OFFICIAL STATEMENT DATED JULY 30, 2013

NEW ISSUE
BOOK-ENTRY ONLY

RATING: S&P: AA
(see "Rating" herein)

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, and subject to the conditions stated herein under "Tax Exemptions," under existing law, (a) the interest on the Series 2013A Bonds is excludable from gross income for Federal income tax purposes, and (b) the interest on the Series 2013A Bonds is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2013A Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations. As described herein under "Tax Exemptions," other Federal income tax consequences may arise from ownership of the Series 2013A Bonds. It is also the opinion of Bond Counsel that, under existing law of the State of Maryland, the interest on the Series 2013A Bonds and profit realized from the sale or exchange of the Series 2013A Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied directly on the Series 2013A Bonds or the interest thereon.

$46,645,000
MONTGOMERY COUNTY, MARYLAND
REVENUE BONDS (DEPARTMENT OF LIQUOR CONTROL), 2013 SERIES A

Dated: Date of Issuance

Due: April 1, as shown inside

Montgomery County, Maryland (the "County") is issuing the Revenue Bonds (Department of Liquor Control), 2013 Series A (the "Series 2013A Bonds") to provide funds to finance and refinance the acquisition, construction and equipping of certain public facilities of the County and to pay costs of issuance. The Series 2013A Bonds will be issued under a Trust Agreement, dated as of May 1, 2009, by and between the County and U.S. Bank National Association, as Trustee, as supplemented by a Second Supplemental Trust Agreement, dated as of August 1, 2013, by and between the County and the Trustee.

The Series 2013A Bonds and the interest and premium (if any) thereon will be special obligations of the County, the principal of and interest and premium (if any) on which will be payable solely from the Trust Estate or from any other moneys made available to the Trustee for such purpose. Neither the Series 2013A Bonds nor the interest or premium (if any) thereon shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the State of Maryland, the County or any other public body within the meaning of any constitutional or charter provision or statutory limitation. The Series 2013A Bonds do not constitute an indebtedness to which the faith or credit of the State of Maryland, the County or any other public body is pledged.

FOR MATURITY SCHEDULE SEE INSIDE FRONT COVER

Interest on the Series 2013A Bonds is payable semiannually on April 1 and October 1 of each year, commencing October 1, 2013. See "The Series 2013A Bonds – General" herein. The Series 2013A Bonds will be subject to optional redemption prior to maturity as more fully described herein.

The Series 2013A Bonds will be issuable in the denomination of $5,000 and any integral multiple of $5,000 in excess thereof. The Series 2013A Bonds will be issuable only as registered bonds. When issued, the Series 2013A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchasers of ownership interests in the Series 2013A Bonds ("Beneficial Owners") will not receive physical delivery of bond certificates. Ownership by Beneficial Owners of ownership interests in the Series 2013A Bonds will be evidenced by book-entry only. As long as Cede & Co., as nominee for DTC, is the registered owner of the Series 2013A Bonds, payments of principal of and interest or premium (if any) on the Series 2013A Bonds will be made directly to DTC, through Cede & Co. as its nominee for DTC, is the registered owner of the Series 2013A Bonds, nominee, which will in turn remit such payments to the DTC Participants, as herein described, for subsequent disbursement to the Beneficial Owners. See "The Series 2013A Bonds - Book-Entry System" herein.

The Series 2013A Bonds are offered when, as and if issued, subject to the approval of Venable LLP, Baltimore, Maryland, Bond Counsel, and certain other conditions. It is expected that the Series 2013A Bonds will be available for delivery in New York, New York through the facilities of DTC on or about August 15, 2013.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

AMOUNTS, MATURITIES, INTEREST RATES AND YIELDS

$46,645,000
MONTGOMERY COUNTY, MARYLAND
REVENUE BONDS (DEPARTMENT OF LIQUOR CONTROL), 2013 SERIES A

Maturity April 1,	Amount	Interest Rate*	Yield*	CUSIP+
2014	$1,810,000	4.000%	0.450%	61336P DW8
2015	1,585,000	4.000	0.600	61336P DX6
2016	1,650,000	4.000	0.900	61336P DY4
2017	1,715,000	4.000	1.200	61336P DZ1
2018	1,785,000	4.000	1.550	61336P EA5
2019	1,855,000	4.000	1.900	61336P EB3
2020	1,930,000	5.000	2.250	61336P EC1
2021	2,030,000	5.000	2.600	61336P ED9
2022	2,130,000	5.000	2.850	61336P EE7
2023	2,235,000	5.000	3.100	61336P EF4
2024	2,345,000	3.125	3.300	61336P EG2
2025	2,420,000	3.500	3.600	61336P EH0
2026	2,505,000	4.000	3.800	61336P EJ6
2027	2,605,000	4.000	4.000	61336P EK3
2028	2,710,000	4.000	4.100	61336P EL1
2029	2,820,000	4.125	4.200	61336P EM9
2030	2,935,000	4.200	4.300	61336P EN7
2031	3,055,000	4.500	4.300	61336P EP2
2032	3,195,000	4.250	4.400	61336P EQ0
2033	3,330,000	4.500	4.400	61336P ER8

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* The rates shown above are the interest rates payable by the County resulting from the successful bid for the Series 2013A Bonds by a group of banks and investment banking firms at public sale on July 30, 2013. The yields or prices shown above were furnished by the successful bidders. Any additional information concerning the reoffering of the Series 2013A Bonds should be obtained from the successful bidders and not from the County.

\+ CUSIP data is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw Hill Companies Inc. The CUSIP number listed above is being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2013A Bonds and the County makes no representation with respect to such CUSIP number nor undertakes any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Series 2013A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2013A Bonds.

$46,645,000

MONTGOMERY COUNTY, MARYLAND
REVENUE BONDS (DEPARTMENT OF LIQUOR CONTROL), 2013 SERIES A

PROSPECTIVE BONDHOLDERS ARE ADVISED TO READ THIS ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO. SPECIAL REFERENCE IS MADE TO THE SECTION "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013A BONDS" THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2013A BONDS.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE SERIES 2013A BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

No dealer, broker, salesperson, or other person has been authorized by the County or the Department to give any information or to make any representations with respect to the Series 2013A Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing.

Certain information contained herein has been obtained from The Depository Trust Company and other sources which are believed to be reliable, but has not been independently verified by, is not guaranteed as to accuracy or completeness by and is not to be construed as a representation of the County. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made herein shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof. See "CONTINUING DISCLOSURE" herein. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or holders of any of the Series 2013A Bonds.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its location herein. Where agreements, reports or other documents are referred to herein, reference should be made to such agreements, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe" and similar expressions are intended to identify forward-looking statements. A number of important factors, including factors affecting the Department's financial condition and factors which are otherwise unrelated thereto which affect Project construction and operation, could cause actual results to differ materially from those stated in the forward-looking statements.

THE SERIES 2013A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT.

MONTGOMERY COUNTY, MARYLAND
OFFICIAL ROSTER OF COUNTY OFFICIALS

COUNTY EXECUTIVE

Isiah Leggett

COUNTY COUNCIL

Nancy Navarro	*President*
Craig Rice	*Vice President*
Phil Andrews	
Roger Berliner	
Marc Elrich	
Valerie Ervin	
Nancy Floreen	
George L. Leventhal	
Hans Riemer	

The County Executive and all County Council members were inaugurated on December 7, 2010 for a four year term.

APPOINTED OFFICIALS

Timothy L. Firestine	*Chief Administrative Officer*
Joseph F. Beach	*Director, Department of Finance*
Jennifer A. Hughes	*Director, Office of Management and Budget*
Marc P. Hansen	*County Attorney*
Linda M. Lauer	*Clerk of the Council*

BOND COUNSEL

Venable LLP
Baltimore, Maryland

FINANCIAL ADVISOR

Davenport & Company LLC
Towson, Maryland

TRUSTEE

U.S. Bank National Association
Richmond, Virginia

DEBT MANAGEMENT AND DISCLOSURE INFORMATION

Montgomery County Department of Finance
101 Monroe Street
Rockville, MD 20850
240/777-8860
240/777-8857 (Fax)
http://bonds.montgomerycountymd.gov

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SUMMARY OF OFFICIAL STATEMENT

This Summary is provided for the convenience of the reader and does not purport to be complete. Potential investors should read the entire Official Statement before considering an investment in the Series 2013A Bonds. Capitalized terms used in this Official Statement are defined in "APPENDIX C - Definitions of Terms and Summary of the Trust Agreement."

Issuer:	Montgomery County, Maryland
Issue:	Montgomery County, Maryland Revenue Bonds (Department of Liquor Control), 2013 Series A
Security:	Pledge of net profits of the Montgomery County Department of Liquor Control
Trustee:	U.S. Bank National Association, Richmond, Virginia
Maturity Dates:	April 1, 2014 through 2033, inclusive
Interest Payment Dates:	April 1 and October 1, beginning October 1, 2013
Redemption:	Series 2013A Bonds maturing on or before April 1, 2021 are not subject to redemption prior to maturity. Series 2013A Bonds maturing on or after April 1, 2022 are subject to optional redemption in whole at any time, or in part on any Interest Payment Date, on and after April 1, 2021, at a Redemption Price equal to the principal of and accrued interest, if any, on the Series 2013A Bonds, without premium, upon 30 days notice to the Owners of Series 2013A Bonds.
Tax status:	Generally exempt from federal and Maryland income taxation

$46,645,000

MONTGOMERY COUNTY, MARYLAND
REVENUE BONDS
DEPARTMENT OF LIQUOR CONTROL
2013 SERIES A

INTRODUCTORY STATEMENT

This Official Statement, including the cover page, inside front cover and appendices, is provided to furnish certain information with respect to the issuance by Montgomery County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland (the "County") of $46,645,000 aggregate principal amount of its Revenue Bonds (Department of Liquor Control), 2013 Series A (the "Series 2013A Bonds"). The Series 2013A Bonds will be issued pursuant to Resolution No. 16-676 adopted by the County on July 29, 2008 and amended on February 24, 2009 (as amended, the "Resolution"), and a Trust Agreement dated as of May 1, 2009, as amended (as amended, the "2009 Trust Agreement") entered into between the County and U. S. Bank National Association, as trustee (the "Trustee"), as supplemented by a Second Supplemental Trust Agreement dated as of August 1, 2013 by and between the County and the Trustee (the "Second Supplemental Trust Agreement;" the 2009 Trust Agreement as supplemented by the Second Supplemental Trust Agreement is referred to herein as the "Trust Agreement"). The Trustee has a corporate trust office at 1021 E. Cary Street, Suite 1850, Richmond, Virginia 23219. The Trustee may be removed or replaced by the County, pursuant to the terms of the Trust Agreement.

The Series 2013A Bonds are being issued to provide funds to finance and refinance the acquisition, construction and equipping of certain public facilities of the County, more particularly described under the caption "USE OF PROCEEDS,"and to pay certain costs of issuing the Series 2013A Bonds.

Certain terms used in this Official Statement are defined in "APPENDIX C - Definitions of Terms and Summary of the Trust Agreement." Any capitalized term used in this Official Statement and not defined herein shall have the meaning given such term by the Trust Agreement, except where otherwise indicated or the context clearly indicates otherwise.

The Series 2013A Bonds will be limited obligations of the County, payable solely from the Trust Estate as described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013A BONDS."

THE COUNTY

The Series 2013A Bonds have been authorized and will be issued by the County. The Series 2013A Bonds will be issued under the provisions of the Constitution and laws of the State of Maryland, in particular Sections 5(P)(2) and 5(P)(3) of Article 25A of the Annotated Code of Maryland, as amended, and the Montgomery County Revenue Bond Act, Article IX of the Montgomery County Code (2004 Edition, as amended) (collectively, the "Revenue Bond Act"), and pursuant to the Resolution and other proceedings of the County.

THE DEPARTMENT

The Montgomery County Department of Liquor Control (the "Department") operates facilities for the wholesale and retail distribution of alcoholic beverages in the County. The Series 2013A Bonds are payable solely from the Trust Estate, the primary component of which is the Pledged Revenues of the Department. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013A BONDS" below.

Further current and historical information concerning the Department is contained in "APPENDIX A — The Department of Liquor Control" and in "APPENDIX B — Financial Information Regarding the Department Excerpted from the County's Comprehensive Annual Financial Reports for the Fiscal Years Ending June 30, 2012 and 2011." The financial information included in Appendix B has not been audited by the County's auditors.

USE OF PROCEEDS

The proceeds of the Series 2013A Bonds will be used to finance and refinance the acquisition, construction and equipping of certain public facilities (the "Projects"). The Projects include the following:

Department Warehouse Facility

Approximately $15 million of the proceeds of the Series 2013A Bonds will be used to finance and refinance the completion of the renovation of an existing warehouse facility (the "Warehouse"), which is used in the operations of the Department. The Department completed the move of its operations to the Warehouse in July of 2013, after the completion of renovation. The Department projects that such consolidation will result in net cost savings.

Transportation Projects

Approximately $32 million of the proceeds of the Series 2013A Bonds will be used to finance or refinance the County's share of the cost of the design, right-of-way acquisition and construction of the following transportation projects in the County:

- Interchange of Watkins Mill Road at I-270
- Bus rapid transit facilities on Veirs Mill Road (Maryland Route 586) and Maryland Route 97
- Maryland Route 97 Brookeville Bypass
- Improvements to Maryland Route 97 from Forest Glen Road to 16th Street
- Montrose Parkway East from Maryland Route 355 to Parklawn Drive
- Intersections of State and County roadways and pedestrian improvements
- Bethesda Metrorail Station South Entrance
- Widening of Maryland Route 124 between Mid-County Highway and Airpark Road
- Underpass access to the Forest Glen Metrorail Station

Approximately 6.1% of these costs will be financed with proceeds of the Series 2013A Bonds, with the balance coming from the proceeds of the Series 2011A Bonds and from the Maryland State Highway Administration.

Estimated Sources and Uses of Funds

The proceeds of the Series 2013A Bonds will be used (i) to finance and refinance a portion of the costs of the Projects, and (ii) to pay costs of issuance of the Series 2013A Bonds (including underwriting, legal, rating agency, printing and other miscellaneous costs allocable to the issuance of the Series 2013A Bonds).

Sources of Funds

Principal Amount of Series 2013A Bonds	$46,645,000
Net Original Issue Premium	1,974,109
Total Sources of Funds	$48,619,109

Uses of Funds

Deposit to Construction Account	$47,717,000
Underwriter's Discount	774,741
Deposit to Costs of Issuance Account	127,368
Total Uses of Funds	$48,619,109

THE SERIES 2013A BONDS

General

The Series 2013A Bonds will be dated the date of their delivery, will be issued in authorized denominations of $5,000 or any integral multiple thereof and will bear interest at the rates set forth on the inside front cover page of this Official Statement, payable semi-annually on April 1 and October 1, commencing October 1, 2013, computed on the basis of a 360-day year comprised of twelve 30-day months.

Redemption

In the manner and with the effect provided in the Trust Agreement, the Series 2013A Bonds will be subject to redemption prior to maturity as described below.

Optional Redemption. The Series 2013A Bonds maturing on or before April 1, 2021 are not subject to optional redemption prior to their respective maturities. The Series 2013A Bonds maturing on or after April 1, 2022 are subject to optional redemption by the County, in its sole discretion, in whole at any time, or in part on any Interest Payment Date, on and after April 1, 2021, at a Redemption Price equal to the principal amount thereof, plus accrued interest.

Selection of Series 2013A Bonds for Redemption. If not otherwise provided as described above, whenever less than all the Outstanding Series 2013A Bonds of a maturity are to be redeemed on any one date, the Trustee shall select the Series 2013A Bonds to be redeemed from the Outstanding Series 2013A Bonds of such maturity by lot, or in such other manner as the Trustee deems fair; provided, that the Trustee shall select for redemption Series 2013A Bonds stated to mature in the years selected by the County in its discretion.

Notice of Redemption. Notice of redemption shall be given by mail by the Trustee to the Owners of any Series 2013A Bonds designated for redemption in whole or in part no less than thirty (30) days prior to the Redemption Date. Each notice of redemption shall state the Redemption Date, the redemption place and the redemption price, the maturity dates of the Series 2013A Bonds to be redeemed and shall designate the numbers of the Series 2013A Bonds to be redeemed if less than all of the Outstanding Series 2013A Bonds of a maturity are to be redeemed, shall (in the case of any Series 2013A Bond called for redemption in part only) state the portion of the principal amount thereof which is to be redeemed, and shall state that the interest thereon or portions thereof designated for redemption shall cease to accrue from and after such Redemption Date and that on such Redemption Date there will become due and payable on each of the Series 2013A Bonds or portions thereof designated for redemption the redemption price thereon. The failure to mail such notice with respect to any Series 2013A Bond shall not affect the validity of the proceedings for the redemption of any other Series 2013A Bond with respect to which notice was so mailed.

Redemptions - Book-Entry. During any period in which the Series 2013A Bonds are maintained pursuant to a book-entry system, redemption of the Series 2013A Bonds shall occur in accordance with the Securities Depository's standard procedures for redemption of obligations such as the Series 2013A Bonds.

Book-Entry System

The information under this caption concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from sources believed to be reliable, but the County and the Trustee take no responsibility for the accuracy or completeness thereof.

DTC will act as Securities Depository for the Series 2013A Bonds. The Series 2013A 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 bond certificate will be issued for each separately-stated maturity of the Series 2013A Bonds, each in principal amount equal to the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC 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"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2013A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2013A Bonds on DTC's records. The ownership interest of each actual purchaser of a beneficial interest in the Series 2013A Bonds ("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 2013A 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 2013A Bonds, except in the event that use of the book-entry system for the Series 2013A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013A 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 Series 2013A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2013A 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 2013A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2013A Bonds, such as redemptions, defaults, and proposed amendments to the Trust Agreement. Beneficial Owners of Series 2013A Bonds may wish to ascertain that the nominee holding the Series 2013A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2013A Bonds within a single maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2013A 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 2013A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of, redemption premium, if any, and interest payments on the Series 2013A 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 Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by 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 Participant and not of DTC, DTC's nominee, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or its Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2013A Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2013A Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2013A Bond certificates will be printed and delivered.

The information contained herein concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

Neither the Trustee nor the County will have any responsibility or obligation to such DTC Participants or the persons for whom they act as nominees with respect to the payments to the DTC Participants, the Indirect Participants or Beneficial Owners.

