tug lanes, airline ramp space, ramp equipment storage and circulation space. The construction manager of the Series 2022 Project has agreed to a guaranteed maximum price which includes: an escalation of 4%, Series 2022 Project contingency of 4% and cost overruns being the responsibility of general contractor (with the exception of pre-existing conditions). Construction of the Series 2022 Project is not expected to have any material adverse impacts on Airport operations.

Series 2022 Project Funding Sources

The total estimated project cost of the Series 2022 Project is approximately $113.4 million, the funding of which includes approximately $2.8 million of AIP grant funds, $39.8 million of FDOT grant funds, $11.4 million comprising a combination of CARES, American Rescue Plan ("ARP) and Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA") grant funds, an estimated $14.8 million of Bipartisan Infrastructure Law (“BIL”) grant funds, $10 million of an Airport Improvement Program (“AIP”) grant anticipation note, $2.7 million of PFC PAYGO funds, and $31.9 million of 2022 Bonds proceeds.

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ESTIMATED SERIES 2022 PROJECT COST AND FUNDING

Program Elements	Series 2022 Project Estimated Cost	Estimated Series 2022 Project Funding: AIP Ent. Funds[1]	FDOT Funds	Covid 19 Relief Funds[2]	BIL Funds - Gen[3]	2022 Line of Credit[4]	PFC PAYGO	Series 2022 Bonds Total	Total Funding
Design									
PFC Eligible	$5,399,833	$2,536,403	$0	$163,430	$0	$0	$2,700,000	$0	$5,399,833
Non-PFC Eligible	3,224,943	0	3,224,943	0	0	0	0	0	3,224,943
Total - Design	$8,624,776	$2,536,403	$3,224,943	$163,430	$0	$0	$2,700,000	$0	$8,624,776
New Concourse "A"									
PFC Eligible	$55,011,613	$263,597	$542,491	$2,618,815	$9,690,542	$10,000,000	$0	$31,896,168	$55,011,613
Non-PFC Eligible	25,414,722	0	25,414,722	0	0	0	0	0	25,414,722
Total - New Concourse A	$80,426,335	$263,597	$25,957,213	$2,618,815	$9,690,542	$10,000,000	$0	$31,896,168	$80,426,335
Baggage Claim/Holdroom Renovations									
PFC Eligible	$5,071,490	$0	$0	$0	$5,071,490	$0	$0	$0	$5,071,490
Non-PFC Eligible	4,082,824	0	4,082,824	0	0	0	0	0	4,082,824
Total - Bag Claim/Holdroom Renos.	$9,154,314	$0	$4,082,824	$0	$5,071,490	$0	$0	$0	$9,154,314
TSA Terminal Renovations									
PFC Eligible	$302,219	$0	$0	$302,219	$0	$0	$0	$0	$302,219
Non-PFC Eligible	6,566,391	0	6,566,391	0	0	0	0	0	6,566,391
Total - TSA Terminal Renos.	$6,868,610	$0	$6,566,391	$302,219	$0	$0	$0	$0	$6,868,610
Passenger Boarding Bridges									
PFC Eligible	$8,300,000	$0	$0	$8,300,000	$0	$0	$0	$0	$8,300,000
Non-PFC Eligible	0	0	0	0	0	0	0	0	0
Total Loading Bridges	$8,300,000	$0	$0	$8,300,000	$0	$0	$0	$0	$8,300,000
Total 2022 Project	$113,374,035	$2,800,000	$39,831,371	$11,384,464	$14,762,032	$10,000,000	$2,700,000	$31,896,168	$113,374,035

(1) Fiscal Year 2025 estimated AIP entitlement grant funds.
(2) Includes CARES, ARPA and CRRSA grant funds.
(3) Amounts programmed for Fiscal Year 2023, Fiscal Year 2024 and Fiscal Year 2025.
(4) Represents proceeds of the 2022 Line of Credit (as hereinafter defined). See "—Plan of Finance" below for more information.
Source: Report of the Airport Consultant attached as APPENDIX C hereto.

See "THE COUNTY AND THE AIRPORT – Capital Improvement Program and Funding Sources" herein for more information about additional capital improvements projects anticipated at the Airport during the Forecast Period (as hereinafter defined) and their funding sources.

Plan of Finance

The County plans to enter into a line of credit with PNC (the "2022 Line of Credit") which will serve as interim indebtedness for financing a portion of the costs of the Series 2022 Project. The 2022 Line of Credit will bear interest at a variable rate and will be secured by certain AIP Entitlement Grants, BIL Entitlement Grants and any BIL Discretionary Grants, all received in the Fiscal Years 2026 through 2028, and a subordinate lien on the Net Revenues and Eligible PFC Revenues. It is anticipated the 2022 Line of Credit will close simultaneously with the Series 2022 Bonds.

DESCRIPTION OF THE SERIES 2022 BONDS

General

The Series 2022 Bonds will mature on October 1 of the years and in the amounts shown on the inside cover page hereof. The Series 2022 Bonds will be initially dated as of their date of delivery and will bear fixed rates of interest until their final maturity or earlier redemption, payable on April 1, 2023 and semiannually after that date on October 1 and April 1 in each year, at the rates per annum set forth on the inside cover page hereof. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will serve as Registrar and Paying Agent pursuant to the terms of the Bond Resolution.

The Series 2022 Bonds will be issued only as fully registered bonds in denominations of $5,000 or any integral multiples thereof. The Series 2022 Bonds will be initially registered through a book-entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Details of payment of the Series 2022 Bonds and the book-entry system are described below under the subcaption "Book-Entry Only System." Except as described under the subcaption "Book-Entry Only System" below, beneficial owners of the Series 2022 Bonds will not receive or have the right to receive physical delivery of Series 2022 Bonds, and will not be or be considered under the Bond Resolution to be the registered owners thereof. Accordingly, beneficial owners must rely upon (1) the procedures of DTC and, if such beneficial owner is not a Participant (as defined herein), the Participant who will act on behalf of such beneficial owner to receive notices and payments of principal of and interest on the Series 2022 Bonds, and to exercise voting rights, and (2) the records of DTC and, if such beneficial owner is not a Participant, such beneficial owner's Participant, to evidence its beneficial ownership of the Series 2022 Bonds. So long as DTC or its nominee is the registered owner of the Series 2022 Bonds, references herein to Series 2022 Bondholders or registered owners of such Series 2022 Bonds shall mean DTC or its nominee and shall not mean the beneficial owners of such Series 2022 Bonds.

Redemption

Optional Redemption. The Series 2022 Bonds maturing on or prior to October 1, ____ are not subject to optional redemption prior to their respective maturities. The Series 2022 Bonds maturing on and after October 1, _____ may be redeemed prior to their respective maturities, at the option of the County, either in whole or in part, from any monies that may be available for such purpose, on any date on or after

October 1, _____, at a redemption price equal to 100% of the principal amount of the Series 2022 Bonds to be redeemed, plus accrued interest to the redemption date, without premium.

Mandatory Redemption. The Series 2022 Bonds maturing on October 1, _____ are subject to mandatory redemption at the redemption price of par plus accrued interest on the dates and in the amounts of the Sinking Fund Installments set forth below:

Date (October 1)	Sinking Fund Installments
	$
*	

*Maturity

Notice of Redemption. Notice of such redemption shall specify the Series 2022 Bond or Series 2022 Bonds (or portions thereof) to be redeemed and the date and place for redemption, shall be given by the Registrar on behalf of the County, and (A) shall be filed with the Paying Agents of such Series 2022 Bonds, and (B) shall be mailed first class, postage prepaid, at least 20 days nor more than 45 days prior to the redemption date to all Holders of Series 2022 Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar as of the date of mailing of such notice. Failure to mail such notice to the Holders of the Series 2022 Bonds to be redeemed, or any defect therein, shall not affect the proceedings for redemption of Series 2022 Bonds as to which no such failure or defect has occurred. Failure of any Holder to receive any notice mailed as herein provided shall not affect the proceedings for redemption of such Holder's Series 2022 Bonds.

The County may provide that a notice of redemption may be contingent upon the occurrence of certain condition(s) and that if such condition(s) do not occur, the notice will be rescinded; provided notice of rescission shall be mailed in the manner described above to all affected Bondholders as soon as practicable.

Selection of Series 2022 Bonds to be Redeemed. The Series 2022 Bonds shall be redeemed only in authorized denominations each and integral multiples thereof. The County shall, at least 25 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the Outstanding Bonds of a single maturity, the particular Series 2022 Bonds or portions of Series 2022 Bonds to be redeemed shall be selected not more than 45 days and not less than 20 days prior to the redemption date by the Registrar from the Outstanding Series 2022 Bonds of the maturity or maturities designated by the County by such method as the Registrar shall deem fair and appropriate and which may provide for the selection for redemption of Series 2022 Bonds or portions of Bonds in principal amounts of $5,000 and integral multiples thereof. If less than all of a Term Bond is to be redeemed the aggregate principal amount to be redeemed shall be allocated to the Sinking Fund Installments on a pro-rata basis unless the County, in its discretion, designates a different allocation.

If less than all of the Outstanding Series 2022 Bonds of a single maturity are to be redeemed, the Registrar shall promptly notify the County and Paying Agent (if the Registrar is not the Paying Agent for such Bonds) in writing of the Series 2022 Bonds or portions of Series 2022 Bonds selected for redemption and, in the case of any Series 2022 Bond selected for partial redemption, the principal amount thereof to be redeemed.

Redemption of Portions of Series 2022 Bonds. Any Series 2022 Bond which is to be redeemed only in part shall be surrendered at any place of payment specified in the notice of redemption (with due endorsement by, or instrument of transfer in form satisfactory to the Registrar duly executed by, the Holder thereof or his attorney duly authorized in writing) and the County shall execute and the Registrar shall authenticate and deliver to the Holder of such Series 2022 Bond, without service charge, a new Series 2022 Bond or Series 2022 Bonds, of any authorized denomination, as requested by such Holder in an aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2022 Bonds so surrendered.

Purchase in Lieu of Optional Redemption. Notwithstanding anything in the Bond Resolution to the contrary, at any time the Series 2022 Bonds are subject to optional redemption pursuant to the Bond Resolution, all or a portion of the Series 2022 Bonds to be redeemed as specified in the notice of redemption, may be purchased by the Paying Agent, as trustee, at the direction of the County, on the date which would be the redemption date if such Series 2022 Bonds were redeemed rather than purchased in lieu thereof at a purchase price equal to the redemption price which would have been applicable to such Series 2022 Bonds on the redemption date for the account of and at the direction of the County who shall give the Paying Agent, as trustee, notice at least 10 days prior to the scheduled redemption date accompanied by an opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion from gross income for federal income tax purposes of interest on such Series 2022 Bonds or any other Outstanding Bonds. In the event the Paying Agent, as trustee, is so directed to purchase Series 2022 Bonds in lieu of optional redemption, no notice to the holders of the Series 2022 Bonds to be so purchased (other than the notice of redemption otherwise required under the Bond Resolution) shall be required, and the Paying Agent, as trustee, shall be authorized to apply to such purchase the funds which would have been used to pay the redemption price for such Series 2022 Bonds if such Series 2022 Bonds had been redeemed rather than purchased. Each Series 2022 Bond so purchased shall not be canceled or discharged and shall be registered in the name of the County. Series 2022 Bonds to be purchased under the Bond Resolution in the manner set forth above which are not delivered to the Paying Agent, as trustee, on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former holder thereof on the purchase date.

Book-Entry Only System

THE FOLLOWING INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY ONLY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT THE COUNTY AND UNDERWRITERS BELIEVE TO BE RELIABLE. THE COUNTY AND UNDERWRITERS TAKE NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2022 BONDS, AS NOMINEE OF DTC, CERTAIN REFERENCES IN THIS OFFICIAL STATEMENT TO THE SERIES 2022 BONDHOLDERS OR REGISTERED OWNERS OF THE SERIES 2022 BONDS SHALL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2022 BONDS. THE DESCRIPTION WHICH FOLLOWS OF THE PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2022 BONDS, PAYMENT OF INTEREST AND PRINCIPAL ON THE SERIES 2022 BONDS TO DTC PARTICIPANTS (AS HEREINAFTER DEFINED) OR BENEFICIAL OWNERS OF THE SERIES 2022 BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2022 BONDS, AND OTHER RELATED TRANSACTIONS BY AND BETWEEN DTC, THE DIRECT PARTICIPANTS AND BENEFICIAL OWNERS OF THE SERIES 2022 BONDS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC. ACCORDINGLY, THE COUNTY

AND UNDERWRITERS NEITHER MAKES NOR CAN MAKE ANY REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2022 Bond certificate will be issued for each maturity of the Series 2022 Bonds as set forth in the inside cover of this Official Statement in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Direct Participants and the Indirect Participants are collectively referred to herein as the "DTC Participants." DTC has an S&P Global Ratings ("S&P") rating of AA+. The DTC Rules applicable to its DTC Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com.

Purchases of Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Bondholder ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds;

DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2022 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Series 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such DTC Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County and/or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Series 2022 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor depository) upon compliance with any applicable DTC rules and procedures. In that event, Series 2022 Bond certificates will be printed and delivered to DTC.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The payment of the principal of or Redemption Price, if applicable, and interest on the Bonds is secured equally and ratably by a pledge of and lien upon the Pledged Funds. "Pledged Funds" is defined in the Bond Resolution as (1) the Net Revenues, (2) Eligible PFC Revenues, (3) any Hedge Receipts, and (4) until applied in accordance with the provisions of the Bond Resolution, all moneys, including investments thereof, in the funds and accounts established thereunder, except (A) moneys in the PFC Account and the PFC Capital Improvement Fund (but only to the extent not legally available to pay debt service on the Bonds) and the Rebate Fund, (B) moneys in any fund or account to the extent such moneys shall be required to pay the Operation and Maintenance Costs in accordance with the terms of the Bond Resolution, and (C) moneys on deposit in a subaccount of the Reserve Account to the extent moneys on deposit therein shall be pledged solely for the payment of the Series of Bonds for which it was established in accordance with the provisions of the Bond Resolution.

THE BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE COUNTY AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND PLEDGE OF THE PLEDGED FUNDS, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. NO HOLDER OF ANY BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH BOND OR BE ENTITLED TO PAYMENT OF SUCH BOND FROM ANY MONEYS OF THE COUNTY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. THE BONDS AND THE OBLIGATIONS EVIDENCED THEREBY SHALL NOT CONSTITUTE A LIEN UPON THE AIRPORT OR ANY OTHER PROPERTY OF THE COUNTY, BUT SHALL CONSTITUTE A LIEN ONLY ON, AND SHALL BE PAYABLE SOLELY FROM, THE PLEDGED FUNDS.

Definitions

"Net Revenues" is defined in the Bond Resolution as Gross Revenues less Operation and Maintenance Costs.

"Gross Revenues" or "Revenues" are defined in the Bond Resolution for any period all moneys paid or accrued for the use of and for services and facilities furnished by, or in connection with the ownership or operation of, the Airport, or any part thereof or the leasing or use thereof calculated in accordance with generally accepted accounting principles applicable to publicly owned airports similar to the Airport, including, but not limited to (1) rentals, (2) concession fees, (3) use charges, (4) landing fees, (5) license and permit fees, (6) service fees and charges, (7) moneys from the sale of fuel, and or other merchandise, and (8) Investment Earnings; provided, however, that Gross Revenues shall not include (A) proceeds received from the sale of Bonds, Subordinated Indebtedness or Special Purpose Facilities Bonds, (B) proceeds from the sale or taking by eminent domain of any part of the Airport, (C) gifts or Government Grants, (D) ad valorem tax revenues, (E) any insurance proceeds received by the County (other than insurance proceeds paid as compensation for business interruption), (F) amounts received which are required to be paid to any other governmental body, including, but not limited to taxes and impact fees, (G) PFC Revenues, and (H) any noise abatement charges received for disbursement to others.

"Operation and Maintenance Costs" is defined in the Bond Resolution as any and all costs incurred by the County in operating, maintaining and administering the Airport, including, but not limited to, the general administrative and legal costs of the County related to operation, maintenance, management, security and development of the Airport; costs associated with equipment, vehicles, supplies, materials, services and support for the operation, maintenance, management, security and development of the Airport; any costs of litigation or a legal judgment against the County; all costs incurred in planning or applying for, obtaining, maintaining and defending permits; accounting, legal and engineering expenses; ordinary and current rentals of equipment or other property; refunds of moneys lawfully due to others; payments to pension, retirement, health and hospitalization funds; payments in lieu of taxes or franchise fees or impact fees; and fees for management of the Airport or any portion thereof, all to the extent properly attributable to the Airport in accordance with generally accepted accounting principles applicable to publicly owned airports similar to the Airport; but does not include any costs or expenses in respect of original construction or improvement other than expenditures necessary to prevent an interruption or continuance of an interruption of service or of Gross Revenues or minor capital expenditures necessary for the proper and economical operation or maintenance of the Airport, or any accruals required to be recognized with respect to pension, retirement, health and hospitalization funds that do not require or result in the expenditure of cash, or any provision for interest, depreciation, amortization or similar charges, or any loss resulting from the valuation of investment securities, Hedge Agreements at market value and any other loss that does not require or result in the expenditure of cash.

"PFC Revenues" is defined in the Bond Resolution as all revenues received by the County from time to time from the Passenger Facility Charges imposed by the County at the Airport pursuant to the PFC Act, PFC Regulations and PFC Authority, including any investment income with respect thereto, and including proceeds thereof and gains from sales of investments after such revenues have been remitted to the County as provided in the PFC Regulations.

"Passenger Facility Charges" or "PFCs" is defined in the Bond Resolution as the passenger facility charges relating to the Airport authorized to be charged by the County from time to time under the PFC Act and the PFC Regulations.

"Eligible PFC Revenues" is defined in the Bond Resolution as PFC Revenues which shall be legally available to pay the principal of and interest on the Bonds in accordance with the PFC Act, the PFC Regulations and PFC Authority. The County may identify Eligible PFC Revenues with respect to any particular Series of Bonds in a Supplemental Resolution.

"PFC Act" is defined in the Bond Resolution as the Aviation Safety and Capacity Expansion Act of 1990 (now codified as 49 U.S. §40117), as amended or replaced from time to time.

"PFC Authority" is defined in the Bond Resolution as the FAA's Records of Decision, as the same may be amended from time to time, issued by the FAA relating to Passenger Facility Charges imposed or to be imposed by the Issuer at the Airport.

"PFC Regulations" is defined in the Bond Resolution as Part 158 of the Federal Aviation Regulations (14 C.F.R. Part 158), as amended from time to time, and any other regulation(s) issued with respect to the PFC Act.

Funds and Accounts

The Bond Resolution establishes various Funds and Accounts, including the following:

(1) The Revenue Fund, which includes the Revenue Account and the PFC Account.

(2) The Operation and Maintenance Fund, which includes the Operation and Maintenance Payment Account and Operation and Maintenance Reserve Account.

(3) The Sinking Fund, which includes an Interest Account, a Principal Account, a Reserve Account and a Term Bonds Redemption Account.

(4) The Surplus Fund.

(5) The PFC Capital Improvement Fund.

(6) The Rebate Fund.

Construction Fund

The Bond Resolution established a special fund called "Monroe County, Florida Key West International Airport Construction Fund." A separate account shall be established in the Construction Fund for each Series of Bonds. Proceeds of the Series 2022 Bonds to be used to pay Costs of the Series 2022 Project shall be deposited into the Series 2022 Bonds Account in the Construction Fund and used solely for the purpose of paying Costs of the Series 2022 Project as provided in the Bond Resolution.

Disposition of Gross Revenues and Eligible PFC Revenues

(A) Revenue Fund. Into the Revenue Account, the County shall deposit promptly, as received, all Gross Revenues. Into the PFC Account, the County shall deposit promptly, as received, all PFC Revenues.

(B) Operation and Maintenance Payment Account. Moneys in the Revenue Account shall first be used each month to deposit in the Operation and Maintenance Payment Account such sums as are necessary to pay Operation and Maintenance Costs for the ensuing month; provided the County may transfer moneys from the Revenue Account or the Airport Surplus Fund or the Operation and Maintenance Reserve Account to the Operation and Maintenance Payment Account at any time to pay Operation and Maintenance Costs to the extent there is a deficiency in the Operation and Maintenance Payment Account for such purpose. Amounts in the Operation and Maintenance Payment Account shall be paid out from time to time by the County for Operation and Maintenance Costs.

(C) PFC Account. Moneys in the PFC Account shall be applied on or before the 25th day of each month in the following order of priority:

(1) *Sinking Fund*. The County shall deposit or credit to the Interest Account, the Principal Account and the Term Bonds Redemption Account such amounts as it shall determine pursuant to its Annual Budget and which are Eligible PFC Revenues.

(2) *PFC Capital Improvement Fund*. The remainder of moneys in the PFC Account shall be deposited into the PFC Capital Improvement Fund and shall be utilized in accordance with the terms of the Bond Resolution.

(D) Subsequent to the payment described in (B) above, moneys on deposit in the Revenue Account shall be applied by the County on or before the 25th day of each month in the following order of priority:

(1) *Interest Account*. The County shall deposit or credit to the Interest Account the sum which, together with the balance in said Account including any moneys transferred from the PFC Account to the Interest Account, shall equal the interest on all Bonds Outstanding (except as to Capital Appreciation Bonds) accrued and unpaid and to accrue to the end of the then current calendar month. All Hedge Receipts and Federal Subsidy Payments shall be deposited directly to the Interest Account upon receipt. With respect to interest on Bonds which are subject to a Qualified Hedge Agreement, interest on such Bonds during the term of the Qualified Hedge Agreement shall be deemed to include the corresponding Hedge Payments. Moneys in the Interest Account shall be applied by the County (a) for deposit with the Paying Agents to pay the interest on the Bonds on or prior to the date the same shall become due and (b) for Hedge Payments. Any Federal Subsidy Payments deposited to the Interest Account shall be deemed to have been applied to the payment of interest on the Federal Subsidy Bonds to which such Federal Subsidy Payments relate. The County shall adjust the amount of the deposit to the Interest Account not later than a month immediately preceding any Interest Date so as to provide sufficient moneys in the Interest Account to pay the interest on the Bonds coming due on such Interest Date. No further deposit need be made to the Interest Account when the moneys therein are equal to the interest coming due on the Outstanding Bonds on the next succeeding Interest Date. With respect to debt service on any Bonds which are subject to a Qualified Hedge Agreement, any Hedge Payments due to the Qualified Hedge Agreement Counterparty relating to such Bonds shall be paid to the Qualified Hedge Agreement Counterparty on a parity basis with the aforesaid required payments into the Sinking Fund. In computing the interest on Variable Rate Bonds which shall accrue during a calendar month, the interest rate on such Variable Rate Bonds shall be assumed to be (A) if such Variable Rate Bonds have been Outstanding for at least 24 months prior to the commencement of such calendar month, the highest interest rate borne by such Variable Rate Bonds during any 30-day period during such preceding 24 months, and (B) if such Variable Rate Bonds have not been Outstanding for at least 24 months prior to the date of calculation, the Bond Buyer Revenue Bond Index most recently published prior to the commencement of such calendar month.

(2) *Principal Account*. Commencing no later than the month which is one year prior to the first principal due date, the County shall next deposit into the Principal Account the sum which, together with the balance in said Account, including any moneys transferred from the PFC Account to the Principal Account, shall equal the principal amounts on all Bonds Outstanding due and unpaid and that portion of the principal next due which would have accrued on such Bonds during the then current calendar month if such principal amounts were deemed to accrue monthly (assuming that a year consists of 12 equivalent calendar months having 30 days each) except for the Sinking Fund Installments to be deposited pursuant to (D)(3) below, in equal amounts from the next preceding principal payment due date, or, if there be no such preceding payment due date from a date one year preceding the due date of such principal amount. Moneys in the Principal Account shall be applied by the County for deposit with the Paying Agents to pay the principal of the Bonds on or prior to the date the same shall mature, and for no other purpose. Serial Capital

Appreciation Bonds shall be payable from the Principal Account in the years in which such Bonds mature and monthly payments into the Principal Account on account of such Bonds shall commence in the twelfth month immediately preceding the maturity date of such Bonds. The County shall adjust the amount of the deposit to the Principal Account not later than the month immediately preceding any principal payment date so as to provide sufficient moneys in the Principal Account to pay the principal on Bonds becoming due on such principal payment date. No further deposit need be made to the Principal Account when the moneys therein are equal to the principal coming due on the Outstanding Bonds on the next succeeding principal payment date.

(3) *Term Bonds Redemption Account*. Commencing in the month which is one year prior to the first Sinking Fund Installment due date, there shall be deposited to the Term Bonds Redemption Account the sum which, together with the balance in such Account including any moneys transferred from the PFC Account to the Term Bonds Redemption Account, shall equal the Sinking Fund Installments on all Bonds Outstanding due and unpaid and that portion of the Sinking Fund Installments of all Bonds Outstanding next due which would have accrued on such Bonds during the then current calendar month if such Sinking Fund Installments were deemed to accrue monthly (assuming that a year consists of 12 equivalent calendar months having 30 days each) in equal amounts from the next preceding Sinking Fund Installment due date, or, if there is no such preceding Sinking Fund Installment due date, from a date one year preceding the due date of such Sinking Fund Installment. Moneys in the Term Bonds Redemption Account shall be used to purchase or redeem Term Bonds in the manner provided in the Bond Resolution, and for no other purpose. Term Capital Appreciation bonds shall be payable from the Term Bonds Redemption Account in the years in which such Bonds mature and monthly payments into the Terms Bonds Redemption Account on account of such Bonds shall commence in the twelfth month immediately preceding the due date of the related Sinking Fund Installments. The County shall adjust the amount of the deposit to the Term Bonds Redemption Account on the month immediately preceding any Sinking Fund Installment Date so as to provide sufficient moneys in the Term Bonds Redemption Account to pay the Sinking Fund Installments becoming due on such date. Payments to the Term Bonds Redemption Account shall be on parity with payments to the Principal Account.

Amounts accumulated in the Term Bonds Redemption Account with respect to any Sinking Fund Installment (together with amounts accumulated in the Interest Account with respect to interest, if any, on the Term Bonds for which such Sinking Fund Installment was established) may be applied by the County, on or prior to the 60th day preceding the due date of such Sinking Fund Installment, (a) to the purchase of Term Bonds of the Series and maturity for which such Sinking Fund Installment was established, or (b) to the redemption at the applicable Redemption Prices of such Term Bonds, if then redeemable by their terms. Amounts in the Term Bonds Redemption Account which are used to redeem Term Bonds shall be credited against the next succeeding Amortization Installment which shall become due on such Term Bonds. The applicable Redemption Price (or principal amount of maturing Term Bonds) of any Term Bonds so purchased or redeemed shall be deemed to constitute part of the Term Bonds Redemption Account until such Sinking Fund Installment date, for the purposes of calculating the amount of such Account. As soon as practicable after the 60th day preceding the due date of any such Sinking Fund Installment, the County shall proceed to call for redemption on such due date, by causing notice to be given as provided in the Bond Resolution, Term Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Term Bonds maturing on a Sinking Fund

Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The County shall pay out of the Term Bonds Redemption Account and the Interest Account to the appropriate Paying Agents, on or before the day preceding such redemption date (or maturity date), the amount required for the redemption (or for the payment of such Term Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Term Bonds shall be paid by the County from the Operation and Maintenance Payment Account.

