

NEW ISSUE - BOOK ENTRY ONLY

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2006 Bonds (as hereinafter defined) of the County is excluded from gross income for federal income tax purposes, except that such exclusion shall not apply to interest on any Series 2006 Bond for any period during which such Series 2006 Bond is held by a person who is a "substantial user" of the facilities financed or refinanced by the Series 2006 Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. However, interest on the Series 2006 Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Such interest may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." Bond Counsel is further of the opinion that the Series 2006 Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes.



\$30,455,000
MONROE COUNTY, FLORIDA
Airport Variable Rate Revenue Bonds
(Key West International Airport),
Series 2006

Dated: Date of Delivery

Due: October 1, 2035

Monroe County, Florida (the "County") is issuing its Airport Variable Rate Revenue Bonds (Key West International Airport), Series 2006 (the "Series 2006 Bonds") as fully registered Bonds, which initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Individual purchases will be made in book entry form only in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof. Purchasers of the Series 2006 Bonds (the "Beneficial Owners") will not receive physical delivery of the Series 2006 Bonds. Transfer of ownership in the Series 2006 Bonds will be effected by DTC's book-entry system as described herein. As long as Cede & Co. is the registered owner as nominee of DTC, principal and interest payments will be made directly to such registered owner which will in turn remit such payments to the Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. From the date of the original issuance of the Series 2006 Bonds through October 15, 2009 (subject to extension or earlier termination), the Series 2006 Bonds also will be payable from funds drawn under an irrevocable, direct-pay letter of credit issued by

Bank of America, N.A.

(the "Bank"). The Letter of Credit entitles the Paying Agent to draw thereunder an amount sufficient to pay the principal of the Series 2006 Bonds and up to 35 days interest accrued on the Series 2006 Bonds at a maximum interest rate per annum of 12%.

The Series 2006 Bonds as initially issued will bear interest at the Weekly Rate and the initial Weekly Rate and each subsequent Weekly Rate to be borne by the Series 2006 Bonds will be determined by UBS Securities LLC, as Remarketing Agent. While the Series 2006 Bonds bear interest at the Weekly Rate, interest will be payable on the first business day of each month beginning August 1, 2006. The rate of interest on the Series 2006 Bonds may be changed to the Fixed Rate designated and determined as described herein. The Series 2006 Bonds are subject to tender for purchase at the option of the Bondholders and, under certain circumstances, are subject to mandatory tender for purchase, in the manner and at the times described herein. The Series 2006 Bonds are also subject to optional redemption and mandatory redemption in the manner and at the times described herein.

Principal and any premium on the Series 2006 Bonds are payable upon surrender thereof at the designated payment office of U.S. Bank National Association, acting as tender agent, registrar and paying agent for the Series 2006 Bonds. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2006 Bonds, payments of the principal of, premium, if any, and interest on the Series 2006 Bonds will be made directly to Cede & Co. See the caption "The Series 2006 Bonds - Book-Entry System" herein.

Any purchase of the Series 2006 Bonds should be based solely upon the financial strength of the Bank, and the Series 2006 Bonds are being offered on such basis.

This cover page contains information for quick reference only. It is not a summary of the issue. Investors must read this entire Official Statement to obtain information essential to the making of an informed investment decision.

Price: 100%

The payment of the principal of, redemption premium, if any, and interest on the Series 2006 Bonds shall be secured forthwith equally and ratably by a pledge of and lien upon (i) the net revenues derived from the operation of the Key West International Airport received by the County pursuant to the Resolution adopted by the Board of County Commissioners of the County (the "Board") on June 21, 2006, as supplemented by a Resolution adopted by the Board on June 21, 2006 (collectively, the "Resolution"), (ii) until applied in accordance with the provisions of the Resolution certain Other Available Moneys, (as defined in the Resolution) and (iii) all moneys, including investments thereof, in certain funds and accounts created under the Resolution including the Reserve Account (collectively the "Pledged Funds")

The Series 2006 Bonds are being issued to provide funds to (i) acquire, construct and equip various capital improvements at the Key West International Airport as more fully described herein, (ii) fund the Reserve Account, and (iii) pay costs associated with the issuance of the Series 2006 Bonds, including the letter of credit fees.