For so long as the Series 2013A Bonds are registered in the name of the Securities Depository or the Securities Depository Nominee, the County and the Trustee will recognize the Securities Depository or the Securities Depository Nominee as the registered owner of the Series 2013A Bonds for all purposes, including notices and voting. Conveyance of notices and other communications by DTC or DTC Participants and DTC Indirect Participants to Beneficial Owners of the Series 2013A Bonds will be governed by arrangements among DTC, DTC Participants, DTC Indirect Participants and Beneficial Owners, subject to any statutory and regulatory requirements as may be in effect from time to time.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2013A BONDS

General

The Series 2013A Bonds and the interest and premium (if any) thereon are payable solely from the Trust Estate. The Trust Estate consists of (1) the Pledged Revenues, as described below, (2) the amounts on deposit under the Trust Agreement (other than amounts on deposit in the Rebate Fund) and (3) any other property rights and interests granted to the Trustee after the date of the Trust Agreement as and for additional security.

The Series 2013A Bonds and the interest and premium (if any) thereon will be special obligations of the County, the principal of and interest and premium (if any) on which will be payable solely from the Trust Estate or from any other moneys made available to the Trustee for such purpose. Neither the Series 2013A Bonds nor the interest or premium (if any) shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the State of Maryland, the County or any other public body within the meaning of any constitutional or charter provision or statutory limitation. The Series 2013A Bonds do not constitute an indebtedness to which the faith or credit of the State of Maryland, the County or any other public body is pledged.

Pledged Revenues

In the Trust Agreement, the County has pledged all right, title and interest in and to the Pledged Revenues in order to secure the payment of the principal of, premium, if any, and interest on the Series 2013A Bonds, and the County's other obligations under the Trust Agreement.

Application of Net Profits. Under applicable State law, the net profits derived by the Department from the sale of alcoholic beverages are applied to maintain a working capital reserve adequate to provide for the continued operation of the dispensary system operated by the Department (the "Working Capital Reserve"). Any such net profits remaining after the deposit to the Working Capital Reserve are transferred to the County's General Fund. The Pledged Revenues will consist of all transfers of such net profits to the County's General Fund.

In the Trust Agreement, the County will covenant not to create or incur any indebtedness payable in whole or in part from any portion of the revenues of the Department, except in accordance with the provisions of the Trust Agreement. See "- Additional Bonds" below.

Working Capital Reserve. Pursuant to State law, the Director of Finance of the County and the Director of the Department, subject to the approval of the County Executive, are required to determine the amount of the Working Capital Reserve, to be in an amount adequate to provide for the continued operation of the dispensary system of the Department. The amount of the Working Capital Reserve for Fiscal Years 2008 through 2012, plus the budgeted amount for Fiscal Year 2013, is as follows:

Fiscal Year	Amount of Working Capital Reserve
2013 (1)	$1,608,386
2012	912,050
2011	1,244,870
2010	2,888,730
2009	2,855,280
2008	3,315,880

(1) Budgeted

Source: 2008 – 2012: Department of Liquor Control: County Department of Finance

Deposit to County's General Fund. All net profits of the Department, after the funding of the Working Capital Reserve, are deposited to the County's General Fund and will be Pledged Revenues. The amount of the deposit to the County's General Fund in Fiscal Years 2008 through 2012, plus the budgeted amount for Fiscal Year 2013, is as follows:

Fiscal Year	Amount of Deposit to General Fund
2013 (1)(2)	$22,297,140
2012(2)	25,066,800
2011(2)	31,291,320
2010(2)	29,043,280
2009	30,410,060
2008	22,168,275

(1) Budgeted

(2) Net of debt service on Series 2009A Bonds and Series 2011A Bonds

Source: 2008 – 2012: County Comprehensive Annual Financial Report; 2013: County Department of Finance

OTHER OBLIGATIONS

The Series 2013A Bonds constitute Additional Bonds under the Trust Agreement. Upon the issuance of the Series 2013A Bonds, the County's Series 2009A Bonds in the aggregate principal amount of $40,195,000 and the County's Series 2011A Bonds in the aggregate principal amount of $32,020,000 will be outstanding under the Trust Agreement. The Series 2009A Bonds and the Series 2011A Bonds are fixed-rate bonds, and are not secured by any Credit Facility. The Series 2013A Bonds, the Series 2009A Bonds and the Series 2011A Bonds are equally and ratably secured by the Pledged Revenues. As of the date of issuance of the Series 2013A Bonds, there are no other obligations secured by the Pledged Revenues.

Additional Bonds

Pursuant to the terms of the Resolution and the Trust Agreement, the County may from time to time issue Additional Bonds. After the issuance of the Series 2013A Bonds, there will be approximately $9 million of unused bonding authority remaining under the Resolution. Each Additional Bond shall be on a parity with, and shall be entitled to the same benefit and security of the Trust Agreement as the Bonds then Outstanding. Additional Bonds may be issued initially as Variable Rate Debt, and may be secured by a separate Credit Facility, all as shall be determined by the County in its discretion. See "APPENDIX C - Definitions of Terms and Summary of the Trust Agreement – Summary of the Trust Agreement – Additional Bonds."

As a condition to the delivery of any such Additional Bonds, the Trustee must receive, among other things, unless such Additional Bonds are being issued solely to (i) refinance, refund or advance refund Outstanding Bonds and/or (ii) to pay the costs of issuing such Additional Bonds, a written certificate of a County Representative to the effect that (A) the amount of the Pledged Revenues for the most recent Bond Year was not less than 150% of the Debt Service Requirements of Outstanding Bonds for such Bond Year plus the Maximum Annual Debt Service for such Additional Bonds, and (B) during each of the five Bond Years immediately succeeding the later of the date of delivery of such Additional Bonds and the date to which interest on such Additional Bonds has been funded, the estimated Pledged Revenues as of the last day of each such Bond Year are projected to be not less than 150% of the Maximum Annual Debt Service on the Outstanding Bonds, taking into account the issuance of such Additional Bonds. If such Additional Bonds are being issued solely to (i) refinance, refund or advance refund Outstanding Bonds and/or (ii) to pay the costs of issuing such Additional Bonds, then the Trustee must receive, among other things, either (1) the certificate described in the immediately preceding sentence or (2) a written certificate of a County Representative to the effect that the Maximum Annual Debt Service on Outstanding Bonds, taking into account the issuance of such Additional Bonds and the Long-Term Indebtedness to be refinanced or refunded, will not be increased by more than ten percent during the life of any then Outstanding Bonds that are not refinanced or refunded with proceeds of such Additional Bonds. See "APPENDIX C - Definitions of Terms and Summary of the Trust Agreement – Summary of the Trust Agreement – Additional Bonds."

ANNUAL DEBT SERVICE REQUIREMENTS OF OUTSTANDING PARITY DEBT

The following table sets forth for each Fiscal Year ending June 30: (i) the principal due on the Series 2013A Bonds; (ii) the interest due on the Series 2013A Bonds; (iii) the total debt service requirements of the Series 2013A Bonds; (iv) the total debt service requirements of the Series 2009A Bonds and Series 2011A Bonds; and (v) the total debt service requirements of all outstanding parity debt.

[table appears on following page]

Fiscal Year	Series 2013A Bonds Principal	Interest	Total	Series 2009A and Series 2011A Debt Service	Total Parity Debt Service
2014	$ 1,810,000	$1,234,047	$3,044,047	$6,353,950	$9,397,997
2015	1,585,000	1,893,339	3,478,339	6,350,200	9,828,539
2016	1,650,000	1,829,939	3,479,939	6,357,450	9,837,389
2017	1,715,000	1,763,939	3,478,939	6,355,950	9,834,889
2018	1,785,000	1,695,339	3,480,339	6,354,300	9,834,639
2019	1,855,000	1,623,939	3,478,939	6,358,900	9,837,839
2020	1,930,000	1,549,739	3,479,739	6,352,700	9,832,439
2021	2,030,000	1,453,239	3,483,239	6,354,600	9,837,839
2022	2,130,000	1,351,739	3,481,739	6,350,100	9,831,839
2023	2,235,000	1,245,239	3,480,239	6,350,850	9,831,089
2024	2,345,000	1,133,489	3,478,489	6,358,800	9,837,289
2025	2,420,000	1,060,208	3,480,208	6,356,150	9,836,358
2026	2,505,000	975,508	3,480,508	6,350,900	9,831,408
2027	2,605,000	875,308	3,480,308	6,354,050	9,834,358
2028	2,710,000	771,108	3,481,108	6,352,550	9,833,658
2029	2,820,000	662,708	3,482,708	6,355,300	9,838,008
2030	2,935,000	546,382	3,481,382	2,695,750	6,177,132
2031	3,055,000	423,112	3,478,112	2,698,500	6,176,612
2032	3,195,000	285,638	3,480,638		3,480,638
2033	3,330,000	149,850	3,479,850		3,479,850
TOTAL	$46,645,000	$22,523,805	$69,168,805	$107,061,000	$176,229,805

RISK FACTORS

General

In considering the matters set forth in this Official Statement, prospective investors should carefully review all investment considerations set forth throughout this Official Statement, and should specifically consider certain investment considerations associated with the Series 2013A Bonds. The material under this heading is a discussion of some, but not necessarily all, of the possible risk factors that should be evaluated carefully by prospective purchasers of the Series 2013A Bonds prior to any investment.

Limited Obligations

The Series 2013A Bonds and the interest and premium (if any) thereon will be special obligations of the County, the principal of and interest and premium (if any) on which will be payable solely from the Trust Estate or from any other moneys made available to the Trustee for such purpose. Neither the Series 2013A Bonds nor the interest or premium (if any) thereon, shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the State of Maryland, the County or any other public body within the meaning of any constitutional or charter provision or statutory limitation. The Series 2013A Bonds do not constitute an indebtedness to which the faith or credit of the State of Maryland, the County or any other public body is pledged.

Results of Operations

Payment of the Series 2013A Bonds will depend on timely collection of Pledged Revenues, which in turn will depend upon the Department's ability to conduct its operations in such a fashion as to generate sufficient net profits. The Department's ability to generate sufficient net profits to pay debt service on the Series 2013A Bonds will depend upon (1) the Department's ability to conduct its operations in an efficient manner, and (2) the level of demand in the County for beverage alcohol.

The Department's ability to conduct efficient operations may be affected by a number of factors, including (without limitation):

- new federal or State regulations affecting the conduct of the Department's operations;
- changes in County personnel policies reagrding employee compensation; and
- policy changes in the Department's mission that increase the emphasis on moderation of consumption over revenue production.

The level of demand in the County for beverage alcohol is subject to a number of factors outside of the control of the County and the Department, including (without limitation):

- general economic and demographic conditions in the County;
- federal and State regulation of the distribution, sale and consumption of beverage alcohol;
- federal and State taxation of the purchase of beverage alcohol; and
- broad societal and cultural trends affecting alcohol consumption patterns.

Changes in any of these factors may have a material adverse affect on the Department's ability to generate Pledged Revenues and, therefore, on the ability of the County to pay debt service on the Series 2013A Bonds.

No Mortgage

Neither the County nor the Department will grant a mortgage or other security interest in any real property, including (without limitation) the Projects. The sole source of security for the Series 2013A Bonds is the Trust Estate.

Additional Bonds Secured by Pledged Revenues

The Trust Agreement permits the issuance of Additional Bonds under certain circumstances which would be equally and ratably secured with the Series 2013A Bonds, the Series 2009A Bonds and the Series 2011A Bonds. Any such Additional Bonds would be entitled to share ratably with the holders of the Series 2013A Bonds, the Series 2009A Bonds and the Series 2011A Bonds in any moneys realized from the exercise of remedies in the event of a default by the County. Upon the issuance of the Series 2013A Bonds, there will be approximately $9 million of unused bonding authority under the Resolution, but there is no limitation on the authority of the County to adopt one or more additional resolutions authorizing the issuance of Additional Bonds.

TAX EXEMPTIONS

Federal Tax Treatment of the Bonds

In the opinion of Bond Counsel, under existing law, the interest on the Series 2013A Bonds (a) is excludable from gross income for Federal income tax purposes, and (b) is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations. However, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations

Under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain requirements that must be met subsequent to the issuance of the Series 2013A Bonds in order for the interest on the Series 2013A Bonds to remain excludable from gross income for Federal income tax purposes, including restrictions that must be complied with throughout the term of the Series 2013A Bonds. Such restrictions include, among other things, limitations on the yield of investments acquired with gross proceeds of the Series 2013A Bonds and the periodic payment to the United States of specified portions of arbitrage profit derived from such investments.

In order to comply with the requirements of the Code, the County has made covenants and agreements that are designed to satisfy the requirements of Section 103 and Sections 141 through 150, inclusive, of the Code, and the income tax regulations issued thereunder. In the opinion of Bond Counsel, these covenants and agreements are sufficient to meet the requirements (to the extent applicable to the Series 2013A Bonds) of Section 103 and Sections 141 through 150 of the Code. However, Bond Counsel assumes no responsibility for, and will not monitor, compliance with these covenants and agreements. In the event of noncompliance with such covenants and agreements, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2013A Bonds from becoming includable in gross income for Federal income tax purposes, retroactive to the date of issuance of the Series 2013A Bonds.

Under the Code, in calculating corporate alternative minimum tax, a corporation is required to increase its alternative minimum taxable income by 75 percent of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For this purpose, "adjusted current earnings" would include, among other items, interest on the Series 2013A Bonds. In addition, the Code imposes a branch-level tax on certain earnings and profits of foreign corporations operating branches in the United States, and such earnings and profits would include interest on the Series 2013A Bonds.

Other Federal income tax consequences may arise from ownership of the Series 2013A Bonds and in connection therewith, attention is directed to the following provisions of the Code: (a) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2013A Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Series 2013A Bonds, (b) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Series 2013A Bonds, (c) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on obligations such as the Series 2013A Bonds, and (d) for S corporations having subchapter C earnings and profits, the receipt of certain amounts of passive investment income, which includes interest on the Series 2013A Bonds, may result in the imposition of income tax on such passive investment income and, in some cases, loss of S corporation status. The foregoing is only a general summary of certain provisions of the Code and does not purport to be complete; prospective purchasers and holders of the Series 2013A Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

The initial public offering price of some of the Series 2013A Bonds may be less than the amount payable on those Series 2013A Bonds at maturity. The excess, if any, of the amount payable at maturity of a Series 2013A Bond over the initial public offering price at which a substantial amount of the same maturity of the Series 2013A Bonds was sold constitutes original issue discount for Federal income tax purposes ("OID"). The full amount of OID will accrue over the term of a Series 2013A Bond in accordance with a constant yield method (using semi-annual compounding) which allocates smaller portions of OID to earlier semi-annual compounding periods and larger portions of OID to later semi-annual compounding periods. In the case of an original or a subsequent holder of a Series 2013A Bond, the amount of OID which is treated as having accrued with respect to such Series 2013A Bond during the period that the holder has held it (a) is not included in the gross income of the holder for Federal income tax purposes, and (b) is included in the cost basis of the holder in determining, for Federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). Holders of Series 2013A Bonds should consult their tax advisors with respect to the determination, for Federal income tax purposes, of OID accrued upon the sale, redemption or payment at maturity of such Series 2013A Bonds.

Prospective purchasers of the Series 2013A Bonds should consider possible state and local, excise, or franchise tax consequences arising from OID on the Series 2013A Bonds. In addition, prospective corporate purchasers of the Series 2013A Bonds should consider possible Federal income tax consequences arising from OID on the Series 2013A Bonds under the alternative minimum tax and the branch profits tax described above.

A Series 2013A Bond will be considered to have been issued at a premium if, and to the extent that, the holder's tax basis in the Series 2013A Bond exceeds the amount payable at maturity (or, in the case of a Series 2013A Bond callable prior to maturity, the amount payable on the earlier call date). The holder will be required to reduce his tax basis in the Series 2013A Bond for purposes of determining gain or loss upon disposition of the Series 2013A Bond by the amount of amortizable bond premium that accrues (determined on a constant yield method) during the period of ownership. The amount of the amortizable bond premium offsets and reduces the amount of tax-exempt interest on the Series 2013A Bonds. No deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the Series 2013A Bonds. Holders of Series 2013A Bonds should consult with their tax advisors with respect to the determination and treatment of premium for Federal income tax purposes.

Legislative proposals presently before Congress or that are introduced after issuance and delivery of the Series 2013A Bonds, if enacted, could alter or amend one or more of the Federal tax matters referred to above and/or adversely affect the market value of the Series 2013A Bonds. It cannot be predicted whether or in what form any such proposal may be enacted, and there can be no assurance that any such proposal would not apply to obligations issued prior to the enactment of such proposal. Accordingly, prospective purchasers of the Series 2013A Bonds should consult with their tax advisors as to the status and potential effect of such proposals.

The Internal Revenue Service (the "Service") has a program to audit state and local government obligations to determine whether the interest thereon is includible in gross income for Federal income tax purposes. If the Service does audit the Seris 2013A Bonds, under current Service procedures, the Service will treat the Issuer as the taxpayer and the owners of the Bonds will have only limited rights, if any, to participate.

Interest paid on tax-exempt obligations is subject to information reporting for federal income tax purposes in a manner similar to interest paid on taxable obligations. This reporting requirement does not in and of itself affect or alter the excludability of such interest from gross income for federal tax purposes or any other federal tax consequences of purchasing, holding or selling tax-exempt obligations.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of Series 2013A Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

Maryland Tax Treatment of the Bonds

In the opinion of Bond Counsel, under existing law of the State of Maryland, the interest on the Series 2013A Bonds and the profit realized from the sale or exchange of the Series 2013A Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied directly on the Series 2013A Bonds or the interest thereon.

Interest on the Series 2013A Bonds may be subject to state and local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Prospective purchasers of the Series 2013A Bonds should consult their own tax advisors regarding the taxable status of the Series 2013A Bonds in a particular state or local jurisdiction other than the State of Maryland.

LEGAL MATTERS

The validity of the Series 2013A Bonds will be passed upon by Venable LLP, Baltimore, Maryland, Bond Counsel. The form of Bond Counsel's opinion is set forth in Appendix D to this Official Statement.

LITIGATION

There is not now pending any litigation restraining or enjoining the issuance or delivery of the Series 2013A Bonds or questioning or affecting the validity of the Series 2013A Bonds, the Trust Agreement or the proceedings and authority under which the Series 2013A Bonds are to be issued or the pledge of the Pledged Revenues.

SALE AT COMPETITIVE BIDDING

The Series 2013A Bonds were offered by the County at a competitive bidding on July 30, 2013, in accordance with the Official Notice of Sale (the form of which is attached as Appendix F). The interest rates shown on the inside cover page of this Official Statement are the interest rates to the County resulting from the award of the Series 2013A Bonds at the competitive bidding. The yields or prices shown on the inside cover page of this Official Statement were furnished by the successful bidders for the Series 2013A Bonds. All other information concerning the nature and terms of any reoffering should be obtained from the successful bidders for the Series 2013A Bonds and not from the County.