(4) *Reserve Account*. There shall be deposited to the Reserve Account an amount which would enable the County to restore the funds on deposit in the Reserve Account (including any subaccounts therein) to an amount equal to the Reserve Account Requirement applicable thereto. All deficiencies in the Reserve Account must be made up no later than 12 months from the date such deficiency first occurred, whether such shortfall was caused by decreased market value of the investments therein of more than 5% or withdrawal (whether from cash or a Reserve Account Insurance Policy or Reserve Account Letter of Credit). On or prior to each principal payment date and Interest Date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Reserve Account shall be applied by the County to the payment of the principal of or Redemption Price, if applicable, and interest on the Bonds to the extent moneys in the Interest Account, the Principal Account and the Term Bonds Redemption Account shall be insufficient for such purpose, but only to the extent the moneys transferred from the Airport Surplus Fund, the PFC Capital Improvement Fund and the Operation and Maintenance Reserve Account for such purposes pursuant to the Bond Resolution, shall be inadequate to fully provide for such insufficiency. Whenever there shall be surplus moneys in the Reserve Account by reason of a decrease in the Reserve Account Requirement or as a result of a deposit in the Reserve Account Letter of Credit or a Reserve Account Insurance Policy, such surplus moneys, to the extent practicable, shall be deposited by the County into the Revenue Account of the Revenue Fund. The County shall promptly inform each Insurer of any draw upon the Reserve Account for purposes of paying the principal of and interest on the Bonds.

Upon the issuance of any Series of Bonds under the terms, limitations and conditions as provided in the Bond Resolution, the County shall fund the Reserve Account in an amount at least equal to the Reserve Account Requirement to the extent such Series of Bonds are to be secured by the Reserve Account or any subaccount therein; provided, however, nothing in the Bond Resolution shall be construed to require the County to fund the Reserve Account or any subaccount for any Series of Bonds. Upon the adoption of the Supplemental Resolution authorizing the issuance of a Series of Bonds, the County shall determine whether such Series of Bonds shall be secured by the Reserve Account or any subaccount therein and, if the County determines that the Series of Bonds will be secured by a separate subaccount therein, the County shall also establish the Reserve Account Requirement applicable thereto. Such required amount, if any, shall be paid in full or in part from the proceeds of such Series of Bonds or may be accumulated in equal monthly payments to the Reserve Account over a period of months from the date of issuance of such Series of Bonds, which shall not exceed 36 months.

Notwithstanding the foregoing provisions, in lieu of or in substitution of the required deposits into the Reserve Account, the County may cause to be deposited into the Reserve Account a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for the benefit of the Bondholders in an amount equal to the difference between the Reserve Account Requirement applicable thereto and the sums then on deposit in the Reserve Account, if any. The County may also substitute a Reserve Account Insurance Policy and/or Reserve Account Letter of Credit for cash on deposit in the Reserve Account upon compliance with the terms of the Bond Resolution. Such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall be payable to the Paying Agent (upon the giving of notice as required thereunder) on any Interest Date or redemption date on which a deficiency exists which cannot be cured by moneys in any other fund or account held pursuant to the Bond Resolution and available for such purpose. Upon the initial deposit of any such Reserve Account Insurance Policy and/or Reserve Account Letter of Credit, the provider thereof shall be either (a) an insurer whose municipal bond insurance policies insuring the payment, when due, or the principal of and interest on municipal bond issues results in such issues being rated in one of the three highest rating categories by at least two of the Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"), or (b) a commercial bank, insurance company or other financial institution which has been assigned a rating in one of the two highest rating categories by at least one of the Rating Agencies (without regard to gradations, such as "plus" or "minus" or "1," "2" or "3"). Any Reserve Account Insurance Policy and/or Reserve Account Letter of Credit shall equally secure all Bonds secured by the Reserve Account or subaccount into which such Policy or Letter of Credit is deposited.

Whenever the amount of cash in the Reserve Account, together with the other amounts in the Debt Service Fund, are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), the funds on deposit in the Reserve Account may be transferred to the other Accounts of the Sinking Fund for the payment of the Bonds.

The County may also establish a separate subaccount in the Reserve Account for any Series of Bonds and provide a pledge of such subaccount to the payment of such Series of Bonds apart from the pledge provided in the Bond Resolution. To the extent a Series of Bonds is secured separately by a subaccount of the Reserve Account, the Holders of such Bonds shall not be secured by any other moneys in the Reserve Account. Moneys in a separate subaccount of the Reserve Account shall be maintained at the Reserve Account Requirement applicable to such Series of Bonds secured by the subaccount; provided the Supplemental Resolution authorizing such Series of Bonds may establish the Reserve Account Requirement relating to such separate subaccount of the Reserve Account at such level as the County deems appropriate. In the event the County by Supplemental Resolution establishes the Reserve Account Requirement for a particular Series of Bonds to be zero dollars ($0.00) or it shall determine that such Series are not to be secured in any manner by the Reserve Account or a subaccount, then it shall not be required to establish a separate subaccount; provided, however, such Series of Bonds shall have no lien on or pledge of any moneys on deposit in the Reserve Account. Moneys used to replenish the Reserve Account shall be deposited in the separate subaccounts in the Reserve Account and in the Reserve Account on a pro-rata basis. In the event the County shall maintain a Reserve Account Insurance Policy or Reserve Account Letter of Credit and moneys in the Reserve Account or any subaccount, the moneys shall be used prior to making any disbursements under such Reserve Account Insurance Policy or Reserve Account Letter of Credit.

(5) *Subordinated Indebtedness*. There shall next be deposited by the County for the payment of any debt service on and other required deposits with respect to Subordinated Indebtedness incurred by the County in connection with Improvements to the Airport and in accordance with the proceedings authorizing such Subordinated Indebtedness.

(6) *Operation and Maintenance Reserve Account*. There shall be deposited to the Operation and Maintenance Reserve Account an amount which would enable the County to restore the funds on deposit in the Operation and Maintenance Reserve Account to an amount equal to the Operation and Maintenance Reserve Requirement. The moneys in the Operation and Maintenance Reserve Account shall be applied by the County for the purpose of paying Operation and Maintenance Costs to the extent the amounts in the Operation and Maintenance Payment Account are insufficient therefor; provided, however, that on or prior to each principal and interest payment date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), moneys in the Operation and Maintenance Reserve Account shall be applied for the payment into the Interest Account, the Principal Account and the Term Bonds Redemption Account when the moneys therein are insufficient to pay the principal of and interest on the Bonds coming due, but only to the extent moneys transferred from the Airport Surplus Fund and the PFC Capital Improvement Fund for such purpose pursuant to the requirements of the Bond Resolution, shall not be adequate to fully provide for such insufficiency.

(7) *Airport Surplus Fund*. The balance of any moneys remaining in the Revenue Account shall be deposited in the Airport Surplus Fund and applied for any lawful purpose relating to the Airport. Moneys in the Airport Surplus Fund shall be applied to the payment, on or prior to each principal and interest payment date for the Bonds (in no event earlier than the 25th day of the month next preceding such payment date), into the Interest Account, the Principal Account and the Term Bonds Redemption Account when the moneys therein shall be insufficient to pay the principal of and interest on the Bonds coming due.

(E) Whenever moneys on deposit in the Sinking Fund are sufficient to fully pay all Outstanding Bonds in accordance with their terms (including principal or applicable Redemption Price and interest thereon), no further deposits to the Sinking Fund need be made. If on any payment date the Gross Revenues and Eligible PFC Revenues are insufficient to deposit the required amount in any of the funds or accounts or for any of the purposes provided above, the deficiency shall be made up on the subsequent payment dates.

The County, in its discretion, may use moneys in the Principal Account and the Interest Account to purchase or redeem Bonds coming due on the next principal payment date, provided such purchase or redemption does not adversely affect the County's ability to pay the principal or interest coming due on such principal payment date on the Bonds not so purchased or redeemed.

(F) In the event the County shall issue a Series of Bonds secured by a Credit Facility, the County may establish separate subaccounts in the Interest Account, the Principal Account and the Term Bonds Redemption Account to provide for payment of the principal of and interest on such Series; provided payment from the Pledged Funds of one Series of Bonds shall not have preference over payment of any other Series of Bonds. The County may also deposit moneys in such subaccounts at such other times and in such other amounts from those provided in (D) above as shall be necessary to pay the principal of and interest on such Bonds as the same shall become due, all as provided by the Supplemental Resolution authorizing such Bonds and the Credit Facility.

In the case of Bonds secured by a Credit Facility, amounts on deposit in the Sinking Fund may be applied as provided in the applicable Supplemental Resolution and the Credit Facility to reimburse the Credit Bank for amounts drawn under such Credit Facility to pay the principal of, premium, if any, and interest on such Bonds or to pay the purchase price of any such Bonds which are tendered by the holders thereof for payment; provided such Credit Facility shall have no priority over Bondholders or an Insurer to amounts on deposit in the Sinking Fund. Other payments due to a Credit Bank in relation to obligations arising under its Credit Facility may be on parity with the Bonds as to source of and security for payment to the extent provided in the Supplemental Resolution relating thereto.

PFC Capital Improvement Fund

The County shall apply moneys on deposit in the PFC Capital Improvement Fund, to the extent permitted by the PFC Act, PFC Regulations and PFC Authority, to pay the principal of (whether at maturity or in satisfaction of the Sinking Fund Installments) and interest on the Bonds when due, whenever and to the extent that the money on deposit in the Interest Account, the Principal Account and the Term Bonds Redemption Account and moneys transferred from the Airport Surplus Fund to said Accounts pursuant to the Bond Resolution are insufficient for such purposes.

The County, at its option, but only after determining that no amounts are required to be applied to pay the principal of and interest on the Bonds as described above, may apply any amounts remaining in the PFC Capital Improvement Fund for any one or more of the following purposes: (A) to pay the costs of PFC Improvements, (B) to pay debt service on any obligation incurred by the County to finance or refinance costs of PFC Improvements, (C) to purchase or redeem Bonds, if permitted by the PFC Act and PFC Regulations, or (D) to the extent permitted by the PFC Act and the PFC Regulations, for any other lawful Airport purpose.

Reserve Account

The Bond Resolution requires the County to maintain the Reserve Account within the Sinking Fund in an amount equal to the Reserve Account Requirement for the Bonds. The Reserve Account Requirement is defined in the Bond Resolution as the lesser of (1) the Maximum Annual Debt Service, (2) 125% of the average Debt Service for each Bond Year for all Outstanding Bonds secured thereby, or (3) the maximum amount of Bond proceeds which may be deposited to the Reserve Account without subjecting the same to yield restriction under the Code, or causing interest on any of the Bonds secured thereby (other than Taxable Bonds) to be included in gross income for purposes of federal income taxation or otherwise violating applicable provisions of the Code; provided, however, the County may establish, by Supplemental Resolution, a different Reserve Account Requirement for a subaccount of the Reserve Account which separately secures a Series of Bonds, which Reserve Account Requirement may be $0.00. Amounts in the Reserve Account are required to be used to pay the principal of, premium, if any, and interest on the Bonds when the money in the other Accounts within the Sinking Fund is insufficient therefor. Increases in the Reserve Account Requirement caused by the issuance of Additional Bonds can be funded, at the discretion of the County, from the proceeds policy thereof, over a period of months not exceeding 36 months or by a Reserve Account Insurance or Reserve Account Letter of Credit, or a combination thereof. The County may, at any time, substitute a Reserve Account Insurance Policy or Reserve Account Letter of Credit for all or a portion of the moneys in the Reserve Account in accordance with the terms of the Bond Resolution. Upon the issuance of the Series 2022 Bonds, the Reserve Account will have on deposit an amount equal to the Reserve Requirement, $_____________, and is fully funded with cash and/or investments. See "ESTIMATED SOURCES AND USES OF FUNDS" herein. See also “APPENDIX D – Form of the Bond Resolution” attached hereto.

Rate Covenant

For the Fiscal Year commencing October 1, 2022 and for each Fiscal Year thereafter, the County has covenanted in the Bond Resolution to fix, establish, maintain and collect such rates, fees, rentals and charges for the services and facilities of the Airport, and revise the same from time to time, whenever necessary, so as always to provide in each Fiscal Year:

(A) Net Revenues, together with the Eligible PFC Revenues and the Transfer Amount, equal to at least 125% of the Debt Service becoming due in such Fiscal Year; provided

(B) the Net Revenues, together with Eligible PFC Revenues and the Transfer Amount, shall be adequate at all times to pay in such Fiscal Year at least 100% of (1) the Debt Service becoming due in such Fiscal Year, (2) any amounts required by the terms of the Bond Resolution deposited in the Reserve Account or with any issuer of a Reserve Account Letter of Credit or Reserve Account Insurance Policy in such Fiscal Year, (3) any amounts required by the terms of the Bond Resolution to be deposited in the Operation and Maintenance Reserve Account in such Fiscal Year, and (4) any Subordinated Indebtedness coming due in said Fiscal Year.

Such rates, fees, rentals and other charges shall not be so reduced so as to be insufficient to provide adequate Net Revenues, Eligible PFC Revenues and the Transfer Amount for the purposes provided therefor by the Bond Resolution.

If, in any Fiscal Year, the County shall fail to comply with the rate covenant contained in the Bond Resolution, it shall cause the Airport Consultant to review its rates, fees, rentals, charges, income, Gross Revenues, Eligible PFC Revenues, Operation and Maintenance Costs and methods of operation and to make written recommendations as to the methods by which the County may promptly seek to comply with the rate covenant set forth in the Bond Resolution. The County shall forthwith commence to implement such recommendations to the extent required so as to cause it to thereafter comply with said rate covenant. So long as the County implements such recommendations within 120 days of the receipt thereof, the County's failure to comply with the rate covenant shall not be considered an Event of Default under the provisions of the Bond Resolution.

Issuance of Additional Bonds

No Additional Bonds, payable on a parity with the Bonds then Outstanding pursuant to the Bond Resolution, shall be issued except upon the conditions and in the manner provided in the Bond Resolution. The County may issue one or more Series of Additional Bonds for any one or more of the following purposes: (i) financing or refinancing Costs of a Project, or the completion thereof, or (ii) refunding any or all Outstanding Bonds or of any Subordinated Indebtedness of the County.

No such Additional Bonds shall be issued unless the following conditions are complied with:

(A) Except in the case of Additional Bonds issued for the purpose of refunding Outstanding Bonds, the County shall certify that it is current in all deposits into the various funds, accounts and subaccounts established hereby and all payments theretofore required to have been deposited or made by it under the provisions of the Bond Resolution have been deposited or made and it has complied with the covenants and agreements of the Bond Resolution.

(B) There shall have been filed with the County a certificate of the Clerk setting forth for the last complete Fiscal Year or a period of 12 consecutive months of the 24 months most recently concluded prior to the issuance of the Additional Bonds (the "12-Month Period") (1) Gross Revenues received by the County during the 12-Month Period; (2) the Operation and Maintenance Costs incurred during the 12-Month Period; (3) the Eligible PFC Revenues received during the 12-Month Period; (4) the Maximum Annual Debt Service including the Additional Bonds then proposed to be issued; (5) that Net Revenues and Eligible PFC Revenues received by the County during the 12-Month Period were in an amount at least equal to 125% of the Maximum Annual Debt Service including the Additional Bonds then proposed to be issued; and (6) that Net Revenues and the Eligible PFC Revenues received by the County during the 12-Month Period were in an amount equal to at least (a) 100% of the Maximum Annual Debt Service including the Additional Bonds then proposed to be issued, (b) 100% of any amounts required by the terms of the Bond Resolution to be deposited in the Reserve Account or with the issuer of any Reserve Account Letter of Credit or Reserve Account Insurance Policy during the 12-Month Period, and (c) 110% of any Subordinated Indebtedness coming due during the 12 months immediately succeeding the issuance of the proposed Additional Bonds.

(C) With respect to Additional Bonds that are issued to complete a Project, the Authorized Issuer Representative shall have filed with the Clerk a certificate demonstrating that the proceeds of such Additional Bonds to be issued (net of issuance costs and any discounts) will be not more than 10% of the original Cost of such Project for the completion of which such Additional Bonds are then being issued. If the Authorized Issuer Representative files such certificate with the Clerk, the conditions of (B) above shall not apply to the issuance of such Additional Bonds.

(D) For the purpose of determining the Debt Service under the Bond Resolution, the interest rate on additional parity Variable Rate Bonds then proposed to be issued shall be deemed to be the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(E) For the purpose of determining the Debt Service under the Bond Resolution, the interest rate on Outstanding Variable Rate Bonds (not subject to a Qualified Hedge Agreement) shall be deemed to be (1) if such Variable Rate Bonds have been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the highest of (a) the actual rate of interest borne by such Variable Rate Bonds on the date of sale, and (b) the average interest rate borne by such Variable Rate Bonds during the 12-month period preceding the date of sale, or (2) if such Variable Rate Bonds have not been Outstanding for at least 12 months prior to the date of sale of such Additional Bonds, the higher of (a) the actual rate of interest borne by the Variable Rate Bonds on the date of sale, and (b) the Bond Buyer Revenue Bond Index most recently published prior to the sale of such Additional Bonds.

(F) Additional Bonds shall be deemed to have been issued pursuant to the Bond Resolution the same as the Outstanding Bonds, and all of the other covenants and other provisions of the Bond Resolution (except as to details of such Additional Bonds inconsistent therewith) shall be for the equal benefit, protection and security of the Holders of all Bonds issued pursuant to the Bond Resolution. Except as provided in the Bond Resolution, all Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Pledged Funds and their sources and security for payment therefrom without preference of any Bonds over any other.

(G) In the event any Additional Bonds are issued for the purpose of refunding any Bonds then Outstanding, the conditions of (B) above shall not apply, provided that the issuance of such Additional Bonds shall not result in an increase in Maximum Annual Debt Service. The conditions of (B) above shall apply to Additional Bonds issued to refund Subordinated Indebtedness and to Additional Bonds issued for refunding purposes which cannot meet the conditions of this paragraph.

No Mortgage or Sale of the Airport

The County irrevocably covenants, binds and obligates itself not to sell, lease, encumber or in any manner dispose of the Airport as a whole or any substantial part thereof (except as provided below) until all of the Bonds and all interest thereon shall have been paid in full or provision for payment has been made in accordance with the Bond Resolution.

The foregoing provision notwithstanding, pursuant to the Bond Resolution, the County shall have and reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the Airport in the following manner, if any one of the following conditions exist: (A) such property is not necessary for the operation of the Airport, (B) such property is not useful in the operation of the Airport, (C) such property is not profitable in the operation of the Airport, or (D) in the case of a lease of such property, will be advantageous to the Airport and will not materially adversely affect the security for the Bondholders.

Prior to any such sale, lease or other disposition of said property: (1) if the amount to be received therefor is not in excess of five percent (5.00%) of the market value of the gross plant of the Airport, an Authorized Issuer Officer shall make a finding in writing determining that one or more of the conditions for sale, lease or disposition of property provided for in the second paragraph above have been met; or (2) if the amount to be received from such sale, lease or other disposition of said property shall be in excess of five percent (5.00%) of the market value of the gross plant of the Airport, (a) an Authorized Issuer Officer shall first make a finding in writing determining that one or more of the conditions for sale, lease or other disposition of property provided for in the second paragraph above have been met, (b) the Governing Body shall, by resolution, duly adopt, approve and concur in the finding of the Authorized Issuer Officer, and (c) the County shall obtain an opinion of Bond Counsel to the effect that such sale, lease or other disposition is not in violation of the Act and will not adversely affect the federal tax exempt status of interest on the Bonds (other than Taxable Bonds) or shall not otherwise affect the status of any Outstanding Bonds issued as Federal Subsidy Bonds or the County's receipt of Federal Subsidy Payments with respect to any Outstanding Federal Subsidy Bonds.

Unless otherwise directed by Bond Counsel, the proceeds from any such sale or other disposition shall be deposited into the Airport Surplus Fund. Proceeds from any such lease shall constitute Gross Revenues and shall be deposited in the Revenue Account.

The transfer of the Airport as a whole from the control of the Governing Body to some other board or authority which may hereafter be created for such purpose and which constitutes a governmental entity, interest on obligations issued by which are excluded from gross income for purposes of federal income taxation, shall not be deemed prohibited by the Bond Resolution and such successor board or authority shall fall within the definition of "Issuer" in the Bond Resolution and such successor board or authority shall adopt a resolution or take such other action to evidence its obligations hereunder.

Notwithstanding the foregoing provisions, the County shall have the authority to sell for fair and reasonable consideration any land comprising a part of the Airport which is no longer necessary or useful in the operation of the Airport and the proceeds derived from the sale of such land shall be disposed of in accordance with the provisions of the fourth paragraph above.

Notwithstanding provisions of this section, the County may make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the Airport if such contract, license, easement or right does not, in the opinion of the Airport Consultant, as evidenced by a certificate to that effect filed with the County, impede or restrict the operation by the County of the Airport, but any payments to the County under or in connection with any such contract, license, easement or right in respect of the Airport or any part thereof shall constitute Gross Revenues and shall be deposited in the Revenue Account.

Enforcement of Collections

The County will diligently enforce and collect the rates, fees, rentals and other charges for the services and facilities of the Airport pledged pursuant to the Bond Resolution; will take all reasonable steps, actions and proceedings for the enforcement and collection of such rates, charges, rentals and fees as shall become delinquent, to the full extent permitted or authorized by law; and will maintain accurate records with respect thereof. All such fees, rates, charges, rentals and revenues pledged in the Bond Resolution shall, as collected, be held in trust to be applied as provided in the Bond Resolution and not otherwise.

No Competing Facilities

To the full extent of the law and other than Marathon Airport, the County will not grant, or cause, consent to, or allow the granting of any franchise or permit to conduct aeronautical services or provide access to the Airport to conduct aeronautical services to any Person or undertake any aviation project not made a part of the Airport which will materially compete with the Airport, as determined by the County.

Maintenance of PFC Revenues

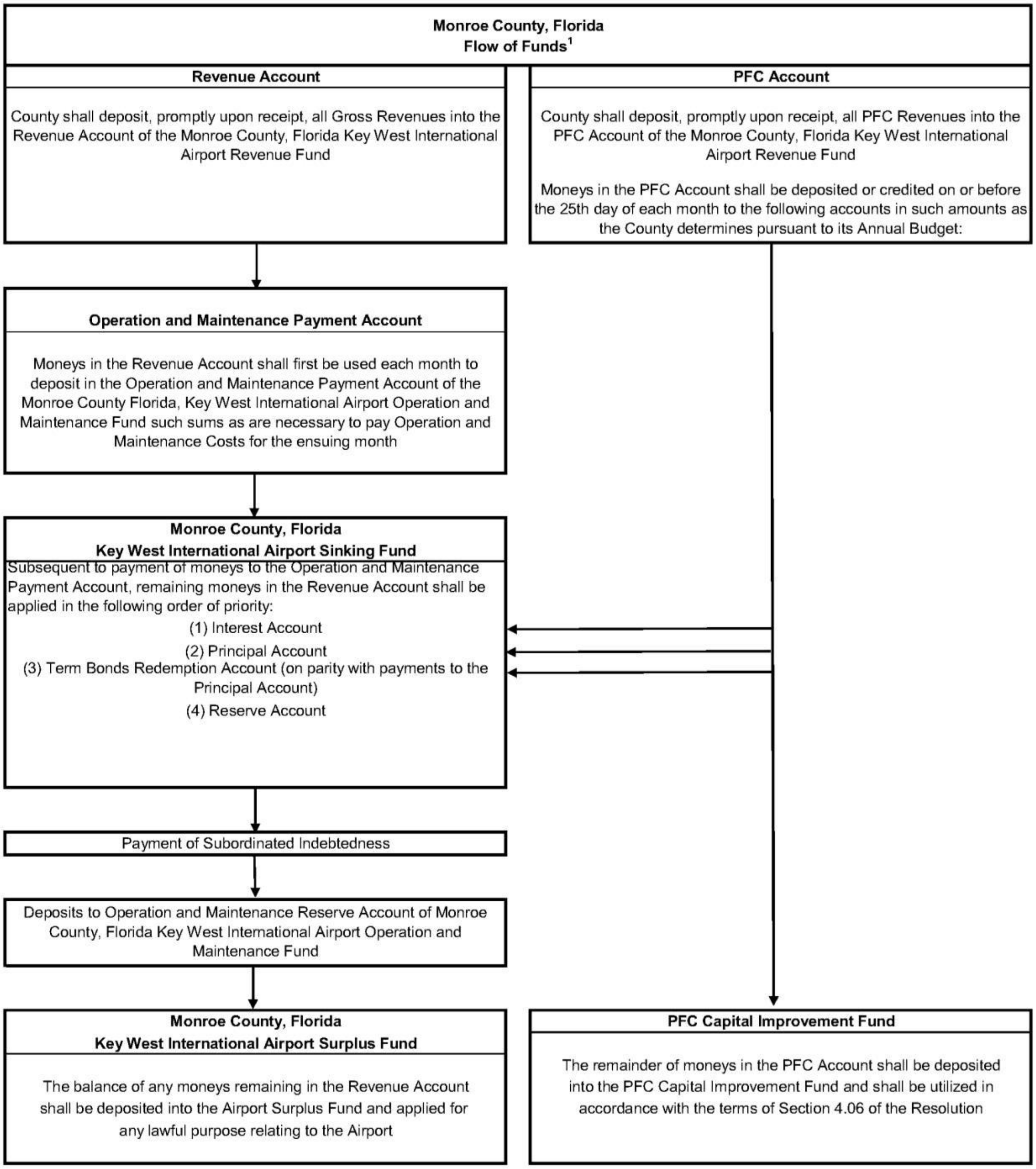
The County covenanted in the Bond Resolution to do all things necessary on its part to continue the levy of the Passenger Facility Charges in compliance with the PFC Act and any successor provision of law and to diligently enforce collection of the Passenger Facility Charges. The County will at all times comply with all of the requirements and conditions of the PFC Act, the PFC Regulations and the PFC Authority, and take every necessary action to remain qualified to levy the Passenger Facility Charges and collect the PFC Revenues. The County will not take any action which will jeopardize eligibility for receipt of such funds which may adversely affect the undertakings provided in this instrument. The County will not take any action or enter into any agreement which will have the effect of reducing the level of Passenger Facility Charges received by the County if such reduction shall materially adversely affect the County's ability to pay the Bonds.

APPLICATION OF REVENUES

The following diagram presents a summary of the application of Gross Revenues and Eligible PFC Revenues to various funds and accounts as governed by the provisions of the Bond Resolution. A more complete description of the application of Gross Revenues and Eligible PFC Revenues is described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Disposition of Gross Revenues and Eligible PFC Revenues" and- in APPENDIX D attached hereto. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" for the definitions of Gross Revenues and Eligible PFC Revenues.

KEY WEST INTERNATIONAL AIRPORT
SERIES 2022 BONDS

DISPOSITION OF GROSS REVENUE AND ELIGIBLE PFC REVENUES



[1] For more information concerning the flow of funds and the particular provisions and restrictions with respect to the funds and accounts under the Bond Resolution, see the Form of the Bond Resolution attached hereto as Exhibit D.

Source: Monroe County, Florida Airport Revenue Bond Resolution.
Compiled by Newton & Associates, Inc.

