

ANNUAL REPORT TO BONDHOLDERS

MONTGOMERY COUNTY CONTINUING DISCLOSURE
SPECIAL OBLIGATION BONDS: WEST GERMANTOWN
DEVELOPMENT DISTRICT
2004

Pursuant to the Agreement between Wachovia Bank, N.A. as trustee on behalf of the owners of the Bonds and Montgomery County, Maryland (the "County") in connection with the issuance of \$15,915,000 in aggregate principal amount of Montgomery County, Maryland Special Obligation Bonds (West Germantown Development District) Series 2002 (the "Bonds"), the County agreed to provide the following information:

- (i) Changes to the methodology for levying the Special Taxes and the Special Assessments in the District since the bonds were issued: None
- (ii) The assessed valuation as of 7/1/04 is \$453,492,737
The Special Tax levy as of 7/1/04 is: \$870,706
The Special Assessment in the District as of 7/1/04 is: \$150,353
- (iii) The district taxpayers representing more than five percent of the levy of Special Taxes and Special Assessments are as follows:

District Taxpayer	Special Assessment	Special Taxes	Combined % Relative to Total Levy
Arcola Investment Associates	\$62,287	\$6,952	7%
Toll MD II Limited Partnership	\$70,918	\$14,834	8%
Total	\$133,205	\$21,786	15%

Delinquencies owed by any of the above listed taxpayers: None

- (iv) Significant amendments to land use entitlements of which the County Representative has actual knowledge: None

Legal challenges to the construction of Improvements or the Project of which the County Representative has actual knowledge: None

- (v) Changes in the types of Improvements constructed from those stated in the Official Statement/Limited Offering Memorandum: None

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Status of completion of Improvements constructed or acquired with the proceeds of the Bonds since the report of the previous year of which the County Representative has actual knowledge:

Reference Continuing Disclosure Reports filed September 2004 by:
Artery Hoyles Mill, LLC
Arcola Investment Associates

(vi) Amendments or supplements to the Implementation Agreement: None

(vii) Tax sales of District property held on the previous 2nd Monday in June:

Parcel Number	Name	Bill Amount	Unpaid Balance
03359595	Eckerstrom, Kurt	\$4,576.98	\$0.00
03217378	Hugenbert, Todd J	\$3,313.50	\$0.00
03360116	Oh, Saeyin	\$3,612.55	\$0.00
03334790	Rucker, Thomas	\$4,844.79	\$0.00