FINANCIAL ADVISOR

Davenport & Company LLC of Towson, Maryland has acted as financial advisor to the County in connection with the issuance of the Series 2013A Bonds. Davenport & Company LLC is not obligated to undertake, and has neither undertaken an independent verification of, nor assumed responsibility for the accuracy of the information contained in this Official Statement.

RATING

As noted on the cover page of this Official Statement, Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, has given the Series 2013A Bonds the rating of "AA". A rating reflects only the view of the rating organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2013A Bonds.

CONTINUING DISCLOSURE

As a condition to the issuance of the Series 2013A Bonds, the County will execute and deliver a Continuing Disclosure Agreement dated the date of issuance of the Series 2013A Bonds (the "Continuing

Disclosure Agreement”), pursuant to which it will make certain undertakings in order to comply with the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). The proposed form of Continuing Disclosure Agreement is is set forth in Appendix E to this Official Statement.

The County has never failed to comply in any material respect with any previous undertakings to provide financial information or notices of material events in accordance with the Rule.

FINANCIAL INFORMATION

The financial information for the Department set forth in Appendix B is extracted from and should be read in conjunction with the Comprehensive Annual Financial Reports of Montgomery County, Maryland for Fiscal Years 2012 and 2011, prepared by the County Finance Department. The financial information included in Appendix B has not been audited by the County’s auditors. Copies of the complete Comprehensive Annual Financial Reports of Montgomery County, Maryland for Fiscal Years 2012 and 2011 are available from the County or at http://bonds.montgomerycountymd.gov/.

MISCELLANEOUS

This Official Statement includes descriptions of the terms of the Resolution and the Trust Agreement. Such descriptions do not purport to be complete and all such descriptions and references thereto are qualified in their entirety by references to each such document, copies of which may be obtained from the Trustee.

Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are set forth as such and not as representations of fact.

The attached Appendices A through F are integral parts of this Official Statement and should be read in their entirety together with the foregoing information.

The execution and delivery of this Official Statement by the County Executive of the County has been duly authorized by the County.

MONTGOMERY COUNTY, MARYLAND

By: /s/ ISIAH LEGGETT
Isiah Leggett
County Executive

APPENDIX A

THE DEPARTMENT OF LIQUOR CONTROL

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THE DEPARTMENT OF LIQUOR CONTROL

Introduction

The Montgomery County Department of Liquor Control (the "Department") operates facilities for the wholesale and retail distribution of alcoholic beverages in Montgomery County, Maryland (the "County"). The Department has a complete monopoly on wholesale distribution of all alcoholic beverages in the County, and (subject to one grandfathered exception in Takoma Park, as described below) a monopoly in the County on the retail distribution of distilled beverage spirits for off-site consumption. In addition, the Department conducts retail sales of non-chilled beer, wine, ice, bottled water and some mixers.

History

Upon the repeal of Prohibition in 1933, the regulation of alcoholic beverages reverted to the several states. Two regulatory models emerged: "license jurisdictions" grant licenses to private entities to sell alcoholic beverages; "control jurisdictions" conduct the sales themselves, at the wholesale level, the retail level or both. The State of Maryland (the "State") is generally a license jurisdiction. However, State legislation established the County as a control jurisdiction. On December 5, 1933, the Maryland General Assembly enacted legislation to establish the Liquor Control Board for Montgomery County. For the next 18 years, the Liquor Control Board controlled the sale and distribution of alcoholic beverages in the County and also served as the Board of License Commissioners, granting licenses for the retail sale of liquor, wine, and beer within the County.

The Department was created pursuant to Article 2B of the Annotated Code of Maryland, effective July 1, 1951. This newly-created Department assumed control over all wholesale distribution of beverage alcohol and all retail sales of distilled spirits for off-premise consumption, while the separate Board of License Commissioners retained the authority to issue licenses for the retail sale of liquor, wine, and beer within the County.

In 1997, the portion of the City of Takoma Park that was previously in adjoining Prince George's County, Maryland ("Prince George's County") became a part of the County. This new portion of the County contained one retail establishment that had authority under State and Prince George's County law to sell liquor package goods for off-premise consumption. That establishment retains its authority under a grandfather clause.

On August 8, 2006, the Board of License Commissioners was reorganized into a new division of the Department entitled "Licensure, Regulation and Education." The Board remains an independent body.

Mission

The Department's mission statement is:

> We will provide efficient and quality wholesale and retail sales of beverage alcohol products while promoting moderation and responsible behavior in all phases of distribution and consumption. We will diligently promote and obey all laws and regulations governing beverage alcohol while generating revenue for the benefit of Montgomery County's General Fund.

The Department attempts to conduct its operations in such a fashion as to balance the promotion of moderation in the consumption of alcoholic beverages with the offering of a wide variety of products at reasonable prices while returning a fair profit to the County's General Fund for use in paying for other citizen services.

Statutory Authorization

The Department is a creature of State statute. Pursuant to Article 2B of the Annotated Code of Maryland, the Department is a department of the County government under the general administrative supervision of the Director of the Department, with such powers as are granted it by State law. Those powers consist generally of the power to operate dispensaries, to hire employees, to purchase and sell alcoholic beverages, and to acquire real or personal property for use in Department operations. "Alcoholic beverages" are defined in State law to include any spirituous, vinous, malt or fermented liquor, liquid or compound, by whatever name called, which contains one-half of one percent or more of alcohol by volume, and which is fit for beverage purposes.

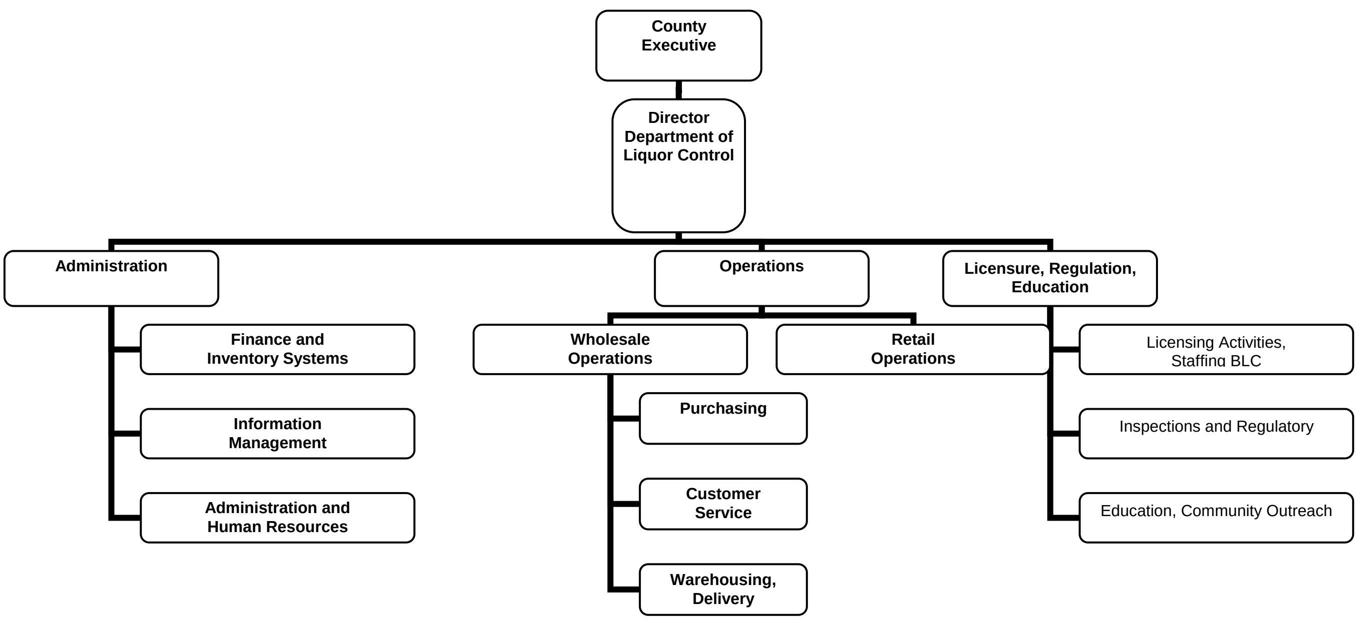
State law does not directly prohibit County residents from transporting beverage alcohol from outside the State into the County for personal consumption. However, the State imposes a tax on any such alcohol (subject to certain *de minimis* exceptions); willful possession or transport of alcoholic beverages subject to tax upon which tax has not been paid is a crime, subject to a fine of up to $10,000 or imprisonment of up to 5 years or both. There are no legal limitations on the ability of County residents to transport beverage alcohol into the County for personal consumption if such alcohol was legally purchased in other Maryland jurisdictions.

State law requires that net profits of the Department be applied first towards the payment of debt service relating to Department facilities, second to the maintenance of a working capital reserve, and third to the County general fund. As of the date hereof, there is no outstanding debt with respect to Department facilities.

Organization and Senior Staff

The Department is a department of County government, under the general supervision of the Director of the Department. The Director is appointed by, and serves at the pleasure of, the County Executive.

Organization. The Department is organized as shown in the following chart:



Senior Staff. The senior staff of the Department consists of the following persons:

George F. Griffin, Director: Mr. Griffin has been the director of the Department since February 2001. Prior to that, he served as an Assistant Chief Administrative Officer of the County. Previously, Mr. Griffin served as special assistant to the County Executive; Executive Director of the Greater Bethesda-Chevy Chase Chamber of Commerce; and as a past president of the Metropolitan Washington, DC, Council of Chambers. He has served on numerous boards including the Washington, DC, Water and Sewer Authority and the Strathmore Halls Arts Foundation, as well as serving as chairman of the board of the NABCA (National Alcohol Beverage Control Association) in 2005-2006. Mr. Griffin graduated from Washington and Lee University with a bachelor's degree in politics and earned a master's degree in public policy from the University of Maryland, College Park. He resides in Rockville, Maryland, with his wife and son.

Sunil S. Pandya, Chief of Administration: Mr. Pandya is the Chief of Administration of the Department. He is responsible for the oversight of the administration, finance and information technology functions of the Department. In addition, he serves on the Board of Investment Trustees as the member who is not represented by an employee organization. Previous County government positions held by Mr. Pandya include Budget Manager in the Office of Management and Budget, Administrative Services Coordinator in the Department of Technology Services and Senior Financial Specialist in the Division of Fleet Management, Department of Transportation. Mr. Pandya holds a MBA and Master of Science in Finance from the University of Baltimore and is a Certified Public Accountant (CPA).

Gus Montes de Oca, Chief of Operations: Mr. Montes de Oca is the Chief of Operations for the Department. He is responsible for the oversight of County retail store operations and warehouse and delivery operations, as well as the product purchasing section. Prior to this position, he held the position of Chief of Wholesale Operations for the Department. Mr. Montes de Oca joined the County in 1998 after 22 years in the beer distribution business. He was born in Bahia Blanca, Argentina, and now resides in Kensington, Maryland with his wife and two children.

Kathie Durbin, Chief of Licensure, Regulation and Education: Ms. Durbin began her career as a responsible beverage instructor for the State of Maryland. In addition to her training responsibilities, Kathie spent eight years as a contractor for Montgomery County Health and Human Services actively working on substance abuse prevention techniques with key stakeholders and community organizations. She managed several sizable State grants, a County program of mini-grants and the substance abuse prevention network. As the Executive Director of the Montgomery County Restaurant Association in the early 90's, Ms. Durbin assisted the business community with legislative issues and local policies. Ms. Durbin is a graduate of the University of Maryland with a Bachelor's degree in Social Work/Psychology and is a certified Maryland alcohol server instructor, parent educator/facilitator and is a certified Maryland state prevention professional. She plays leadership roles on local, statewide and national alcohol related boards such as the National Alcohol Beverage Association, Maryland Alcohol Licensing Association, Responsible Hospitality Institute and the Responsible Retailing Forum. Ms. Durbin resides in Silver Spring, Maryland with her husband and three children.

Advisory Board. There is an advisory board, with five members who are appointed by the County Executive with the approval of the County Council; no more than two of the five may hold liquor licenses. The Director of the Department, the superintendent of the County police and the chair of the Board of License Commissioners also serve as *ex officio* members of the advisory board. The duties of the advisory board are to report to the County Executive periodically but at least quarterly on recommendations for the improvement of the alcoholic beverages control and enforcement activities of the County and of the operations of the Department's dispensary and distribution systems from the standpoint of efficiency, service and convenience to the public.

Employees. As of the end of Fiscal Year 2013, the Department had 245 full-time and 57 part- time positions for a total of 323 full-time equivalents. With the exception of management and some administrative positions, employees of the Department belong to, or are represented by, The United Food and Commercial Workers Local 1994, Municipal and County Government Employees' Organization (the "Union").

The County is currently negotiating with the Union on the conversion of 121 temporary positions to permanent positions. These positions work in a variety of functions for the Department in warehouse and retail functions, including store clerks, warehouse workers, and truck driver helpers. The timing for resolution of these negotiations is not certain, but could be resolved before the end of calendar year 2013. The County estimates that the additional cost of implementing a settlement would be approximately $2.4 million per year in additional labor costs. However, any final cost would be subject to an agreement between the County and the Union.

Annual Budget Process. The Department prepares an annual budget in coordination with the County's Office of Management and Budget. The Department projects sales, expenses, capital needs and the resulting gross profit margin. The Department and the County then determine the amount of the Working Capital Reserve (see "Results of Operations – Working Capital Reserve" below). Based on these projections and determinations and considering cash on hand, the Department and the County budget the amount of the transfer to the County's General Fund. These budgeted amounts and the resulting transfer are approved by the County Executive no later than March 15 for the Fiscal Year beginning on the ensuing July 1. The Department prepares monthly reports to monitor actual performance against budgeted performance; in the event that actual performance deviates from budgeted performance, the difference is made up in the next year's transfer to the General Fund.

Wholesale Operations

Wholesale Facility

The Department's principal wholesale facility is a warehouse owned by the County and located on 201 Edison Park Drive in Gaithersburg, Maryland. The Department completed the move of its operations to the warehouse in July of 2013, after the completion of major renovations. The new facility has warehouse space of approximately 167,420 square feet and is entirely climate controlled.

The Department uses the warehouse to store approximately 4,000 SKU's of stock beer, wine and spirit product, which are purchased in bulk and stored at the warehouse for wholesale customers to purchase, and for transfer to its County retail stores. The Department also offers thousands of items as special order and will research any product a customer wants to ascertain price and availability. Special order items are usually not warehoused, but are obtained specifically for both wholesale and retail customers. The procurement process starts once the product is ordered. The warehouse also houses the Department's administrative activities.

Wholesale Customer Base

The Department's wholesale customer base comprises every licensed seller of alcoholic beverages in the County. There are over 900 license holders in the County, including restaurants, carry-out stores, hotels, conference centers, caterers, clubs and lodges. The Department's ten largest wholesale customers in calendar year 2012 were:

Customer	CY 2012 Sales	Percent of Total Wholesale Sales
Shoppers Food Warehouse	$ 3,468,453	2.6%
Rodman's Gourmet	2,212,168	1.7
Rodman's Party Boutique	2,068,031	1.6
Safeway	1,879,344	1.4
Balducci's	1,814,479	1.4
Giant Food Store #50	1,730,797	1.3
Georgetown Square Wine and Cheese	1,663,715	1.3
Long Branch Beer and Wine	1,500,176	1.1
Belby's Discount	1,454,926	1.1
Magruder's	1,421,609	1.1
Total	$19,213,698	14.6%

Source: Department of Liquor Control

Wholesale Suppliers

The Department procures its beverage alcohol products directly from breweries, wineries and distilleries as well as from wholesale distributors.

The Department's ten largest wholesale suppliers in calendar year 2012 were:

[chart appears on following page]

Supplier	CY 2012 Purchases	Percent of Total Wholesale Purchases
Diageo	$14,948,633	8.70%
Miller Brewing Company	13,341,332	7.25
Anheuser Busch, Inc.	12,948,340	6.52
Crown Imiports LLC	10,923,906	5.67
Heineken USA	9,150,988	5.07
E & J Gallo Winery	8,396,237	4.64
Constellation Brands Inc.	5,957,155	4.31
Bacardi USA Inc.	5,886,814	3.61
Pernod Ricard USA, LLC	5,291,809	3.36
Premium Distributors	4,409,876	2.81
Total	$91,255,090	51.94%

Source: Department of Liquor Control

Retail Operations

Retail Facilities

The Department operates 23 (soon to be 25) retail stores located throughout the County. These stores sell non-chilled beer, wine and liquor, plus ice, bottled water and certain mixers. State law prohibits the Department from selling other products at retail.

The stores vary in size, from approximately 3,900 square feet to over 7,700 square feet. The Department leases the stores. The inventory in each store varies according to sales patterns and available retail space. In Fiscal Year 2012, no single location accounted for more than 6.8 percent or less than 0.8 percent of total Department retail sales.

The Department regularly reviews the operating performance of each retail store. Occasionally, the Department closes underperforming stores, relocates stores to more dynamic retail locations and opens new stores in underserved locations. In calendar year 2012, the department closed the Diamond Square store. In Fiscal Year 2013 the Department is in the process of relocating the Montgomery Village store to Goshen Plaza and has secured leases on two new stores that will open later in calendar year 2013 – one in Seneca Meadows and one in Clarksburg Center.

Retail Sales

The distribution of sales across the Department's 24 retail facilities that were in operation in Fiscal Year 2012 was as follows:

[table appears on following page]

Retail Store	FY 2012 Sales	% of Total Retail Sales
Burtonsville	$ 3,810,547	3.1%
Cabin John	4,301,752	3.5
Chevy Chase	2,594,426	2.1
Cloverly	3,641,883	3.0
Darnestown	5,678,429	4.7
Diamond Square*	1,030,015	0.8
Fallsgrove	4,864,849	4.0
Flower Avenue	2,641,721	2.2
Hampden Lane	5,879,186	4.8
Kensington	5,670,560	4.7
Kingsview	4,597,848	3.8
Leisure World	4,401,104	3.6
Milestone	8,174,830	6.7
Montgomery Village	4,232,099	3.5
Montrose	8,200,742	6.8
Muddy Branch	6,637,387	5.5
Olney	6,085,011	5.0
Pike	6,125,117	5.1
Potomac	6,611,583	5.5
Silver Spring	5,288,963	4.4
Walnut Hill	4,448,605	3.7
Westwood	7,194,298	5.9
Wheaton	4,513,843	3.7
White Oak	4,610,230	3.8
Total:	$121,235,028	100.0%

Source: Department of Liquor Control

* Diamond Square closed during Fiscal Year 2012

There is one private retail facility in Takoma Park with authority to sell distilled spirits beverages for off-site consumption. In calendar year 2012, that facility purchased approximately $216,752 of distilled spirits from the Department.