7/18/2022
2022 Bonds ROAC Draft 5 Financial Tables

OPTIONAL BOND INSURANCE

Based on market conditions in existence at the time of pricing, the County will determine whether or not to purchase insurance on all, some or none of the Series 2022 Bonds. In the event that the County deems it in its best interest to purchase a municipal bond insurance policy (the "Policy") with respect to all or a portion of the Series 2022 Bonds (referred to herein as the "Insured Bonds") from a municipal bond insurer (the "Insurer"), disclosure regarding the Insurer and the Policy will be included in the final Official Statement within this section, the "RATINGS" section will be updated to disclose the rating or ratings on any Insured Bonds, the “CERTAIN INVESTMENT CONSIDERATIONS” section will be updated to reflect insurance risk and related factors and a specimen bond insurance policy will be attached hereto as an appendix.

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ESTIMATED SOURCES AND USES OF FUNDS

The table that follows summarizes the estimated sources and uses of funds to be derived from the sale of the Series 2022 Bonds:

SOURCES:
- Series 2022 Par Amount
- Plus/Less Premium/Discount
- TOTAL SOURCES

USES:
- Deposit to Series 2022 Bonds Account in Construction Fund
- Repay Outstanding Interim Indebtedness
- Deposit to Reserve Account
- Deposit to Interest Account for Capitalized Interest
- Cost of Issuance[(1)]
- TOTAL USES

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(1) Includes Underwriters' discount, rating agencies' fees, financial advisory fees, legal fees and any other miscellaneous costs of issuance.

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULE

The following table sets forth the net debt service requirements for the Series 2022 Bonds.

Period Ending October 1	Principal	Interest	Total Debt Service[(1)]
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
TOTAL			

(1) Net of capitalized interest through October 1, 2024.

Attachment: EXHIBIT D Preliminary Official Statement (EYW 10 – Supplemental Bond Resolution)

THE COUNTY AND THE AIRPORT

General

The Airport is a small-hub, commercial airport located within the city limits of Key West, Monroe County, Florida and covers approximately 268 acres. Of this area, 87 acres are salt ponds and mangrove vegetation. The remaining 181 acres are usable for the Airport.

In 1920, the first international air passenger service and the first international air mail routes were established between Key West and Havana, Cuba. In 1927 the Airport was designated the first airport of entry into the United States. At that time, the Airport was a small private airport owned by Palm Beach millionaire Malcolm Meacham. Pan American Airlines was established in Key West that year and leased the Airport site from Meacham. The Airport remained a small and privately owned strip until the start of World War II. The land was then purchased by the federal government and converted into what was primarily a dirigible base. A runway of approximately 2,400 feet in length, oriented from northeast to southwest, was constructed on site. In 1954, the runway was realigned to its current east-west orientation. In 1958, a passenger terminal was built, and Meacham Field was renamed Key West International Airport.

Air Trade Area

The Airport's Air Trade Area is defined as the County, which encompasses a largely uninhabited section on the mainland which is almost entirely in Everglades National Park, as well as the inhabited and uninhabited islands in the Florida Keys from Key Largo in the northeast to the Dry Tortugas in the southwest.

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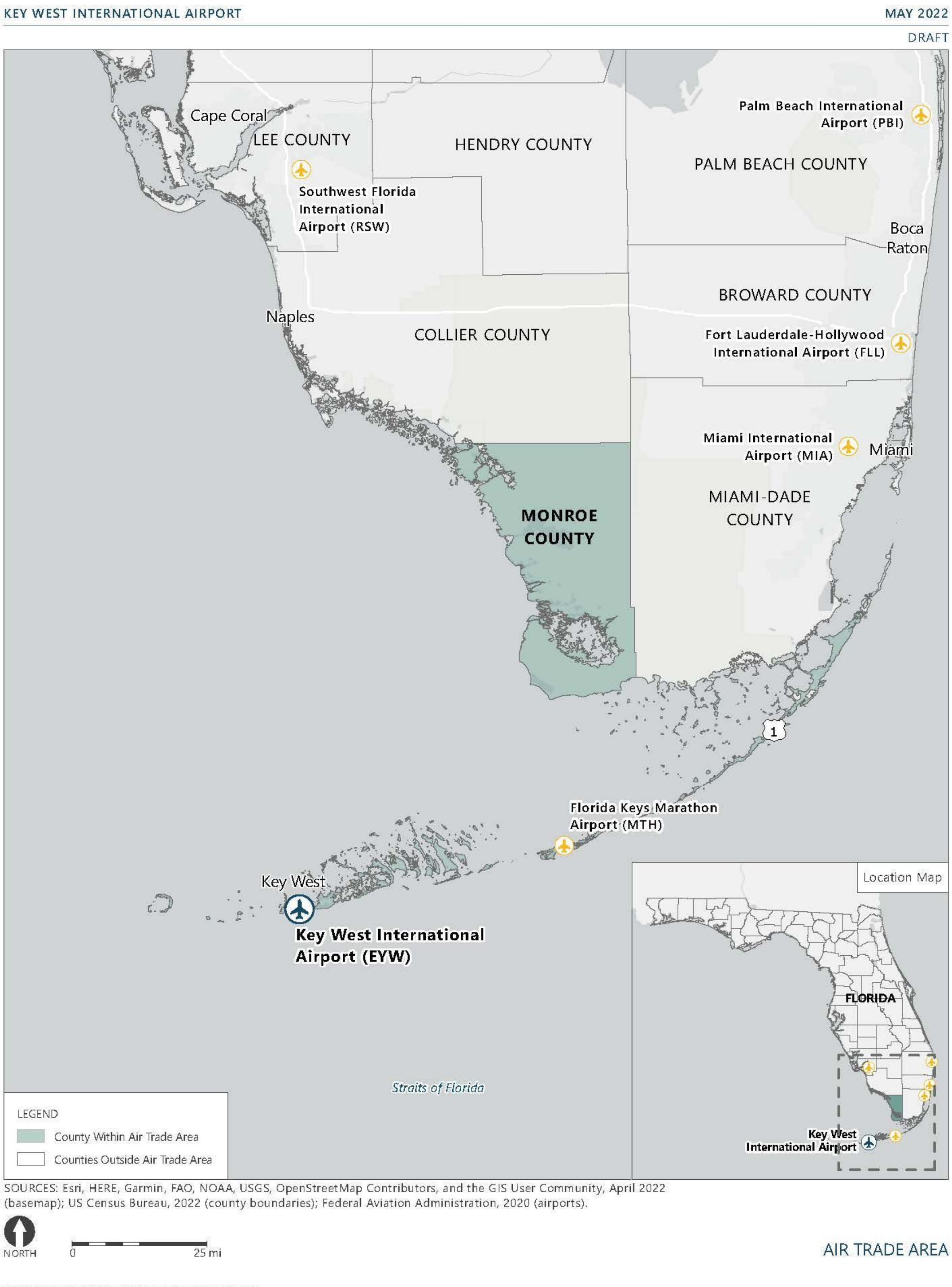

Management and Administration

The Airport is owned by the County and is operated as a separate enterprise fund of the County by the Board. The Board exercises management of the Airport through the Senior Director of Airports who reports to the County Administrator and oversees the administration, operation, development, security, environmental requirements of the Airport in addition to the Florida Keys Marathon International Airport, a separate enterprise fund of the County.

The Senior Director of Airports is recommended by the County Administrator and ratified by the Monroe County Board of County Commissioners. The Senior Director of Airports oversees a staff of 34 full-time employees. Brief biographies of the Senior Director of Airports, Assistant Director of Airports, Deputy Director Airport Finance and Administration and Deputy Director of Airport Operations and Security are set forth below.

Richard Strickland, Senior Director of Airports was born and raised in San Diego, California, and earned his Bachelor of Science Degree in Finance from San Diego State University. Mr. Strickland has over 26 years of extensive experience and knowledge in Airport Management, having worked at San Diego International Airport, Detroit International Airport, Palm Springs International Airport, Kern County Department of Airports at Meadows Field, and the past 4 years as the Senior Director of Airports for the Key West International and Florida Keys Marathon International Airports.

Erick D'Leon, Assistant Director of Airports joined Key West International Airport in October 2019 as the Assistant Director. Previously Mr. D'Leon worked with TBI Airport Management, a privatized airport management company, serving airport management contracts with the Orlando Sanford International Airport, and the Middle Georgia Regional Airport in management and operational roles. Mr. D'Leon also worked for the City of New Bedford at the New Bedford Regional Airport in Massachusetts. Mr. D'Leon holds a Master's of Aeronautical Science degree with a specialization in safety and also holds a Bachelor of Science in Professional Aeronautics with a minor in Safety and Management. Both undergraduate and graduate degrees were earned from Embry-Riddle Aeronautical University.

Beth Leto, Deputy Director Airport Finance and Administration was born in Kentucky and raised in Key West, Florida when her family moved to the Keys in 1966. A graduate of Key West High School, Mrs. Leto earned an Associates of Science and an Associates of Arts degrees from the Florida Keys Community College and graduated Summa Cum Laude from Saint Leo University with a Bachelor of Administration Degree in Management. A Certified Public Manager since 2003, Mrs. Leto has worked for Monroe County, Florida for 39 years. Mrs. Leto has worked at the Key West International Airport since 2015.

Luis Garay, Deputy Director of Airport Operations & Security was employed with United Express Airlines from 1996-2004 as a Customer Service and Ramp Agent, Lead Agent. From 2000-2005 Mr. Garay was employed with Port Hueneme Police department enforcing State laws and Municipality Code Enforcement. From 2005-2010 Mr. Garay was an Airport Police Officer I, enforcing State laws, Municipality Code Enforcement, TSA Guidelines 1542 and FAA Guidelines Part 139. From 2010-2014 Mr. Garay was promoted to Airport Police Officer II to enforce State laws, Municipality Code Enforcement, TSA Guidelines 1542, FAA Guidelines Part 139 and he supervised APO I and Security Attendants. From 2014-2019 Mr. Garay was an Airport Police Manager enforcing State laws, Municipality Code Enforcement, TSA Guidelines 1542, FAA Guidelines Part 139, he supervised APO I and Security Attendants and was the Direct Liaison with TSA FSD and FAA inspectors. From 2019-present Mr. Garay has been employed with the Key West International Airport and is the Direct Liaison with TSA FSD and FAA Inspectors, the Primary TSA ASC, and he supervisors the Airport Operations and Security team.

Description of the Airport's Existing Facilities

Airfield. The Airport's airfield facilities include those facilities necessary to support the movement and operation of aircraft, including a runway, taxiways and apron areas, along with associated markings, lighting systems and instrumentation.

Runway 9/27, the Airport's only runway, is paved with asphalt and is 5,075 feet long and 100 feet wide. It is able to accommodate Airplane Design Group III[1] and smaller aircraft, including commercial jets, such as the Airbus A-320, Boeing 737-700 and EMB 190 aircraft, Airplane Design Group III also includes turboprops, such as the ATR 42-600, military aircraft, and large general aviation aircraft. Runway 9/27 has an engineered material arresting system ("EMAS") on each end. The runway is equipped with medium intensity runway lights located 10 feet from the edge of the runway pavement.

The airfield has one parallel taxiway ("Taxiway A") that extends the full length of Runway 9/27. Taxiway A has a width of 50 feet and is located 315 feet south of the centerline of Runway 9/27. Taxiway A is equipped with medium intensity taxiway lights. There are also several connector taxiways designated as Taxiways B through E. The taxiways' pavement consists of asphalt and concrete.

The airfield's aprons include a commercial terminal apron and a general aviation ("GA") apron. The commercial aircraft parking apron is located east of the centerline of Taxiway E and consists of approximately 41,000 square yards of concrete pavement. The commercial aircraft apron is adjacent to the existing passenger terminal building, the U.S. Customs and Border Protection ("CBP") facility and the FedEx facility. The commercial aircraft apron is marked for ten aircraft parking spaces: eight parking positions for commercial passenger aircraft, one position reserved for CBP inspections, and one space for FedEx. The commercial apron has lighting provided by high mast floodlights. An additional 8,000 square yards of commercial apron is located in front of the FedEx facility and provides aircraft parking for up to four Cessna 208 Caravan cargo aircraft.

The main general aviation ("GA") aircraft parking apron comprises approximately 26,500 square yards and is located west of the commercial aircraft parking apron, south of Taxiway A and between Taxiways A6 and D. It consists of asphalt and concrete pavement and has cable aircraft tie downs and lighting provided by high mast floodlights. Tie-down areas can accommodate either 29 small aircraft or 16 smaller aircraft and five larger aircraft. In addition to the main GA apron, another apron parallel to Taxiway A between Taxiways A1 and A6 spans approximately 17,700 square yards and provides an aircraft tie-down area and access to T-hangars and small box hangars.

Airfield lighting and navigational aids include an airport rotating beacon, runway and taxiway edge lighting, two published Area Navigation ("RNAV") global positioning system non-precision approaches (one to each runway end) and a non-directional beacon circling approach to each runway end.

Terminal Building. The Airport's current passenger terminal facilities are made up of the following facilities.

Passenger Terminal Facilities. The passenger terminal facilities ("Terminal") are made up of two, two-level buildings which are serviced by an elevated departures roadway and an at-grade arrivals

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[1] Aircraft Design Group III aircraft are defined by the FAA (Advisory Circular 150/5300-13) as aircraft having a wingspan of 79 feet to 118 feet and a tail height of 30 feet to 45 feet.

roadway. The two structures are connected by two elevated, enclosed corridors spanning the arrival roadway. The westerly corridor is an enclosed pedestrian bridge providing passenger access between the two buildings. The easterly corridor houses a passenger baggage conveyor system.

The Terminal comprises a total of approximately 67,900 square feet. The first Terminal building, located to the south of the Faraldo Circle ("Existing Landside Terminal") is elevated and comprises approximately 37,800 square feet. It contains facilities for airline ticketing and passenger check-in, public circulations and seating areas, airline offices, food and beverage and retail concessions, restrooms, Transportation Security Administration ("TSA") passenger processing and office space (Sheriff's office), and the enclosed pedestrian bridge providing access to the Existing Airside Terminal (defined below), via, escalators and elevators.

The second Terminal building, located to the north of Faraldo Circle ("Existing Airside Terminal"), comprises approximately 37,800 square feet. It contains the secured passenger holdroom areas with passenger seating, six aircraft departure gates, airline offices, food and beverage and retail concession areas, and public restrooms. The Existing Airside Terminal also contains an arrivals and baggage claim area separate from and to the west of the departure gates. The rental car counters are also located in the existing Airside Terminal. Airport management offices are located on the second level of the Existing Airside Terminal above the baggage claim area.

On-Airport Roadways. Vehicular access to the Airport is provided via South Roosevelt Boulevard, which is a four-lane, undivided State Route (also known as SR A1A). Entrance to the Airport is made via Faraldo Circle, a two-lane, one-way Airport roadway. Shortly after entering the Airport, Faraldo Circle splits into the elevated departures roadway and the at-grade arrivals roadway. The departures roadway provides access to the ticketing curb front as well as to employee parking on the second level of the parking garage. The arrivals roadway provides access to the public parking garage, passenger arrivals area, rental car ready/return areas, the fixed base operators ("FBO") facilities, fuel farm facilities, cargo facilities, Monroe County Sheriff and CBP facilities, and airside access Gates 1 and 5.

Automobile Parking Facilities. Automobile parking is available in three locations on the Airport including the two-level parking garage and a surface lot. The parking garage is located to the south of the Terminal and contains 150 public parking spaces and 152 rental car ready/return parking spaces on the ground level, and 99 employee parking spaces on the second level (uncovered). The surface lot is located to the west of the parking garage and contains approximately 69 parking spaces. The Airport operates parking at the Airport through its parking manager, Republic Parking Systems. The current agreement expires June 30, 2024.

Parking Rates

	Short Term Lot	Long-Term Garage[(1)]
0-60 Minutes	Free	$3.00
1-2 Hours	$6.00	6.00
2-3 Hours	9.00	9.00
3-4 Hours	12.00	12.00
>4 Hours/Daily Maximum	15.00	19.00
Weekly Maximum	84.00	84.00
Lost Ticket Minimum	15.00	19.00

(1) Long term daily max parking rates increase to $21 on October 1, 2022.

Adam Arnold Annex. The Adam Arnold Annex consists of approximately 6,600 square feet of space and houses the Airport Badging Office and CBP.

Fixed Base Operator Facilities. The Fixed Base Operator ("FBO") facilities include two primary buildings comprising a small office building of approximately 2,200 square feet, an aircraft maintenance hangar having approximately 8,000 square feet and a fuel farm which has three 12,000 gallon above-ground fuel storage tanks two for Jet A fuel and one for AVGAS. A dedicated roadway provides vehicular access to the FBO facilities.

The FBO office/terminal building includes a passenger lobby, pilot lounge, flight planning center, conference room/lounges and workstations and restrooms. The FBO is operated by Piedmont Hawthorn Aviation LLC d/b/a Signature Flight Support.

General Aviation Aircraft Storage Facilities. Aircraft storage facilities at the Airport consist of eleven (11) nested T-Hangars, eight small box hangars and two large conventional hangars. All of these aircraft storage facilities are owned by Key West Hangar Corporation on land leased from the Airport.

Aircraft Rescue and Firefighting Facility. An Aircraft Rescue and Firefighting ("ARFF") facility, also referred to as the Monroe County Fire Rescue/Key West Station 7 is located adjacent to the west end of the Terminal and immediately east of the air traffic control tower ("ATCT") and provides fire suppression, emergency medical services and ARFF services. The ARFF facility has three (3) vehicle bays and is equipped with two ARFF vehicles, a quick response vehicle and a backup inspections vehicle.

Air Traffic Control Tower. The ATCT is temporarily located on the north side of the airfield and is operational daily, 7:00 a.m. to 9:00 p.m. The Airport's ATCT is part of the FAA's contract tower program and is operated by a private company. Prior to its current location, the ATCT was located immediately to the west of the ARFF facility. In 2017, Hurricane Irma damaged the ATCT requiring it to be reconstructed. The FAA is in the process of designing and constructing a new ATCT on the original site. Construction is estimated to be completed in the fall of 2025 at which time the new ATCT will replace the current ATCT.

FedEx Cargo Facility. FedEx occupies a 3,000 square foot cargo building and 13,865 square feet of open land adjacent to the building, in connection with its overnight parcel delivery services.

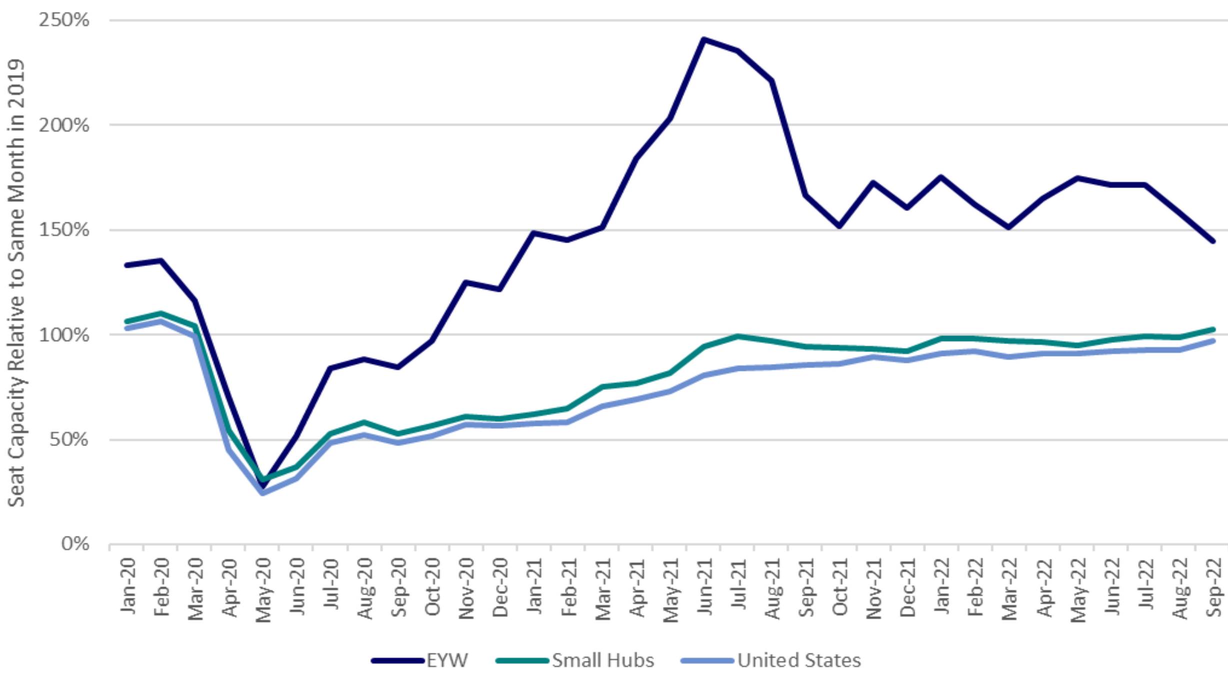
Rental Car Facilities. Of the rental car companies operating at the Airport, two lease rental car service facility buildings located on the Airport. One, which is currently leased by Avis Rent A Car System, LLC., is approximately 1,180 square feet and rests on approximately 0.7 acres. The other service facility is approximately 950 square feet, rests on approximately 0.6 acres and is leased by the Hertz Corporation.

Enplaned Passengers at the Airport

The Airport, classified by the FAA as a small-hub facility based on its percentage of nationwide passenger activity. The Airport ranked 102nd in passengers in the United States in calendar year 2021 (previously ranked 133rd in calendar year 2019), according to FAA Air Carrier Activity Information System ("ACAIS") enplaned passenger data. The Airport predominantly serves origin and destination ("O&D") passengers, with O&D passengers accounting for 98.2% of all passengers at the Airport in the Fiscal Year 2021.

The Airport experienced growth between the Fiscal Years, 2012 and 2014, but with the exit of Southwest Airlines at the Airport in 2014, Fiscal Year September 30, 2015 enplanement activity decreased 12.7%. Growth in enplanement activity at the Airport returned between Fiscal Years 2016 and 2019. Traffic decreased 28.4% in e Fiscal Year 2020 due to factors related to the COVID-19 pandemic. Traffic rebounded in e Fiscal Year 2021, with enplaned passengers increasing 93.7% on a year over year basis and exceeding Fiscal Year, 2019 levels. With the exception of Fiscal Year 2020, the number of enplaned passengers has grown every year since 2015, from approximately 350,000 passengers in Fiscal Year 2015 to approximately 659,000 in Fiscal Year 2021, an increase of 88.5%.

Domestic Seat Capacity Recovery – COVID-19
Key West, Small Hubs, and the United States



NOTE: Scheduled seats indexed to the same month in 2019.

SOURCE: Innovata, July 2022.

PREPARED BY: Ricondo & Associates, Inc., July 2022.

See "CERTAIN INVESTMENT CONSIDERATIONS – Coronavirus (COVID-19)" herein.

Historical Enplaned Passengers
(Fiscal Year Ended September 30)

Fiscal Year	Enplaned Passengers	Enplaned Passenger Growth
2012	366,190	--
2013	393,906	7.6%
2014	400,669	1.7
2015	349,790	(12.7)
2016	367,254	5.0
2017	398,592	8.5
2018	416,234	4.4
2019	475,034	14.1
2020(1)	340,307	(28.4)
2021	659,321	93.7
Compound Annual Growth Rate		
2012-2019	3.8%	
2012-2021	6.8	

(1) COVID-19, which began impacting the U.S. in March, 2020, and the resultant government measures and changes in passenger travel behavior resulted in significant reductions in passenger traffic in Fiscal Year 2020 when compared to prior Fiscal Years. See "CERTAIN INVESTMENT CONSIDERATIONS – Coronavirus (COVID-19)" herein for more information.

Source: Monroe County, Florida.

Enplaned passengers decreased 28.4% in Fiscal Year 2020. After increasing capacity during the first six months of the fiscal year, passenger volumes decreased sharply when all airlines greatly reduced capacity at the Airport because of the COVID-19 pandemic. By May 2020, total seat capacity at the Airport was at 27.9% of May 2019 levels. Seat capacity quickly rebounded and in September 2020, total seat capacity was 84.5% of September 2019 levels. See "CERTAIN INVESTMENT CONSIDERATIONS – Coronavirus (COVID-19)" herein.

Enplaned passenger volumes rebounded after the decrease in Fiscal Year 2020 and reached new highs in Fiscal Year 2021. Total Fiscal Year 2021 enplaned passenger volumes were 93.7% greater than in Fiscal Year 2020 as American, Delta and United rapidly reintroduced capacity at the Airport to take advantage of passenger demand for leisure destinations within the United States. Two new airlines, Allegiant and JetBlue, entered the Airport in Fiscal Year 2021. Allegiant's Fiscal Year 2021 activity at the Airport included service to Nashville International Airport (BNA), Cincinnati/Northern Kentucky International Airport (CVG), Pittsburgh International Airport (PIT), and Orlando Sanford International Airport (SFB). JetBlue served two destinations from the Airport, Boston Logan International Airport (BOS) and John F. Kennedy International Airport (JFK).

Allegiant began new air service from the Airport in Fiscal Year 2022 to the following destinations:

- Asheville Regional Airport (AVL) - November 2021

- St. Pete-Clearwater International Airport (PIE) – November 2021
- Indianapolis International Airport (IND) – December 2021

Enplaned passengers are spread over many carriers, with no single carrier historically having more than a 50.0% market share over the period shown. American and Delta vied for the largest market share between Fiscal Years 2017 and 2019. In Fiscal Year 2020 American increased its share to 45.8% and nearly reached 50% market share in Fiscal Year 2021. United's share of enplaned passengers has steadily increased since Fiscal Year 2017, reaching 12.6% in Fiscal Year 2021. Silver's share has decreased over the same period, from a high of 22.4% in Fiscal Year 2018 to 6.9% in Fiscal Year 2021. JetBlue and Allegiant introduced service in Fiscal Year 2021, earning 2.9% and 1.9% share, respectively, of enplaned passengers.

Historical Total Enplaned Passengers by Airline
(Fiscal Years Ended September 30)

Carrier[(1)]	2017 Enplaned Passengers	Share	2018 Enplaned Passengers	Share	2019 Enplaned Passengers	Share	2020 Enplaned Passengers	Share	2021 Enplaned Passengers	Share
Allegiant Air	0	0.0%	0	0.0%	0	0.0%	0	0.0%	12,485	1.9%
American Airlines	147,690	37.1	151,054	36.3	187,734	39.5	155,887	45.8	328,994	49.9
Delta Air Lines	160,919	40.4	143,514	34.5	176,775	37.2	106,817	31.4	169,923	25.8
JetBlue	0	0.0	0	0.0	0	0.0	0	0.0	19,188	2.9
Silver Airways	78,863	19.8	93,257	22.4	67,604	14.2	42,852	12.6	45,410	6.9
United Airlines	11,120	2.8	28,409	6.8	42,921	9.0	34,751	10.2	83,321	12.6
Airport Total	**398,592**	**100.0%**	**416,234**	**100.0%**	**475,034**	**100.0%**	**340,307**	**100.0%**	**659,321**	**100.0%**

(1) Includes regional/commuter affiliates.
Source: Monroe County, Florida.

Airlines Serving the Airport

As of July 2022, a total of six passenger air carriers provided scheduled service at the Airport and two all-cargo carriers also serve the Airport.

Passenger Service[(1)]	All-Cargo Service
Allegiant Air	Mountain Air Cargo (d/b/a FedEx)
American Airlines	SKYWAY (d/b/a UPS)
Delta Air Lines	
JetBlue Airways	
Silver Airways	
United Airlines	

(1) Includes regional affiliates, where applicable.
Source: Monroe County, Florida.

