OFFICIAL STATEMENT DATED AUGUST 13, 2014

In the opinion of McKennon Shelton & Henn LLP, Bond Counsel to the County, under existing statutes, regulations and decisions, assuming compliance with certain covenants described herein, (i) the interest on the Series 2014 Bonds will be excludable from gross income for federal income tax purposes and (ii) the interest payable on the Series 2014 Bonds and profit realized from the sale or exchange of the Series 2014 Bonds will be exempt from State of Maryland income taxation; no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Series 2014 Bonds or the interest thereon. Under existing law, interest earned on the Series 2014 Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment; however, interest on the Series 2014 Bonds will be included in a corporation's "adjusted current earnings" in the calculation of a corporation's alternative minimum taxable income for federal income tax purposes and will be subject to the branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States of America. See "TAX MATTERS."

NEW ISSUE
Book-Entry Only

RATINGS: Fitch A+
S&P A+
(See "RATINGS")

$12,025,000
MONTGOMERY COUNTY, MARYLAND
SPECIAL OBLIGATION REFUNDING BONDS
(WEST GERMANTOWN DEVELOPMENT DISTRICT)
SENIOR SERIES 2014

Dated: Date of Initial Delivery **Due: As shown on inside front cover**

The above-captioned Bonds (the "Series 2014 Bonds") which are Special Obligations of Montgomery County, Maryland (the "County") are being issued in fully registered form in denominations of $5,000 or any integral multiple thereof. The Series 2014 Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2014 Bonds will be in book-entry form only. Interest on the Series 2014 Bonds from the date of delivery is payable on January 1, 2015, and semiannually thereafter on each July 1 and January 1. So long as the Series 2014 Bonds are registered with DTC, payment of the principal of and interest on the Series 2014 Bonds will be made by U.S. Bank National Association, as trustee (the "Trustee") under an Indenture of Trust dated as of April 1, 2002, between the County and the Trustee, as amended and supplemented (the "Indenture").

The Series 2014 Bonds are being issued to (i) refund all of the County's outstanding Special Obligation Bonds (West Germantown Development District), Senior Series 2002A and Special Obligation Bonds (West Germantown Development District), Senior Series 2004A and Senior Series 2004B, (ii) fund a portion of the 2014 Reserve Account for the Series 2014 Bonds and (iii) pay a portion of the costs of issuing the Series 2014 Bonds.

THE SERIES 2014 BONDS ARE SPECIAL OBLIGATIONS OF THE COUNTY, THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON WHICH ARE PAYABLE SOLELY FROM THE SPECIAL TAXES AND CERTAIN OTHER ASSETS AND REVENUES OF THE WEST GERMANTOWN DEVELOPMENT DISTRICT. THE SERIES 2014 BONDS ARE NOT A DEBT OF THE STATE OF MARYLAND OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, WITHIN THE MEANING OF ANY CONSTITUTIONAL, CHARTER OR STATUTORY DEBT LIMIT OR RESTRICTION. EXCEPT FOR THE SPECIAL TAXES, NO OTHER ASSESSMENTS OR TAXES ARE PLEDGED TO THE PAYMENT OF THE SERIES 2014 BONDS. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF MARYLAND OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE SERIES 2014 BONDS. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS" AND "THE WEST GERMANTOWN DEVELOPMENT DISTRICT."

The Series 2014 Bonds and any Additional Bonds issued under the Indenture are secured by a senior lien on and senior priority interest in the special revenues under the Indenture.

Certain of the Series 2014 Bonds are subject to mandatory sinking fund redemption and to optional redemption prior to their respective maturities, as described herein.

FOR MATURITY SCHEDULE SEE INSIDE FRONT COVER

The Series 2014 Bonds are offered for delivery when, as and if issued, subject to the approving legal opinion of McKennon Shelton & Henn LLP, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Miles & Stockbridge, PC. It is expected that the Series 2014 Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about August 26, 2014.

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.

M&T Securities, Inc.