Results of Operations

Annual Operating Results

The Department's annual operating results have consistently created significant net revenues for transfer to the County's general fund. The following chart shows the total operating expenses, total operating revenues and net revenues for Fiscal Years 2008 through 2012 with estimates for 2013:

[chart appears on following page]

Annual Operating Results
(dollars in thousands)

	2008	2009	2010	2011	2012	2013 Estimated thru 3rd Quarter
Sales, net	$211,914	$218,787	$227,335	$240,523	$250,350	$190,195
Other operating revenues	1,756	1,949	1,878	2,086	1,975	3,453
Total operating revenues	213,670	220,737	229,213	242,609	252,325	193,648
Non-operating revenues	(480)	(1,812)	(1,163)	(1,170)	(1,444)	(2,267)
Revenues	213,190	218,925	228.050	241,439	250,881	191,381
Expenses	189,496	194,787	203,063	214,184	218,759	160,328
Net Income	$ 23,694	$ 24,138	$ 24,988	$ 27,255	$ 32,122	$ 31,053

Source: County Comprehensive Annual Financial Report (2008-2012); Department of Liquor Control (2013)

Sales Allocation

The Department's retail and wholesale sales for Fiscal Years 2008 through 2012 and through the third quarter of Fiscal Year 2013 were as follows:

Fiscal Year	Retail Sales	Warehouse Beer Sales	Warehouse Wine/ Liquor Sales
2013*	$ 89,859,669	$66,154,446	$45,707,474
2012	119,975,750	77,613,273	52,761,724
2011	113,709,823	75,592,489	51,530,092
2010	106,247,721	71,884,734	49,242,883
2009	100,041,953	70,643,269	48,065,328
2008	95,416,786	69,301,376	47,195,840

Source: Department of Liquor Control

* As of March 31, 2013

Cases Sold from Warehouse

The Department's sales by category for Fiscal Years 2008 through the third quarter 2013 were as follows:

Fiscal Year	Case Beer	Keg Beer	Wine	Liquor
2013*	70.0%	1.7%	19.9%	8.5%
2012	71.3	1.6	19.2	7.9
2011	71.7	1.6	19.0	7.7
2010	73.7	1.5	17.9	6.9
2009	73.6	1.5	18.0	6.9
2008	74.6	1.5	17.3	6.6

Source: Department of Liquor Control

* As of March 31, 2013

Transfers to the General Fund

By State law, the Department transfers its net revenues, after retention of a working capital reserve, to the County's general fund. The amount of the transfer is budgeted by the Department and the County and approved by the County Executive by March 15 for the Fiscal Year beginning on the ensuing July 1 (see "Organization and Senior Staff – Annual Budget Process" above). Transfers are made on or before September 25, December 25, March 25 and June 25 in each Fiscal Year. The aggregate annual amounts of such transfers in Fiscal Years 2008 through 2012 and the budgeted amount for Fiscal Year 2013 were as follows:

Fiscal Year	Amount of Deposit to General Fund
2013 (1)(2)	$22,297,140
2012(2)	25,066,800
2011(2)	31,291,320
2010(2)	29,043,280
2009	30,410,060
2008	22,168,275

(1) Budgeted

(2) Net of debt service on Series 2009A Bonds and Series 2011A Bonds

Source: 2008 – 2012: County Comprehensive Annual Financial Report; 2013: County Department of Finance

Audited results of operations indicate that the Department's net profits are generally consistent with an expected profit margin of 28%.

Working Capital Reserve

Pursuant to State law, the Department retains a working capital reserve in an amount determined by the Director of the Department and the Director of Finance of the County, subject to the approval of the County Executive. Beginning in Fiscal Year 2003, the amount of the working capital reserve has been set at the aggregate of (1) one month's operating expenses, (2) the amount of one payroll cycle (currently bi-weekly), (3) $1.5 million for inventory purchase, and (4) major, near-future non-recurring expenses (such as start-up costs for new retail facilities).

The amounts of the working capital reserves in Fiscal Years 2008 through 2012 and the budgeted amount for Fiscal Year 2013 were as follows:

Fiscal Year	Amount of Working Capital Reserve
2013 (1)	$1,608,386
2012	912,050
2011	1,244,870
2010	2,888,730
2009	2,855,280
2008	3,315,880

(1) Budgeted

(2) Working Capital Reserve is lower in 2012 due to increased capital outlay primarily relating to the implementation of a new Point-of-Sale system and preliminary warehouse relocation costs. The Point-of-Sale replacement supports almost 50% of the revenues generated by the Department. The investment has paid dividends in enhancing customer service, improving sales data integrity and facilitates new revenue generating options such as gift cards.

Source: 2008 – 2012: Department of Liquor Control; 2013:County Department of Finance

Historical Financial Results

The following chart shows the Department's historical financial results for Fiscal Years 2008 through 2012 and interim results for Fiscal Year 2013:

	2008	2009	2010	2011	2012	2013*
Operating Revenues						
Sales, net	$211,914,002	$218,787,448	$227,335,338	$240,523,067	$250,350,747	$190,194,558
Other revenues	1,755,532	1,949,202	1,877,610	2,086,206	1,974,670	345,268
Total Operating Revenues	213,669,534	220,736,650	229,212,948	242,609,273	252,325,417	190,539,826
% Change	5.90%	3.30%	3.80%	5.85%	4.00%	-
Operating Expenses						
Cost of goods sold	$152,276,889	$156,456,172	$162,368,304	$173,560,513	$177,547,640	$130,748,741
Personnel costs	23,053,637	23,913,109	24,661,642	24,466,639	23,949,711	17,638,916
Contractual services	1,779,366	1,719,804	2,196,973	2,112,073	1,835,202	1,331,604
Rentals	4,831,006	5,371,530	5,881,229	6,072,435	6,395,422	4,993,956
Depreciation	875,849	955,637	1,619,465	1,633,972	1,504,449	124,739
Maintenance	776,746	492,434	719,017	472,189	426,314	258,213
Other expenses	5,902,576	5,878,438	5,616,232	5,866,578	7,100,074	5,231,525
Total Operating Expenses	189,496,069	194,787,124	203,062,862	214,184,399	218,758,812	160,327,694
% Change	5.2%	2.8%	4.2%	5.48%	2.14%	-
Gain (loss) on disposal of capital assets	(721,220)	(1,496,903)	(5,754)	0	(1,617)	0
Investment income	645,672	78,116	18,278	5,483	2,869	0
Interest Expense	(445,979)	(398,110)	(1,285,035)	(1,175,003)	(1,481,747)	(2,272,623)
Other revenue	41,597	5,333	110,000	0	36,384	5,552
Total Non-Operating Revenue (Expense)	(479,930)	(1,811,564)	(1,162,511)	(1,169,520)	(1,444,111)	(2,267,071)
Net Revenues	$23,693,535	$24,137,962	$24,987,575	$27,255,354	$32,122,494	$27,945,061
Add Back: Depreciation	875,849	955,637	1,619,465	1,633,972	1,504,449	124,739
Add Back: Interest Expense	445,979	398,110	1,285,035	1,175,003	1,481,747	2,272,623
Less: Retention of Working Capital	3,315,880	2,855,280	2,888,730	1,244,870	912,050	1,206,289
Net Revenues Available for Debt Service	$21,699,483	$22,636,429	$25,003,345	$28,819,459	$34,196,640	$29,136,134
Existing Debt Service**	1,632,428	398,110	3,659,532	3,658,250	6,355,455	-
Debt Service Coverage	13.29x	56.86x	6.83x	7.88x	5.38x	-
Transfer Out	22,168,275	30,410,060	30,175,062	32,422,543	28,503,717	16,722,855
Ending Cash Position	15,118,005	10,323,025	9,635,827	8,965,288	7,466,823	-
Unrestricted Net Assets	$32,499,074	$27,402,969	$23,014,975	$16,138,927	$10,019,403	-

* As of March 31, 2013. Amounts of Working Capital Retention and of Transfer Out are pro-rated for nine months based on annual budgeted amounts.

Source: Department of Liquor Control

Characteristics of the Service Area

The Department serves wholesale and retail customers in the County. The County is located adjacent to the nation's capital, Washington, D.C., and includes 497 square miles of land area. The County is the most populous jurisdiction in Maryland, and the wealthiest by any conventional measure.

The following information describes some of the demographic and economic characteristics of the County.

Population

The population of the County, according to the 2010 Census, was 971,777, an increase of 10.6 percent since the 2000 Census. The Metropolitan Washington Council of Governments' (MWCOG) estimates a population of over 1 million by 2015.

Households and Population

	Households	Population	Population Percent Change from Prior Census
2015 (est.)	376,500	1,015,400	4.5%
2012 (est.)	363,722	989,540	1.8
2011	359,000	989,794	1.9
2010 (U.S. Census)	357,086	971,777	10.6
2009	345,301	959,013	9.1
2008	341,812	942,748	7.3
2007	343,540	931,694	6.0
2006	341,438	926,492	5.4
2005	339,628	921,531	4.9
2004	337,838	914,991	4.1
2003	336,613	910,498	3.6
2002	334,500	903,140	2.8
2001	329,000	891,764	1.5
2000 (U.S. Census)	324,565	878,683	15.7
1990 (U.S. Census)	283,400	759,600	31.2
1980 (U.S. Census)	207,195	579,053	--

Note: Data for total population for 2001 to 2009 from the Bureau of Economic Analysis, U.S. Department of Commerce. Data for 2010 from the U.S. Census Bureau, and data for 2011 and 2012 interpolated from the Metropolitan Washington Council of Governments (MWCOG), Round 8.1 Cooperative Estimates (Final for Round 8.1) and population estimate for 2015 from Metropolitan Washington Council of Government (MWCOG), Round 8.1. Data for households for 2001 and 2002 from *Sales and Marketing Management* issues of "Survey of Buying Power." Data for households in 2003 to 2004 from the American Community Survey, U.S. Census Bureau, and household data for 2005 through 2015 derived from the Demographic Forecast Model from MWCOG (Final for Round 8.1) and Montgomery County Department of Finance. z

Median Age

	1950	1960	1970	1980	1990	2000	2010
Median Age	29.5	28.1	27.9	32.1	33.9	36.8	38.5

Sources: U.S. Bureau of the Census and M-NCPPC Montgomery County Department of Park and Planning, Research and Technology Center.

Employment

The County's economic structure reveals a diversified economy with a strong service sector. The total private sector (trade, information services, financial activities, professional services, education and health, and hospitality) employed 80.8 percent of the total workforce in 2011, the latest available annual data. The following tables present the County's employment by industrial sector.

Payroll Employment

	2000	2010	2011
TOTAL PRIVATE SECTOR	365,022	358,172	361,688
PUBLIC SECTOR EMPLOYMENT:			
Federal	39,615	45,072	46,460
State	1,100	1,199	1,186
Local	33,084	37,140	38,450
TOTAL PUBLIC SECTOR	73,799	83,411	86,096
GRAND TOTAL	438,821	441,583	447,784

Notes: The following groups are excluded from the payroll count: Federal military, self-employed, railroad workers, and domestic employees. Payroll employment represents the total number of jobs covered by the Maryland Unemployment Insurance Program.

Source: State of Maryland, Department of Labor, Licensing and Regulation.

Payroll Employment Shares by Industry

.	2000	2010	2011
TOTAL PRIVATE SECTOR	83.2%	81.1%	80.8%
PUBLIC SECTOR EMPLOYMENT:			
Federal	9.0	10.2	10.4
State	0.3	0.3	0.3
Local	7.5	8.4	8.5
TOTAL PUBLIC SECTOR	16.8	18.9	19.2
GRAND TOTAL	100.0%	100.0%	100.0%

Source: State of Maryland, Department of Labor, Licensing and Regulation.

Due to reclassification by the Bureau of Labor Statistics, U.S. Department of Commerce, of private-sector industrial categories from the U.S. Standard Industrial Classification (SIC) system to the North American Industrial Classification System (NAICS) beginning with the 2001 employment statistics, there is no longer a historical comparison available within the private sector employment categories for years prior to 2001. Table 27 provides a comparison of the payroll employment data for 2010 and 2011 based on the new classification system which shows that, with the exception of natural resources and mining, manufacturing, information, financial activities, and state government; the County gained employment in 2011.

Payroll Employment (NAICS Series)*

	2010	2011	Difference	Percent Change
TOTAL PRIVATE SECTOR	358,172	361,688	3,516	1.0%
GOODS-PRODUCING	35,443	35,832	389	1.1%
Natural Resources and Mining	796	620	(176)	-22.1%
Construction	22,291	23,425	1,134	5.1%
Manufacturing	12,356	11,787	(1,075)	-4.6%
SERVICE PROVIDING	322,729	325,856	3,127	1.0%
Trade, Transportation, and Utilities	57,287	57,440	153	0.3%
Information	12,818	12,634	(184)	-1.4%
Financial Activities	30,830	30,474	(356)	-1.2%
Professional and Business Services	100,075	101,751	1,676	1.7%
Education and Health Services	63,188	64,234	1,046	1.7%
Leisure and Hospitality	36,894	37,523	629	1.7%
Other Services	21,637	21,800	163	0.8%
UNCLASSIFIED	0	0	0	--
PUBLIC SECTOR EMPLOYMENT	83,411	86,096	2,685	3.2%
Federal Government	45,072	46,460	1,388	3.1%
State Government	1,199	1,186	(13)	-1.1%
Local Government	37,140	38,450	1,310	3.5%
GRAND TOTAL	441,583	447,784	6,201	1.4%

During first ten months of 2012 the County's unemployment rate averaged 5.0 percent. The following table presents the County's labor force, employment and unemployment for the calendar years 2000 through 2011, and annualized data based on the first ten months of 2012.

Montgomery County's Resident Labor Force
Employment & Unemployment*

	Labor Force	Employment	Unemployment	Unemployment
2012**	529,900	503,650	26,250	5.0%
2011*	525,157	498,057	27,100	5.2%
2010*	522,913	492,574	30,339	5.8%
2009*	521,429	492,034	29,395	5.6%
2008*	519,957	503,399	16,558	3.2%
2007*	512,934	499,536	13,398	2.6%
2006	518,142	503,476	14,666	2.8%
2005	508,251	492,431	15,820	3.1%
2004	497,204	481,248	15,956	3.2%
2003	496,223	479,675	16,548	3.3%
2002	496,101	478,782	17,319	3.5%
2001	490,213	475,049	15,164	3.1%
2000	489,050	476,197	12,853	2.6%

Source: State of Maryland, Department of Labor, Licensing and Regulation (DLLR) and the Bureau of Labor Statistics (BLS).

* Data for 2007 through 2011 were revised by DLLR and BLS to incorporate intercensal population controls for 2000 and 2010.
** Based on the rate of change in the averages of the first ten months of 2011 and 2012.

Personal Income

Actual personal income of County residents reached $64.4 billion in calendar year 2008 and is estimated to total approximately $65.3 billion in 2009 and $67.7 billion in 2010. The County's total personal income experienced a growth rate of 2.4 percent in 2008, less than the nation's growth rate of 4 percent, and lower than the State's rate of 3.6 percent. The County's total personal income is estimated to increase a modest 1.3 percent in 2009 then accelerate to 3.7 percent in 2010, which is well below the eight-year (2000-2007) annual average growth rate of 5.4 percent.

The County, which accounted for 16.9 percent of the State's population in 2008, is expected to account for 23.8 percent of the State's total personal income in 2010, which is the same percentage as the previous ten-year average.

Total Personal Income
($ millions)

Calendar Year	Montgomery County	Maryland	U.S.	Montgomery County as Percent of Maryland
2012 (est.)	$72,110	$306,566	$13,289,150	23.5 %
2011	69,050	295,236	12,949,905	23.4
2010	65,904	281,305	12,308,496	23.4
2009	62,963	271,729	11,852,715	23.2
2008	65,846	277,793	12,451,660	23.7
2007	62,644	264,798	11,900,562	23.7
2006	60,372	252,431	11,256,516	23.9
2005	55,846	237,146	10,476,669	23.5
2004	52,239	224,646	9,928,790	23.3
2003	48,650	209,701	9,369,072	23.2

Notes: Data for 2008, 2009, 2010, and 2011 from U.S. Department of Commerce, Bureau of Economic Analysis, revised November 26, 2012 (County, State, and U.S.).
Personal income estimates for Montgomery County (2012) by Montgomery County Department of Finance, November 2012. Personal income estimates for Maryland (2012) by State of Maryland, Board of Revenue Estimates, and the United States (2012) by the Montgomery Department of Finance based on 2011-2012 quarterly data to date.

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Average Household and Per Capita Personal Income

The County's total personal income reached $69.1 billion in calendar year 2011, up from $65.9 billion in 2010, while per capita income reached $69,762 in 2011, up from $67,564 in 2010. Average household income increased from $184,562 in 2010 to $192,340 in 2011.

Per Capita and Average Household Income, 2011

County	Per Capita Income	County	Average Household Income
Arlington, VA	$82,491	Marin, CA	$212,693
Fairfield, CT	78,504	Westchester, NY	209,620
Westchester. NY	75,855	Somerset, NJ	207,443
Somerset, NJ	73,011	Douglas, CO	207,145
Morris, NJ	71,730	Nassau, NY	205,542
Douglas, CO	71,463	Fairfax, VA	203,315
Montgomery, MD	**69,762**	Morris, NJ	197,707
San Mateo, CA	69,577	San Mateo, CA	197,318
Fairfax, VA	69,008	Arlington, VA	192,765
Nassau, NY	67,776	**Montgomery, MD**	**192,340**
Norfolk, MA	66,806	Howard, MD	187,695
Howard, MD	66,300	Loudoun, VA	186,714
Bergen, NJ	66,096	Santa Clara, CA	186,575
Montgomery, PA	64,718	Bergen, NJ	180,783
Middlesex, MA	62,324	Norfolk, MA	176,300
Santa Clara, CA	61,833	Montgomery, PA	169,203
Chester, PA	59,467	Chester, PA	163,985
Collier, FL	59,264	Middlesex, MA	163,885
Monmouth, NJ	58,355	Contra Costa, CA	163,587

Notes: A major affluent suburban county is defined as a county in either a Metropolitan Statistical Area (MSA) or a Primary Metropolitan Statistical Area (PMSA) with a population of at least 200,000 where income levels are considerably higher than in the central city and other jurisdictions in the area. These counties are primarily suburban in nature; no city or town accounts for 40 percent or more of the total population.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "Survey of Current Business", May 2009, for total personal income and per capita data; the Department of Finance used data from the U.S. Department of Commerce, Bureau of the Census, *American Community Survey* for 2007, for the number of households in each county.