Of the passenger air carriers currently serving the Airport, three have continually operated at the Airport since Fiscal Year 2012: American Airlines, Delta Air Lines, and Silver Airways. United Airlines served the Airport in **[Fiscal Years]** 2012 and 2013. United suspended service in **[Fiscal Years]** 2014 through

2016 but resumed service in **[Fiscal Year]** 2017. Allegiant Air and JetBlue Airways commenced service in **[Fiscal Year]** 2021.

Historical Landed Weight

Landed weight is distributed among several carriers, with no carrier having more than half of annual landed weight at the Airport during the period shown. American and Delta accounted for 75.0% of landed weight at the Airport in Fiscal Year 2021. The other four passenger airlines combined accounted for an additional 24.2% of landed weight during this same period and cargo carriers contributed 0.8% of the total landed weight. In total, between Fiscal Years 2017 and 2019, landed weight for passenger airlines increased approximately 13%. As a result of the COVID-19 pandemic, passenger airline landed weight decreased by 10.0% between Fiscal Years 2019 and 2020 while cargo airline landed weight increased by 15.0%. In Fiscal Year 2021, cargo airline landed weight increased by an additional 16.9% over Fiscal Year 2020 levels at the Airport and passenger airline landed weight increased by 101.1%.

Historical Air Service

An airport's air service is often measured through the distribution of its O&D markets, which is a function of air travel demands and the airport's available nonstop service. (international service does not currently make up any of the Airport's air service). The following table presents data on the Airport's top 20 O&D airports for Fiscal Year 2021 followed by a historical table of origin and destination passengers.

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Top 20 Domestic Origin and Destination Markets
(Fiscal Year 2021)

Rank	Market	O&D Passengers	Percentage of O&D Passengers	Airlines
1	New York City[(1)]	157	9.1%	Delta, JetBlue, United
2	Washington, DC[(2)]	89	5.2	American, United
3	Philadelphia	85	5.0	American
4	Atlanta	84	4.9	Delta
5	Chicago[(3)]	72	4.2	American, United
6	Tampa	65	3.8	Silver
7	Boston[(4)]	64	3.7	JetBlue
8	Charlotte	57	3.3	American
9	Dallas[(5)]	57	3.3	American
10	Detroit	43	2.5	--
11	Orlando[(6)]	41	2.4	Silver
12	Houston[(7)]	33	1.9	United
13	Minneapolis	28	1.7	--
14	Pittsburgh	28	1.6	Allegiant
15	Nashville	28	1.6	Allegiant
16	Cincinnati	27	1.6	Allegiant
17	Cleveland	26	1.5	--
18	Indianapolis	25	1.5	Allegiant
19	Denver	24	1.4	--
20	Columbus	24	1.4	--
Other O&D Markets		661	38.4%	--
Total Domestic O&D Passengers		**1,720**	**100.0%**	--

(1) Includes John F. Kennedy International (JFK), Newark Liberty International (EWR), and LaGuardia (LGA) Airports.
(2) Includes Ronald Reagan Washington National (DCA), Washington Dulles International (IAD), and Baltimore/Washington International Thurgood Marshall (BWI) Airports.
(3) Includes O'Hare (ORD) and Midway (MDW) International Airports.
(4) Includes Boston Logan International (BOS), Manchester-Boston Regional (MHT), and Rhode Island T. F. Green International (PVD) Airports, as well as Portland International Jetport (PWM).
(5) Includes Dallas Fort Worth International Airport (DFW) and Dallas Love Field (DAL).
(6) Includes Orlando International (MCO) and Orlando Sanford International (SFB) Airports.
(7) Includes George Bush Intercontinental Airport/Houston (IAH) and William P. Hobby (HOU) Airports.

Source: Monroe County, Florida.

Historical Origin and Destination Passengers
(Fiscal Year Ended September 30)

Fiscal Year	Total Enplaned Passengers	O&D Enplaned Passengers	Percentage of O&D Passengers	Resident O&D Passengers	Percentage of Resident O&D	Visitor O&D Passengers	Percentage of Visitor O&D
2012	366,190	360,455	98.4%	67,745	18.5%	298,445	81.5%
2013	393,906	385,923	98.0	72,085	18.3	321,427	81.6
2014	400,669	391,175	97.6	80,935	20.2	320,135	79.9
2015	349,790	345,417	98.7	77,653	22.2	272,486	77.9
2016	367,254	363,990	99.1	78,592	21.4	288,662	78.6
2017	398,592	395,468	99.2	88,089	22.1	310,503	77.9
2018	416,234	412,224	99.0	100,729	24.2	315,505	75.8
2019	475,034	468,757	98.7	106,408	22.4	368,626	77.6
2020	340,307	333,491	98.0	65,339	19.2	275,308	80.9
2021	659,321	647,617	98.2	100,217	15.2	559,104	84.8
Compound Annual Growth Rate							
2012 – 2019	3.8%	3.8%		6.7%		3.1%	
2012 – 2021	6.8%	6.7%		4.4%		7.2%	

Source: Monroe County, Florida.

Historical Aircraft Operations

Historical aircraft operations are defined as the arrival or departure of an aircraft. The following table presents historical data on the Airport's aircraft operations.

Historical Aircraft Operations
(Fiscal Year Ended September 30)

Fiscal Year	Passenger Airline	All-Cargo	General Aviation/ Other Air Taxi	Military	Total	Annual Growth
2017	15,814	1,348	33,626	750	51,538	
2018	16,818	1,448	33,413	459	52,138	1.2%
2019	16,280	1,430	34,822	520	53,052	1.8
2020	13,278	1,645	29,564	442	44,929	(15.3)
2021	22,598	1,923	39,168	439	64,128	42.7
Compound Annual Growth Rate 2017 – 2021	9.3%	9.3%	3.9%	(12.5)%	5.6%	

Source: Monroe County, Florida.

Financial Information

PFCs. The Airport also receives PFCs from certain Collecting Carriers (as hereinafter defined), at a rate of $4.50 per enplaned passenger at the Airport. PFCs are restricted to certain authorized amounts and uses. See "THE COUNTY AND THE AIRPORT – Passenger Facility Charges" herein. The Eligible PFCs are a source of security for the Series 2022 Bonds.

Non-Airline Revenues. In addition to generating revenues from airlines, the County receives moneys from non-airline sources. The principal concessions and consumer services at the Airport are automobile parking, rental cars and terminal concessions from food, beverage and sundries sales. The County also derives revenues from advertising and ground transportation services. Each of the foregoing constitute "Revenues" for purposes of the Bond Resolution. The County has a written policy for publicly procuring and awarding concession and consumer service privileges at the Airport. Airport Management specifies performance and operating standards in its agreements with concessionaires in furtherance of its public service and revenue goals.

Revenues received by the County in connection with rental car services for Airport passengers are the second largest source of Revenue at the Airport. The County receives privilege fees and rents (associated with ready/return spaces, terminal counter space, and quick turnaround facilities) from rental car companies serving Airport customers. Onsite Airport rental car brands currently include Alamo, Avis, Budget, Dollar, Enterprise, Hertz and National.

Under substantially similar concession agreements ("RAC Agreements") with the County, these companies pay the greater of a 10% of gross receipts or concession fee, or, minimum annual guarantee ("MAG"), and fixed space rentals and fees for use and occupancy of counters and offices located in the

Airside Terminal, and ready return parking spaces located in the parking garage. The RAC Agreements expire on December 31, 2022. Airport management anticipates that the new rental car concession agreements will be executed concurrent with the expiration of the RAC Agreements and will have substantially similar fees and rental terms to the current RAC Agreements. If new concession agreements are not made effective upon the expiration of the RAC Agreements, according to Airport management, the terms of the RAC Agreements will remain in effect until new agreements are put into place.

Two of the On-Airport RACs, Avis and Hertz occupy and pay land lease rental for service facilities which are located on the Airport.

There is currently one "off-site" rental car company (KWJA, Inc.) permitted by the County to pick up and drop off customers in exchange for payment of a concession fee of 8.0% of gross rental car receipts.

Automobile parking is available in three locations on the Airport including the two-level parking garage and a surface lot. The parking garage contains 150 public parking spaces and 152 rental car ready/return parking spaces on the ground level, and 99 employee parking spaces on the second level (uncovered). The surface lot is located to the west of the parking garage and contains approximately 69 parking spaces. The public parking facilities at the Airport are managed by Republic Parking System, LLC (the "Parking Manager") under a management agreement with the County. Under the management agreement, the Airport pays all expenses, plus a management fee and an incentive fee, if any, to the Parking Manager. The current management agreement is for a period of five years and terminates June 30, 2024. The County has a single option to extend the term of the management agreement for an additional two-year period which will keep the management agreement in place until June 30, 2026.

Food, beverage and retail concession revenues (Restaurant and Gift Shop) generated by the Airport's food and beverage operator and retail operator represent percentage fees on gross revenues and other fees paid to the County in exchange for the privilege of conducting its food and beverage, or retail business at the Airport. The food and beverage concession is operated by Conch Flyer Concessions LLC ("Lessee") under an agreement it assumed in April 2016 and which originated in 1984 and expires on January 22, 2030. The Airport is currently negotiating an amendment to this agreement, which is expected to include, among other things, an extension of the term of the agreement, relocation of premises to Concourse A upon completion of the Series 2022 Project and provide for Lessee's investment in upfitting the new Concourse A premises.

The Airport collects trip fees paid by taxi, limousine, and transportation network companies such as Uber and Lyft ("TNCs") that connect paying passengers with drivers who provide the transportation using their own commercial and non-commercial vehicles. The TNCs include Lyft and Uber which operate under agreements which provide for a charge of $3.50 (in effect as of January 1, 2022 and July 1, 2022, respectively) per pick-up at the Airport. The County requires that the other ground transportation providers obtain a permit and pay a permit fee for the right to transport passengers arriving or departing the Airport. The Airport does not have an agreement with Turo.

In the Fiscal Years 2020 and 2021, Revenues derived from rental cars were $1,446,639 and $2,597,076, automobile parking totaled $290,968 and $420,034 and total revenues from terminal concessions and restaurant were $413,149 and $741,848, respectively. Revenues from sources other than signatory airlines represented over 73% with CARES funds and 52% without CARES of total Revenues received by the County in Fiscal Years 2020 and 2021.

Historical Operating Results. The Audited financial statement of the County and the Airport for Fiscal Year 2021 are set forth in Appendix B-1 and Appendix B-2, respectively, attached hereto.

The following table sets forth statements of Net Revenues determined in accordance with the Bond Resolution, as excerpted from the audited financial statements, for fiscal years 2017 through and including 2021.

Historical Revenues, Expenses and Debt Service
Fiscal Years Ended September 30, 2017-2021
(Unaudited)[1]

	2017	2018	2019	2020	2021[2]
REVENUES:					
Airline Revenues:					
Landing Fees	$2,019,358	$1,544,296	$2,210,141	$1,903,899	$3,335,948
Airline Terminal Rents	1,820,649	1,784,141	1,988,022	1,967,945	1,639,351
Airline Security Charges	443,106	342,184	529,122	411,378	594,213
Total Airline Revenues	**$4,283,113**	**$3,670,621**	**$4,727,284**	**$4,283,222**	**$5,569,512**
Non-Airline Revenues:					
Rental Car Concessions	$1,524,597	$1,417,653	$1,605,229	$1,446,639	$2,597,076
Rental Car	426,992	393,801	398,111	384,344	607,713
Public Parking	419,381	447,326	438,609	290,968	420,034
General Aviation	221,824	222,586	228,214	229,407	307,142
Ground Transportation	262,193	258,110	389,853	203,220	405,516
Advertising	189,699	212,665	261,406	162,408	172,540
Restaurant	280,876	277,295	353,860	256,568	499,930
Gift Shop	195,299	210,495	215,136	156,581	241,918
Air Cargo[3]	34,936	17,754	21,929	32,804	25,032
Investment Income	22,168	36,871	96,717	59,747	18,331
Other Rents	298,234	421,823	452,480	460,234	444,387
CARES[4]	0	0	0	5,295,800	9,063,499
Other Miscellaneous Revenue	2,680	931	11,744	11,231	280,465
Total Non-Airline Revenues	**$3,878,879**	**$3,917,310**	**$4,473,288**	**$8,989,950**	**$15,083,583**
TOTAL REVENUES	**$8,161,992**	**$7,587,931**	**$9,200,573**	**$13,273,173**	**$20,653,095**
OPERATION AND MAINTENANCE COSTS:					
Personal Services	$3,053,037	$3,155,980	$3,394,307	$3,990,131	$3,089,416
Contractual Services, Supplies/Materials & Other[5]	2,173,798	1,825,169	2,393,946	2,295,026	3,252,871
Security Services - MCSO (Net)	2,198,441	2,364,910	2,402,040	2,384,817	3,068,832
Total Operation and Maintenance Costs[6]	$7,425,276	$7,346,059	$8,190,294	$8,669,974	$9,411,119
NET REVENUE[7]	**$736,716**	**$241,871**	**$1,010,279**	**$4,603,199**	**$11,241,976**
DEBT SERVICE[8]	N/A	N/A	N/A	N/A	N/A
DEBT SERVICE COVERAGE	N/A	N/A	N/A	N/A	N/A

[Footnotes on following page]

(1) Revenues in the table above do not match those in the County's audited financial statements since CARES funds, investment income related to the Airport's operations, and monies received from court settlements were not classified as operational revenue for accounting purposes but are considered a source of operational revenue pursuant to the Bond Resolution. Additionally, Operation and Maintenance Costs do not match those in the County's audited financial statements since depreciation and amortization are not considered an Operation and Maintenance Cost for purposes of the Bond Resolution as well as expenditures incurred for the Airport's Noise Improvement Program and other Airport-related miscellaneous operating and capital outlay expenditures.

(2) The increase in general aviation revenues shown in Fiscal Year 2021 is primarily attributable to fixed base operators fair market value rental adjustments implemented by the Airport.

(3) According to the Airport, the reduction in Air Cargo revenue is reflective of an unusual delay in payment of cargo facility rentals resulting from a change in one of the air cargo operators.

(4) CARES amounts shown were applied by the County to Operation and Maintenance Costs.

(5) Includes amounts for County allocated overhead.

(6) The increase in Operation and Maintenance Costs is reflective of varying factors including necessary staffing, utilities, insurance, supplies and materials, maintenance and repairs, security services and other operating and maintenance requirements of the Airport.

(7) Amounts for Fiscal Year 2018, reflect negative impacts of Hurricane Irma on Airport operations. Increases in Net Revenues in Fiscal Years 2020 and 2021 is a result of receipt of CARES funds. Without such funds, Net Revenues would have been ($692,601) for the Fiscal Year 2020 and $2,178,477 for the Fiscal Year 2021.

(8) The County issued the Interim Indebtedness on July 1, 2021. However, the County did not draw on the Interim Indebtedness until _________, 20___. The Interim Indebtedness is expected to be repaid prior to or at the closing of the Series 2022 Bonds.

Source: Report of the Airport Consultant attached as APPENDIX C hereto.

Management Discussion and Analysis

The table of Net Revenues above was prepared in accordance with the Bond Resolution and includes only the Revenues and Operation and Maintenance Costs for the Airport.

The County Board of Commissioners has approved an Airport management policy to target days cash on hand minimum of at least 365 days. For Fiscal Year 2021 the total days cash on hand equaled 385. As of June 30, 2022, the total days cash on hand is 557.

The Airport's estimated budget for Fiscal Year 2022 reflects total Operating Revenues of approximately $12.2 million (excluding CARES funds) compared to actual Operating Revenues of $11.6 million in the Fiscal Year 2021 (excluding CARES funds). Budgeted Operation and Maintenance Costs are estimated at approximately $9.7 million for Fiscal Year 2022 compared to actual $9.4 million in Fiscal Year 2021. The budgeted cost per enplaned passenger for Fiscal Year 2022 is $8.49 compared to a budgeted amount of $13.19 in Fiscal Year 2027. The actual cost per enplaned passenger for Fiscal Year 2021 is competitive and was $8.45. The actual cost per enplaned passenger for Fiscal Years 2017 through and including 2021 is shown in the table below.

Historical Airline Cost Per Enplaned Passenger

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Airline Payments					
Landing Fees	$2,019,358	$1,544,296	$2,210,141	$1,903,899	$3,335,948
Airline Terminal Rents	1,820,649	1,784,141	1,988,022	1,967,945	1,639,351
Airline Security Charges	443,106	342,184	529,122	411,378	594,213
Total Airline Payments	**$4,283,113**	**$3,670,621**	**$4,727,284**	**$4,283,222**	**$5,569,512**
Enplaned Passengers	**398,592**	**416,234**	**475,034**	**340,307**	**659,321**
Airline Cost per Enplaned Passenger	**$10.75**	**$8.82**	**$9.95**	**$12.59**	**$8.45**

Source: Monroe County, Florida Airport Records.

Capital Improvement Program and Funding Sources (Excluding the Series 2022 Project)

The County has a five-year Capital Improvement Program (the "CIP") which is updated annually with new projects added and existing projects reevaluated, prioritized, rescheduled or omitted depending upon the current situation and predicted future needs of the Airport. The County's CIP for Fiscal Years 2023 through and including 2027 (the "Forecast Period") includes approximately $54 million in projects, excluding the Series 2022 Project, and approximately $167 million in projects, including the Series 2022 Project. The County does not expect to issue any additional debt to finance the CIP, as outlined below. The CIP is re-evaluated annually, and projects could be included/excluded based on demand and other factors. The Airport believes there are sufficient funding sources, as outlined below, to fund the CIP.

Key components of the County's CIP (excluding the Series 2022 Project) expected to be undertaken during the Forecast Period and the estimated costs of such key components are as follows:

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COUNTY'S CAPITAL IMPROVEMENT PROGRAM - FORECAST PERIOD – OTHER PROJECTS[(1)]

		Estimated Funding							
Capital Improvements [1]	Estimated Cost	AIP Ent. Funds	AIP Discr. Funds	AIP Part 150 Funds	FDOT Funds	COVID-19 Relief Funds	PFC PAYGO	Airport Funds	Total Funding
FY 2023									
Customs Ph. 3B Design	$250,000	$0	$0	$0	$125,000	$0	$62,500	$62,500	$250,000
Replace Airport Beacon	401,324	0	0	0	0	0	401,324	0	401,324
Salt Pond Fencing Design	300,000	0	0	0	150,000	0	0	150,000	300,000
Outbound Baggage System Design	300,000	0	0	0	150,000	0	0	150,000	300,000
Elevated Electrical Vault Design	150,000	0	0	0	75,000	0	0	75,000	150,000
GA Security Lighting	200,000	0	0	0	100,000	0	0	100,000	200,000
Taxiway A & Mitigation	8,494,861	2,800,000	4,245,653	0	724,604	0	0	724,604	8,494,861
W. Overflow Apron Parking	6,104,759	0	0	0	689,886	4,724,987	0	689,886	6,104,759
Commercial Apron Construction	4,734,085	0	4,260,677	0	236,704	0	0	236,704	4,734,085
Noise Improvement Program	3,873,445	0	0	3,486,100	0	0	387,345	0	3,873,445
Total	**$24,808,474**	**$2,800,000**	**$8,506,330**	**$3,486,100**	**$2,251,194**	**$4,724,987**	**$851,169**	**$2,188,694**	**$24,808,474**
FY 2024									
Customs Ph. 3B Construction	$2,460,610	$0	$0	$0	$1,230,305	$0	$615,153	$615,153	$2,460,610
Salt Pond Fencing Construction	900,000	0	0	0	450,000	0	0	450,000	900,000
Outbound Baggage System Construction	700,000	0	0	0	350,000	0	0	350,000	700,000
Elevated Electrical Vault Construction	600,000	0	0	0	300,000	0	0	300,000	600,000
Commercial Apron Construction	14,202,255	2,800,000	9,982,030	0	710,113	0	0	710,113	14,202,255
ARFF/Fire Support Equipment	1,000,000	0	0	0	500,000	0	0	500,000	1,000,000
Noise Improvement Program	2,250,000	0	0	2,250,000	0	0	0	0	2,250,000
Total	**$22,112,865**	**$2,800,000**	**$9,982,030**	**$2,250,000**	**$3,540,418**	**$0**	**$615,153**	**$2,925,265**	**$22,112,865**

[Table continued on the following page]

FY 2025									
Airfield	0	0	0	0	0	0	0	0	0
Terminal	0	0	0	0	0	0	0	0	0
Landside	0	0	0	0	0	0	0	0	0
Noise Improvement Program	2,250,000	0	0	2,250,000	0	0	0	0	2,250,000
Total	**$2,250,000**	**$0**	**$0**	**$2,250,000**	**$0**	**$0**	**$0**	**$0**	**$2,250,000**
FY 2026									
Airfield	0	0	0	0	0	0	0	0	0
Terminal	0	0	0	0	0	0	0	0	0
Landside	0	0	0	0	0	0	0	0	0
Noise Improvement Program	2,250,000	0	0	2,250,000	0	0	0	0	2,250,000
Total	**$2,250,000**	**$0**	**$0**	**$2,250,000**	**$0**	**$0**	**$0**	**$0**	**$2,250,000**
FY 2027									
Airfield	$0	$0	$0	$0	$0	$0	$0	$0	0
Terminal	0	0	0	0	0	$0	$0	$0	0
Landside	0	0	0	0	0	0	0	0	0
Noise Improvement Program	2,250,000	0	0	2,250,000	0	0	0	0	2,250,000
Total	**$2,250,000**	**$0**	**$0**	**$2,250,000**	**$0**	**$0**	**$0**	**$0**	**$2,250,000**
Total Future Capital Improvements	**$53,671,339**	**$5,600,000**	**$18,488,360**	**$12,486,100**	**$5,791,612**	**$4,724,987**	**$1,466,322**	**$5,113,959**	**$53,671,339**

(1) Does not include amounts relating to the Series 2022 Project and funding sources therefore, including the Series 2022 Bonds. If the Series 2022 Project is included, the total CIP equals approximately $167 million. See "THE SERIES 2022 PROJECT AND PLAN OF FINANCE" herein and APPENDIX C attached hereto for more information.

Source: Report of the Airport Consultant attached as APPENDIX C hereto.

Environmental, Social, and Governance (ESG) Factors for the Series 2022 Project

The Series 2022 Project is designed to provide a highly efficient, economically prosperous, environmentally responsible, healthy, and safe facility. The design considers energy efficiency, energy use reduction, potable water use reduction, demolition and construction waste reduction, operational waste reduction with increased recycling, increased interior environmental and air quality through selection of durable, low maintenance, low/no volatile organic compound materials, increased daylighting, glare reduction, and efficient building systems management. These considerations make the building more energy efficient, reduce operational water consumption, improve indoor environmental quality, occupant comfort, and building operations leading to a reduction of net operational and embodied carbon, CO2e emissions and pollutants.

The following is a summary of the sustainable strategies intended to be included in the Series 2022 Project.

- Sensitive Land Protection: The Series 2022 Project is located on previously developed land. The primary floor of the new concourse is raised 14 feet 6 inches above grade to avoid potential overland flooding as well as sea level rise and storm surges.

- Access to Quality Transit: The Airport is served by ride share services such as taxis, Lyft, Uber, Courtesy Shuttles, Key West Transit and Greyhound Transit. This reduces the number of individual automobile trips to and from the Airport.

- Reduced Parking Footprint: No new parking is being added as part of The Series 2022 Project. The Series 2022 Project rather utilizes existing parking facilities. [ARE THERE CHARGING FACILITIES?]

- Construction Activity Pollution Prevention: The Series 2022 Project will create and implement an erosion and sedimentation control plan for all construction activities. The plan must conform to the erosion and sedimentation requirements of the 2017 U.S. Environmental Protection Agency ("EPA") Construction General Permitor local equivalent, whichever is more stringent.

- Site Assessment: The Series 2022 Project design has been informed by and is responsive to assessments of the site's topography, hydrology, climate, vegetation, soils, human use, and health.

- Rainwater Management: The Series 2022 Project has been designed to meet the stringent rainwater management requirements of the site.

- Heat Island Reduction: The Series 2022 Project reduces heat island effect as it provides shading by the new concourse building onto the paved portions of the immediate site. The rooftops of the new concourse buildings have high solar reflectance values and thereby reduce heat island effect.

- Light Pollution Reduction: The Series 2022 Project intends to meet the maximum uplight and trespass ratings for exterior lighting zone 4.

- Outdoor Water Use Reduction: The Series 2022 Project does not include an outdoor irrigation system. The site area contains no vegetation or landscaping.

- Indoor Water Use Reduction: The predicted water use intensity for the Series 2022 Project is reduced by 44% below the calculated baseline by using low flow fixtures appropriate for the use of the facility.

- Optimize Energy Performance: The predicted energy use intensity for the Series 2022 Project has been reduced by 26% from the calculated baseline through the use of efficient equipment and systems.

- Energy Metering: All whole building energy sources and individual energy end uses that represent more than 10% of the total annual consumption of the building will be metered separately. These would include lighting, cooling, power to passenger boarding bridges and concessionaires.

- Renewable Energy: The project has considered the potential use of on-site renewable energy to produce a portion of the facility's electrical energy needs. The south facing concourse roof has been designed structurally to accommodate a potential installation of a roof mounted photo voltaic solar panel array.

- Refrigerant Management: The Series 2022 Project intends to select Low Impact refrigerants having an ozone depletion potential of zero and a global warming potential of less than 50.

- Construction and Demolition Waste Management: The Series 2022 Project is committed to reducing construction and demolition waste by a minimum of 60%. This requirement is included in the outline specifications. The plan will be developed by the construction manager at risks' construction waste manager.

- Windstorm Resiliency: The Series 2022 Project will be built to withstand up to 200 mile per hour winds.

Passenger Facility Charges

As part of the PFC Act, as implemented by the FAA pursuant to the PFC Regulations, the United States Congress has authorized commercial service airports such as the Airport to collect passenger facility charges from each paying passenger enplaned at such airport in the amount of $1.00, $2.00, $3.00, $4.00 or $4.50, subject to certain limitations. Airport-related projects eligible for funding with passenger facility charges are those that (a) preserve or enhance capacity, safety or security of the national air transportation system, (b) reduce noise from an airport that is part of the system, or (c) provide an opportunity for enhanced competition between or among air carriers or foreign air carriers. "Eligible airport-related projects" include airport development or planning, terminal development, airport noise compatibility measures and planning and construction of gates and related areas (other than restaurants, rental car facilities, automobile parking or other concessions) for the movement of passengers and baggage. In order to be eligible to impose passenger facility charges at levels of $4.00 or $4.50 a project must meet certain additional requirements provided in the PFC Regulations. The PFC Act is subject to amendment and to repeal by the United States Congress. The FAA may also amend the PFC Regulation. PFCs are collected on behalf of airports by air carriers, certain foreign air carriers and their agents ("Collecting Carriers").

The Collecting Carriers are authorized to withhold, as a collection fee (a) eleven cents per enplaning passenger from whom passenger facility charges is collected and (b) any investment income earned on the amount collected prior to the due date of the remittance. The Collecting Carriers remit passenger facility charges to the Airport on a monthly basis. The PFC Act was amended in 1996 to provide that PFCs that are held by a Collecting Carrier constitute a trust fund that is held for the beneficial interest of the eligible agency imposing the fee and that the Collecting Carrier holds neither a legal nor equitable interest in the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, PFC Regulations require Collecting Carriers to account for PFCs collections separately and to disclose the existence and amount of funds regarded as trust funds in financial statements. The Collecting Carriers, however, are permitted to commingle PFCs collections with the carriers' other sources of revenue.