$12,025,000
MONTGOMERY COUNTY, MARYLAND
SPECIAL OBLIGATION REFUNDING BONDS
(WEST GERMANTOWN DEVELOPMENT DISTRICT)
SENIOR SERIES 2014

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIPS

Maturing July 1	Principal Amount	Interest Rate	Yield	CUSIP	Maturing July 1	Principal Amount	Interest Rate	Yield	CUSIP
2015	$585,000	2.00%	0.33%	613368AS8	2022	$ 860,000	4.00%	2.53%	613368AZ2
2016	700,000	3.00	0.64	613368AT6	2023	890,000	4.00	2.72	613368BA6
2017	720,000	3.00	1.00	613368AU3	2024	930,000	4.00	2.83	613368BB4
2018	740,000	3.00	1.33	613368AV1	2025	965,000	4.00	2.97*	613368BC2
2019	765,000	4.00	1.65	613368AW9	2026	1,005,000	4.00	3.09*	613368BD0
2020	795,000	4.00	1.95	613368AX7	2027	2,245,000	4.00	3.17*	613368BE8
2021	825,000	4.00	2.25	613368AY5					

*Yield to the first optional redemption date of July 1, 2024.

CUSIP numbers on the inside cover page of this Official Statement are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and the County does not take any responsibility for the accuracy thereof. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau information.