New Construction

Between Fiscal Year 2011 and Fiscal Year 2012, the number of new construction projects decreased 2.9 percent. At the same time, the value of new construction added to the real property tax base decreased 36.3 percent to $0.586 billion. Over the prior nine-year period (from Fiscal Year 2003 to Fiscal Year 2011), the number of projects, both residential and non-residential decreased from over 4,062 to 863. However, during that same period, the value of new construction averaged $1.5 billion between Fiscal Year 2003 and Fiscal Year 2011 and ranging from a high of $1.668 billion in Fiscal Year 2005 to a low of $0.920 billion in Fiscal Year 2011. The decline in the construction of residential properties beginning in Fiscal Year 2008 and ending in Fiscal Year 2012 reached its lowest level in ten Fiscal Years. Because of the depressed housing market beginning in late 2005, the value of new residential construction declined 76.8 percent between the peak in 2007 and 2012.

New Construction Added to Real Property Tax Base
($ millions)

Fiscal Year	Construction Starts	Residential	Apartments	Condominiums	Commercial/ Industrial	All Other	Total
2012	839	$241.5	$39.0	$60.7	$241.3	$3.1	$585.6
2011	863	540.2	20.6	56.6	226.9	75.5	919.8
2010	833	599.4	19.7	180.3	354.7	226.6	1,380.7
2009	738	724.1	5.8	455.4	229.5	0.0	1,414.9
2008	952	882.7	25.8	318.5	256.6	0.0	1,483.6
2007	985	1,040.1	22.0	211.4	312.6	19.5	1,605.6
2006	1,580	978.3	41.2	132.9	384.6	4.8	1,541.8
2005	2,077	874.2	82.5	121.2	588.4	1.7	1,668.0
2004	2,758	892.4	21.0	176.4	559.1	3.0	1,651.9
2003	4,062	1,023.5	49.9	133.2	426.9	1.2	1,634.7
10-Year Summary		$ 7,796.4	$327.5	$1,846.6	$3,580.6	$335.4	$13,886.5
Categories as a Percent of Total		56.1%	0.4%	13.3%	25.8%	2.4%	100%

Source: Dodge Analytics, McGraw-Hill Construction, and Maryland State Department of Assessments and Taxation.

Retail Sales

Retail sales, as measured by sales tax data collected for the first nine months of calendar year 2012, increased 3.5 percent in Montgomery County compared to 4.4 percent for Maryland based on data adjusted for the rate increase. Compared to the prior full year, retail sales in the County increased 4.4 percent in calendar year 2011.

Retail sales in Montgomery County during the first nine months of calendar year 2012 experienced improvement over the same period in calendar year 2011. Sales of nondurable goods as measured by purchases of food and beverages (7.9%), apparel (2.9%), general merchandise (5.6%), automotive (0.7%), building and industrial supplies (2.2%), utilities and transportation (1.9%), and hardware, machinery, and equipment (10.6%) all increased in calendar year 2011 over the same period in calendar year 2011. Sales of furniture and appliances declined 0.3 percent and miscellaneous decreased 3.5 percent in calendar year 2012.

[chart appears on following page]

Sales & Use Tax Receipts
by Principal Business Activity

	2010		2011		Montgomery County Jan.-Sept. 2012		Maryland Jan.-Sept. 2012	
	Pct. Chg.	Share of Total	Pct. Chg.	Share of Total	Pct. Chg.(1)	Share of Total	Pct. Chg.(1)	Share of Total
Food and Beverages	5.6%	29.3%	9.3%	29.4%	7.9%	32.0%	10.0%	25.2%
Apparel	-1.8	6.3	3.5	6.3	2.9	6.0	5.0	4.5
General Merchandise	-6.9	16.6	0.5	16.6	5.6	15.6	3.9	17.1
Automotive	18.3	9.3	0.6	9.3	0.7	9.1	0.8	6.6
Furniture & Appliances	5.8	6.0	8.3	6.0	-0.3	6.1	-1.5	7.9
Building & Industrial Supplies	8.0	8.6	-0.5	8.6	2.2	8.5	4.5	12.2
Utilities & Transportation	-17.8	7.6	15.0	7.6	1.9	8.2	-2.5	8.6
Hardware, Machinery & Equipment	-4.4	1.3	13.2	1.2	10.6	1.5	2.8	2.5
Miscellaneous	5.7	14.7	-3.5	14.7	-3.5	12.7	4.6	14.9
Other	54.3	0.3	28.0	0.3	9.5	0.3	39.0	0.5
Total Retail Sales Tax	1.4%	100.0%	4.4%	100.0%	3.5%	100.0%	4.4%	100.0%

(1) Percent change between the period January through September 2011 and January through September 2012.

Source: Maryland Comptroller of the Treasury, Revenue Administration Division.

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APPENDIX B

FINANCIAL INFORMATION REGARDING THE DEPARTMENT EXCERPTED FROM THE COUNTY'S COMPREHENSIVE ANNUAL FINANCIAL REPORTS FOR THE FISCAL YEARS ENDING JUNE 30, 2012 AND 2011

The following financial information for the Montgomery County Department of Liquor Control is extracted from and should be read in conjunction with the Comprehensive Annual Financial Reports of Montgomery County, Maryland for Fiscal Years 2012 and 2011, prepared by the County Finance Department. The financial information included in Appendix B has not been audited by the County's auditors. Copies of the complete Comprehensive Annual Financial Reports of Montgomery County, Maryland for Fiscal Years 2012 and 2011 are available from the County or at http://bonds.montgomerycountymd.gov/.

MONTGOMERY COUNTY, MARYLAND
DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE STATEMENT OF NET ASSETS
AS AT JUNE 30, 2012 AND JUNE 30, 2011

	6/30/2011	6/30/2012
ASSETS		
Current Assets:		
Equity in pooled cash and investments	$ 1,710,713	$ 182,500
Cash with fiscal agents	7,219,950	7,250,998
Cash	34,625	33,325
Receivables (net of allowances for uncollectibles):		
Accounts	2,227,865	1,775,725
Inventory of supplies	28,236,159	26,060,009
Prepaids	265,424	210,523
Other assets	464,268	721,113
Total Current Assets	40,159,004	36,234,193
Noncurrent Assets:		
Unamortized debt costs	333,146	314,782
Capital Assets:		
Land, improved and unimproved	7,033,656	7,033,656
Buildings	33,597,257	33,597,257
Furniture, fixtures, equipment, and machinery	6,629,359	6,503,884
Automobiles and trucks	3,679,373	3,679,373
Construction in progress	1,040,507	10,793,703
Subtotal	51,980,152	61,607,873
Less: Accumulated depreciation	13,801,853	15,184,111
Total Capital Assets (net of accumulated depreciation)	38,178,299	46,423,762
Total Noncurrent Assets	38,511,445	46,738,544
Total Assets	78,670,449	82,972,737
LIABILITIES		
Current Liabilities:		
Accounts payable	10,971,156	11,140,532
Retainage payable	-	935,998
Deposits	272,718	433,900
Accrued liabilities	2,932,143	2,188,849
Due to other funds	413,920	2,240,139
Due to other governments	184,002	-
Revenue bonds payable	1,286,154	1,316,500
Total Current Liabilities	16,060,093	18,255,918
Noncurrent Liabilities:		
Revenue bonds payable	35,633,360	34,141,224
Compensated absences	521,071	500,893
Other postemployment benefits	1,838,263	1,838,263
Total Noncurrent Liabilities	37,992,694	36,480,380
Total Liabilities	54,052,787	54,736,298
NET ASSETS		
Invested in capital, net of related debt	1,258,785	10,966,038
Restricted for debt service	7,219,950	7,250,998
Unrestricted	16,138,927	10,019,403
Total Net Assets	$24,617,662	$28,236,439

MONTGOMERY COUNTY, MARYLAND
DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011

	6/30/2011	6/30/2012
OPERATING REVENUES		
Sales - net	$240,523,067	$250,350,747
Charges for services	15,500	16,291
Licenses and permits	1,822,593	1,691,321
Fines and penalties	248,113	267,058
Total Operating Revenues	242,609,273	252,325,417
OPERATING EXPENSES		
Cost of goods sold	173,560,513	177,547,640
Personnel costs	24,466,639	23,949,711
Other post employment contributions	2,563,788	3,225,800
Postage	15,820	2,175
Insurance	777,220	541,330
Supplies and materials	45,194	526,014
Contractual services	2,112,073	1,835,202
Communications	476,255	482,207
Transportation	862,502	1,045,437
Public utility services	945,998	950,804
Rentals	6,072,435	6,395,422
Maintenance	472,189	426,314
Depreciation	1,633,972	1,504,449
Other	179,801	326,307
Total Operating Expenses	214,184,399	218,758,812
Operating Income (Loss)	28,424,874	33,566,605
NONOPERATING REVENUES (EXPENSES)		
Gain (loss) on disposal of capital assets	-	(1,617)
Investment income	5,483	2,869
Interest expense	(1,175,003)	(1,481,747)
Other revenue	-	33,690
Insurance recoveries	-	2,694
Total Nonoperating Revenues (Expenses)	(1,169,520)	(1,444,111)
Income (Loss) Before Capital Contributions and Transfers	27,255,354	32,122,494
Transfers In (Out):		
Transfers in	-	-
Transfers out	(32,422,543)	(28,503,717)
Total Transfers In (Out)	(32,422,543)	(28,503,717)
Change in Net Assets	(5,167,189)	3,618,777
Total Net Assets - Beginning of Year	29,784,851	24,617,662
Total Net Assets - End of Year	$24,617,662	$28,236,439

MONTGOMERY COUNTY, MARYLAND
DEPARTMENT OF LIQUOR CONTROL
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2012 AND JUNE 30, 2011

	6/30/2011	6/30/2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$247,708,752	$262,087,705
Payments to suppliers	(193,546,791)	(199,558,040)
Payments to employees	(23,712,850)	(22,886,964)
Other revenue	-	38,052
Net Cash Provided (Used) by Operating Activities	30,449,111	39,680,753
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating subsidies and transfers to other funds	(32,422,543)	(28,503,717)
Net Cash Provided (Used) by Noncapital Financing Activities	(32,422,543)	(28,503,717)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital debt	5,193,995	-
Purchases of capital assets	(1,502,881)	(9,753,196)
Principal paid on capital debt	(1,070,632)	(1,286,154)
Interest paid on capital debt	(1,323,072)	(1,639,020)
Net Cash Provided (Used) by Capital and Related Financing Activities	1,297,410	(12,678,370)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income from pooled investments	5,090	2,869
Investment income from nonpooled investments	393	-
Net Cash Provide (Used) by Investing Activities	5,483	2,869
Net Increase (Decrease) in Cash and Cash Equivalents	(670,539)	(1,498,465)
Balances - Beginning of Year	9,635,827	8,965,288
Balances - End ofYear	$8,965,288	$7,466,823
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	$28,424,874	$33,566,605
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	1,633,972	1,504,449
Other revenue	-	38,052
Changes in assets and liabilities:		
Receivables, net	(268,148)	452,140
Inventories, prepaids and other assets	(964,509)	1,974,206
Accounts payable and other liabilities	1,910,177	1,246,378
Accrued expenses	(287,255)	898,923
Net Cash Provided (Used) by Operating Activities	$30,449,111	$39,680,753
Noncash investing, capital and financing activities:		
Capital asset disposals	$ -	$ 125,475

APPENDIX C
DEFINITIONS OF TERMS AND SUMMARY OF THE TRUST AGREEMENT

Set forth in this Appendix C are definitions of certain terms used in this Official Statement and Summary of the Trust Agreement. The summary of the Trust Agreement contained in this Appendix C does not purport to be complete and reference is made to the Trust Agreement for a complete statement of its terms. A copy of the Trust Agreement is available from the County or the Trustee.

DEFINITIONS OF TERMS

In addition to terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in this Official Statement. Terms used but not defined herein shall have the meanings set forth in the Trust Agreement.

"Accounts" means, collectively, the Construction Account, the Costs of Issuance Account, the Interest Account, the Principal Account and the Sinking Fund Account created pursuant to the Trust Agreement.

"Additional Bonds" means any issue of Bonds issued subsequent to and on a parity with the Bonds initially issued pursuant to the Trust Agreement.

"Additional Projects" means any projects which may be added to the Projects by Supplemental Trust Agreement, which projects constitute authorized uses of the proceeds of Bonds under the Revenue Bond Act and the Resolution.

"Authorized Denominations" means $5,000 and any integral multiple thereof.

"Balloon Debt" means Indebtedness 25% or more of the principal amount of which matures in the same 12-month period, which portion of such principal amount is not required to be amortized by redemption prior to such period.

"Bond Counsel" means any firm of nationally recognized municipal bond attorneys selected by the County and experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for Federal income tax purposes.

"Bond Fund" means the fund created by the Trust Agreement.

"Bonds" means the Bonds, including the Series 2009A Bonds, the Series 2011A Bonds, the Series 2013A Bonds and Additional Bonds that are authenticated and delivered by the Trustee, issued under the Trust Agreement.

"Bond Year" means the period from and including April 1 of each calendar year through and including March 31 of the immediately succeeding calendar year.

"Business Day" means a day on which the Trustee or banks or trust companies in New York, New York, are not authorized or required to remain closed and on which the New York Stock Exchange is not closed.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Account" means the account by that name created within the Project Fund under the Trust Agreement.

"Costs" means (a) the cost of all land, property, rights, easements, and franchises that are necessary for the construction or improvement of any Project; (b) the cost of all: (i) labor; (ii) materials; (iii) machinery;

(iv) equipment; (v) furnishings; (vi) installing any equipment and furnishings; (vii) financing charges; and (viii) interest charged before and during construction, and for one (1) year after completion of construction; and (c) the costs of: (i) engineering; (ii) architectural services; (iii) legal services; (iv) plans; (v) specifications; (vi) surveys; (vii) estimates of costs and of revenues; (viii) determining the feasibility or practicability of construction; (ix) administrative expenses; and (x) any other services that may be necessary or incident to the financing, construction, or improvement of a Project, and of placing a Project in operation.

"Costs of Issuance Account" means the account by that name created within the Project Fund under the Trust Agreement.

"County" means Montgomery County, Maryland, a body politic and corporate and a political subdivision of the State of Maryland.

"County Representative" means the Chief Administrative Officer of the County, the Director of Finance of the County and any other person at the time designated to act on behalf of the County for purposes of the Trust Agreement by a written instrument furnished to the Trustee containing the specimen signature of such person and signed on behalf of the County by any of its officers. The certificate may designate an alternate or alternates.

"Credit Facility" means any letter of credit, bond insurance policy, bond purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing any Bond or held to the credit of any fund or account created by the Trust Agreement. When used with reference to any Bonds, "Credit Facility" means any Credit Facility securing such Bonds.

"Credit Facility Agreement" means the agreement, if any, pursuant to which any Credit Facility is issued. When used with reference to any Bonds, "Credit Facility Agreement" means the Credit Facility Agreement under which any Credit Facility securing such Bonds shall have been issued.

"Debt Service Requirements" means, when used with respect to any Long-Term Indebtedness for any Bond Year, as of any particular date of calculation, the amount required to pay the sum of (1) the interest on such Long-Term Indebtedness payable during the period from the second day of such Bond Year through the first day of the immediately succeeding Bond Year, and (2) the principal of, the Sinking Fund Installment for and any other amount required to effect any mandatory redemption of such Long-Term Indebtedness, if any, during the period from the second day of such Bond Year through the first day of the immediately succeeding Bond Year, less any amount of such interest or principal for the payment of which moneys or Permitted Investments, the principal of and interest on which when due will provide for such payment, are held in trust, including (without limitation) any accrued interest and capitalized interest on deposit in the Bond Fund or the Project Fund. For the purpose of calculating the Debt Service Requirements:

(a) with respect to any Variable Rate Debt:

(i) for the purpose of calculating the principal amount of any such Variable Rate Debt constituting Balloon Debt payable in any Bond Year described in clause (b) below, such Variable Rate Debt shall be deemed to bear interest at the fixed rate that it would have borne had it been issued at a fixed rate for the term thereof, as evidenced by a certificate of an investment banking firm or financial advisor knowledgeable in financial matters relating to the Projects satisfactory to the County, who may be, without limitation, the financial advisor to the County, confirming such interest rate assumption as reasonable, *provided* that if the County shall have entered into any cap, swap or other hedging arrangement with an entity rated in one of the three highest Rating Categories by at least one of Fitch, Moody's or S&P (each, a "Qualified Hedging Transaction") identified in the records of the County with respect to such Variable Rate Debt at the option of the County, such Variable Rate Debt shall be deemed to bear interest at the rate payable by the County under such Qualified Hedging Transaction;

(ii) for all other purposes of the Trust Agreement, such Variable Rate Debt shall be deemed to bear interest at an annual rate equal to (A) in the case of any period during which such Variable Rate Debt shall have been outstanding, the weighted average interest rate per annum borne by such Variable Rate Debt during such period and (B) in any other case, the higher of (1) the weighted average interest rate per annum borne by such Indebtedness during the 12-month period ending on the date of calculation (or, in the case of any Indebtedness to be issued during the immediately preceding 12-month period, the weighted average interest rate per annum borne by other outstanding indebtedness having comparable terms and of comparable creditworthiness during the immediately preceding 12-month period, as evidenced by a certificate of an investment banking firm or a financial advisor knowledgeable in financial matters relating to the Projects satisfactory to the County, who may be, without limitation, the financial advisor to the County) and (2) the interest rate per annum borne by such Indebtedness on the date of calculation, *provided* that if any Qualified Hedging Transaction identified in the records of the County with respect to any such Variable Rate Debt shall be in effect for the period for which such calculation is to be made, at the option of the County, such Variable Rate Debt shall be deemed to bear interest at the rate payable by the County under such Qualified Hedging Transaction during such period;

(b) with respect to any Balloon Debt, the principal amount of such Indebtedness payable in each Bond Year may be deemed to be the amount that would be payable during such Bond Year if such Indebtedness were required to be amortized in full from the date of its issuance in substantially equal annual installments of principal (such principal to be rounded to the nearest $5,000) and interest over a term equal to the shorter of (i) 30 years and (ii) 120% of the weighted average economic life of the Projects financed or refinanced thereby;

(c) with respect to any Optional Tender Debt, the option of the holder thereof to tender such Indebtedness for purchase or redemption prior to maturity shall be disregarded; and

(d) with respect to any Credit Facility Agreement, so long as no demand for payment under the Credit Facility issued under such Credit Facility Agreement shall have been made, the debt service requirements of such Credit Facility Agreement shall be excluded from such calculation.