PFCs may be used, subject to applicable regulations, either to pay debt service on all or a portion of bonds secured by, or payable from, PFCs or to pay for eligible capital improvements on a year-to-year basis, as specified in the applicable approval from the FAA.

PFC applications for specific projects are approved by the FAA in specific total amounts and the County may impose the designated passenger facility charges only until it collects the authorized total amount. Interest earnings on the collections are treated as collections for purposes of the authorized total. The Airport has imposed PFCs since January 1992. The Airport has received approval from the FAA to collect and use PFCs under twenty applications for a total of $142,983,806 in collection authority. Through September 30, 2021, PFCs received by the Airport, including investment earnings, totaled $29,731,843 (unaudited), of which $27,507,404 (unaudited) had been expended on approved project costs. The Airport is currently authorized to collect PFCs at a rate of $4.50 per enplaned passenger. PFC Application No. 19, approved January 2022, included $2.7 million for design costs for the [Series 2022 Project]. On July 11, 2022, the Airport received FAA approval for PFC Application #20, providing $106.3 million in collection authority to fund debt service for the [Series 2022 Project] at the $4.50 level.

Currently, the Airport's PFC approvals authorize (but do not require) the use of PFCs to pay debt service on any bonds issued to finance PFC approved projects.

[Remainder of page intentionally left blank]

The following table sets forth the PFCs collected at the Airport Fiscal Years ended 2017 through and including 2021:

Passenger Facility Charges

Fiscal Year Ended September 30	PFCs Collected
2017	$1,519,096
2018	1,589,189
2019	1,859,426
2020[(1)]	1,681,104
2021	2,648,832
2022[(2)]	2,856,852

(1) COVID-19, which began impacting the U.S. in March, 2020, and the resultant government measures and changes in passenger travel behavior resulted in significant reductions in passenger traffic in Fiscal Year 2020 when compared to Fiscal Year 2019. See "CERTAIN INVESTMENT CONSIDERATIONS – Coronavirus (COVID-19)" herein for more information.

(2) Includes collections for the first 10 months of the fiscal year.

Source: Report of the Airport Consultant attached as APPENDIX C hereto.

Federal and State Grants

The Airport and Airway Improvement Act of 1982 created the Airport Improvement Program (the "AIP"), which is administered by the FAA and funded by the Airport and Airway Trust Fund. This fund is financed by various federal aviation user taxes. Grants are available to airport operators across the country in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon cargo volume and enplaned passengers, and discretionary funds are available at the discretion of the FAA based upon a national priority system. Actual entitlement funds will vary with the actual number of passenger enplanements and cargo volume, with total appropriations for the AIP and with any revision of the existing statutory formula for calculating such funds. The AIP grant program is subject to periodic reauthorization and appropriation by Congress. Congress passed the FAA Reauthorization Act of 2018 in October 2018 reauthorizing the FAA for Fiscal Years 2019 to 2023 and providing a total of $97 billion in funding. If not reauthorized in 2023, the AIP could be affected by automatic across-the-board spending cuts, known as sequestration. As a result, there can be no assurance that the FAA will receive spending authority and the Authority is unable to predict the level of available AIP funding it may receive. Pursuant to the PFC Act (as defined herein) and the Aviation Investment and Reform Act for the 21st Century, an airport's annual federal entitlement grants are reduced by 50% following the imposition of PFCs at the $3.00 level and by 75% following imposition at the $4.00 or $4.50 level.

TSA has implemented congressionally mandated security fees to help finance the increased cost of securing the nation's aviation transportation system. The revenue generated from these security fees is utilized to help ensure the safe and efficient flow of people and commerce. The passenger fee, also known as the September 11 security fee, is collected by air carriers from passengers at the time air transportation is purchased. Air carriers then remit the fees to TSA. The fee is currently $5.60 per one-way trip in air transportation that originates at an airport in the U.S., except that the fee imposed per round trip shall not exceed $11.20.

FDOT implemented the Aviation Grant Program for certain aviation projects. FDOT matches FAA AIP grants at 12.5% for large hub airports and may match airport expenditures for projects not funded by FAA AIP at 50%. The Florida Legislature first used aviation fuel taxes imposed on aviation fuel sales to fund airport projects in 1983. The Florida Aviation Grant program was established to assist with aviation related projects. The Florida Strategic Intermodal System program funds projects that enhance the rail, road, airport and seaport systems. As the aviation fuel sales are dependent upon the industry as a whole, revenues generated and subsequent grants awarded are subject to a variety of potential conditions that may impact the annual fees generated.

The Airport has received a Commitment Letter dated May 27, 2022 from FDOT in the approximate amount of $38.9 million of FDOT grant funds for the period shown below and has identified this amount to fund a portion of the Series 2022 Project. Amounts to be received include the following:

FDOT Funding - Series 2022 Project
(State Fiscal Year Ending June 30,)

2022	2023	2024	2025	2026
$3,737,000	$6,157,371	$9,907,000	$10,000,000	$10,000,000

Contributed Capital Received by County
During Fiscal Years 2017-2021 (unaudited)
(in millions)

	2017	2018	2019	2020	2021
Federal Sources	$5,372,403	$19,448,877	$5,724,581	$16,702,137	$17,256,989
State Sources	894,107	2,454,975	829,941	1,747,040	5,054,071

Source: Monroe County, Florida.

No assurance can be given that federal or state sources of funds will actually be received in the amounts or at the time contemplated by the County. See "CERTAIN INVESTMENT CONSIDERATIONS - FAA The Federal Budget and Sequestration" herein for more information regarding federal grants.

Retirement Plan and Other Post-Employment Benefits

Retirement Plan. The County participates in the Florida Retirement System (the "FRS"), a cost sharing, multiple-employer public employee retirement system which covers all full-time and part-time employees. The FRS is contributory and is administered by the State of Florida. The FRS also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by Chapters 112 and 121, Florida Statutes. Beginning in 2002, the FRS became one system with two primary plans, a defined benefit pension plan (the "FRS Pension Plan") and a defined contribution plan alternative to the defined benefit plan known as the Public Employee Optional Retirement Program (the "FRS Investment Plan"). Since year 2012, the State mandated that employees contribute 3% of pay to the FRS Pension Plan. The FRS offers several other plan and/or investment options that may be elected by the employee. Each offers specific contribution and benefit options. The FRS plan documents should be referenced for complete details of these options and benefits.

See "APPENDIX A - GENERAL INFORMATION REGARDING MONROE COUNTY, FLORIDA" attached hereto.

Participating employers must comply with the statutory contribution requirements. Section 121.031(3), Florida Statutes, requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Florida Legislature as guidance for funding decisions. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and FRS Investment Plan rates) are recommended by the actuary but set by the Florida Legislature. For Fiscal Years 2021, the Airport's contributions totaled $318,603.

See Note 6 to the Airports Financial Statement for the year ended September 30, 2021 for more information regarding the FRS plans. Additional information is also provided in "APPENDIX A - GENERAL INFORMATION REGARDING MONROE COUNTY, FLORIDA." A copy of the FRS's June 30, 2021 annual report can be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by phone (850) 488-5706.

Other Post-Employment Benefits. The County provides post-retirement health care benefits, through participation in the GHPLC Plan, to all employees who retire from the County. The GHPLC provides medical, dental, vision and life insurance benefits ("OPEB") to County retirees and their spouses. As of September 30, 2021, the date of the latest actuarial valuation, plan participation consisted of 550 current active plan members and 425 retirees and beneficiaries receiving postemployment health care benefits.

The Actuary determined the Airport's actuarial accrued liability related to OPEB, which approximates the present value of all future expected postretirement life and medical premiums and administrative costs which are attributable to the past service of those retired and active employees, at $597,000 as of Fiscal Year 2021. The Actuary also determined the Airport's annual required contribution ("ARC"), which is the portion of the total accrued actuarial liability allocated to the current Fiscal Year needed to pay both normal costs (current and future benefits earned) and to amortize the unfunded accrued liability (past benefits earned, but not previously provided for), to be $45,700 as of Fiscal Year 2021. The calculation of the accrued actuarial liability and the ARC is, by definition and necessity, based upon a number of assumptions, including interest rate on investments, average retirement age, life expectancy, healthcare costs per employee and insurance premiums, many of which factors are subject to future economic and demographic variations.

See Note 5 to the Airport's Financial Statement for the year ended September 30, 2021 for more information regarding the other post-employment benefits. Additional information is also provided in "APPENDIX A - GENERAL INFORMATION REGARDING MONROE COUNTY, FLORIDA."

INFORMATION CONCERNING THE SIGNATORY AIRLINES

General

Each Signatory Airline (or its respective parent corporation) serving the Airport is subject to the information reporting requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and, in accordance therewith, must file reports and other information with the Securities and Exchange Commission (the "Commission"). Certain information, including financial information as of particular dates concerning each such Signatory Airline or its respective parent corporation, is disclosed in reports and statements filed with the Commission. In addition, certain non-signatory airlines may also file reports and information with the Commission. Such reports and statements can be inspected in the Public

Reference Section at the SEC Headquarters, 100 F Street, N.E., Washington, DC 20549, and copies of such reports and statements can be obtained from the Public Reference Section at prescribed rates. The SEC also maintains a website that contains reports, proxy and information statements and other written information regarding companies that file electronically with the SEC. The address of the website is http://www.sec.gov. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the United States Department of Transportation. Such reports can be inspected at the following location: DOT Dockets Office, Research and Innovative Technology Administration, Bureau of Transportation Statistics, 1200 New Jersey Avenue, S.E., Room W12-140, Washington, D.C. 20590 and copies of such reports can be obtained from the United States Department of Transportation at prescribed rates. Foreign flag airlines are not required to file financial reports or operating statistics with the United States Department of Transportation. THE COUNTY HAS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF INFORMATION AVAILABLE FROM THE ABOVE-MENTIONED SOURCES.

Signatory Agreement

An agreement between the County and all passenger airlines serving the Airport became effective October 1, 2021 ("Signatory Agreement"). Allegiant Air, American Airlines, Delta Air Lines, JetBlue Airways, Silver Airways and United Airlines have executed the Signatory Agreement and are, collectively, the "Signatory Airlines." There are currently no non-signatory airlines operating scheduled passenger air service at the Airport. The term of the Signatory Agreement extends to September 30, 2026. Failure to enter into an extended or new Signatory Agreement will not relieve the County from any of its obligations under the Bond Resolution, including the rate covenant.

The Signatory Agreement sets forth the rights and obligations of the parties as well as the procedures for calculating airline rentals, fees and charges for the use and occupancy of the arrivals terminal and the departures terminal buildings and the Airfield.

The Signatory Agreement also sets forth procedures for the establishment, review and adjustment, at least annually, of rentals, fees and charges payable by the Signatory Airlines and other airlines operating from the Terminal Complex and the Airfield ("Airline Rates and Charges") and provides for mid-year adjustments, if necessary, and an annual settlement based upon actual costs and activity. The Airline Rates and Charges are calculated under what is referred to as a compensatory method and are set based upon the projected activity and budgeted annual cost to the County of providing and operating the Airfield and those facilities of the Terminal Complex used by the airlines in processing their passengers through the Terminal Complex. The County is required to pay for the non-airline areas of the Airport with non-airline revenue.

Each Signatory Airline is obligated to airline rents, fees and charges totaling a minimum annual commitment of $450,000 during the term of the Signatory Agreement.

REPORT OF THE AIRPORT CONSULTANT

Scope of the Report

The Report presents the analysis undertaken by Newton & Associates, Inc. in conjunction with Ricondo & Associates, Inc. (collectively, the "Airport Consultant") to demonstrate the ability of the County to comply with the requirements of the Bond Resolution on a pro forma basis for the Forecast Period based on the assumptions regarding the issuance of the Series 2022 Bonds and the 2022 Project. In developing its analysis, the Airport Consultant has reviewed historical trends and formulated projections, based on the assumptions put forth in the Report, which have been reviewed and agreed to by the County, regarding the ability of the County to generate demand for air service, the trends in air service and passenger activity at the Airport, and the financial performance of the Airport.

To develop the pro forma analysis of the County's financial performance, the Airport Consultant reviewed the agreements that establish the business arrangements between the Airport and its various tenants, including but not limited to the commercial airlines serving the Airport. The Airport generates the majority of its Revenues from commercial airlines and private aircraft operators through airfield usage fees and various rentals for terminal and other spaces; fees and rents assessed to concessionaires providing various goods and services to passengers and other users of Airport facilities; fees and rents assessed to rental car operators serving the Airport; and fees for public parking and commercial vehicle access to Airport facilities. These revenues are in large measure driven by passenger demand for air service from the Airport, which is a function of national and local economic conditions, and the ability and willingness of the commercial airlines to supply service at a level commensurate with this demand. Thus, the Airport Consultant reviewed the historical relationships between economic activity and demand for air service and the financial performance of the Airport based on forecasted demand. In 2020, the airline industry and the Airport experienced significant changes resulting from the COVID-19 pandemic and efforts to contain it. The Airport Consultant's review of activity included considerations on the effect of the COVID-19 pandemic on airline travel, and the airlines' provision of air service going forward after COVID-19. Based on this historical review, the Airport Consultant developed assumptions regarding these factors and relationships through the Forecast Period, which provide the basis for the forecasts of passenger activity and the projections of financial performance presented in the Report attached hereto as APPENDIX C.

The financial analysis described in the Report includes a Forecast Period through Fiscal Year 2027.

The techniques and methodologies used by the Airport Consultant in preparing the Report are consistent with industry practices for similar studies in connection with the issuance of airport revenue bonds. While the Airport Consultant believes that the approach and assumptions used are reasonable, some assumptions regarding future trends and events discussed in the Report, including, but not limited to, the implementation schedule of the 2022 Project, the forecasts of passenger-related activity, and the projections of financial performance, may not materialize. Therefore, actual performance will likely differ from the projections set forth in the Report, and the variations may be material. See APPENDIX C attached hereto.

Summary of Financial Analysis and Assumptions

Results of the financial analysis presented in the Report are summarized below:

- Total annual enplaned passengers are forecast to grow from 739,504 in Fiscal Year 2022 to 781,909 by Fiscal Year 2027. To reflect the expected rebalancing of airline capacity as COVID-19 pandemic-related factors diminish and the demand for business travel and long-haul international travel returning, enplaned passengers are forecast to decrease from Fiscal Year 2022 level to 704,628 in Fiscal Year 2023 (-4.7%). Thereafter, enplaned passengers are forecast to rebound by 3.8% in Fiscal Year 2024 (731,316) and then reach 781,909 in Fiscal Year 2027.

- The average seats per departure is expected to increase due in large part to the forecast growth in market share of Allegiant. Allegiant operates the Airbus A319 on all routes serving the Airport with a dense, all-economy configuration of 156 seats, which is 77% higher than the average 88.2 seats per departure for all flights departing the Airport in Fiscal Year 2021. Average seats per departure are forecast to increase to 95.9 in Fiscal Year 2027.

- Airline revenues comprise revenues derived from landing fees, Terminal rents, and security fees, paid by the passenger airlines operating at the Airport. Collectively, airline revenues are projected to continue to represent the largest source of revenue generated at the Airport. Airline revenues are based on a combination of airline activity levels and the airline rates and charges imposed by the County and paid by the airlines pursuant to the Signatory Agreement. The Signatory Agreement prescribes a rate setting methodology which is a compensatory, cost recovery based methodology. Therefore, projected airline revenues over the Forecast Period are based, in part, on anticipated increases in Operation and Maintenance Costs and capital improvements made to airline facilities including the Terminal and Airfield. Anticipated Operation and Maintenance Costs increases would include general price level increases over existing Operation and Maintenance Costs levels and increases resulting from the larger Terminal facility produced by the Series 2022 Project. Capital improvements which would impact the airline facilities would include the Series 2022 Project (debt service on the 2022 Bonds) and any other improvements which may be completed by the County during the Forecast Period. Because the County; however, anticipates paying the majority of 2022 Bonds debt service with Eligible PFCs, airline rates and charges are not expected to increase significantly as a result of financing the Series 2022 Project with the Series 2022 Bonds. If in any year; however, Eligible PFCs are insufficient to pay the Series 2022 Bonds debt service in full, airline rates and charges may be adjusted by the County to include the amount of Series 2022 Bonds debt service allocable to the airline rate base.

- Upon its completion, the Series 2022 Project will provide additional and enhanced food, beverage and retail facilities at the Airport. Most notably the majority of the food, beverage and retail offerings will be located on the secure side (beyond the passenger security checkpoint) of the Terminal. The new food and beverage facilities will be located adjacent to the passenger boarding holdrooms and therefore will provide travelers additional opportunities to purchase and consume food and beverage and purchase merchandise. This should increase the level of revenue per enplanement generated by these concessions. According to the Airport, the number of food, beverage and retail locations will be increased in the new passenger concourse, and product offerings will be significantly enhanced. As a result, the Airport expects that total food, beverage and retail concession revenues will experience a 20% increase in Fiscal Year 2025, the first year the new facilities are expected to be operational. Based on the estimated Fiscal Year 2022 revenue per enplaned passenger generated by food, beverage and retail concession and the increase anticipated as a result of the new concession facilities opening in Fiscal Year 2025, restaurant concession revenues are projected to grow from $649,768 in Fiscal Year 2022 to $824,433 in Fiscal Year 2027, and Gift Shop concession revenues are projected to increase from $244,474 in FY 2022 to $310,191 in Fiscal Year 2027.

- Based upon the projected level of revenue passengers during the Forecast Period, the County is expected to collect an estimated $2,856,852 in PFCs during Fiscal Year 2022, growing to an estimated $2,889,939 in Fiscal Year 2025 (date of beneficial occupancy of the Series 2022 Project) and then to an estimated $3,020,672 in Fiscal Year 2027.

The projections of enplaned passengers and aircraft operations in the Report were based on several underlying assumptions, including the following:

- Activity at the Airport will not be constrained by facilities, or lack thereof.

- A prolonged contraction of demand for air travel increases the likelihood of structural changes to the airline industry. These structural changes may include airline bankruptcies and failures, consolidations, and hub closures or other network changes. No bankruptcies, or consolidations are incorporated into the projections. New airline alliances, should they develop, would be restricted to code-sharing and joint frequent flyer programs, and they would not reduce airline competition at the Airport.

- For the analyses, and like the FAA's nationwide forecasts, it was assumed that there will be no terrorist incidents during the Forecast Period that would have significant, negative, or prolonged effects on aviation activity at the Airport or nationwide.

- Additional economic disturbances will occur during the Forecast Period, causing year-to-year variations in airline traffic. However, traffic at the Airport and nationwide is projected to increase over the long-term.

- It is assumed that no additional major "acts of God" that may disrupt the local, national or global airspace system or negatively affect aviation activity will occur during the Forecast Period.

- Long-term growth was modeled on pre–COVID-19 socioeconomic variables with long-term economic growth estimates assumed to return to projected socioeconomic performance as enplaned passengers return to pre-COVID-19 activity levels (i.e., Fiscal Year 2019).

COVID-19 Recovery

The severity and duration of the downturn in air travel demand, as well as the timing, pace, and length of the recovery, are uncertain. Enplaned passengers surpassed Fiscal Year 2019 volumes in Fiscal Year 2021. Enplaned passengers are forecast to increase in Fiscal Year 2022, in line with scheduled capacity growth. A slight decrease in enplaned passengers is forecast to occur in Fiscal Year 2023 due to airlines rebalancing capacity across their route networks as COVID-19 pandemic related factors diminish and demand for business travel and long-haul international travel returns. Enplaned passengers are forecast to increase starting in Fiscal Year 2024. Activity levels are expected to remain significantly higher than 2019 levels through the Forecast Period, as it is expected that growth which occurred in recent years is sustainable due to increased awareness of the Key West market and airlines' continued service levels even as demand has returned in other leisure markets. The development of the recovery projections incorporated the following assumptions and factors in the Report:

- While the widespread deployment of effective vaccines to inhibit COVID-19 infection and treatments for illness have recently mitigated the severity of the COVID-19 pandemic, new variants of the COVID-19 virus may emerge and the full duration of the global COVID-19 pandemic and the resulting impact on air travel remains unknown. It is assumed that the emergence of any new variants of the COVID-19 virus would not result in as severe a reduction in air service as that experienced at the onset of the COVID-19 pandemic.

- Transborder travel restrictions have impacted demand for international travel and in some cases has shifted demand to domestic markets. The timeline for lifting these restrictions is unknown and the United States and other countries may impose new restrictions (or reinstate restrictions that have been lifted) if new surges of COVID-19 infections emerge. It is assumed a progressive reduction in travel restrictions will occur, or the efficiency and availability of approaches to meet travel requirements will advance. In June 2022, the U.S. lifted testing restrictions for incoming travelers.

- Airlines have retired certain aircraft types from their operating fleets since the onset of the COVID-19 pandemic. Changes in fleet mix and average aircraft size could influence airline allocations of capacity to markets and change the number of operations required to accommodate passenger demand.

- Supply side factors, including slower than anticipated delivery of new aircraft as well as labor shortages, may limit airlines' ability to quickly restore capacity as demand returns.

- A prolonged contraction of demand for air travel increases the likelihood of structural changes to the airline industry. These structural changes may include airline bankruptcies and failures, consolidations, and hub closures or other network changes. These types of changes are not assumed in the forecast.

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Projected Net Revenues and Debt Service Coverage

Using the assumptions described above and in APPENDIX C attached hereto, the Airport Consultant developed projections of revenues, expenses, debt service and debt service coverage for the Forecast Period as shown in the table below.

	Estimated FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
GROSS REVENUES:						
Airline Revenues:						
Airline Landing Fees	$3,037,971	$3,169,334	$3,321,744	$3,439,755	$3,826,219	$3,797,274
Airline Terminal Rents	2,166,949	2,229,335	2,352,541	4,165,652	4,592,685	4,516,469
Airline Security Charges	1,076,770	1,524,153	1,630,844	1,745,003	1,411,426	1,510,226
Passenger Boarding Bridge Charges	0	0	0	245,000	262,150	490,501
Total Airline Revenues	$6,281,689	$6,922,823	$7,305,129	$9,595,410	$10,092,479	$10,314,469
Non-Airline Revenues:						
Rental Car Concessions	$2,900,000	2,763,233	$2,867,891	$2,933,587	$2,999,836	$3,066,295
Rental Car Rents	$661,266	914,101	$914,101	$914,101	$914,101	$914,101
Public Parking	550,000	633,561	657,558	672,621	687,810	703,048
General Aviation	309,000	318,270	327,818	337,653	347,782	358,216
Ground Transportation	450,000	428,778	445,018	455,212	465,492	475,804
Advertising	200,000	190,568	197,786	202,316	206,885	211,469
Restaurant	649,768	619,124	642,574	788,752	806,564	824,433
Gift Shop	244,474	232,944	241,767	296,766	303,468	310,191
Air Cargo	25,679	29,206	30,645	31,619	35,055	34,689
Other Rents	538,734	554,896	571,543	588,689	606,350	624,540
CARES	640,701	0	0	0	0	0
Other Miscellaneous Revenue	1,500	1,500	1,500	1,500	1,500	1,500
Total Non-Airline Revenues	$7,171,122	$6,686,181	$6,898,200	$7,222,816	$7,374,845	$7,524,286
Total Gross Revenues	**$13,452,812**	**$13,609,004**	**$14,203,328**	**$16,818,225**	**$17,467,324**	**$17,838,755**
OPERATION AND MAINTENANCE COSTS:						
Personal Services	$3,881,961	$4,076,059	$4,279,862	$4,493,855	$4,718,548	$4,954,475
Contractual Services, Supplies/Materials & Other	3,096,262	3,313,000	3,544,910	3,793,054	4,058,568	4,342,668
Security Services - MCSO (Net)	2,284,733	2,444,664	2,615,791	2,798,896	2,994,819	3,204,456
Transfers - County Overhead	477,280	510,690	546,438	584,689	625,617	669,410
	$9,740,236	$10,344,413	$10,987,001	$11,670,494	$12,397,551	$13,171,009
Estimated Incremental Operation and Maintenance Costs - 2022 Project	$0	$0	$0	$1,216,461	$1,346,452	$1,429,137
Total Operation and Maintenance Costs	**$9,740,236**	**$10,344,413**	**$10,987,001**	**$12,886,955**	**$13,744,003**	**$14,600,146**
NET REVENUES	**$3,712,576**	**$3,264,591**	**$3,216,327**	**$3,931,271**	**$3,723,321**	**$3,238,609**
PFC Eligible Revenues	**$0**	**$0**	**$0**	**$2,600,000**	**$2,600,000**	**$2,600,000**
Amount Available for Debt Service	**$3,712,576**	**$3,264,591**	**$3,216,327**	**$6,531,271**	**$6,323,321**	**$5,838,609**
Debt Service[(1)]	**$0**	**$0**	**$0**	**$2,612,000**	**$2,458,250**	**$2,455,750**
Debt Service Coverage[(2)]	**N/A**	**N/A**	**N/A**	**2.50x**	**2.57x**	**2.38x**
Subordinate Debt Service[(3)]	**$0**	**$12,000**	**$12,000**	**$167,500**	**$323,000**	**$323,000**
Remaining Revenue	**$3,712,576**	**$3,252,591**	**$3,204,327**	**$3,751,771**	**$3,542,071**	**$3,059,859**

[Footnotes on following page]

(1) Interest on the Series 2022 Bonds is capitalized through October 1, 2024. Debt service payments on the Series 2022 Bonds do not begin until Fiscal Year 2025.
(2) See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Rate Covenant" herein.
(3) Estimated payments on the 2022 Line of Credit. See "THE SERIES 2022 PROJECT AND PLAN OF FINANCE" herein for more information.
Source: Report of the Airport Consultant attached hereto as APPENDIX C.

Conclusions of the Airport Consultant

1. Based on the analyses set forth in the Report, Net Revenues and Eligible PFC Revenues in each year of the Forecast Period are expected to be sufficient to comply with the requirements of the rate covenant established in the Resolution.

2. The Airport Consultant believes that the range of cost per enplaned passenger included within the Report is reasonable, considering historical cost per enplaned passenger levels, the physical scope and cost of the Series 2022 Project, and forecast Operation and Maintenance Costs estimated to be required after completion of the Series 2022 Project

CERTAIN INVESTMENT CONSIDERATIONS

This section provides a general overview of certain investment considerations that should be taken into account, in addition to the other matters set forth in this Official Statement, in evaluating an investment in the Series 2022 Bonds and the sufficiency of the Pledged Funds expected to be generated by the Airport. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the Series 2022 Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of the investment considerations. Potential investors in the Series 2022 Bonds are advised to consider the following factors, among others, and to review this entire Official Statement to obtain information essential to the making of an informed investment decision. Any one or more of the investment considerations discussed below, among others, could lead to a decrease in the market value and/or the marketability of the Series 2022 Bonds. There can be no assurance that other investment considerations not discussed herein will not become material in the future.

Limited Obligations

The Series 2022 Bonds, together with the Parity Bonds and any Additional Parity Bonds, when and if issued, are limited special obligations of the County payable from, and equally and ratably secured by, a lien on the Pledged Funds, including the Net Revenues. No mortgage of any of the physical properties forming a part of the Airport or any lien thereon or security interest therein has been given. The Series 2022 Bonds are not general obligations of the County, and neither the taxing power of the County nor the State is pledged as security for the Series 2022 Bonds. See "SECURITY FOR THE BONDS" in this document.