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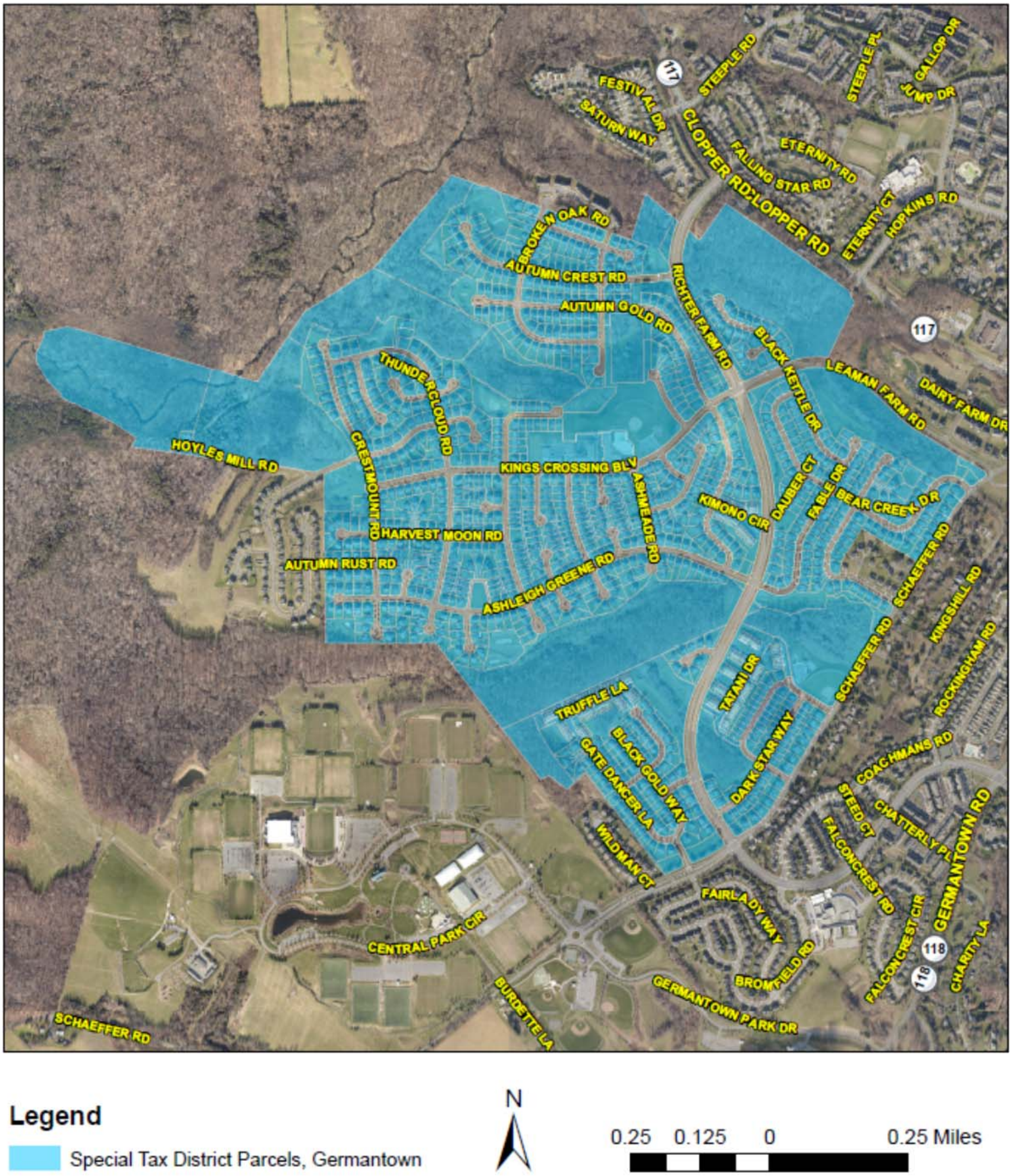
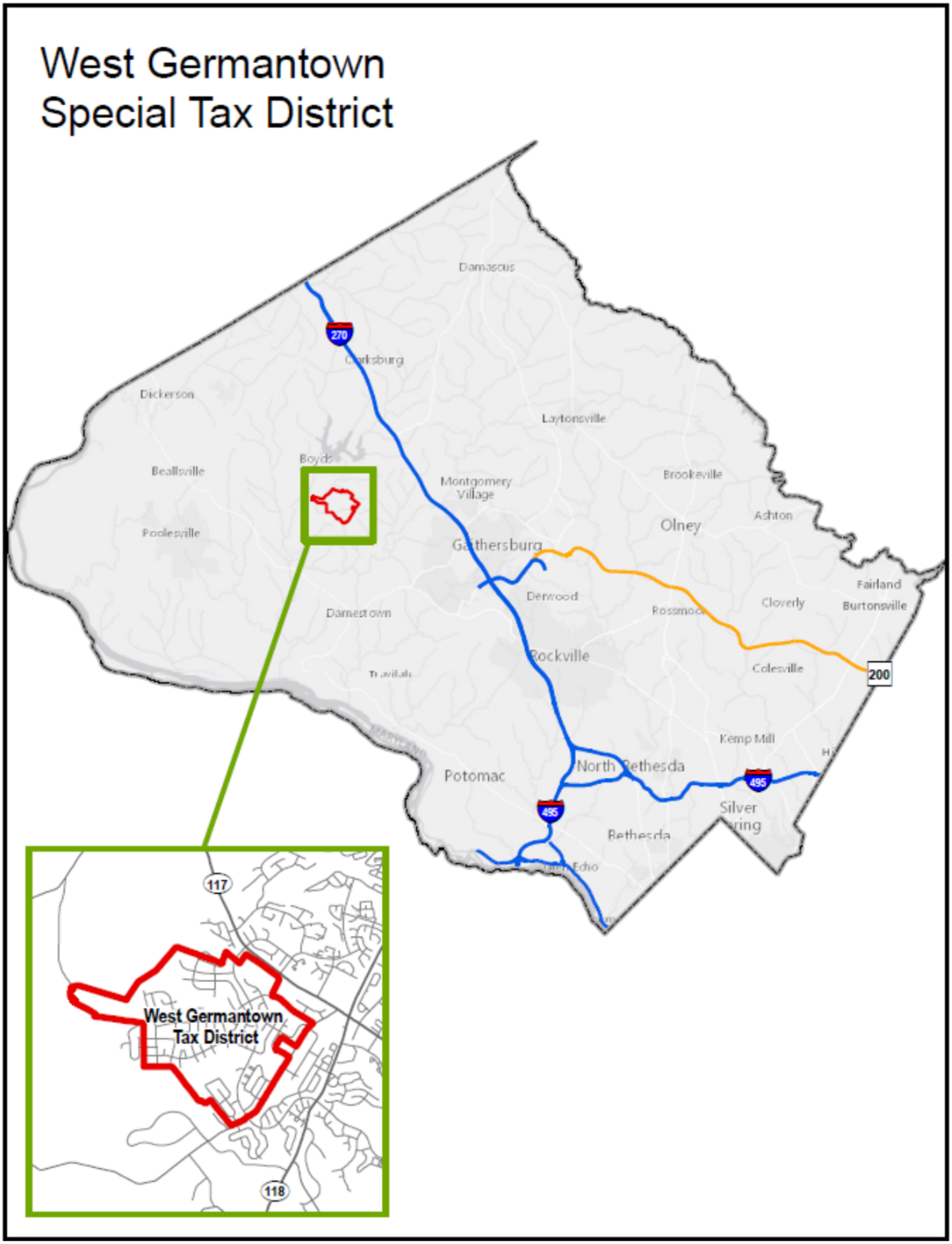
WEST GERMANTOWN DEVELOPMENT DISTRICT