"Department" means the Montgomery County Department of Liquor Control, its successors and assigns.

"DLC Revenue Legislation" means Section 15-207(e) of Article 2B of the Annotated Code of Maryland (2005 Replacement Volume and 2010 Supplement), as amended.

"Event of Default" means any occurrence or event specified in and defined by the Trust Agreement.

"Favorable Opinion of Bond Counsel" means, with respect to any action the occurrence of which requires such an opinion, an unqualified Opinion of Counsel, which shall be a Bond Counsel, to the effect that such action is permitted under the Revenue Bond Act and the Trust Agreement and will not impair the exclusion of interest on the Bonds from gross income for purposes of Federal income taxation or the exemption of interest on the Bonds from personal income taxation under the laws of the State (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

"First Supplemental Trust Agreement" means the First Supplemental Trust Agreement dated as of April 1, 2011 by and between the County and the Trustee.

"Fitch" means Fitch, Inc., a nationally recognized bond rating agency, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"Funds" shall mean, collectively, the Revenue Fund, the Bond Fund, the Project Fund, the Redemption Fund and the Rebate Fund created pursuant to the Trust Agreement.

"Generally Accepted Accounting Principles" means generally accepted accounting principles in the United States of America applicable in the preparation of financial statements of governmental units, as promulgated by the Governmental Accounting Standards Board or such other body as shall be recognized as authoritative by the American Institute of Certified Public Accountants or any successor body (as such principles may change from time to time), applied on a consistent basis, applied both to classification of items and amounts.

"Government Obligations" means any of the following securities, if and to the extent the same are non-callable and not subject to redemption at the option of the owners, at the time legal for investment of the County's funds, as determined by the County: direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America and including a receipt, certificate or any other evidence of an ownership interest in an aforementioned obligation, or in specified portions thereof (which may consist of specified portions of interest thereon).

"Indebtedness" means any indebtedness or liability for borrowed money, any installment sale obligation or conditional purchase agreement, or any obligation under any lease that is capitalized under Generally Accepted Accounting Principles, to the extent that any of the foregoing is payable from the Pledged Revenues.

"Interest Account" means the account by that name created within the Bond Fund pursuant to the Trust Agreement.

"Interest Payment Date" means each April 1 and October 1.

"Long-Term Indebtedness" means all of the following Indebtedness incurred or assumed by the County and payable under any circumstances from the Trust Estate:

(1) any obligation for the payment of principal and interest with respect to money borrowed for an original term, or renewable at the option of the County for a period from the date originally incurred, longer than one year;

(2) any obligation for the payment of money under leases that are required to be capitalized under Generally Accepted Accounting Principles, longer than one year; and

(3) any obligation for the payment of money under installment purchase contracts having an original term in excess of one year.

"Maximum Annual Debt Service" means, when used with reference to any Long-Term Indebtedness for any Bond Year, as of any particular date of computation, the greatest amount required in the then-current or any future Bond Year to pay the Debt Service Requirements of such Long-Term Indebtedness.

"Moody's" means Moody's Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

"Opinion of Counsel" means a written legal opinion from a firm of attorneys experienced in the matters to be covered in the opinion.

"Optional Tender Debt" means any Indebtedness that is subject to optional or mandatory tender by the holder thereof (including, without limitation, any mandatory tender in connection with the expiration of any Credit Facility securing such Indebtedness or any conversion of the interest rate on such Indebtedness) for purchase or redemption prior to the stated maturity date thereof if the purchase or redemption price of such Indebtedness is under any circumstances payable from the Trust Estate.

"Outstanding," when used as of a particular time with reference to Bonds, means (subject to the provisions of the Trust Agreement) all Bonds delivered under the Trust Agreement except:

(i) Bonds cancelled by the Trustee or surrendered to the Trustee for cancellation;

(ii) Bonds paid or deemed to have been paid in accordance with the terms of the Trust Agreement; and

(iii) Bonds in lieu of or in substitution for which replacement Bonds shall have been executed by the County and delivered by the Trustee hereunder.

"Owner" means the registered owner of a Bond.

"Permitted Investments" means:

(a) an obligation for which the United States has pledged its faith and credit for the payment of the principal and interest;

(b) an obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress;

(c) a repurchase agreement collateralized in an amount not less than 102% of the principal amount by an obligation of the United States, its agencies or instrumentalities, provided the collateral is held by a custodian other than the seller designated by the buyer;

(d) bankers' acceptances guaranteed by a financial institution with a short-term debt rating in the highest letter and numerical rating by at least one Rating Agency;

(e) commercial paper that has received the highest letter and numerical rating by at least one Rating Agency;

(f) money market mutual funds that:

(i) contain only securities of the organizations listed in items (a), (b), and (c) of this subsection;

(ii) are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, 15 U.S.C. § 80(a), as amended; and

(iii) are operated in accordance with Rule 2A-7 of the Investment Company Act of 1940, 17 C.F.R. § 270.2A-7, as amended; and

(g) any investment portfolio created under the Maryland Local Government Investment Pool defined under Article 95, § 22G of the Annotated Code of Maryland, as amended from time to time, that is administered by the Office of the State Treasurer; and

(h) any other investments that are then legal investments of the County under the laws of the State.

"Pledged Revenues" means all revenues of the Montgomery County Department of Liquor Control, as and when transferred to the General Fund of the County pursuant to the provisions of the DLC Revenue Legislation.

"Principal Account" means the account by that name created within the Bond Fund pursuant the Trust Agreement.

"Project Fund" means the fund by that name created pursuant to the Trust Agreement.

"Projects" means the projects listed on Exhibit B to the Trust Agreement.

"Qualified Hedging Transaction" is defined in the definition to "Debt Service Requirements" herein.

"Rating Agency" means any one of Fitch, Moody's and S&P.

"Rating Confirmation Notice" means a notice from Moody's, S&P or Fitch, as appropriate, confirming that the rating on the Bonds will not be withdrawn as a result of the action proposed to be taken.

"Rebate Fund" means the fund by that name created pursuant to the Trust Agreement.

"Record Date" means the fifteenth (15th) day (whether or not a Business Day) of the month next preceding each Interest Payment Date.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of the Trust Agreement.

"Redemption Fund" means the fund by that name created pursuant the Trust Agreement.

"Redemption Price" means an amount equal to the principal of and premium, if any, and accrued interest, if any, on the Bonds to be paid on the Redemption Date.

"Resolution" means Resolution No. 16-676 adopted by the County on July 29, 2008 and amended on February 24, 2009, as further supplemented and amended from time to time.

"Revenue Bond Act" means, collectively, Sections 5(P)(2) and 5(P)(3) of Article 25A of the Annotated Code of Maryland, as amended, and the Montgomery County Revenue Bond Act, Article IX of the Montgomery County Code (2004 Edition, as amended), as amended and supplemented from time to time.

"Revenue Fund" means the fund by that name created pursuant to the Trust Agreement.

"Second Supplemental Trust Agreement" means the Second Supplemental Trust Agreement dated as of August 1, 2013 by and between the County and the Trustee.

"Securities Depositories" means any of the following registered securities depositories which has been designated in a certificate of the County delivered to the Trustee: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax -516/227-4039 or 4190, (ii) Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax-312/663-2343, and (iii) Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax- 215/496-5058; or, such other securities depositories as the County may designate in a certificate of the County delivered to the Trustee.

"Series" means any Series of Bonds authorized by the Trust Agreement or any Supplemental Trust Agreement.

"Series 2009A Bonds" means the $46,765,000 original aggregate principal amount of Montgomery County, Maryland Revenue Bonds (Department of Liquor Control), 2009 Series A.

"Series 2011A Bonds" means the $34,360,000 original aggregate principal amount of Montgomery County, Maryland Revenue Bonds (Department of Liquor Control), 2011 Series A.

"Series 2013A Bonds" means the $46,645,000 original aggregate principal amount of Montgomery County, Maryland Revenue Bonds (Department of Liquor Control), 2013 Series A.

"Sinking Fund Account" means the account by that name created within the Bond Fund pursuant to the Trust Agreement.

“Sinking Fund Installment” means the amount of money provided in the Trust Agreement, and in each Supplemental Trust Agreement authorizing any Additional Bonds, to redeem Bonds at the times and in the amounts provided in the Trust Agreement or such Supplemental Trust Agreement (as the case may be).

“S&P” means Standard & Poor’s Rating Group, a division of McGraw-Hill, duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the County.

“State” means the State of Maryland.

“Supplemental Trust Agreement” means an amendment or supplement, executed by the County and the Trustee, to the Trust Agreement.

“Trust Agreement” means the 2009 Trust Agreement, as supplemented by the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement.

“Trustee” means U. S. Bank National Association, a national banking association organized and existing under the laws of the United States, and having a corporate trust office in Richmond, Virginia, or any other bank or trust company duly incorporated and existing under and by virtue of the laws of any state or of the United States of America, which may be substituted in its place as provided in the Trust Agreement.

“2009 Trust Agreement” means the Trust Agreement dated as of May 1, 2009 by and between the County and the Trustee.

“Variable Rate Debt” means any Indebtedness the interest rate(s) on which are not fixed to maturity.

THE TRUST AGREEMENT

The following is a summary of certain provisions of the Trust Agreement. Such summary does not purport to be complete or definitive and reference is made to the Trust Agreement for a full and complete statement of the terms and provisions and for the definition of capitalized terms used in this summary and not otherwise defined under “Definitions of Certain Terms in the Trust Agreement.”

Additional Bonds
(Section 2.10)

Additional Bonds may be issued under the Trust Agreement and a Supplemental Trust Agreement for any purpose permitted under the Revenue Bond Act or to refinance all or any portion of the Outstanding Bonds pursuant to applicable law.

Each Additional Bond shall be on a parity with, and shall be entitled to the same benefit and security of the Trust Agreement as the Bonds then Outstanding.

Additional Bonds may be issued initially as Variable Rate Debt, as shall be determined by the County, in its discretion. Any Supplemental Trust Agreement authorizing the issuance of Additional Bonds shall provide for the creation of a separate Bond Fund for such Bonds if any principal of such Bonds becomes due on a date other than April 1 on or the Interest Payment Dates on such Bonds are not identical to those of the other Outstanding Bonds. The County may provide for the creation of a separate Bond Fund or Redemption Fund and other funds and accounts for any Additional Bonds in other circumstances, as shall be deemed advisable by the County.

The Supplemental Trust Agreement authorizing the issuance of any Additional Bonds shall provide for the deposit of Pledged Revenues in the Bond Fund maintained for such Bonds, which deposits shall be made not more frequently than monthly except to the extent required to pay the principal of and interest on such Bonds when due.

If any Supplemental Trust Agreement provides for the establishment of separate funds and accounts for any Bonds, then such Supplemental Trust Agreement shall require that the Pledged Revenues required to be deposited in the Revenue Fund on any date shall be transferred and deposited *pro rata* among all of the Bond Funds on the basis of the principal of, the Sinking Fund Installments for and the interest on the Bonds secured thereby required to be deposited in the Bond Fund for such Bonds on such date. Amounts on deposit in the funds and accounts created for particular Bonds available for the payment of any Bonds shall be applied solely to the payment of the principal or Redemption Price of and interest on the Bonds of such Series or to the reimbursement of the issuer of any Credit Facility securing such Bonds and shall not be available to satisfy the claims of Owners of other Bonds or the issuer of any Credit Facility securing any other Bonds.

The Supplemental Trust Agreement authorizing the issuance of any Additional Bonds may provide that (i) proceeds realized under any Credit Facility securing the payment of such Additional Bonds shall not be available to pay the principal or Redemption Price of or interest on any other Bonds, and (ii) any proceeds of such Additional Bonds and investment earnings thereon remaining after the completion of the projects financed with the proceeds of such Additional Bonds shall be applied to the payment or redemption of such Additional Bonds.

The Trustee shall not authenticate or deliver any Additional Bonds unless it has received each of the following items (among others):

(a) an opinion of Bond Counsel to the effect that (i) the Additional Bonds constitute the valid and binding special obligations of the County, (ii) the Supplemental Trust Agreement has been duly adopted and constitutes the valid and binding obligation of the County, and (iii) the Trust Agreement creates a valid pledge, to secure the payment of the principal of and interest on the Additional Bonds, of the Trust Estate, subject to the terms of the Trust Agreement;

(b) a certificate of a County Representative to the effect that, upon the authentication and delivery of such Additional Bonds, no Event of Default shall exist under the Trust Agreement;

(c) unless such Additional Bonds are being issued solely to (i) refinance, refund or advance refund Outstanding Bonds, or (ii) to pay the costs of issuing such Additional Bonds, a written certificate of a County Representative to the effect that (A) the amount of the Pledged Revenues for the most recent Bond Year was not less than 150% of the Debt Service Requirements of Outstanding Bonds for such Bond Year plus the Maximum Annual Debt Service for such Additional Bonds, and (B) during each of the five Bond Years immediately succeeding the later of the date of delivery of such Additional Bonds and the date to which interest on such Additional Bonds has been funded, the estimated Pledged Revenues as of the last day of each such Bond Year are projected to be not less than 150% of the Maximum Annual Debt Service on Outstanding Bonds, taking into account the issuance of such Additional Bonds;

(d) if such Additional Bonds are being issued solely to (i) refinance, refund or advance refund Outstanding Bonds, and (ii) to pay the costs of issuing such Additional Bonds, either (1) the certificate in paragraph (c) above or (2) a written certificate of a County Representative to the effect that the Maximum Annual Debt Service on Outstanding Bonds, taking into account the issuance of such Additional Bonds and the Long-Term Indebtedness to be refinanced or refunded, will not be increased by more than ten percent during the life of any then Outstanding Bonds that are not refinanced or refunded with proceeds of such Additional Bonds;

(e) an opinion of Bond Counsel stating the issuance of the Additional Bonds will not adversely affect the exemption from federal income taxes of interest on the Bonds then Outstanding as set forth in the opinion of Bond Counsel delivered at the time of delivery of the Bonds; and

(f) a Rating Confirmation Notice as to all Outstanding Bonds from each rating agency then maintaining a rating on such Bonds.

Creation of Funds and Accounts to be Held by the Trustee
(Section 4.1)

The following Funds and Accounts within the Funds are created under the Trust Agreement for the Bonds and, with the exception of the Rebate Fund, shall be held and maintained for the holders of Bonds by the Trustee under the Trust Agreement:

Revenue Fund
Project Fund
    Construction Account
    Costs of Issuance Account
Bond Fund
    Interest Account
    Principal Account
    Sinking Fund Account
Redemption Fund
Rebate Fund

Revenue Fund
(Section 4.3)

On or before the 25th day of each March, June, September and December, the County shall pay or cause to be paid to the Trustee, but only from the Pledged Revenues, amounts sufficient to make at least all of the payments required by the Trust Agreement, which amounts shall be deposited by the Trustee into the Revenue Fund. In accordance with the Trust Agreement, the Trustee shall then transfer amounts in the Revenue Fund to the Bond Fund, to the payment of any fees and expenses of the Trustee then due and any other administrative expenses then due under the Trust Agreement and, if any remaining amount exists, to the Redemption Fund or the Bond Fund or shall be returned to the County, as the County shall direct in writing.

Project Fund
(Section 4.4)

The County shall pay from the Costs of Issuance Account the administrative expenditures relating to the issuance of each Series of Bonds and not otherwise paid. Moneys deposited in the Construction Account shall be used only to finance or refinance the Costs of or relating to the Projects and any Additional Projects. These payments shall be made from the Project Fund pursuant to requisitions of the County.

As soon as practicable after the Completion Date of all of the Projects or any Additional Projects, the County shall deliver to the Trustee a Certificate of the County certifying the balance of moneys then remaining in the Project Fund and shall forthwith pay to the Trustee such balance, less any amounts to be retained in the Project Fund to pay any unpaid Costs of the Project or such Additional Projects. The Trustee shall pay any balance so received to the Redemption Fund or the Bond Fund, as shall be directed in writing by the County.

Bond Fund
(Sections 4.5)

Except as provided in any Supplemental Trust Agreement authorizing any Series of Additional Bonds with respect to any Bond Fund maintained for the Bonds of such Series, amounts on deposit in the Bond Fund shall be applied in accordance with the following:

(a) ***Interest***. On each Interest Payment Date, the Trustee shall apply from the Interest Account the amount required to pay the interest due on the Outstanding Bonds on such date, in accordance with the terms of such Bonds.

(b) ***Principal***. On each date on which the principal of the Outstanding Bonds becomes due, the Trustee shall apply from the Principal Account the amount required to pay the principal due on such date, in accordance with the terms of the Bonds.

(c) ***Sinking Fund Installments***. Moneys in the Sinking Fund Account shall be applied to the purchase or redemption of such Bonds as follows:

(i) Subject to the provisions of paragraph (ii) below, prior to the due date for the payment of each Sinking Fund Installment for such Bonds, the Trustee shall direct the Registrar to call for redemption, in accordance with the Trust Agreement, Outstanding Bonds of such Series subject to redemption from such Sinking Fund Installment in an aggregate principal amount equal to such Sinking Fund Installment, less the amount previously credited against such Sinking Fund Installment in accordance with paragraph (iii) below. On the date fixed for redemption of such Bonds, the Trustee shall make available to the Trustee from the Sinking Fund Account an amount equal to the principal amount of such Bonds so called for redemption, which amount shall be applied by the Trustee to the payment of the Redemption Price of such Bonds in accordance with the terms of such Bonds.

(ii) Upon the direction of the County, the Trustee shall endeavor to purchase Outstanding Bonds of such Series subject to redemption from the Sinking Fund Installment due on any date from amounts on deposit in the Sinking Fund Account at the most advantageous price then obtainable with reasonable diligence. No such purchase shall be made by the Trustee (A) after the earlier of the date on which the Trustee gives notice of the redemption of Bonds of such Series from such Sinking Fund Installment and the date that is 45 days before the due date for the payment of such Sinking Fund Installment, or (B) at a price, including any brokerage and other charges, greater than the principal amount of such Bonds and accrued interest thereon.