Factors Affecting Air Transportation Industry

The generation of Revenues is heavily dependent on the volume of the commercial flights, the number of passengers, and the amount of cargo processed at the Airport. All three are dependent upon a wide range of factors including: (1) local, national and international economic conditions, including international trade volume, (2) regulation of the airline industry, (3) passenger reaction to disruptions and delays arising from security concerns and government shutdowns, (4) airline operating and capital expenses, including security, labor and fuel costs, (5) environmental regulations, (6) the capacity of the national air traffic control system, (7) currency values and (8) world-wide infectious diseases (e.g., Ebola, SARS and COVID-19). The airline industry has faced and will continue to face economic challenges, reflecting both increased costs and overall economic conditions. As a result, airlines have faced major financial losses and, in some cases, bankruptcy. See "Airline Economic Considerations *Airline Bankruptcies"* under this caption. Increased costs and other factors arising from the September 11, 2001 terrorist attacks and related regulatory reaction are discussed separately below in "Security Requirements." Other particular factors are discussed below.

Airline Economic Considerations

Overview

The financial strength and stability of airlines serving the Airport will affect future airline traffic. Prior to 2020, and for the last nine years, the U.S. airline industry has been profitable, following 10 years of stagnation during which carriers accumulated combined losses of $50 billion. To mitigate such losses, U.S. carriers merged, reduced their route networks and flight schedules, and negotiated with employees, lessors, and vendors to cut costs. These cost mitigation tactics have often occurred within the context of certain carriers' Chapter 11 federal bankruptcy proceedings. In the last 15 years, the mega-mergers have consisted of Delta and Northwest in 2008, Southwest and AirTran in 2010 and United and Continental in 2010. The most recent mega-merger is that between American Airlines and U.S. Airways in December 2013 and on a lesser scale, Virgin America and Alaska Airlines merged in 2018. On February 7, 2022, Spirit Airlines and Frontier Airlines announced their intention to merge in the second half of 2022, pending government approvals. On March 29, 2022, JetBlue made an unsolicited offer to acquire Spirit, and subsequently launched a tender offer and a proxy contest in connection with Spirit's proposed merger with Frontier. On July 27, 2022, Frontier and Spirit called off the proposed merger and on July 28, 2022, JetBlue and Spirit reached an agreement for JetBlue to purchase Spirit. Neither Spirit nor Frontier currently serves the Airport. Consolidation across the industry has resulted in the realignment of several airline route networks as airlines have sought efficiencies in their service. Further consolidation of the US airline industry could affect the capacity offered at the Airport and could alter the competitive landscape.

Largely as a result of consolidations, U.S. scheduled air carriers' overall domestic capacity, as measured by available seat miles, declined 10.3% from 2007 to 2009 with the 2007 measurement as the high and the 2009 measurement as the low. By 2015, domestic capacity by U.S. scheduled carriers had recovered back to the 2007 level and by June 2019 domestic capacity had increased to 18.1% above 2007, as measured by available seat miles. By comparison, international capacity for U.S. air carriers has increased 20.3% between 2007 and June 2019, as measured by available seat miles.

The price and availability of jet fuel are critical and uncertain factors affecting airline operating economics. The price of oil and the associated cost of jet fuel is the largest single cost affecting the airline industry. The volatility in jet fuel prices, which track just above crude oil prices, has significantly affected airlines' operating costs over the past several years. The price of jet fuel peaked in the second quarter of 2008 to just below $180.00 per barrel, as contrasted with the price of $45.38 per barrel as of August 7, 2020 with an $46.30 per barrel and as of March 2022 reached $125 per barrel.

Fuel costs are expected to remain volatile and may affect future increases in passenger traffic, which depend on stable international conditions as well as national and global economic growth. Any resumption of financial losses could force airlines to further retrench, merge, consolidate, seek bankruptcy protection, discontinue marginal operations, or liquidate. The restructuring, merging, or liquidation of one or more of the large network airlines could drastically affect air service at many connecting hub airports, offer business opportunities for the remaining airlines, and change air travel patterns throughout the U.S. and the world aviation system.

Although fuel cost is of major importance to the airline industry, future prices and availability are uncertain and fluctuate based on numerous factors. These can include supply-and-demand expectations, geopolitical events, fuel inventory levels, monetary policies, regulatory efforts to reduce aircraft emissions and economic growth estimates. Historically, certain airlines have also employed fuel hedging as a practice to provide some protection against future fuel price increases. While fuel hedging has generally not been used by airlines in recent years, it remains as a potential option to mitigate fuel cost risk.

Airline Bankruptcies

Airlines using the Airport may file for protection under U.S. or foreign bankruptcy laws, and any such airline (or a trustee on its behalf) would usually have the right to seek rejection of any executory airport lease or contract, including a Signatory Agreement, within certain specified time periods after the filing, unless extended by the bankruptcy court. In addition, during the pendency of a bankruptcy proceeding, a debtor airline using the Airport typically may not, absent a court order, make any payments to the County either on account of services provided to the airline prior to the bankruptcy filing date or the airline's use of airport facilities prior to the bankruptcy filing date (such services or use being referred to as "pre-petition" items). Thus, the County's stream of payments from a debtor airline may be interrupted to the extent such payments are for pre-petition items, including any accrued rent, landing fees, aviation fees, and PFCs. For any domestic or foreign airline not intending to continue operating at the Airport, the airline will likely reject all contracts, including a Signatory Agreement, with the Airport, and the Airport's recovery of amounts owed to it under the contracts prior to the filing date will typically be limited to the security deposits on hand for that airline and the percentage distribution of the airline's assets that all creditors receive at the conclusion of the bankruptcy proceeding.

An airline that has executed a Signatory Agreement or other executory contract with the County and seeks protection under the U.S. bankruptcy laws must assume or reject (a) its Signatory Agreement within 120 days after the bankruptcy filing (subject to court approval, a one-time 90-day extension is allowed (further extensions are subject to the consent of the County and approval of the Bankruptcy Court), and (b) its other executory contracts with the County prior to the confirmation of a plan of reorganization.

In the event of assumption and/or assignment of any agreement to a third party, the airline would be required to cure any pre- and post-petition monetary defaults and provide adequate assurance of future performance under the applicable Signatory Agreement or other agreements.

Rejection of a Signatory Agreement or other agreement or executory contract will give rise to an unsecured claim by the County for damages, the amount of which in the case of a Signatory Agreement or other agreement is limited by the United States Bankruptcy Code generally to the amounts unpaid prior to bankruptcy plus the greater of (i) one year of rent or (ii) 15% of the total remaining lease payments, not to exceed three years. However, the amount ultimately received in the event of a rejection of a Signatory Agreement or other agreement could be considerably less than the maximum amounts allowed under the United States Bankruptcy Code. Certain amounts unpaid as a result of a rejection of a Signatory Agreement or other agreement in connection with an airline in bankruptcy, such as airfield, terminal, concourse and ramp costs would be passed on to the remaining airlines under their respective Signatory Agreements, thereby increasing such airlines' cost per enplanement, although there can be no assurance that such other airlines would be financially able to absorb the additional costs. In addition, pre-petition payments made by an airline in bankruptcy within 90 days of filing a bankruptcy case could be deemed to be an "avoidable preference" under the United States Bankruptcy Code and thus subject to recapture by the debtor or its trustee in bankruptcy. In general, risks associated with bankruptcy include risks of substantial delay in payment or of reduced or non-payment and the risk that the County may be delayed or prohibited from enforcing any of its remedies under the agreements with a bankrupt airline.

With respect to an airline in bankruptcy proceedings in a foreign country, the County is unable to predict what types of orders and/ or relief could be issued by foreign bankruptcy tribunals, or the extent to which any such orders would be enforceable in the United States.

Airline Labor Constraints

At the onset of the COVID-19 pandemic, many airlines reduced staffing levels, including pilots, flights attendants, mechanics, and airport agents, through early retirement programs and involuntary furloughs. As demand has returned, some airlines have faced challenges sourcing sufficient levels of staffing to operate at continued increased levels of capacity. Airlines have responded by accelerating hiring and training of new staff and, in some instances, have had to cancel flights due to staffing shortages. Ongoing airline staffing shortages may constrain airlines' ability to grow capacity across their networks while maintaining capacity in markets like the Airport that have grown in recent years.

The Federal Budget and Sequestration

Another factor that has affected the airline industry in the last several years is the federal deficit reductions enacted through implementation of the sequestration provisions of the Budget Control Act of 2011 ("BCA"), which established automatic cuts to the federal legislation's discretionary budget authority based upon certain spending thresholds. The sequestration provisions were first triggered in 2013, cutting the budgets of federal agencies, including the FAA, Customs and Border Patrol Agency ("CBP") and TSA. While reductions have continued in some form in every year since, Congress has acted several times to prevent "sequester" cuts to discretionary programs by lifting the discretionary spending caps. The most recent of these actions was the Bipartisan Budget Act of 2019 ("BBA 2019") that increased the spending caps for federal Fiscal Years 2020 and 2021 and should prevent automatic discretionary sequester cuts for these two years. These are the final two years for which discretionary spending caps are scheduled to be in effect under the BCA.

Per the Congressional Budget Office, federal agencies did not have to cut their spending because of sequestration in Fiscal Year 2020. Should sequestration be triggered in Fiscal Year 2022 (i.e., exceed the increased spending caps), it could adversely affect FAA, CBP and TSA budgets and operations and the availability of certain federal grant funds typically received annually by the Airport. Such budget cuts could also lead to the FAA, CBP and TSA being forced to implement furloughs of their employees and freeze hiring, and could result in flight delays and cancellations.

PFC Collections

Termination of PFCs

The County's legal authority to impose and use PFCs is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and each PFC application. If the County fails to comply with these requirements, the FAA may take action to terminate or to reduce the County's legal authority to impose or to use PFCs. Some of the events that could cause the County to violate these provisions are not within the County's control. In addition, failure to comply with the provisions of certain federal noise pollution acts may lead to termination of the County's authority to impose PFCs.

Amendments to PFC Act or PFC Regulations

There is no assurance that the PFC Act will not be repealed or amended or that the PFC Regulations or any PFC application will not be amended in a manner that would adversely affect the County's ability to collect and use PFCs.

Collection of the PFCs

The ability of the County to collect PFCs depends upon a number of factors including the operation of the Airport by the County, the use of the Airport by Collecting Carriers, the efficiency and ability of the Collecting Carriers to collect and remit PFCs to the County and the number of enplanements at the Airport. The County relies upon the Collecting Carriers' collection and remittance of PFCs, and both the County and the FAA rely upon the airlines' reports of enplanements and collection statistics. Notwithstanding provisions of the PFC Act and the FAA Regulations requiring Collecting Carriers to account for PFC collections separately and indicating that those PFC collections are to be regarded as funds held in trust by the Collecting Carriers for the beneficial interest of the public agency imposing the PFC, recent bankruptcy court decisions suggest that in a bankruptcy proceeding involving a Collecting Carrier, the PFC collections in the Collecting Carrier's custody may not be treated as trust funds and that the County may not be entitled to any priority over other creditors of the collecting airline to such funds.

Possible Bankruptcy Effects

Applicable federal legislation and regulations provide that PFCs collected and held by an airline constitute a trust fund for the benefit of the applicable airport and create additional protections intended to ensure the regular transfer of PFCs to airports in the event of an airline bankruptcy. There can be no assurance, however, that during the bankruptcy of any airline, payment to the Airport of PFCs will not be delayed or reduced.

Federal Legislation

Federal legislation affects the Airport Improvement Program (the "AIP") grant funding that the County and the Airport receives from the FAA, the County's PFC collections, and the operational requirements imposed on the County. The FAA operates under an authorization-appropriation process created by Congress in which the authorization bill continues an agency's operation and the appropriation bill provides the funding for the activity under the authorization bill. Most authorization bills are for multiple years while the appropriation bills are done on an annual basis. In some cases, the bills can be combined as noted below.

The FAA Reauthorization Act of 2018 (the "2018 Reauthorization Act") was signed into law on October 5, 2018. The 2018 Reauthorization Act extends general expenditure authority for the Airport and Airway Trust Fund from September 30, 2018, through September 30, 2023, and extends aviation taxes funding the Airport and Airway Trust Fund for the same period. In addition, the 2018 Reauthorization Act removes obsolete restrictions on the PFCs, improves the aircraft certification process, improves aviation safety, prohibits involuntary bumping of passengers once they have already boarded the plane, and addresses miscellaneous provisions relating to air travel and the FAA. The 2018 Reauthorization Act also contained authority for an additional $1 billion in annual discretionary AIP grants subject to annual appropriations during the Fiscal Years 2019 through and including 2023 with not less than 50 percent of supplemental discretionary funds to be used at nonprimary, nonprimary commercial service, reliever, non-hub primary, and small hub primary airports.

There is no assurance that the FAA will receive spending authorization, and the FAA could be impacted by sequestration, as previously discussed. The Airport cannot predict the level of available AIP funding it may receive.

Airport Security Requirements

General

Legislative and regulatory requirements since 2001, relating to security, have imposed substantial costs on the Airport and its airlines. The most significant ones are discussed below.

Federal legislation created the TSA, an agency within the Department of Homeland Security ("DHS"). Mandates of federal legislation and federal agencies such as TSA and DHS have imposed extensive new requirements related to screening of baggage and cargo (including explosive detection), screening of passengers, employees and vehicles, and airport buildings and structures, among other things.

The Federal Aviation and Transportation Security Act ("ATSA") makes airport security the responsibility of TSA. The Homeland Security Act of 2002 and subsequent directives issued by DHS have mandated stronger cockpit doors on commercial aircraft, an increased presence of armed federal marshals on commercial flights, establishment of 100% checked baggage screening and replacement of all passenger and baggage screeners with federal employees who must undergo criminal history background checks and be U.S. citizens, among other things.

ATSA also mandates airport security measures that include: (1) screening or inspection of all individuals, goods, property, vehicles and equipment before entry into secured and sterile areas of the airport, (2) security awareness programs for airport employees, (3) screening all checked baggage for explosives with explosives detection systems ("EDS") or other means of technology approved by the Undersecretary of the United States Department of Transportation, (4) deployment of sufficient EDS for all checked baggage, and (5) operation of a system to screen, inspect or otherwise ensure the security of all cargo to be transported in all-cargo aircraft. Due to a lack of TSA funding, airports have borne some or all of the cost of designing, constructing, and installing automated in-line baggage screening systems and passenger screening checkpoints to meet the specifications that the TSA screening process requires for operation at full design capacity.

Airport security programs have also been affected by an additional requirement for the Airport to control access at the TSA passenger screening checkpoint exit lanes during TSA non-operational hours and on a 24 hours/7 days a week basis for exit lanes that are not co-located next to the passenger screening checkpoints. This function was previously performed by TSA personnel. Additionally, TSA continues to pressure airports to increase the rate of required random inspections of employees and vehicles accessing the restricted areas of the Airport. Thus far, the Airport has not only been able to meet but also to exceed TSA's expectations in this regard with its long-standing static and random employee screening program.

Cargo Security

Both federal legislation and TSA rules have imposed additional requirements relating to air cargo. These include providing information for a central database on shippers, extending the areas of the Airport subject to security controls, and criminal background checks on additional employees, which inhibits the ability of operators to hire temporary workers during peak periods.

TSA also requires carriers to screen 100% of all loaded cargo on passenger and on all-cargo aircraft. TSA has developed a Certified Cargo Screening Program ("CCSP") for a "supply chain-wide solution" to cargo security that will certify cargo shippers so that they are able to screen cargo earlier in the chain. The Airport currently is actively participating in the CCSP program.

Cost and Schedule of Capital Improvements Program

The estimated costs and schedule of the Series 2022 Project and other CIP projects described herein under the captions "THE SERIES 2022 PROJECT AND PLAN OF FINANCE" and "THE COUNTY AND THE AIRPORT - Capital Improvement Program and Funding Sources" depend on various sources of funding and are subject to a number of uncertainties. Ability to complete the Series 2022 Project and the CIP may be adversely affected by various factors including: (i) estimating variations, (ii) design and engineering variations, (iii) changes to the scope of the projects, (iv) delays in contract awards, (v) material and/or labor shortages, (vi) unforeseen site conditions, (vii) casualty events or adverse weather and environmental conditions, (viii) contractor defaults, (ix) labor disputes, (x) unanticipated levels of inflation and (xi) additional security improvements and associated costs mandated by the federal government. A delay in the completion of the Series 2022 Project and certain projects under the CIP could delay the collection of Revenues in respect to such projects, increase costs for such projects, and cause the rescheduling of other projects. There can be no assurance that the cost of construction of the Series 2022 Project and other CIP projects will not exceed the currently budgeted dollar amount or that the completion of the projects will not be delayed beyond the currently projected completion dates. Any schedule delays or costs increases could result in the need to issue additional bonds beyond those currently projected as a funding source for the Series 2022 Project and other CIP projects.

Growth of Transportation Network Companies

A significant source of non-airline revenues is generated from ground transportation activity, including use of on-Airport parking facilities, rental car transactions, and trip fees paid by taxi, limousine, and transportation network companies such as TNCs that connect paying passengers with drivers who provide the transportation using their own commercial and non-commercial vehicles. In 2017, the Airport negotiated licenses with Uber and Lyft. The Airport receives $3.50 per TNC passenger pickup at the Airport. There is currently no drop-off fee.

There can be no assurance that there will not be further declines in the revenues that the Airport receives from other ground transportation activities.

Cyber-Security

Computer networks and systems used for data transmission and collection are vital to the efficient operations of the County. County systems provide support to departmental operations and constituent services by collecting and storing sensitive data, including intellectual property, security information, proprietary business process information, information applying to suppliers and business partners, and personally identifiable information of customers, constituents and employees. The secure processing, maintenance and transmission of this information is critical to departmental operations and the provision of citizen services. Increasingly, entities in every sector are being targeted by cyberattacks seeking to obtain confidential data or disrupt critical services. A rapidly changing cyber risk landscape may introduce new vulnerabilities that attackers/hackers can exploit in attempts to effect breaches or service disruptions.

Employee error and/or malfeasance may also contribute to data loss or other system disruptions. Any such breach could compromise networks and the confidentiality, integrity and availability of systems and the information stored there.

Additionally, during the 2022 Florida Legislative session, CS/HB 7055 was passed which requires State agencies and local governments, such as the County, to report all ransomware incidents and high severity level cybersecurity incidents to the Cybersecurity Operations Center ("CSOC") and the Cybercrime Office within the Florida Department of Law Enforcement as soon as possible but no later than 48 hours after discovery of the cybersecurity incident and no later than 12 hours after discovery of a ransomware incident. Local governments must also report to the sheriff. CS/HB 7055 requires state agencies to report low level cybersecurity incidents and provides that local governments may report such incidents. It also requires state agencies and local governments to submit after-action reports to FLDS following a cybersecurity or ransomware incident. CS/HB 7055 requires the CSOC to notify the Legislature of high severity level cybersecurity incidents. State agency and local government employees are required to undergo certain cybersecurity training within 30 days of employment and annually thereafter. Further, local governments are required to adopt cybersecurity standards that safeguard the local government's data, information technology ("IT"), and IT resources. The effective date of CS/HB 7055 is July 1, 2022.

Climate Change

The State is naturally susceptible to the effects of extreme weather events and natural disasters including floods, droughts, and hurricanes, which could result in negative economic impacts on coastal communities such as the County. Such events over long periods of time can be exacerbated by rising sea levels. The occurrence of such weather events could damage the local infrastructure that provides essential services to the County. The economic impacts resulting from such weather events could include a short-term loss of property values, a decline in revenue base, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially impair the financial condition of the County or the County. The Airport has a long term development plan to raise runways, taxiways, aprons, etc. over time. Additionally, the primary floor of the new concourse is raised 14 feet 6 inches above grade to avoid potential overland flooding as well as sea level rise and storm surges. See "THE COUNTY AND THE AIRPORT – Environmental, Social and Governance (ESG) Factors for the Series 2022 Project" for additional information about the Series 2022 Project as it relates to climate change and weather events.

Coronavirus (COVID-19)

<u>*General*</u>

The outbreak of the highly contagious COVID-19 pandemic in the United States in March 2020 has generally had a disruptive financial impact on local, state and national economies around the country, including without limitation fueling inflation and creates supply chain issues.

COVID-19 is considered a Public Health Emergency of International Concern by the World Health Organization. This led to quarantine and other "social distancing" measures throughout the United States. These measures included recommendations and warnings to limit non-essential travel and promote telecommuting. The Governor has made public statements indicating the State will not shut down as it did in 2020 as a result of COVID-19. There can be no guarantee that State and/or local shut downs or closures similar to those implemented in 2020 will not happen in the future. It is possible the United States, including the State, may experience increased COVID-19 cases, hospitalizations, and deaths as a result of current or future variants which could, in turn, impact State and local government finances.

See "INTRODUCTION – COVID-19" herein and APPENDIX C attached hereto for more information.

CARES Act

On March 27, 2020, the federal CARES Act became law, which among other things, allocates funds to eligible airports, provided they take particular steps, including with respect to keeping their workforces intact. The CARES Act included approximately $10 billion of assistance to U.S. commercial airports, which was apportioned among such airports based on various formulas.

Airport operators can use their awarded CARES Act grants to pay for any purpose for which airport revenues can lawfully be used, including, but not limited to, the payment of maintenance and operation expenses on or after January 20, 2020, and the payment of debt service on or after March 27, 2020. CARES Act grants must be used within four years from the date on which the agreement between the airport operator and the FAA is executed, and airport operators using CARES Act grants must comply with certain other obligations, including, but not limited to, employing at least 90.0% of their staff as of March 27, 2020 through December 31, 2020.

The Airport was awarded $21,789,697 in CARES Act grants, of which $14,359,299 has been utilized by the Airport through September 30, 2021 as reimbursement of Operation and Maintenance Costs and $640,701 is planned to be utilized by the Airport in Fiscal Year 2022 to reimburse Operation and Maintenance Costs. The Airport set aside $4,789,697 for a Commercial Apron project and anticipates to draw down the funds over Fiscal Years 2022 and 2023. The Airport plans to utilize the remaining $2 million in Fiscal Years 2023 through and including 2025 to reimburse Operation and Maintenance Costs and/or debt service.

Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA")

The CRRSA, enacted on December 27, 2020, was the second round of federal stimulus relief provided in response to COVID-19. This legislation included $2 billion in funds to be awarded as economic relief to eligible U.S. airports and eligible concessions at those airports to prevent, prepare for, and respond to COVID-19. These funds will be distributed by the FAA as part of the Airport Coronavirus Response Grant Program. The Airport was allocated $3,563,873 plus an additional $106,585 for rent relief to in-terminal concessionaires at the Airport. At this time, no CRRSA funds have been used, and the Airport plans to utilize the funds to reimburse Operation and Maintenance Costs and debt service within the allowable four year period provided by the CRRSA.

American Rescue Plan ("ARP")

A third round of federal stimulus related to COVID-19 was signed into law on March 11, 2021. The ARP includes $8 billion in relief for U.S. airports. The Airport was allocated $5,820,591 and an additional $426,340 for rent relief to in-terminal concessionaires at the Airport. At this time, no ARP funds have been used, and the Airport plans to utilize the funds to reimburse Operation and Maintenance Costs and debt service within the allowable four year period provided by the ARP.

COVID-19 Relief Funds

	CARES [(1)]	CRRSA [(2)]	ARP [(3)]
Amount Allocated to Airport	$21,789,697	$3,670,458	$6,246,931
Funds Spent	14,359,299	0	0
Amount Remaining	$7,430,398	$3,670,458	$6,246,931

(1) For Fiscal Year 2020, the Airport used $5,295,800 to reimburse for Operation and Maintenance Costs. For Fiscal Year 2021, the Airport has used $9,063,499 to reimburse for Operation and Maintenance Costs.
(2) Includes $106,585 to be reserved for rent relief to in-terminal concessionaires at the Airport.
(3) Includes $426,340 to be reserved for rent relief to in-terminal concessionaires at the Airport.
Source: Monroe County, Florida.

On November 15, 2021, President Biden signed the $1.2 trillion Bipartisan Infrastructure Law ("BIL") into law. Formally known as the Infrastructure Investment and Jobs Act, the law includes $25 billion of investment in the nation's air transportation system. Of this amount, $5 billion will address the physical condition of the FAA's air traffic control facilities, $15 billion will be for airport infrastructure improvements, and $5 billion will be used to improve passenger terminal facilities. Based on the same apportionment system used by the FAA to allocate AIP Passenger Entitlement Grants, the Airport expects to receive approximately $18.5 million of the $15 billion component over a five-year period, commencing in federal Fiscal Year 2023. Of this amount, the Airport has identified approximately $14.8 as funding for the Series 2022 Project and anticipates programming the balance of these grant funds for other eligible uses. As of the date hereof, the timing of the award of such funds is uncertain. In addition, since these funds have not been allocated to the Airport yet, there is no guarantee the Airport will receive any or all such funds.

Hertz Bankruptcy

One of the rental car companies operating at the Airport, Hertz Corporation (which includes Thrifty Car Rental and Dollar Rent-A-Car, collectively, "Hertz"), recently filed for Chapter 11 bankruptcy protection. Hertz/DTG represented approximately 23% of the rental car gross revenue market share for the 12-month period ending September 30, 2021. The Airport has had consistent communication with outside legal counsel and Hertz bankruptcy representatives. Hertz continues to operate at the Airport and is current on payments owed for operations at the Airport.

Actions Taken in Response to COVID-19

The Airport implemented a number of cost savings initiatives to reduce operating expenses and mitigate the impacts of COVID-19. The Airport took the following actions:

- Furloughed 20% of the Airport Security Technician positions. Deferred maintenance projects;
- Suspended employee travel and other non-essential expenses;
- Implemented a hiring freeze on non-critical positions; and
- Purchased a pathogen fighting Robot using FDOT and CARES funds to reduce the spread of COVID-19 and saved costs of manual sanitization. Value-engineered a construction project to reduce the match funding required. Offered a deferment of tenants' rent and concession fees for 60 days.

Attachment: EXHIBIT D Preliminary Official Statement (EYW 10 – Supplemental Bond Resolution)

Demand for Air Travel, Aviation Activity and Related Matters

Air travel demand has historically correlated to the national economy, generally, and consumer income. The long-term implications of recent economic, public health and political conditions are unclear. A lack of sustainable economic growth or unexpected events could negatively affect, among other things, financial markets, commercial activity and consumer spending.

An economic slowdown throughout the world and in the United States and the State influences the demand for passenger and cargo services to the Airport. Consequently, economic assumptions that underlie projections of enplaned passengers in this Official Statement and the Report are based on a review of global, national, State and regional economic projections, as well as analysis of historical socioeconomic trends and airline traffic trends. See "APPENDIX C – Report of the Airport Consultant" attached hereto.

The current United States gross domestic product is volatile and unpredictable. Further, trade tensions and slowing global economic growth are reflected in a drop in business confidence and decelerating business investment. Decreases in face-to-face meetings and conferences with suppliers, customers and partners of many major employers is also having a negative effect on demand for airline business travel.