THE SERIES 2006 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 RESOLUTION. NO HOLDER OF ANY SERIES 2006 BONDS SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER TO PAY SUCH SERIES 2006 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2006 BONDS FROM ANY MONEYS OF THE COUNTY EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE RESOLUTION.

The Series 2006 Bonds are offered when, as and if issued, subject to the approving legal opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the County by Suzanne Hutton, County Attorney, and Bryant Miller Olive, Tampa, Florida, Disclosure Counsel. Squire, Sanders & Dempsey L.L.P. is serving as Underwriter's Counsel. Moyle, Flanigan, Katz, Raymond, White & Krasker, P.A. is serving as Letter of Credit Bank's Counsel. Public Financial Management, Inc., Fort Myers, Florida is Financial Advisor to the County in regard to the issuance of the Series 2006 Bonds. The Series 2006 Bonds in definitive form are expected to be available for delivery in New York, New York through the facilities of DTC on or about July 19, 2006.

UBS INVESTMENT BANK

Dated: July 18, 2006

G. PFCs APPLIED TO SERIES 2006 BONDS DEBT SERVICE

The County has applied to and received approval from the FAA for the collection and use of certain PFCs for the payment of the PFC eligible portions of the Series 2006 Bonds debt service. The plan of finance for the 2006 Project assumes that 100% of the Series 2006 Bonds debt service will be PFC eligible and payable from PFCs (except for the advanced payment of principal to be paid with FDOT and AIP grant funds)³.

The estimated amount of annual PFC collections and their application toward the payment of debt service on the Series 2006 Bonds are presented on Table II-4. Based on (i) the estimated amount of PFC collections prior to and accumulated during the period in which interest is being capitalized on the Series 2006 Bonds (second half of Fiscal Year 2006, Fiscal Year 2007 and the first half of Fiscal Year 2008) and (ii) the advanced repayment of outstanding principal on the Series 2006 Bonds for each Fiscal Year, annual PFC collections and certain PFCs accumulated in the PFC Capital Improvement Fund would be sufficient to pay the annual debt service payable for each such year. Furthermore, it is estimated that an aggregate amount of PFCs sufficient to pay all the PFC eligible debt service on the Series 2006 Bonds would be collected by the County by Fiscal Year 2027.

H. THE BOND RESOLUTION

The proposed Series 2006 Bonds are to be issued under the terms and conditions of the Airport Revenue Bond Resolution ("Resolution") describing the terms for the sale of the Series 2006 Bonds and adopted by the County on June 21, 2006. A summary of certain terms and conditions of the Resolution is provided in Section V hereof.

I. AIRPORT IMPROVEMENT PROGRAM GRANTS

Congress began appropriating money for airport development in 1946 through the enactment of the Federal Airport Act and since has subsequently enacted a series of laws in support of the national air transportation system. In 1970, the Airport and Airway Revenue Act of 1970 was enacted which established the Airport and Airways Trust Fund ("Trust Fund") to pay for needed airport improvements. The Trust Fund is supported by a series of taxes on the users of the national air transportation system through charges on passenger tickets, cargo waybills, aviation jet fuel, etc.

The Airport and Airway Improvement Act of 1982 ("1982 Act") authorized the capital grant-in-aid program known as the Airport Improvement Program which authorizes and appropriates funds for eligible airport improvements. The AIP is funded by the Trust Fund and administered by the FAA. AIP eligible projects include (i) airport planning; (ii) airport development; (iii) noise compatibility programs (80% at large and medium hub airports); and (iv) terminal development at all but large hub airports. An airport must be included in the National Plan of

³ See Section II (K) for a discussion on PFC eligibility of the 2006 Project and FAA approval status.