(iii) If (A) the Trustee purchases Bonds from amounts on deposit in the Sinking Fund Account in accordance with paragraph (ii) above, (B) the County delivers to the Trustee for cancellation Bonds subject to redemption from such Sinking Fund Installment on or before the earlier of the date on which the Trustee gives notice of the redemption of any Bonds from such Sinking Fund Installment and the date that is 45 days before the due date for the payment of such Sinking Fund Installment, or (C) Bonds subject to redemption from any Sinking Fund Installment are redeemed at the election of the County, then an amount equal to 100% of the aggregate principal amount of such Bonds so purchased and delivered to the Trustee for cancellation or redeemed (as the case may be) shall be credited against such Sinking Fund Installment.

(iv) If the aggregate principal amount of Bonds purchased or redeemed in any Bond Year is in excess of the Sinking Fund Installment due on such Bonds in such period, the Trustee shall credit the amount of such excess against subsequent Sinking Fund Installments for such Bonds as directed in writing by the County.

Redemption Fund
(Section 4.7)

The Trustee shall deposit in the Redemption Fund any amounts paid to the Trustee for the redemption of Bonds (other than any redemption from the Sinking Fund Installments).

Subject to the provisions below, available moneys in the Redemption Fund shall be applied by the Trustee to the purchase or redemption of Bonds of such Series and maturities as the County shall direct. At the direction of the County, the Trustee shall endeavor to purchase such Bonds at the most advantageous price obtainable with reasonable diligence.

The County may set aside any available amount on deposit in the Redemption Fund for the redemption of particular Bonds by the delivery of irrevocable written instructions to the Trustee directing the Trustee to set aside such amount for such purpose, in which event all of the provisions of the Trust Agreement with respect to defeasance of the Bonds shall be applicable to such Bonds and the amounts set aside for the payment of such Bonds. Amounts set aside for the redemption of Bonds and investment earnings on such amounts shall be applied to the payment of the interest due on such Bonds on or prior to the redemption date of such Bonds to the extent provided in such instructions.

Moneys set aside to pay the Redemption Price of any Bonds theretofore called for redemption shall not be deemed to be available for application as provided in the Trust Agreement.

Investments
(Section 4.8)

Moneys in any of the funds and accounts established by the Trust Agreement may be invested, but only in Permitted Investments maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide moneys to meet the payments from such funds and accounts. The Trustee shall invest amounts on deposit in the funds and accounts held by the Trustee in accordance with the Trust Agreement as directed by a County Representative.

Subject to the further provisions of the Trust Agreement, interest earned, profits realized and losses suffered by reason of any investment of any amounts held by the Trustee under the Trust Agreement shall be credited or charged, as the case may be, to the fund or account for which such investment shall have been made, except as otherwise provided in any Supplemental Trust Agreement authorizing any Additional Bonds with respect to any funds and accounts maintained for such Additional Bonds.

The Trustee may sell or redeem any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective funds or accounts to make any payments required to be made therefrom or to facilitate the transfers of moneys between various funds and accounts as may be required or permitted from time to time pursuant to the provisions of the Trust Agreement. The proceeds from the sale of any investment shall be paid into the fund or account for which the sale thereof was made.

In determining the value of the assets of the funds and accounts created by the Trust Agreement (a) investments and accrued interest thereon shall be deemed a part thereof, and (b) investments shall be valued at the current market value thereof.

The Trustee shall not be liable for any depreciation in the value of any obligations in which moneys of the funds or accounts created by the Trust Agreement shall be invested in accordance with the Trust Agreement, or for any loss arising from any investment permitted therein. The investments authorized by the Trust Agreement shall at all times be subject to the provisions of Applicable Law.

Covenants of the County
(Article V)

The County makes the following representations and covenants in the Trust Agreement:

Payment of Bonds. The County will promptly pay the principal of and premium, if any, and interest on the Bonds on the dates and in the manner provided in the Bonds, but only from the sources available therefor under this Trust Agreement. The County will provide the Trustee sufficient moneys to enable the Trustee to make deposits required under this Trust Agreement and to make all payments of principal of, and premium, if any, and interest on, the Bonds.

Representations of the County. The County represents and covenants that: (a) it is duly authorized under the Constitution and laws of the State, particularly the Revenue Bond Act, to issue the Bonds, to enter into the Trust Agreement and to pledge the Trust Estate in the manner and to the extent set forth in the Trust Agreement, (b) all action on its part for the issuance of the Bonds has been duly and effectively taken, and (c) the Bonds when issued in accordance with the Trust Agreement will be valid and binding obligations of the County.

Results of Operations. The County shall at all times maintain or cause the Department to maintain adequate accounting and management procedures to provide for the periodic review of the Department's results of operations in order to determine the need for any change therein or modification thereof and to permit such change or modification to be implemented within the period required to enable the County to comply with the Trust Agreement.

Accounts and Audits. The County shall keep or cause the Department to keep proper books of records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions with respect to the Pledged Revenues. Such books and accounts shall be subject to the inspection of the Trustee (at reasonable hours and subject to the reasonable rules and regulations of the County).

Additional Indebtedness. The County shall not create or incur any Indebtedness payable in whole or in part from any portion of the revenues of the Department, except: (a) any Additional Bonds issued in accordance with the Trust Agreement; (b) any Indebtedness secured by a pledge of all or any portion of the Trust Estate junior and subordinate to the pledge of such portion of the Trust Estate securing the Bonds ("Subordinate Obligations"); (c) any unsecured Indebtedness ("Unsecured Obligations"); and (d) temporary, short-term loans incurred in accordance with this Section ("Temporary Loans").

If the cash requirements of any portion of the Projects from time to time exceed the funds available therefor as a result of any delay in receipt of any grant payments or other Pledged Revenues, the County may obtain Temporary Loans in anticipation of such payments or revenues. Temporary Loans may be secured by a first lien on any grant payments in anticipation of which such Temporary Loans are incurred, or other revenues of the County that do not constitute Pledged Revenues, but shall be subordinate to all outstanding Bonds with respect to the balance of the Trust Estate.

No payments shall be made with respect to the principal of or interest on any Subordinate Obligation or any Unsecured Obligation during any period in which (i) any Event of Default shall have occurred and be continuing, or (ii) any deposit required to be made under Section 4.3 of the Trust Agreement remains unpaid. During any other period, the County may pay or prepay, or authorize the payment or prepayment of, the principal of and interest on any Subordinate Obligation or any Unsecured Obligation and no recourse shall be had by the Trustee or any Owner against the person to whom any such payment shall have been made unless such person shall have had, at the time of receipt of such payment, actual knowledge of the occurrence of an Event of Default.

No Disposition of Trust Estate. Except as permitted by the Trust Agreement, the County shall not sell, lease, pledge, assign or otherwise dispose of, and shall neither create nor suffer to remain any lien, encumbrance or charge upon, its interest in the Trust Estate ranking prior to or on a parity with the claim, lien and pledge created by the Trust Agreement as security for the Bonds issued within the limitations of the Trust Agreement. The County from the Pledged Revenues will cause to be discharged, or will make adequate provisions to satisfy and discharge, within 60 days after the same shall accrue, all lawful claims and demands that, if unpaid, might by law become such a lien upon its interest in the Trust Estate, *provided* that the County is not required to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

Events of Default
(Section 6.1)

Each of the following shall constitute an Event of Default under the Trust Agreement:

(a) Default in the due and punctual payment of interest on any Bond, whether at the stated Interest Payment Date thereof, or upon proceedings for redemption thereof;

(b) Default in the due and punctual payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, at maturity, upon redemption, or otherwise; or

(c) The County shall fail to observe or perform in any material way any covenant, condition, agreement or provision contained in the Bonds or in the Trust Agreement on the part of the County to be performed other than with respect to the payment of principal of and premium, if any, and interest on the Bonds, and such failure shall continue for sixty (60) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the County by the Trustee, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding.

Acceleration; Other Remedies
(Sections 6.2 and 6.3)

If, under the Trust Agreement, an Event of Default occurs under paragraphs (a) and (b) above and is continuing or, when a Credit Facility is not in effect, an Event of Default occurs under paragraph (c) above, the Trustee by notice to the County, or the Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding by notice to the County and the Trustee, may declare the principal of and accrued interest on the Outstanding Bonds to be due and payable immediately. Upon any such declaration the principal of and accrued interest on the Outstanding Bonds shall be due and payable immediately. When a Credit Facility is in effect, the Trustee shall, immediately upon a declaration of acceleration, draw upon the Credit Facility to pay the principal of and interest on the Outstanding Bonds then covered by the Credit Facility. The Trustee may rescind an acceleration and its consequences if (1) any payment default has been cured, (2) the Owners have not been notified of the acceleration, and (3) the amount available to be drawn under the Credit Facility has been reinstated so as to be available in an amount equal to the principal amount of the Bonds Outstanding then covered by the Credit Facility, plus the applicable interest amount. Except as provided above, the Trustee shall not declare the Bonds to be due and payable.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy by proceeding at law or in equity to collect the principal of and premium, if any, or interest on the Bonds or to enforce the performance of any provision of the Bonds and the Trust Agreement.

The Trustee may maintain a proceeding even if it does not possess any of the Bonds or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Owner in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. All available remedies are cumulative.

Waiver of Past Defaults
(Section 6.4)

A majority in principal amount of the Outstanding Bonds by notice to the County and the Trustee may waive an existing Event of Default and its consequences. When an Event of Default is waived, it is cured and stops continuing, but no such waiver shall extend to any subsequent or other Event of Default or impair any right consequent to it.

Control
(Section 6.5)

The Owners of a majority in aggregate principal amount of Bonds Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to Owners.

Rights of Owners to Receive Payment
(Section 6.6)

Notwithstanding any other provision of the Trust Agreement, the right of any Owner to receive payment of principal of, premium, if any, and interest on a Bond, on or after the due dates expressed in the Bond, or to bring suit for the enforcement of any such payment on or after such dates, shall not be impaired or affected without the consent of the Owner.

Priorities
(Section 6.7)

If the Trustee collects any money pursuant to the Trust Agreement, it shall pay out the money in the following order: first to the Trustee for amounts to which it is entitled under the Trust Agreement; second to Owners for amounts due and unpaid on the Bonds for principal and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Bonds for principal, premium and interest, respectively; and third to the County.

The Trustee may fix a payment date for any payment to the Owners.

Removal and Resignation of Trustee; Appointment of Successor
(Sections 7.2)

The Trustee may resign by notifying the County. The Owners of a majority in principal amount of the Outstanding Bonds may remove the Trustee by notifying the Trustee and may appoint a successor Trustee with the consent of the County. The County will remove the Trustee by notifying the Trustee if (a) the Trustee fails to comply with the penultimate sentence of the Trust Agreement, (b) the Trustee is adjudged a bankrupt or an insolvent, (c) a receiver or other public officer takes charge of the Trustee or its property or (d) the Trustee otherwise becomes incapable of acting. Upon any such removal or resignation, the County shall promptly appoint a successor Trustee by an instrument in writing, which successor Trustee shall give notice of such appointment to all Owners as soon as practicable; provided, that in the event the County does not appoint a successor Trustee within sixty (60) days following the giving of any such notice of removal or the receipt of any such notice of resignation, the removed or resigning Trustee may petition any appropriate court having jurisdiction to appoint a successor Trustee. Any successor Trustee shall be a bank with trust powers, national banking association with trust powers or trust company doing business and having a principal corporate trust office in New York, New York, having a combined capital (exclusive of borrowed capital) and surplus of at least one hundred million dollars ($100,000,000) and subject to supervising or examination by state or national authorities. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of the Trust Agreement the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of the appointment by the successor Trustee and the transfer by the retiring Trustee to the successor Trustee of all property held by it hereunder as Trustee.

Modification or Amendment of Trust Agreement
(Section 8.1)

Amendment or Supplement by Consent of Owners. The Trust Agreement, the Bonds and the rights and obligations of the County, the Trustee and the Owners under the Trust Agreement may be amended or supplemented at any time by an amendment thereof or supplement thereto which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Trust Agreement, are filed with the Trustee, together with a Favorable Opinion of Bond Counsel. No such amendment or supplement shall (a) reduce the rate of interest on any Bond or extend the time of payment thereof or reduce the amount of principal or redemption premiums, if any, on any Bond or extend the Principal Payment Date thereof without the prior written consent of the Owner of the Bond so affected, or (b) reduce the percentage of Owners whose consent is required for the execution of any amendment of the Trust Agreement or supplement to the Trust Agreement, or (c) modify any of the rights or obligations of the Trustee without its prior written consent thereto.

Amendment or Supplement Without Consent of Owners. The Trust Agreement, the Bonds and the rights and obligations of the County, the Trustee and the Owners under the Trust Agreement may also be amended or supplemented at any time by an amendment thereof or supplement thereto which shall become binding upon execution without the written consent of any Owners, and (if the amendment or supplement modifies any of the rights or obligations of the Trustee under the Trust Agreement) with the written consent of the Trustee, only after receipt of a Favorable Opinion of Bond Counsel and only for any one or more of the following purposes:

(a) to add to the conditions, covenants and terms contained in the Trust Agreement required to be observed or performed by the County, other conditions, covenants and terms thereafter to be observed or performed by the County, or to surrender any right reserved therein to or conferred therein on the County, and which in either case shall not adversely affect the interests of the Owners;

(b) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective, inconsistent or conflicting provision contained herein or in regard to questions arising hereunder which the County may deem desirable or necessary, and which shall not adversely affect the interests of the Owners;

(c) to comply with the requirements of Moody's, S&P or Fitch, as applicable, as a condition of rating, or maintaining an existing rating on, the Bonds, provided such change is not materially adverse to the interests of the Owners of any of the Bonds;

(d) to provide Additional Projects to be funded with the proceeds of the Bonds;

(e) to provide for the delivery of Bonds in book-entry form; or

(f) to provide for the issuance of Additional Bonds.

Defeasance
(Section 9.1)

If and when the Bonds secured under the Trust Agreement shall become due and payable in accordance with their terms or through redemption proceedings as provided in the Trust Agreement, or otherwise, and the whole amount of the principal, or redemption price and the interest so due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable under the Trust Agreement by the County, including all fees and expenses of the Trustee, then and in that case, the Trust Agreement and the lien created hereby shall be discharged and satisfied and the County shall be released from the covenants, agreements and obligations of the County contained in the Trust Agreement, and the Trustee shall assign and transfer to or upon the order of the County all property (in excess of the amounts required for the foregoing) then held by the Trustee free and clear of any encumbrances and shall execute such documents as may be reasonably required by the County in this regard.

Subject to the provisions of the above paragraph, when any of the Bonds shall have been paid and if, at the time of such payment, the County shall have kept, performed and observed all the covenants and promises in such Bonds and in the Trust Agreement required or contemplated to be kept, performed and observed by the County or on its part on or prior to that time then the Trust Agreement shall be considered to have been discharged in respect of such Bonds and such Bonds shall cease to be entitled to the lien of the Trust Agreement and such lien and all covenants, agreements and other obligations of the County hereunder shall cease, terminate, become void and be completely discharged as to such Bonds.

Notwithstanding the satisfaction and discharge of the Trust Agreement or the discharge of the Trust Agreement in respect of any Bonds, those provisions of the Trust Agreement relating to the maturity of the Bonds, interest payments and dates thereof, tender and exchange provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds and the duties of the Trustee in connection with all of the foregoing, and compliance by the County of the covenants contained in the Trust Agreement, shall remain in effect and shall be binding upon the County, the Trustee and the Owners of the Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of, redemption price and interest on the Bonds, to pay to the Owners of Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of the Trust Agreement or the discharge of the Trust Agreement in respect of any Bonds, those provisions of the Trust Agreement relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the County.

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APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

August 15, 2013

County Executive and County Council for
Montgomery County, Maryland
Rockville, Maryland

Ladies and Gentlemen:

We have examined certified copies of the legal proceedings and other proofs submitted relative to the authorization of the issuance of $46,645,000 Montgomery County, Maryland Revenue Bonds (Department of Liquor Control), 2013 Series A (the "Series 2013A Bonds"), by Montgomery County, Maryland (the "County"). The Series 2013A Bonds are issued under and pursuant to the Montgomery County Charter (the "Charter"), Sections 5(P)(2) and 5(P)(3) of Article 25A of the Annotated Code of Maryland, as amended, and Sections 20-47 through 20-54 of Chapter 20 of the Montgomery County Code (2004 Edition, as amended) (collectively, the "Authorizing Legislation"), the terms of Resolution No. 16-676 adopted by the County on July 29, 2008 and amended on February 24, 2009 (as amended, the "Resolution"), and the Trust Agreement dated as of May 1, 2009 (the "2009 Trust Agreement") by and between the County and U. S. Bank National Association, as Trustee (the "Trustee"), as supplemented by a First Supplemental Trust Agreement dated as of April 1, 2011 (the "First Supplemental Trust Agreement") and a Second Supplemental Trust Agreement dated as of August 1, 2013 by and between the County and the Trustee (the "Second Supplemental Trust Agreement;" the 2009 Trust Agreement as supplemented by the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement, the "Trust Agreement"). The terms of the Series 2013A Bonds are specified in the Resolution and the Trust Agreement.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Trust Agreement.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any change in law that may hereafter occur.

As to questions of fact material to our opinion, without undertaking to verify the same by independent investigation, we have relied upon the certified proceedings of the County and certifications by public officials.

We do not express any opinion herein regarding any law other than the law of the State of Maryland and the federal law of the United States of America.

We express no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2013A Bonds.

Based on the foregoing, it is our opinion that, under existing law:

(a) The Series 2013A Bonds have been duly authorized and legally issued in accordance with the Constitution and Public Laws of the State of Maryland, the Charter, the Authorizing Legislation, the Resolution and the Order.

(b) The Resolution has been duly and properly adopted by the County Council of the County, and is valid and binding on the County. The Trust Agreement has been duly and properly authorized, executed and delivered by the County and, assuming the due authorization, execution and delivery thereof by the Trustee, is a valid and binding obligation of the County, enforceable in accordance with its terms. The Resolution and the Trust Agreement create the valid pledge of and lien on the Trust Estate that they purport to create, subject only to the provisions thereof permitting the withdrawal, payment, setting apart or appropriation thereof for or to the purposes and on the terms and conditions set forth therein.

(c) The Series 2013A Bonds are valid and legally binding special obligations of the County payable solely from the Trust Estate. The Resolution and the Trust Agreement contain provisions permitting the issuance of certain additional County bonds on an equal basis with the Series 2013A Bonds (the "Additional Bonds"). The Pledged Revenues are pledged under and as set forth in the Resolution and the Trust Agreement for the equal and ratable benefit of the Owners from time to time of the Series 2013A Bonds and, to the extent provided in the Resolution and the Trust Agreement, any Additional Bonds. The Series 2013A Bonds and any Additional Bonds issued within the limitations and provisions of the Resolution and the Trust Agreement are entitled to the benefit and security of the Resolution and the Trust Agreement as provided therein.