The level of aviation activity and enplaned passenger traffic at the Airport depends upon and is subject to a number of factors including those discussed above and other economic and political conditions; international hostilities; world health concerns; aviation security concerns including criminal and terrorist incidents; federal government mandated security measures that may result in additional taxes and fees, longer passenger processing and wait times and other inconveniences; accidents involving commercial passenger aircraft; airline service and routes; airline airfares and competition; airline industry economics, including labor relations, fuel prices, aging aircraft fleets and other factors discussed in more detail under "—Financial Condition of the Airlines" below; capacity of and changes to (including any privatization of) the national air traffic control and airport systems; competition from other airports; reliability of air service; business travel substitutes, including teleconferencing, videoconferencing and web-casting; consumer price sensitivity; environmental consciousness; changes in law and the application thereof and the capacity, availability and convenience of service, among others. An outbreak of a disease or similar public health threat that affects travel demand or travel behavior, or travel restrictions or reduction in the demand for air travel caused by an outbreak of a disease or similar public health threat in the future, could have a material adverse impact on the airline industry and result in substantial reductions in and/or cancellations of, bookings and flights, such as is being experienced as a consequence of the COVID-19 pandemic.

Airport Capacity Considerations

Beyond the completion of the Series 202 Project, there will only be room for two more gates. If demand increases in the future, there will be some limitations in terms of capacity unless additional space is added.

Assumptions in the Report of the Airport Consultant; Actual Results May Differ from Projections and Assumptions

The Report included in APPENDIX C incorporates numerous assumptions and states that the projections in the Report is subject to uncertainties. See "REPORT OF THE AIRPORT CONSULTANT" above and APPENDIX C attached hereto for more information regarding the assumptions of the Airport Consultant.

The Report is an integral part of this Official Statement and it should be read in its entirety for an understanding of all of the assumptions used to prepare the projections made therein. No assurances can be given that the projections discussed in the Report of the Airport Consultant will be achieved or that the assumptions upon which the projections are based will be realized. Inevitably, some assumptions used to develop the projections will not be realized and unanticipated events and circumstances will occur. Therefore, actual results achieved during the Forecast Period may vary from those set forth in APPENDIX C and the variations may be material and adverse. Additionally, the debt service projections in the Report are not expected to be updated to reflect the sale, issuance or final terms of the Series 2022 Bonds.

FINANCIAL ADVISOR

The County has retained Frasca & Associates, LLC, Orlando, Florida, as Financial Advisor in connection with the County's financing plans and with respect to the authorization and issuance of the Series 2022 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Financial Advisor is an independent municipal advisor and does not underwrite bonds. An affiliate of the Financial Advisor may receive a fee for bidding investments for certain proceeds of the Series 2022 Bonds.

FINANCIAL STATEMENTS

The County's Audited Financial Statements for Fiscal Year 2021 and a report thereon of a firm of independent certified public accountants engaged by the County is attached hereto as "APPENDIX B-1 – AUDITED FINANCIAL STATEMENTS OF THE COUNTY FOR THE YEAR ENDED SEPTEMBER 30, 2021." Such financial reports, including the auditors' report, have been included in this Official Statement as public documents. The Series 2022 Bonds are payable solely from the Pledged Funds as described in the Bond Resolution and herein and the Series 2022 Bonds are not otherwise secured by, or payable from, the general revenues of the County. The Audited Financial Statements of the County attached hereto as APPENDIX B-1 are presented for general information purposes only.

The Airport's Audited Financial Statements for Fiscal Year 2021 and a report thereon of a firm of independent certified public accountants engaged by the Airport is attached hereto as "APPENDIX B-2 – KEY WEST INTERNATIONAL AIRPORT FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2021 AND REPORT OF THE INDEPENDENT AUDITOR." Such financial reports, including the auditors' report, have been included in this Official Statement as public documents. The Series 2022 Bonds are payable solely from the Pledged Funds as described in the Bond Resolution and herein and the Series 2022 Bonds are not otherwise secured by, or payable from, the general revenues of the County. The Audited Financial Statements of the Airport attached hereto as APPENDIX B-2 are presented for general information purposes only.

The Series 2022 Bonds are payable solely from the Pledged Funds to the extent and in the manner set forth in the Bond Resolution and the Series 2022 Bonds are not otherwise secured by, or payable from, the general revenues of the County. The financial statements included in APPENDIX B-1 and APPENDIX B-2 attached hereto is presented for general information purposes only.

UNDERWRITING

BofA Securities, Inc., on behalf of itself and PNC Capital Markets LLC (collectively, the "Underwriters") have agreed, subject to certain conditions set forth in a Purchase Contract with the County, to purchase the Series 2022 Bonds from the County, at a price of $____________ ($___________ par amount, [plus/less] original issue [premium/discount] of $___________ and less Underwriters' discount of $___________). The Underwriters have committed to purchase all of the Series 2022 Bonds, if any are purchased. The Underwriters' obligation to make such purchase is subject to certain conditions precedent set forth in the Purchase Contract.

The Series 2022 Bonds may be offered and sold to certain dealers and others at yields higher than the yields stated on the inside cover of this Official Statement, and such public offering yields may be changed from time to time, after the initial offering to the public, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the County for which it received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

BofA Securities, Inc., an Underwriter of the Series 2022 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2022 Bonds.

PNC Capital Markets LLC and PNC Bank, National Association are both wholly-owned subsidiaries of PNC Financial Services Group, Inc. PNC Capital Markets LLC is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association is the holder of the Interim Indebtedness and has or may have other banking and financial relationships with the County.

PNC Capital Markets LLC may offer to sell to its affiliate, PNC Investments, LLC ("PNCI"), securities in PNC Capital Markets LLC's inventory for resale to PNCI's customers.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the "Code"), contains a number of requirements and restrictions which apply to the Series 2022 Bonds, including investment restrictions, a requirement of periodic payments of arbitrage profits to the Treasury of the United States of America, requirements regarding the timely and proper use of bond proceeds and the facilities financed therewith, and certain other matters. The County has covenanted to comply with all requirements of the Code that must be satisfied in order for the interest on the Series 2022 Bonds to be excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause interest on the Series 2022 Bonds to be included in gross income retroactive to the date of issuance of the Series 2022 Bonds. In rendering its opinion, Bond Counsel has assumed continuing compliance with such covenants.

Subject to the condition that the County will comply with the pertinent requirements of the Code, in the opinion of Bond Counsel, under present law, (a) interest on the Series 2022 Bonds is excluded from the gross income of the holders thereof for federal income tax purposes, except that such exclusion shall not apply during any period while a Series 2022 Bond is held by a "substantial user" of the facilities financed or refinanced by the Series 2022 Bonds or a "related person" within the meaning of Section 147(a) of the Code, and (b) interest on the Series 2022 Bonds is an item of tax preference for purposes of the federal alternative minimum tax.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the County in the Bond Resolution, other finance documents, certificates of appropriate officers of the County and certificates of public officials (including certifications as to the use of Series 2022 Bond proceeds and of the property refinanced thereby), without undertaking to verify the same by independent investigation.

The Code contains numerous provisions which could affect the economic value of the Series 2022 Bonds to certain Series 2022 Bondholders. Prospective Series 2022 Bondholders, however, should consult their own tax advisors with respect to the impact of such provisions on their own tax situations.

Internal Revenue Code of 1986

The Code contains a number of provisions that apply to the Series 2022 Bonds, including, among other things, restrictions relating to the use or investment of the proceeds of the Series 2022 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2022 Bonds to the Treasury of the United States of America. Noncompliance with such provisions may result in interest on the Series 2022 Bonds being included in gross income for federal income tax purposes retroactive to their date of issuance.

Collateral Tax Consequences

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Series 2022 Bonds. Prospective purchasers of Series 2022 Bonds should be aware that the ownership of Series 2022 Bonds may result in other collateral federal tax consequences. For example, ownership of the Series 2022 Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry such Series 2022 Bonds, (2) the branch profits tax, and (3) the inclusion of interest on the Series 2022 Bonds in passive income for certain Subchapter S corporations. In addition, the interest on the Series 2022 Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2022 BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES REFERRED TO ABOVE. PROSPECTIVE SERIES 2022

BONDHOLDERS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Series 2022 Bonds may be subject to state or local income taxation under applicable state or local laws in some jurisdictions. Purchasers of the Series 2022 Bonds should consult their own tax advisors as to the income tax status of interest on the Series 2022 Bonds in their particular state or local jurisdiction.

During recent years, legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Series 2022 Bonds. In some cases, these proposals have contained provisions that altered these consequences on a retroactive basis. Such alterations of federal tax consequences may have affected the market value of obligations similar to the Series 2022 Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Series 2022 Bonds and their market value. No assurance can be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2022 Bonds.

Original Issue Discount

Certain of the Series 2022 Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. An initial purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such Discount Bonds and will increase its adjusted basis in such Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Original Issue Premium

Certain of the Series 2022 Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters in connection with the issuance of the Series 2022 Bonds are subject to an approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, whose approving opinion (a form of which is attached hereto as "APPENDIX E – PROPOSED FORM OF BOND COUNSEL OPINION") will be available at the time of delivery of the Series 2022 Bonds. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that subsequent to the date of the opinion Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date. Certain legal matters will be passed upon by Pedro I. Mercado Esq., Senior Assistant County Attorney, and by Bryant Miller Olive P.A., Tampa, Florida, Disclosure Counsel to the County. Certain legal matters will be passed on for the Underwriters by GrayRobinson, P.A., Tampa, Florida, Counsel to the Underwriters. GrayRobinson, P.A. also represents the County in unrelated matters.

Bond Counsel has not been engaged to, nor has it undertaken to, review (1) the accuracy, completeness or sufficiency of this Official Statement or any other offering material relating to the Series 2022 Bonds; provided, however, that Bond Counsel will render an opinion to the Underwriters of the Series 2022 Bonds (upon which opinion only the Underwriters may rely) relating to the fairness of the presentation of certain statements contained herein under the heading "TAX MATTERS" and certain statements which summarize provisions of the Bond Resolution, the Series 2022 Bonds and federal tax law, and (2) the compliance with any federal or state law with regard to the sale or distribution of the Series 2022 Bonds.

The legal opinions to be delivered concurrently with the delivery of the Series 2022 Bonds express the professional judgment of the attorneys rendering the opinions regarding the legal issues expressly addressed therein as of the date of such opinions. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

RATINGS

Moody's Investors Service, Inc. and Fitch Ratings, Inc. is expected to assign their municipal bond rating of "___" (_______ outlook), "____" (_________ outlook) and "____" (_________ outlook), respectively, to the Series 2022 Bonds. The ratings reflect only the views of said rating agencies and an explanation of the ratings may be obtained only from said rating agencies. There is no assurance that such ratings will continue for any given period of time or that they will not be lowered or withdrawn entirely by the rating agencies, or any of them, if in their judgment, circumstances so warrant. A downward change in or withdrawal of any of such ratings may have an adverse effect on the market price of the 2022 Bonds. An explanation of the significance of the ratings can be received from the rating agencies at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007 and Fitch Ratings, Inc., One State Street Plaza, New York, New York 10004.

LITIGATION

[No litigation or inquiry of any kind in or by any judicial or administrative court or agency is pending or, to its knowledge, threatened against the County with respect to (i) the organization and existence of the County, (ii) the County's authority to adopt or deliver the Bond Resolution, the Purchase Contract or the Series 2022 Bonds, (iii) the validity or enforceability of the Bond Resolution, or the Series 2022 Bonds, or the transactions contemplated thereby, (iv) the title of any officer of the County who executed the Bond Resolution or the Series 2022 Bonds or (v) any authorization or proceedings related to the adoption of the Bond Resolution or the Series 2022 Bonds, on behalf of the County, and no such authorization or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.]

EXPERTS AND CONSULTANTS

The references herein to the Airport Consultant have been approved by said firms. The Report has been included as APPENDIX C attached to this Official Statement. References to and excerpts herein from such Report does not purport to be an adequate summary of such Report or complete in all respects. Such Report is an integral part of this Official Statement and should be read in its entirety for complete information with respect to the subjects discussed therein.

CONTINGENT FEES

The County has retained Bond Counsel, Disclosure Counsel, the Financial Advisor, the Underwriters (who in turn retained Underwriters' Counsel) and the Paying Agent with respect to the authorization, sale, execution and delivery of the Series 2022 Bonds. Payment of each fee of such professionals is each contingent upon the issuance of the Series 2022 Bonds.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the Series 2022 Bondholders to provide certain financial information and operating data relating to the County and the Series 2022 Bonds in each year, and to provide notices of the occurrence of certain enumerated material events. The County has agreed to file annual financial information and operating data and the audited financial statements with each entity authorized and approved by the SEC to act as a repository (each a "Repository") for purposes of complying with Rule 15c2-12 adopted by the SEC (the "Rule"). Effective July 1, 2009, the sole Repository is the Municipal Securities Rulemaking Board. The County has agreed to file notices of certain enumerated events, when and if they occur, with the Repository.

The specific nature of the financial information, operating data, and of the type of events which trigger a disclosure obligation, and other details of the undertaking are described in "APPENDIX G - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. The Continuing Disclosure Certificate shall be executed by the County upon the issuance of the Series 2022 Bonds. These covenants have been made in order to assist the Underwriters in complying with the continuing disclosure requirements of the Rule.

With respect to the Series 2022 Bonds, no party other than the County is obligated to provide, nor is expected to provide, any continuing disclosure information with respect to the aforementioned Rule. The County has entered into a contract with Digital Assurance Certification, LLC to provide continuing disclosure dissemination agent services for all of its outstanding bond issues.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the County except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Office of Financial Regulation within the Florida Financial Services Commission (the "FFSC"). Pursuant to administrative rulemaking, the FFSC has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the County, and certain additional financial information, unless the County believes in good faith that such information would not be considered material by a reasonable investor. The County is not and has not been in default on any bond issued since December 31, 1975 that would be considered material by a reasonable investor.

The County has not undertaken an independent review or investigation of securities for which it has served as conduit issuer. The County does not believe that any information about any default on such securities is appropriate and would be considered material by a reasonable investor in the Series 2022 Bonds because the County would not have been obligated to pay the debt service on any such securities except from payments made to it by the private companies on whose behalf such securities were issued and no funds of the County would have been pledged or used to pay such securities or the interest thereon.

[Remainder of page intentionally left blank]

AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been duly authorized and approved by the County. At the time of delivery of the Series 2022 Bonds, the County will furnish a certificate to the effect that nothing has come to their attention which would lead it to believe that the Official Statement (other than information herein related to the Bank, DTC, the book-entry only system of registration and the information contained under the caption "TAX MATTERS" as to which no opinion shall be expressed), as of its date and as of the date of delivery of the Series 2022 Bonds, contains an untrue statement of a material fact or omits to state a material fact which should be included therein for the purposes for which the Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading.

MONROE COUNTY, FLORIDA

By ______________________________________
Mayor, Board of County Commissioners

By ______________________________________
Senior Director of Airports

APPENDIX A

GENERAL INFORMATION REGARDING MONROE COUNTY, FLORIDA

APPENDIX A

GENERAL INFORMATION REGARDING MONROE COUNTY, FLORIDA

The following information concerning Monroe County, Florida (the "County"), is included only for the purposes of supplying general information regarding the primary community served by the County. The Series 2022 Bonds are payable solely from the Pledged Funds described herein, and are not payable or secured by other properties of the County or any other political subdivision of the State of Florida.

General Information

Monroe County, Florida, was constitutionally formed in 1823. It is comprised primarily of the Florida Keys, which are a string of coral islands extending in a southwesterly arc from Biscayne Bay to the Dry Tortugas. The Florida Keys separate the Atlantic Ocean on the south and the east from the Gulf of Mexico on the north and west, and extend approximately 100 miles south from the United States mainland. The County seat, Key West, located on the southernmost of the Florida Keys, lies 98 miles north of Cuba, approximately 160 miles southwest of Miami and 66 nautical miles north of the Tropic of Cancer.

The County has a mild, sub-tropical climate. The average annual temperature is 77.7 degrees, with an average temperature during the winter of 69.9 degrees and a summer average of 83.9 degrees. The highest temperature recorded was 95 degrees in 1957, and the lowest temperature recorded was 41 degrees in 1981. Precipitation (39-40 inches per year) is characterized by wet and dry seasons in June through October and December through March, respectively.

History

Initial European contact with the Florida Keys, then occupied by the Calusa Indians, occurred in 1513 with Ponce de Leon's exploration of the Straits of Florida. As a consequence of an Indian war in which the remains of the slain were left to the elements, the island was named Cayo Hueso, or Bone Key, which was later anglicized to Key West. In 1815, the Florida Keys were granted to Juan Pablo Salas by the Spanish governor of Florida. In 1821, Florida became a United States territory. Nevertheless, Salas sold the island to John Simonton of Mobile, Alabama, for $2,000. In 1823, Commodore David Porter established a United States naval base on the island. During the period immediately following, in excess of 120 vessels, many from the Bahamas, were employed in the wrecking business in direct competition with emigrants from New England. The City of Key West was incorporated in 1828. Federal legislation permitting salvaging of property from wrecked ships was the principal reason Key West grew by the 1890's to the wealthiest city, per capita, in the United States.

In 1831, the first cigar factory was established in Key West, and by 1869, the City became the largest clear-Havana cigar manufacturing city in the United States.

The strategic importance of Key West was demonstrated in 1823, when the West Indian Anti-Piracy Squadron established its base there. Key West's connection with the military dates from this period, and its fortunes were thereafter linked to federal decisions concerning military presence in the Gulf of Mexico.

The economic importance of Key West was affected by the excellence of its harbor at the time of the completion of the Panama Canal, and its proximity to Cuba. In 1912, the Overseas Railway from Miami to Key West was completed. This constituted building a railroad 128 miles out to sea, spanning 29 islands of the Florida Keys, and connecting Key West and Havana, Cuba, by train-ferry with the rest of Florida. An estimated average of 3,000 men labored approximately seven years, at a total cost of approximately $50 million to complete the railroad that for the next 22 years would provide a round trip from Miami to Havana, including meals for $24. In 1938, the State of Florida completed a modern highway on the bed of the railroad tracks, permitting motorists to drive from Miami to Key West. That highway and its series of bridges have recently undergone renovation.

In 1920, the first international air passenger service and the first international air mail routes for the United States were established between Key West and Havana, Cuba; and in 1927, the Key West airport was designated the first Airport of Entry in the United States. Pan American Airlines was established at Key West in 1927.

In 1942, a fresh water pipeline from the mainland was opened. A new pipeline from the mainland, as well as new mainland water treatment facilities and pumping stations, were completed in 1982. Those facilities have substantially increased the quantity of water which can be delivered to the Keys. These facilities are currently administered by the Florida Keys Aqueduct Authority.

In 1946, President Truman created the "Little White House" in Key West on the Naval Annex that bears his name.

Recent development has resulted in substantial historic renovation and restoration and continuing growth of tourist activity.

Government

The County has a five-member Board of County Commissioners elected for staggered terms of four years. The Mayor (Chairman) and the Mayor Pro-Tem (Vice Chairman) are elected by the Board. The Board apportions and levies County taxes and controls the expenditure of all County funds, except for schools, which are controlled by The School Board of Monroe County (the "School Board"). The budget year of the County runs from October 1 to the following September 30. Operating revenue is raised mainly from ad valorem real and personal property taxes, with supplements from state and federal sources for county roads, welfare and health. The Board operates the county road system and has the power to establish, build, maintain, repair, protect and preserve these facilities. The County may issue bonds for all lawful purposes. The Board is responsible for various types of elections in the County. Other elected officials serving county-wide are a five-member School Board, a Property Appraiser, a Tax Collector, a Supervisor of Elections, a Sheriff, and a Clerk of the Circuit Court who is also ex officio Clerk of the Board of County Commissioners. The Board appoints a County Administrator who serves at the pleasure of the Board.

The Military

The United States Naval Station at Key West (the "Naval Station") was established in 1823 with the formation of the West Indian Anti-Piracy Squadron. Some construction began in 1823, and the permanent construction of the Naval Building began in 1856. In 1974, the Naval Station was disestablished, though military operations still exist within the City, including a medical facility, substantial barracks and military housing for Boca Chica Air Station and numerous federal agencies such as the United States Coast Guard and the Department of Agriculture.

The present mission of the various U.S. Military and Coast Guard commands in the Key West area include both air and surface functions. The major military activities center around the Boca Chica Naval Air Station on Boca Chica Key (located immediately to the east of Stock Island and Key West) and Truman Annex.

Health Care

There are three hospitals located throughout the County: Lower Keys Medical Center (167 beds), Fisherman's Community Hospital (22 Beds) and Mariner's Hospital (25 beds).

Population

From 1930 to 1970, the population of the County increased by 38,962 or 286%. From 1970 to 1980, the population increased by 20%; from 1980 to 1990, by 23%; and from 1990 to 2000, the population increased by 2%. From 2000 to 2010, the population decreased by 8%, and from 2010 to 2020, the population increased by 13%.

Population Statistics
Monroe County and State of Florida
1930-2021

Year	Monroe County	Percentage Changes	State of Florida	Percentage Changes
1930	13,624	--	1,468,211	--
1940	14,078	3.3%	1,897,414	28.0%
1950	29,957	112.8	2,771,305	46.1
1960	47,921	60.0	4,951,560	78.7
1970	52,586	9.7	6,791,418	37.2
1980	63,188	20.2	9,746,961	43.5
1990	78,024	23.5	12,938,071	32.7
2000	79,589	2.1	15,982,378	23.5
2010	73,090	(8.2)	18,801,332	17.6
2020	82,874	13.4	21,538,187	14.6
2021	83,411	0.6	21,898,945	1.7

Source: Florida Estimates of Population, Bureau of Economic and Business Research, University of Florida.

The following tables show the population summary for Monroe County for the years 2017 through 2021 and the Monroe County projected population by age for the years 2025, 2035 and 2045.

Monroe County Population Summary
2017-2021

	2017	2018	2019	2020	2021
Monroe County	76,889	73,940	76,212	77,823	83,411
Islamorada(1)	6,326	5,990	6,211	6,400	7,116
Key Colony Beach	803	758	760	795	793
Key West	24,597	24,509	25,171	24,868	26,687
Layton	186	182	183	186	211
Marathon(2)	8,775	8,235	8,593	9,097	9,915
Unincorporated	36,202	34,266	35,294	36,477	38,689

Source: Florida Estimates of Population, Bureau of Economic and Business Research, University of Florida.

Population Projections By Age
Monroe County, Florida
2025, 2035 and 2045

Year	Total	Less than 18	18-64	65 and Over
2025	78,799	11,838	45,818	21,143
2035	79,793	12,210	44,231	23,352
2045	80,159	12,331	45,673	22,155

Source: Population Projections by Age, Sex, Race, and Hispanic Origin for Florida and Its Counties, 2025-2045, Florida Estimates of Population, Bureau of Economic and Business Research, University of Florida.

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Monroe County Property Tax
Levies and Collections
For Last Ten Tax Years

Tax Year	Tax Levy	Tax Collection	Percent of Levy Collected
2012	$77,534,605	$75,121,671	96.9%
2013	75,553,652	72,474,231	95.9
2014	76,985,354	74,342,547	96.6
2015	79,657,302	76,698,560	96.3
2016	80,394,533	77,254,282	96.0
2017	80,815,240	78,390,783	97.0
2018	85,024,504	82,458,796	97.0
2019	91,293,021	87,641,300	96.0
2020	95,518,603	90,338,710	97.0
2021	96,989,237	95,049,452	98.0

Source: Monroe County, Florida Annual Comprehensive Financial Report for Fiscal Year Ended September 30, 2021.

Property tax levies, based on assessed values as of January 1st, become due and payable on November 1st of each year. A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter. Accordingly, taxes collected will never be one hundred percent of the tax levy. Taxes become delinquent on April 1st of each year and tax certificates for the full amount of any unpaid taxes and assessments must be sold not later than June 1st of each year.

Monroe County, Florida
Assessed Value and Estimated Actual Value of Taxable Property
For Last Ten Fiscal Years

Fiscal Year Ended September 30	Real Property: Residential Property	Real Property: Commercial Property	Commercial Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	$17,306,874,296	$8,256,888,373	$798,092,402	$7,818,927,504	$18,542,927,567	4.1382
2013	17,287,606,922	8,347,419,400	771,466,155	7,679,334,047	18,727,158,430	3.9880
2014	17,903,163,790	8,713,264,820	740,963,901	8,241,122,698	19,116,269,813	4.0165
2015	21,153,226,046	9,577,152,035	729,104,179	9,863,211,411	21,596,270,849	3.8007
2016	23,134,080,788	9,674,350,023	728,961,085	10,505,834,921	23,031,556,975	3.8080
2017	25,238,536,707	10,315,713,392	709,815,884	11,257,153,269	25,006,912,714	3.2475
2018	26,059,270,000	10,808,503,930	716,716,873	6,015,518,781	26,553,651,764	3.2600
2019	27,883,537,936	10,875,740,917	826,204,701	6,061,363,626	28,464,940,007	3.1228
2020	29,530,266,065	10,917,353,093	878,507,996	6,106,170,011	30,167,680,090	3.0260
2021	30,178,704,674	11,595,018,803	905,787,545	10,946,283,806	31,733,227,216	3.1173

Source: Monroe County, Florida Annual Comprehensive Financial Report for the year ended September 30, 2021.

Assessed values used are net taxable values after deducting allowable statutory exemptions. Property is assessed as of January 1st and taxes based on those assessments are levied and become due on the following November 1st. Therefore, assessments and levies applicable to a certain tax year are collected in the fiscal year ending during the next succeeding calendar year. Estimated actual value for each tax year is equal to the assessed value. The ratio of total assessed to the total estimated actual value is 100% for each tax year.

Monroe County, Florida
Aggregate Millage Rates
For Last Ten Tax Years

Tax Year	Operating	Debt Service
2012	4.1382	0
2013	3.9880	0
2014	4.0165	0
2015	3.8007	0
2016	3.8080	0
2017	3.2475	0
2018	3.2600	0
2019	3.1228	0
2020	3.6109	0
2021	3.1173	0

Source: Monroe County, Florida Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2021.

Property Tax Reform

Millage Rollback Legislation. In 2007, the State Legislature adopted a property tax plan which significantly impacted ad valorem tax collections for State local governments (the "Millage Rollback Legislation"). One component of the Millage Rollback Legislation required counties, cities and special districts to rollback their millage rates for the 2007-2008 Fiscal Year to a level that, with certain adjustments and exceptions, would generate the same level of ad valorem tax revenue as in Fiscal Year 2006-2007; provided, however, depending upon the relative growth of each local government's own ad valorem tax revenues from 2001 to 2006, such rolled back millage rates were determined after first reducing 2006-2007 ad valorem tax revenues by zero to nine percent (0% to 9%). In addition, the Rollback Legislation also limited how much the aggregate amount of ad valorem tax revenues may increase in future Fiscal Years. A local government may override certain portions of these requirements by a supermajority, and for certain requirements, a unanimous vote of its governing body.

Constitutional Exemptions. Certain exemptions from property taxes have been enacted. Constitutional exemptions include, but are not limited to, property owned by a municipality and used exclusively by it for municipal or public purposes, certain household goods and personal effects to the value fixed by general law, certain locally approved community and economic development ad valorem tax exemptions to new businesses and expansions of existing businesses, as defined by general law and historic preservation ad valorem tax exemptions to owners of historic properties, $25,000 of the assessed value of property subject to tangible personal property tax, the assessed value of solar devices or renewable energy source devices subject to tangible personal property tax may be exempt from ad valorem taxation, subject to limitations provided by general law, and certain real property dedicated in perpetuity for conservation purposes, including real property encumbered by perpetual conservation easements or by other perpetual conservation protections, as defined by general law.

Limitation on Increase in Assessed Value of Property. The State Constitution limits the increases in assessed just value of homestead property to the lower of (1) three percent of the assessment for the prior year or (2) the percentage change in the Consumer Price Index for all urban consumers, U.S. City Average, all items 1967=100, or successor reports for the preceding calendar year as initially reported by the United States Department of Labor, Bureau of Labor Statistics. The accumulated difference between the assessed value and the just value is known as the "Save Our Homes Benefit." Further, upon any change of ownership of homestead property or upon termination of homestead status such property shall be reassessed at just value as of January 1 of the year following the year of sale or change of status; new homestead property shall be assessed at just value as of January 1 of the year following the establishment of the homestead; and changes, additions, reductions or improvements to the homestead shall initially be assessed as provided for by general law.

Owners of homestead property may transfer up to $500,000 of their Save Our Homes Benefit to a new homestead property purchased within two years of the sale of their previous homestead property to which such benefit applied if the just value of the new homestead is greater than or is equal to the just value of the prior homestead. If the just value of the new homestead is less than the just value of the prior homestead, then owners of homestead property may transfer a proportional amount of their Save Our Homes Benefit, such proportional amount equaling the just value of the new homestead divided by the just value of the prior homestead multiplied by the assessed value of the prior homestead.

For all levies other than school district levies, assessment increases for specified nonhomestead real property may not exceed ten percent (10%) of the assessment for the prior year. This assessment limitation was, by its terms, to be repealed effective January 1, 2019; however, the legislature by joint resolution approved an amendment abrogating such repeal, which was approved by the electors in the November 6, 2018 general election and went into effect January 1, 2019.

Homestead Exemption. In addition to the exemptions described above, the State Constitution also provides for a homestead exemption. Every person who has the legal title or beneficial title in equity to real property in the State and who resides thereon and in good faith makes the same his or her permanent residence or the permanent residence of others legally or naturally dependent upon such person is eligible to receive a homestead exemption of up to $50,000. The first $25,000 applies to all property taxes, including school district taxes. The additional exemption, up to $25,000, applicable to the assessed value of the property between $50,000 and $75,000, applies to all levies other than school district levies. A person who is receiving or claiming the benefit of an ad valorem tax exemption or a tax credit in another state where permanent residency, or residency of another legally or naturally dependent upon the owner, is required as a basis for the granting of that ad valorem tax exemption or tax credit is not entitled to the homestead exemption. In addition to the general homestead exemption described in this paragraph, the following homestead exemptions are authorized by State law.

Certain Persons 65 or Older. A board of county commissioners or the governing authority of any municipality may adopt an ordinance to allow an additional homestead exemption equal to (i) of up to $50,000 for persons age 65 or older with household income that does not exceed the statutory income limitation of $20,000 (as increased by the percentage increase in the average cost of living index each year since 2001) or (ii) the assessed value of the property with a just value less than $250,000, as determined the first tax year that the owner applies and is approved, for any person 65 or older who has maintained the residence as his or her permanent residence for not less than 25 years and whose household income does not exceed the statutory income. The County enacted an ordinance providing for the exemption from County ad valorem taxes described in this paragraph.

In addition, veterans 65 or older who are partially or totally permanently disabled may receive a discount from tax on homestead property if the disability was combat related and the veteran was honorably discharged upon separation from military service. The discount is a percentage equal to the percentage of the veteran's permanent, service-connected disability as determined by the United States Department of Veteran's Affairs. The County has not enacted an ordinance providing for the exemption from County ad valorem taxes described in this paragraph.

Deployed Military Personnel. The State Constitution provides that by general law and subject to certain conditions specified therein, each person who receives a homestead exemption who was a member of the United States military or military reserves, the United States Coast Guard or its reserves, or the Florida National Guard; and who was deployed during the preceding calendar year on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature shall receive an additional exemption equal to a percentage of the taxable value of his or her homestead property. The applicable percentage shall be calculated as the number of days during the preceding calendar year the person was deployed on active duty outside the continental United States, Alaska, or Hawaii in support of military operations designated by the legislature divided by the number of days in that year.

Certain Active Duty Military and Veterans. A military veteran who was honorably discharged, is a resident of the State, and who is disabled to a degree of 10% or more because of misfortune or while serving during wartime may be entitled to a $5,000 reduction in the assessed value of his or her property. This exemption is not limited to homestead property. A military veteran who was honorably discharged with a service-related total and permanent disability may be eligible for a total exemption from taxes on homestead property. A similar exemption is available to disabled veterans confined to wheelchairs. Under certain circumstances, the veteran’s surviving spouse may be entitled to carry over these exemptions.

Certain Totally and Permanently Disabled Persons. Real estate used and owned as a homestead by a quadriplegic, less any portion used for commercial purposes, is exempt from all ad valorem taxation. Real estate used and owned as a homestead by a paraplegic, hemiplegic, or other totally and permanently disabled person, who must use a wheelchair for mobility or who is legally blind, is exempt from taxation if the gross household income is below statutory limits.

Survivors of First Responders. Any real estate that is owned and used as a homestead by the surviving spouse of a first responder (law enforcement officer, correctional officer, firefighter, emergency medical technician or paramedic), who died in the line of duty may be granted a total exemption on homestead property if the first responder and his or her surviving spouse were permanent residents of the State on January 1 of the year in which the first responder died.

Save Our Homes Portability Affected by Storm Damage (SOH). Owners of homestead property that was significantly damaged or destroyed as a result of a named tropical storm or hurricane can elect to have the property deemed abandoned if the owner establishes a new homestead by January 1 of the second year immediately following the storm or hurricane. This will allow the owner of the homestead property to keep their SOH benefit if they move from the significantly damaged or destroyed property to establish a new homestead by the end of the year following the storm.

Property Tax Relief for Natural Disasters. In light of recent natural disasters, the State Legislature created a property tax relief credit for homestead parcels on which certain residential improvements were damaged or destroyed by a hurricane that occurred in 2016 or 2017, namely Hurricanes Hermine, Matthew, and Irma. If the residential improvement is rendered uninhabitable for at least 30 days due to a hurricane that occurred during the 2016 or 2017 calendar year, taxes initially levied in 2019 may be abated. Due to this reduction in ad valorem tax revenue, the Legislature is required to appropriate funds to offset the deficit in certain taxing jurisdictions.

Recent Amendments Relating to Ad Valorem Taxation. In the 2016 legislative session, several amendments were passed affecting ad valorem taxation, including classification of agricultural lands during periods of eradication or quarantine, deleting requirements that conservation easements be renewed annually, providing that just value of real property shall be determined in the first tax year for income restricted persons age 65 or older who have maintained such property as their permanent residence for at least 25 years, authorizing a first responder who is totally and permanently disabled as a result of injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property, revising procedures with respect to assessments, hearings and notifications by the value adjustment board, and revising the interest rate on unpaid ad valorem taxes.

Future Amendments Relating to Ad Valorem Taxation. Historically, various legislative proposals and constitutional amendments relating to ad valorem taxation have been introduced in each session of the State legislature. Many of these proposals have provided for new or increased exemptions to ad valorem taxation and limited increases in assessed valuation of certain types of property or have otherwise restricted the ability of local governments in the State to levy ad valorem taxes at then current levels.

Administrative Action Relating to Due Dates. On Monday, March 16, 2020, the Governor directed the Department of Revenue to provide flexibility on tax due dates to assist those adversely affected by COVID 19. On March 26, 2020, the Department of Revenue's Executive Director issued an emergency order to extend the final due date for property tax payments for the 2019 tax year. Such order applies to all 67 counties within the State, including the County. Property taxes, as described above, are normally due by March 31 however, as a result of the executive order, the Department of Revenue waived the due date so that payments remitted by April 15, 2020, for the 2019 tax year were considered timely paid. See "INVESTMENT CONSIDERATIONS" in the body of this Official Statement for more information about the impacts of COVID-19 on the County.

Monroe County, Florida
Ten Largest Taxpayers

	Taxpayer	Assessed Value	Percentage of Total Taxable Assessed Value
1.	Ocean Reef Club Inc.	$149,794,463	17.90%
2.	Fla. Keys Electric Co-Op	120,127,882	14.35
3.	Passco Ocean DST	86,903,302	10.38
4.	Casa Marina A Waldorf Astoria	85,688,742	10.24
5.	Galleon Condominium Assoc. Inc.	81,149,432	9.69
6.	Key Largo Hospitality	69,054,637	8.25
7.	Pebblebrook Hotel Trust	62,705,657	7.49
8.	SH3 LTD	61,941,412	7.40
9.	City of Key West	60,686,891	7.25
10.	Windward Pointe II LLC	59,000,000	7.05
		$837,052,418	100.00%

Source: Monroe County, Florida Annual Comprehensive Financial Report for the year ended September 30, 2021.

Monroe County, Florida
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities			
Fiscal Year	Revenue Bonds	Revenue Notes	Loans Payable	Capital Leases	Revenue Bonds	Revenue Notes	Capital Leases	Total Primary Government
2012	$29,583,500	$9,453,109	-	-	$6,060,000	-	$567,270	$45,663,879
2013	25,097,409	14,485,806	-	-	-	-	517,270	40,100,485
2014	20,418,912	41,458,400	-	-	-	-	467,270	62,344,582
2015	41,580,227	59,480,817	$31,566,220	-	-	-	-	132,627,264
2016	53,849,136	92,085,120	16,000,000	-	-	-	-	161,934,256
2017	46,793,045	119,769,209	15,000,000	-	-	-	-	181,562,254
2018	39,560,000	153,497,215	15,250,000	-	-	$24,060,741	-	208,307,215
2019	34,985,000	154,013,603	13,125,000	-	-	-	-	202,123,603
2020	30,310,000	151,847,440	11,000,000	-	-	-	-	193,157,440
2021	25,530,000	139,543,320	8,875,000			748,000		174,696,320

Source: Monroe County, Florida Annual Comprehensive Financial Report for the year ended September 30, 2021.

Economy and Tourism

[International and domestic tourism remains an important economic factor in Monroe County. The tropical climate together with the recreational water activities makes the Florida Keys and Key West a major tourist area. Further evidence of the importance of the tourist industry is that of the top ten taxpayers in Monroe County, eight are hotels.

Tourist tax revenues decreased in fiscal year ended September 30, 2006 by 2% from the prior fiscal year to $13,781,806. Lodging units in Monroe County are comprised of 186 hotels/motels/resorts with 8,263 units, 56 bed and breakfast/guesthouse/inn facilities with 502 units, 87 seasonal rental/realtor rentals with 2,434 units and 21 campground/RV parks with 2,410 units for a total of 350 properties with 13,609 units. The occupancy rate for calendar year 2006 decreased by 3.5% over calendar year 2005. However, average daily room rate increased by 9.9% for the same period. The table below provides annual occupancy rates and annual average daily rates for the last five years.

Monroe County, Florida
Annual Occupancy Rates and
Annual Average Daily Rates

	2017	2018	2019	2020	2021
Occupancy Rate	%	%	%	%	%
Average Daily Rate	$	$	$	$	$

Source: Monroe County Tourist Development Council.]

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Monroe County, Florida
Average Monthly Employment by Major Sector
2019 and 2020

Sector	2019	2020
Agriculture, forestry, fishing and hunting	144	134
Mining	1	1
Utilities	585	585
Construction	3,188	3,081
Manufacturing	313	297
Wholesale trade	455	571
Retail trade	5,952	5,313
Transportation and warehousing	1,256	1,132
Information	359	333
Finance and Insurance	685	690
Real estate and rental and leasing	1,475	1,392
Professional, scientific and technical services	1,439	1,498
Management companies and enterprises	112	103
Administration and support and waste management services	1,714	1,646
Educational services	1,837	N/A
Health care and social assistance	2,345	2,334
Arts, entertainment and recreation	1,380	1,238
Accommodation and food services	14,062	11,415
Other services, except public administration	1,419	1,261
Public administration	3,122	3,051
Unclassified	35	42

Source: Florida Insight
N/A – Not Available

Employment

Monroe County has consistently trailed the State in unemployment for each of the past ten years as shown in the table below.

Employment
Monroe County

Year	Labor Force	Employment	Unemployment	County Unemployment Rate (%)	State Unemployment Rate (%)
2012	43,603	41,044	2,559	5.9%	8.6%
2013	44,153	41,922	2,231	5.1	7.5
2014	44,941	43,038	1,903	4.2	6.4
2015	45,948	44,332	1,616	3.5	5.5
2016	46,592	45,095	1,497	3.2	4.9
2017	45,626	44,121	1,505	3.3	4.2
2018	45,085	43,910	1,175	2.6	3.6
2019	46,557	45,559	998	2.1	3.3
2020	44,755	41,223	3,532	7.9	7.7
2021	45,926	44,558	1,368	3.0	4.6

Source: Local Area Unemployment Statistics, Florida Department of Economic Opportunity.

Per Capita Personal Income
Monroe County, Florida and United States, 2011-2020
(rounded to dollars)

Year	Monroe County	State of Florida	United States
2011	$62,936	$40,482	$42,783
2012	70,711	41,475	44,614
2013	65,746	41,069	44,894
2014	71,934	43,388	47,017
2015	73,336	45,493	48,891
2016	79,980	46,253	49,812
2017	87,396	48,774	51,811
2018	98,438	51,150	54,098
2019	104,370	53,034	56,047
2020	106,583	55,675	59,510

Source: Per Capita Personal Income by County, U.S. Bureau of Economic Analysis.

Attachment: EXHIBIT D Preliminary Official Statement (EYW 10 – Supplemental Bond Resolution)

Education

The County is served by The School Board of Monroe County. The School Board maintains 16 schools serving grades kindergarten through 12, with 763 Instructional staff members and 69 Administrative staff members. For the school year 2021, the school system served 9,125 children. The County maintains a public library, which was the first public library established in south Florida. The library includes five facilities.

Risk Management

The County is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal years ended 1976, 1984 and 1988, the County established the Workers' Compensation, Group Insurance, and Risk Management Funds, respectively, as internal service funds to account for and finance its uninsured risks of loss.

Under these programs, the Workers' Compensation has self-insured coverage up to the first $500,000 per claim for regular employees. Workers' Compensation claims in excess of the self-insured coverage of $500,000 are covered by an excess insurance policy. The Group Insurance Fund provides self-insured excess claims. Risk Management has a $5,000,000 excess insurance policy for general liability claims with a $200,000 self-insured retention and building property damage is covered for the actual value of the building with a deductible of $50,000. Deductibles for windstorm and flood vary by location. The Board purchases commercial insurance for claims in excess of coverage provided by the funds and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

All funds of the County participate in the programs and make payments to the Workers' Compensation, Group Insurance and Risk Management Funds based on management's estimates of the amounts needed to pay prior and current year claims. The claims liabilities reported are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These claim liabilities have not been discounted.

Changes in the claim liability amounts in fiscal years 2021 and 2020 were:

	Worker's Compensation	Group Insurance	Risk Management	Total
Unpaid Claims at Sept. 30, 2019	$1,333,516	$1,121,259	$646,670	$3,101,445
Incurred Claims (Including IBNR)	2,169,013	14,933,097	502,258	17,604,368
Claim payments	(1,862,141)	(14,991,833)	(468,918)	(17,322,892)
Unpaid Claims at Sept. 30, 2020	1,640,388	1,062,523	680,010	3,382,921
Incurred Claims (Including IBNR)	1,678,053	17,423,291	890,192	19,991,536
Claim payments	(1,775,139)	(17,434,467)	(716,992)	(19,926,598)
Balance at September 30, 2021	$1,543,302	$1,051,347	$853,210	$3,447,859

Attachment: EXHIBIT D Preliminary Official Statement (EYW 10 – Supplemental Bond Resolution)

Other Postemployment Benefit Plans

Plan Description – The Board administers a single-employer defined benefits healthcare plan (the "Plan"). Section 112.0801, Florida Statutes, requires the County to provide retirees and their eligible dependents with the option to participate in the Plan if the County provides health insurance to its active employees and their eligible dependents. The Plan provides medical coverage, prescription drug benefits, and life insurance to both active and eligible retired employees. The Plan does not issue a publicly available financial report. No assets are accumulated in a trust that meets the criteria as set forth in GASB Statement No. 75.

The Board may amend the plan design, with changes to the benefits, premiums and/or levels of participant contribution at any time. In an open session, on at least an annual basis and prior to the annual enrollment process, the Board approves the rates for the coming calendar year for the retiree and County contributions.

The Plan includes participants from the Board, each Constitutional Officer, and the MCLA. The Board is responsible for funding all obligations not funded on a pay-as-you-go basis by Constitutional Officers or the MCLA. However, the following disclosures are based only on the Board's and the Constitutional Officers' (the County's) share of the net Other Post-Employment Benefits ("OPEB") obligation since the MCLA's discrete financial statements reports its share of OPEB obligation.

Benefits Provided – Employees who retire as active participants in the Plan and were hired on or after October 1, 2001 may continue to participate in the Plan by paying the monthly premium established annually by the Board. Employees who retire as active participants in the Plan, were hired before October 1, 2001, have at least ten years of full-time service with the County and meet the retirement criteria of the Florida Retirement System ("FRS") but are not eligible for Medicare, may maintain group insurance benefits with the County following retirement, provided that the retiring employee contributes the amounts as shown in the following table.

Contribution as Percentage of Annual Actuarial Rate[(1)]

Plan	Years of Service with Monroe County		
Year	25+	20-24	10-19
2018	HIS[(2)]	17%	18%
2019	HIS	18	26
2020	HIS	20	34
2021	HIS	22	42
2022 & Thereafter	HIS	25	50

(1) The new retiree contributions began a five-year phased-in approach beginning January 1, 2018.

(2) Participation in the Plan is at a cost equal to the FRS Health Insurance Subsidy (HIS) for ten years of service (currently $5 per month for each year of service credit at retirement with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month).

Retirees who have met the requirements for early retirement, have not achieved age 60 and whose age and years of service do not equal 70 (rule of 70) must pay the standard monthly premium until the age criteria or the rule of 70 is met. At that time, the retiree's cost of participation will be based on the preceding table. Surviving spouses and dependents of participating retirees may continue in the Plan if eligibility criteria specific to those classes are met.

An employee who retires as an active participant in the Plan, was hired prior to October 1, 2001, has at least ten years of full-time service with the County, and meets the retirement criteria of the FRS and is eligible for Medicare at the time of retirement or becomes eligible for Medicare following retirement, may maintain group health insurance benefits with the County following retirement, provided the retiring employee contributes the Actuarial Rate for Medicare retirees as determined by the actuarial firm engaged by the County, less a $250 per month County subsidy. Alternatively, retirees meeting these criteria may elect to leave the County health plan and receive a $250 per month payment from the County, payable for the lifetime of the retiree.

Employees Covered by Benefit Terms – Eligibility for post-employment participation in the Plan is limited to full time employees of the County and the Constitutional Officers. At September 30, 2021, there were no terminated employees entitled to deferred benefits. The membership of the Board's medical plan consisted of:

Active Employees	1,273
Retirees and Beneficiaries Currently Receiving Benefits	425
Total Membership	1,698

Contributions – The Board establishes, and may amend, the contribution requirements of Plan members. The required contribution is based on pay-as-you-go financing requirements, net of member contributions.

Total OPEB Liability

The County's total OPEB liability of $60,034,000 was measured as of September 30, 2021, and was determined by an actuarial evaluation as of October 25, 2021.

Actuarial Methods and Assumptions – The valuation, dated October 25, 2021, was prepared using generally accepted actuarial principles and practices, and relied on unaudited census data and medical claims data reported by the Board.

The total OPEB liability for the Board in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal based on level of percentage of projected salary.
Inflation Rate	2.5% per annum
Salary Increase Rate	3.5% per annum
Discount Rate	2.21% per annum (Beginning of Year) 2.15% per annum (End of Year) Source: *Bond Buyer 20-Bond GO* index
Marriage Rate	The assumed percentage of married participants at retirement is 25% and is based on the current retired population of the County.

Spouse Age	Spouse dates of birth were provided by the County. Where this information was missing, male spouses were assumed to be three years older than female spouses.
Medicare Eligibility	All current and future retirees were assumed to be eligible for Medicare at age 65.
Amortization Method	Experience/Assumptions gains and losses were amortized over a closed period of 11.3 years starting on October 1, 2019, equal to the average remaining service of active and inactive plan members (who have no future service).
Plan Participation Percentage	The assumptions for participation of eligible retirees in the County's postemployment benefit plan are: Retirees with 25+ Years of Service: 100% Retirees with 20 – 24 Years of Service: 20% Retirees with < 20 Years of Service: 25%

The actuarial assumptions include an annual health care cost trend rate of 5.5% initially, reduced by decrements of 0.5% to an ultimate rate of 4.5%. The assumptions included a discount rate tied to the return expected on the funds used to pay the benefits, and assumes for an unfunded plan, that the benefits continue to be funded on a pay-as-you-go basis.

Mortality rates were based on the Pub-2010 projected forward using the SOA scale MP-19.

Expected retiree claim costs were developed using 24 months historical claim experience through May 2020. Non-claim expenses are based on the current amounts charged per retired employee.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at the beginning of the year	$57,533,000
Changes for the year:	
Service cost	3,177,500
Interest cost	1,314,800
Change in Experience	-
Changes in assumptions or other inputs	404,700
Benefit payments	(2,396,000)
Net change in total OPEB liability	2,501,000
Balance at the end of the year	$60,034,000

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.15 percent) or 1-percentage-point higher (3.15 percent) than the current discount rate:

	1% Decrease (1.15%)	Current Discount Rate (2.15%)	1% Increase (3.15%)
Total OPEB Liability	$69,639,000	$60,034,000	$54,030,000

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Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage-point lower (4.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (6.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease (4.5% decreasing to (3.5%)	Current Trend (5.5% decreasing to (4.5%)	1% Increase (6.5% decreasing to (5.5%)
Total OPEB Liability	$51,929,000	$60,034,000	$70,960,000

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the County recognized OPEB expense of $5,230,300. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions or Other Inputs	$13,076,000	$5,226,800
Total	$13,076,000	$5,226,800

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For Fiscal Year	FRS Amount
2022	$743,200
2023	743,200
2024	743,200
2025	731,800
2026	731,900
Thereafter	4,155,900
Total	$7,849,200

Florida Retirement System

The County's employees participate in the FRS. As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program ("DROP") for eligible employees.

Benefits Provided – Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary. As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement. As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of- living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively, were as follows: Regular—10.00% and 10.82%; Special Risk Administrative Support—35.84% and 37.76%; Special Risk—24.45% and 25.89%; Senior Management Service—27.29% and 29.01%; Elected Officers'—49.18% and 51.42%; and DROP participants—16.98% and 18.34%. These employer contribution rates include 1.66% HIS Plan subsidy for the periods October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively.

The County's contributions, including employee contributions, to the Pension Plan totaled $12,167,517 for Fiscal Year 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the County reported a liability of $24,009,850 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share of the net pension liability was based on the County's FY 2021 contributions relative to the FY 2021 contributions of all participating members. At June 30, 2021, the County's proportionate share for all funds was 0.3178 percent, which was a decrease of 0.028 percent from its proportionate share measured as of June 30, 2020.

The contributions made after the measurement date of the Pension Plan's net pension liability but before the end of the County's fiscal year will be recognized as a reduction of the Pension Plan's net pension liability in the subsequent fiscal period rather than in the current fiscal period.

For the year ended September 30, 2021, of the $2,238,393 that the County recognized as a pension benefit of $293,191 related to FRS pension expense. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$4,114,789	$-
Changes of Assumptions	16,426,582	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	83,753,383
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	5,200,117	10,087,428
Pension Plan Contributions Subsequent to the Measurement Date	3,068,141	-
Total	$28,809,629	$93,840,811

The deferred outflows of resources related to the Pension Plan $3,068,141, resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in Fiscal Year 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

For Fiscal Year	FRS Amount
2022	$(11,994,003)
2023	(13,986,116)
2024	(18,526,220)
2025	(23,740,054)
2026	147,070
Total	$(68,099,323)

Actuarial Assumptions – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB2010 base table which varies by member category and sex, projected generationally with Scale MP-2018 detail are in the valuation report.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return remained at 6.80%, and the active member mortality assumption was updated.

The long-term expected rate of return on Pension Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0	3.8	3.7	3.3
Global Equity	54.2	8.2	6.7	17.8
Real Estate (Property)	10.3	7.1	6.2	13.8
Private Equity	10.8	11.7	8.5	26.4
Strategic Investments	3.7	5.7	5.4	8.4
Total	100.0%			

Discount Rate – The discount rate used to measure the total pension liability was 6.80%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the County's Proportionate Share of the Net Position (Asset) Liability to Changes in the Discount Rate – The following represents the County's proportionate share of the net pension (asset) liability calculated using the discount rate of 6.80%, as well as what the proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate:

	FRS Net Pension Liability (Asset)		
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's Proportionate Share of the Net Pension Plan (Asset) Liability	$107,359,624	$24,009,850	$(45,666,977)

Pension Plan Fiduciary Net Position – Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

HIS Plan

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For Fiscal Year 2021, eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For Fiscal Year 2021, the HIS contribution for the period October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021 was 1.66% and 1.66%, respectively. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County's contributions to the HIS Plan totaled $1,494,694 for Fiscal Year 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2021, the County reported a liability of $31,306,155 for its proportionate share of the County's HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share of the net pension liability was based on the County's FY 2021 contributions relative to the FY 2021 contributions of all participating members. At June 30, 2021, the County's proportionate share of all funds was 0.253 percent, which was a decrease of 0.003916 percent from its proportionate share measured as of June 30, 2020.

The contributions made after the measurement date of the HIS Plan's net pension liability but before the end of the County's fiscal year will be recognized as a reduction of the HIS Plan's net pension liability in the subsequent fiscal period rather than in the current fiscal period.

For the year ended September 30, 2021, of the $2,238,393 that the County recognized as pension expense, $2,500,384 related to HIS pension expense. In addition, these activities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	HIS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$1,038,549	$12,999
Changes of Assumptions	2,438,748	1,278,769
Net Difference Between Projected and Actual Earnings on HIS Plan Investments	32,355	-
Changes in Proportion and Differences Between HIS Plan Contributions and Proportionate Share of Contributions	2,135,494	1,142,081
HIS Plan Contributions Subsequent to the Measurement Date	344,811	-
Total	$5,989,957	$2,433,849

The deferred outflows of resources related to the HIS Plan, totaling $344,811, resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in Fiscal Year 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized as pension expense in the enterprise and internal service funds as follows:

For Fiscal Year	FRS Amount
2022	$884,499
2023	281,777
2024	581,386
2025	771,713
2026	577,153
Thereafter	114,769
Total	$3,211,297

Actuarial Assumptions – The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	2.21%

Mortality rates were based on the Generational RP-2010 with Projection Scale MP-2018 tables.

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The municipal rate used to determine total pension liability increased from 3.50% to 2.21%.

Discount Rate – The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the County's enterprise and internal service funds proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.16%) or one percentage point higher (3.16%) than the current rate:

	HIS Net Pension Liability		
	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
County's Proportionate Share of the Net Pension Plan (Asset) Liability	$35,880,801	$31,306,155	$27,067,050

Pension Plan Fiduciary Net Position – Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04% and 0.06% of payroll and by forfeited benefits of plan members for the periods October 1, 2020 through June 30, 2021 and from July 1, 2021 through September 30, 2021, respectively. Allocations to the investment member's accounts during the F Y 2021, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class

Attachment: EXHIBIT D Preliminary Official Statement (EYW 10 – Supplemental Bond Resolution)

7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For Fiscal Year 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan pension expense totaled $2,608,643 for Fiscal Year 2021.