(d) The Series 2013A Bonds do not constitute a general obligation or a pledge of the faith and credit of the County. The County is not obligated to pay the Series 2013A Bonds or the interest thereon except from the Trust Estate to the extent provided in the Resolution and the Trust Agreement.

(e) Under existing law, the interest on the Series 2013A Bonds (i) is excludable from gross income for Federal income tax purposes, and (ii) is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals and corporations. However, interest on the Series 2013A Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations.

In rendering the opinion expressed above in this paragraph (e), we have assumed continuing compliance with the covenants and agreements set forth in the Tax Certificate and Compliance Agreement of even date herewith executed and delivered by the County (the "Tax Agreement"), which covenants and agreements are designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the income tax regulations issued thereunder (the "Regulations") that must be satisfied subsequent to the issuance of the Series 2013A Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal tax purposes. In our opinion, the covenants and agreements in the Tax Agreement are sufficient to meet such requirements (to the extent applicable to the Series 2013A Bonds) of the Code and Regulations. However, we assume no responsibility for, and will not monitor, compliance with the covenants and agreements in the Tax Agreement. In the event of noncompliance with such covenants and agreements, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2013A Bonds from becoming includible in gross income for Federal income tax purposes, retroactive to the date of issuance of the Series 2013A Bonds.

(f) Under existing law of the State of Maryland, the interest on the Series 2013A Bonds and profit realized from the sale or exchange of the Series 2013A Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Series 2013A Bonds or the interest thereon.

Other than as set forth in the preceding paragraphs (e) and (f), we express no opinion regarding the federal or state income tax consequences arising with respect to the Series 2013A Bonds.

It is to be understood that the rights of the owners of the Series 2013A Bonds and the enforceability of the Series 2013A Bonds, the Resolution and the Trust Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws or equitable principles relating to or limiting creditor's rights generally, to the application of equitable principles and to the exercise of judicial discretion in appropriate cases.

Very truly yours,

[to be signed "Venable LLP"]

APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered as of the 15th day of August, 2013, by Montgomery County, Maryland (the "County") in connection with the issuance by the County of $46,645,000 aggregate principal amount of its Revenue Bonds (Department of Liquor Control), 2013 Series A (the "Bonds"). The Bonds are being issued pursuant to that certain Trust Agreement, dated as of May 1, 2009, as supplemented by a First Supplemental Trust Agreement, dated as of April 1, 2011 and a Second Supplemental Trust Agreement, dated as of August 1, 2013 (collectively, the "Trust Agreement"), each by and between the County and U. S. Bank National Association.

The County represents, covenants and agrees as follows:

1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the County as of the date set forth below for the benefit of the Holders (as defined below) and in order to assist the Participating Underwriters (as defined below) in complying with the Rule (as defined below).

2. Definitions. In addition to capitalized terms used herein and defined in the order, the following capitalized terms used herein shall have the following meanings:

"Annual Bond Disclosure Report" means any Annual Bond Disclosure Report provided by the County as described in Section 3 of this Disclosure Agreement.

"Annual Audited Financial Information" means the annual financial statements of the County, as prepared in accordance with generally accepted accounting principles in effect from time to time consistently applied and which are audited by an independent certified public accountant or firm of such accountants.

"County" means Montgomery County, Maryland.

"Dissemination Agent" means an agent designated as such in writing by the County and which has filed with the County a written acceptance of such designation.

"Events" has the meaning set forth in Section 3 to this Disclosure Agreement.

"Fiscal Year" means the twelve-month period, at the end of which the financial position of the County and results of its operations for such period are determined.

"Holder" means, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Bond.

"Make Public" or "Made Public" has the meaning set forth in Section 4 of this Disclosure Agreement.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"Participating Underwriters" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

"SEC" means the U.S. Securities and Exchange Commission.

3. <u>Obligations of the County</u>.

(a) Until the earlier to occur of the (i) legal defeasance or (ii) payment in full of the Bonds, the County shall, in accordance with this Disclosure Agreement, Make Public or cause to be Made Public by the Dissemination Agent:

(i) not later than 270 days after the end of each Fiscal Year beginning with the Fiscal Year ending June 30, 2013, Annual Audited Financial Information and an Annual Bond Disclosure Report (A) containing current information to update the information contained in Appendix B, Financial Information Regarding the Department Excerpted from the County's Comprehensive Annual Financial Reports For The Fiscal Years Ending June 30, 2012 and 2011, (B) setting forth any material changes to the DLC Revenue Legislation (as defined in the Final Official Statement) as the same may affect the Bonds, and (C) updating the information contained in the Final Official Statement under the heading "Security and Sources of Payment for the Series 2013A Bonds" and in Appendix A.

(ii) in a timely manner not more than 10 business days from the occurrence of the event, notice of any of the following events (the "Events") that may from time to time occur with respect to the Bonds:

(A) principal and interest payment delinquencies;

(B) non-payment related defaults;

(C) unscheduled draws on debt service reserves reflecting financial difficulties;

(D) unscheduled draws on credit enhancements reflecting financial difficulties;

(E) substitution of credit or liquidity providers, or their failure to perform;

(F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;

(G) modifications to rights of owners of the Bonds, if material;

(H) Bond calls, if material, and tender offers;

(I) defeasances;

(J) release, substitution, or sale of property securing repayment of the Bonds; if material;

(K) rating changes.

(L) bankruptcy, insolvency, receivership or similar event of the County;

(M) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such action, other than pursuant to its terms, if material; or

(N) appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in the above clause (ii)(L), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement of liquidation by a court or governmental authority having supervision or jurisdiction over substantially all the assets or business of the obligated person,

(b) The County shall Make Public or cause to be Made Public notice of the failure of the County on or before the date required by this Disclosure Agreement to provide the Annual Bond Disclosure Report and the Annual Audited Financial Information to the persons and in the manner required by this Disclosure Agreement.

(c) The County shall Make Public or cause to be Made Public any change in its Fiscal Year not later than the date on which it Makes Public any information in the then current Fiscal Year.

(d) Any information required to be included in the Annual Bond Disclosure Report or Annual Audited Financial Information may be included by specific reference to other documents previously provided to the MSRB, if any, or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

4. Information Made Public. Information shall be deemed to have been "Made Public" for purposes of this Disclosure Agreement if filed with the MSRB through the Electronic Municipal Market Sccess (EMMA) website of the MSRB, currently located at http://emma.msrb.org until another means of transmission shall be designated by the MSRB or the SEC.

5. CUSIP Numbers. The County shall reference, or cause the Dissemination Agent to reference, the CUSIP prefix number for the Bonds in any notice Made Public pursuant to Sections 3 and 4.

6. Termination of Reporting Obligation. The obligations of the County under this Disclosure Agreement shall terminate upon the earlier to occur of the (i) legal defeasance or (ii) payment in full of the Bonds.

7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such agent, with or without appointing a successor Dissemination Agent.

8. Amendment. The undertaking of the County set forth in this agreement may be amended by such, but only if the following provisions apply:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the obligated person or type of business conducted;

(b) The undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interest of the Holders, as determined either by parties unaffiliated with the County (which may include Bond Counsel), as evidenced by a certificate or opinion thereof, or by approving vote of the Holders.

If an amendment has been made, then the Annual Bond Disclosure Report filed directly after such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

9. Additional information. Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Bond Disclosure Report or notice of occurrence of an event listed in Section 3, in addition to that which is required by this Disclosure Agreement. If the County chooses to provide any additional information in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Bond Disclosure Report or notice made public hereunder.

10. Default. Any Holder, whether acting jointly or severally, may seek mandate or specific performance by court order to secure compliance with the obligations of the County under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event or default under or with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the County to comply herewith shall be an action to compel performance.

11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Participating Underwriters, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

12. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Maryland.

IN WITNESS WHEREOF, I have hereunto affixed my signature as of this August 15, 2013.

____

Director of Finance
Montgomery County, Maryland

APPENDIX F

NOTICE OF SALE

MONTGOMERY COUNTY, MARYLAND

BOND SALE

$47,700,000*
MONTGOMERY COUNTY, MARYLAND
REVENUE BONDS (DEPARTMENT OF LIQUOR CONTROL), 2013 SERIES A

Electronic bids via **Parity**® will be received until 11:00 A.M. prevailing Eastern time, on July 30, 2013 (unless postponed as described herein), by Montgomery County, Maryland (the "County") for the Revenue Bonds (Department of Liquor Control), Series 2013A (the "Bonds").

Terms of the Bonds

The Bonds shall be dated as of the date of their delivery. Interest on the Bonds shall be payable semi-annually on April 1 and October 1 until maturity or earlier redemption, commencing October 1, 2013. The Bonds will mature on April 1 in the following respective years and principal amounts:

Maturity April 1,	Principal Amounts*	Maturity April 1,	Principal Amounts*
2014	$1,080,000	2024	$2,300,000
2015	1,745,000	2025	2,410,000
2016	1,795,000	2026	2,535,000
2017	1,850,000	2027	2,660,000
2018	1,905,000	2028	2,795,000
2019	1,965,000	2029	2,930,000
2020	2,020,000	2030	3,080,000
2021	2,080,000	2031	3,235,000
2022	2,145,000	2032	3,395,000
2023	2,210,000	2033	3,565,000

The Bonds are being issued to provide funds to finance and refinance the acquisition, construction and equipping of certain public facilities of the County and to pay costs of issuance.

The Bonds are to be issued under and in full compliance with the Constitution and laws of the State of Maryland.

The Bonds are special obligations of the County, the principal of, interest on and redemption premium (if any) on which will be payable solely from the net profits of the Montgomery County Department of Liquor Control, on a parity basis with the County's other outstanding Department of Liquor Control revenue bonds.

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* Preliminary, subject to adjustment

Optional Redemption

The Series 2013A Bonds which mature on or before April 1, 2021, are not subject to redemption prior to their respective maturities. The Series 2013A Bonds which mature on or after April 1, 2022, are subject to redemption beginning April 1, 2021, as a whole or in part at any time thereafter, in any order of their maturities, at the option of the County, at a redemption price for each bond equal to the principal amount of the bond to be redeemed, together with interest accrued to the date fixed for redemption, without premium.

Book-Entry System

One bond representing each maturity of the Bonds will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as registered owner of the Bonds and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates representing each maturity with DTC.

Interest on the Bonds will be payable when due and the principal or redemption price of the Bonds will be payable at maturity or upon earlier redemption to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to beneficial owners of the Bonds by participants of DTC ("Participants") will be the responsibility of Participants and other nominees of beneficial owners. The County will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by DTC, Participants or persons acting through Participants.

Change of Bid Date and Closing Date

The County reserves the right to postpone, from time to time, the date and time established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on www.tm3.com ("TM3"). A postponement of the bid date will be announced via TM3 not later than 4:00 P.M., Eastern time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3.

On any such alternative date and time for receipt of bids, the County will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3.

The County may change the scheduled delivery date for the Bonds by notice given in the same manner as that set forth for a change in the date for the receipt of bids. See "Delivery" below.

Bid Parameters

No bid of less than 100% of par or more than 120% of par, no oral bid and no bid for less than all of the Bonds described in this Notice, will be considered. No interest rate bid may exceed 5.25% per annum. The Bonds are expected to be awarded at approximately 3:00 p.m. prevailing Eastern time on July 30, 2013. All proposals shall remain firm until the time of award.

Bidders are requested to name the interest rate or rates in multiples of 1/8 or 1/20 of 1%, and the highest rate may not exceed the lowest rate by more than 3%. A zero rate may not be named. No Bond shall bear more than one rate of interest which rate shall be uniform for the life of the Bond.

Basis of Award

The successful bidder will be determined based on the lowest cost to the County. The lowest interest cost shall be determined in accordance with the true interest cost (TIC) method by doubling the semi-annual interest rate, compounded semi-annually, necessary to discount the debt service payments from the payment dates to the date of the Bonds and to the price bid. If two or more bidders offer to purchase the Bonds at the same lowest interest cost, then such award will be made to the bidder offering the highest premium. If two or more bidders offer to purchase the Bonds at the same lowest interest cost, with the same premium, the Bonds will be awarded by lot to one of such bidders. There will be no auction.

All or None Bids

The County will not accept and will reject any bid for less than all of the Series 2013A Bonds. The right is reserved to reject any and all bids.

Adjustments of Principal Amounts

The aggregate principal amount and the principal amount of each maturity of the Bonds are subject to adjustment by the County, both before and after the receipt of bids for their purchase. Changes to be made prior to the sale will be published on TM3 not later than 9:30 a.m. prevailing Eastern time on the date of sale and will be used to compare bids and select a winning bidder. Changes to be made after the sale and the maturity amounts for the Bonds will be communicated to the successful bidder by 3:00 p.m. prevailing Eastern time on the date of the sale, and will not reduce or increase the aggregate principal amount of the Bonds by more than 10% from the amount bid upon. In addition, the final maturity schedule for the Bonds will be communicated to the successful bidder by 3:00 p.m. prevailing Eastern time on the date of the sale. The dollar amount bid by the successful bidder shall be adjusted to reflect any adjustments in the principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue premium or discount, but will not change the per bond underwriter's discount as calculated from the bid and initial offering prices (as herein defined) required to be delivered to the County as stated herein. The coupon rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

Electronic Bids

Electronic bids will be received via **Parity**®**,** in the manner described below, until 11:00 A.M. local Rockville, Maryland time, on July 30, 2013.

Bids may be submitted electronically via **Parity**® pursuant to this Notice until 11:00 A.M., local Rockville, Maryland time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **Parity**® conflict with this notice, the terms of this Notice shall control. For further information about **Parity**®**,** potential bidders may contact **Parity**® at Dalcomp (212) 849-5021.

Disclaimer

Each prospective electronic bidder shall be solely responsible to register to bid via **Parity**® as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access **Parity**® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the County nor **Parity**®**,** shall have any duty or obligation to provide or assure access to **Parity**® to any prospective bidder, and neither the County nor **Parity**® shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **Parity**®. The County is using **Parity**® as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. The County is not bound by any advice and determination of **Parity**® to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the "Bid Specifications" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via **Parity**® are the sole responsibility of the bidders; and the County is not responsible, directly or indirectly, for any of such costs or expenses. A prospective bidder who encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds should telephone **Parity**® at Dalcomp (212) 849-5021 and notify the County's Financial Advisor, A. Samuel Ketterman, at Davenport & Company LLC by facsimile at (866) 932-6660.

Electronic Bidding Procedures

Electronic bids must be submitted for the purchase of the Bonds (all or none) via **Parity**®. Bids will be communicated electronically to the County at 11:00 a.m., local Rockville, Maryland time, on July 30, 2013. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via **Parity**®**,** (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via **Parity**®**,** to the County, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on **Parity**® shall constitute the official time.

Good Faith Deposit

After receipt of bids is closed and prior to the award, the apparent successful bidder indicated on **Parity**® must submit a good faith deposit of $470,000 to the County by wire transfer as instructed by the County or its financial advisor. The award to the apparent successful bidder is contingent upon receipt of the good faith deposit, and the Series 2013A Bonds will not be awarded to such bidder until the County has confirmation of receipt of the good faith deposit. No interest will be allowed on any good faith deposit. In the event the successful bidder shall fail to comply with the terms of its bid, the good faith deposit may be retained as and for full liquidated damages.

Approving Legal Opinion

The approving legal opinion of Venable LLP, Baltimore, Maryland, Bond Counsel, will be furnished to the purchasers without cost. There will also be furnished the usual closing papers and, in addition, a certificate signed by appropriate officers of the County, certifying that there is no litigation pending or, to the knowledge of the signers of such certificate, threatened affecting the validity of the Bonds and that on the date of the Official Statement mentioned below and at the time of delivery of the Bonds the statements and information contained in such Official Statement which are made and provided by the County are and will be true, correct and complete in all material respects and the Official Statement does not and will not omit any statement or information which is required to be stated therein or necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading or incomplete in any material respect.

Preliminary Official Statement; Continuing Disclosure

The County has deemed the Preliminary Official Statement dated July 22, 2013 to be final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, except for the omission of certain information permitted to be omitted by said Rule. The County agrees to deliver to the successful bidder for its receipt no later than seven business days after the date of sale of the Bonds such quantities of the final official statement as the successful bidder shall request; provided, that the County shall deliver up to 600 copies of such official statement without charge to the successful bidder.

The County has made certain covenants for the benefit of the holders from time to time of the Bonds to provide certain continuing disclosure, in order to assist bidders for the Bonds in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. Such covenants are described in the Preliminary Official Statement dated July 22, 2013.

Delivery

The Bonds will be delivered on or about August 15, 2013 (UNLESS A NOTICE OF A CHANGE IN THE DELIVERY DATE IS ANNOUNCED ON TM3 NOT LATER THAN 4:00 P.M., EASTERN TIME, ON THE LAST BUSINESS DAY PRIOR TO ANY ANNOUNCED DATE FOR RECEIPT OF BIDS) through the facilities of DTC in the City of New York, New York, against payment therefor in federal or other immediately available funds.

Miscellaneous

As a condition to the award of the Bonds, the successful bidder shall be required to communicate to the County the initial offering prices at which a bona fide offering Bonds has been made to the public and the prices at which a substantial portion of each maturity of the Bonds have been sold to the public (excluding bond houses, brokers and other intermediaries). Furthermore, as a condition to the delivery of the Bonds, the successful bidder shall be required to certify that a bona fide offering of the Bonds has been made to the public (excluding bond houses, brokers and other intermediaries) and such initial offering prices by written certificate, such certificate to be in form and substance reasonably satisfactory to the County's bond counsel.

It is expected that CUSIP numbers will be printed on the Bonds. However, the validity, sale, delivery or acceptance of the Bonds will not be affected in any manner by any failure to print, or any error in printing, the CUSIP numbers on said Bonds, or any of them.

The right to reject any or all bids, or to waive any irregularity or informality in any bid, is reserved.

The Preliminary Official Statement relating to the Bonds may be downloaded from http://bonds.montgomerycountymd.gov. Questions may be directed to the undersigned at Montgomery County, Maryland, Department of Finance, 101 Monroe Street, 15th Floor, Rockville, Maryland 20850 (tel. 240-777-8860) or to Davenport & Company LLC, 8600 LaSalle Road, Suite 324, Towson, Maryland 21286, (410) 296-9426. Such Preliminary Official Statement is deemed final by the County as of its date for purposes of SEC Rule 15c2-12 but is subject to revision, amendment and completion in the Official Statement referred to above

MONTGOMERY COUNTY, MARYLAND

By: Isiah Leggett
County Executive

By: Joseph Beach
Director of Finance

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