SITE MAP




West Germantown
Special Tax District
Damascus
Clarksburg
Dickerson
Laytonsville
Boyds
Beallsville
Montgomery
Village
Brookeville
Poolesville
Olney
Ashton
Gaithersburg
Derwood
Fairland
Burtonsville
Cloverly
Rossmoor
Darnestown
Rockville
Colesville
Travilah
Kemp Mill
Potomac
North Bethesda
Silver
Spring
Bethesda
270
495
200
117
118
West Germantown
Tax District

TYPICAL HOMES IN THE WEST GERMANTOWN DEVELOPMENT DISTRICT

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Appendix A -- Definitions of Certain Terms and Summaries of Legal Documents
Appendix B -- Economic and Demographic Information for Montgomery County, Maryland
Appendix C -- Proposed Form of Continuing Disclosure Agreement
Appendix D -- Proposed Form of Opinion of Bond Counsel

No dealer, broker, salesman or other person has been authorized by the County or M&T Securities, Inc. (the "Underwriter") to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. 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 2014 Bonds by any person in any jurisdiction in which it is not lawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by sources which are believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER- ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2014 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE INITIAL PUBLIC OFFERING PRICES SET FORTH ON THE INSIDE COVER OF THIS OFFICIAL STATEMENT MAY BE CHANGED BY THE UNDERWRITER, AND THE UNDERWRITER MAY OFFER TO SELL THE SERIES 2014 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE OFFERING PRICES AS SET FORTH ON THE INSIDE COVER.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE FORWARD-LOOKING STATEMENTS, AS SUCH TERM IS DEFINED IN SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. IN THIS RESPECT, SUCH FORWARD-LOOKING STATEMENTS ARE IDENTIFIED BY THE USE OF THE WORDS ESTIMATE, PROJECT, ANTICIPATE, EXPECT, FORECAST, INTEND OR BELIEVE OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARBLE TERMINOLOGY, SUCH FORWARD-LOOKING INFORMATION INVOLVES IMPORTANT RISKS AND UNCERTAINTIES THAT COULD RESULT IN THE ACTUAL INFORMATION BEING SIGNIFICANTLY DIFFERENT FROM THAT EXPRESSED IN THIS OFFICIAL STATEMENT, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS, SUCH FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS OFFICIAL STATEMENT. THE COUNTY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED, HEREIN TO REFLECT ANY CHANGES IN THE COUNTY'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, THE SERIES 2014 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933. AS AMENDED, AND HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT, ANY REPRENSENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO AND THE INFORMATION INCORPORATED HEREIN BY REFERENCE, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES AND THE INFORMATION INCORPORATED HEREIN BY REFERENCE, MUST BE CONSIDERED IN ITS ENTIREY. THE OFFERING OF THE 2014 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

MONTGOMERY COUNTY, MARYLAND

OFFICIAL ROSTER OF COUNTY OFFICIALS

COUNTY EXECUTIVE

Isiah Leggett

COUNTY COUNCIL

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

The terms of the County Executive and all County Council members expire in December 2014.

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

McKennon Shelton & Henn LLP
Baltimore, Maryland

INDEPENDENT PUBLIC ACCOUNTANTS

Clifton Larson Allen LLP
Timonium, Maryland

FINANCIAL ADVISOR

Public Financial Management

DEBT MANAGEMENT AND DISCLOSURE INFORMATION

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

OFFICIAL STATEMENT DATED AUGUST 13, 2014

$12,025,000
MONTGOMERY COUNTY, MARYLAND
SPECIAL OBLIGATION REFUNDING BONDS
(WEST GERMANTOWN DEVELOPMENT DISTRICT)
SENIOR SERIES 2014

INTRODUCTION

General

The purpose of this Official Statement, which includes the attached Appendices, is to provide certain information concerning the sale and delivery by Montgomery County, Maryland (the “County”) of its Montgomery County, Maryland Special Obligation Refunding Bonds (West Germantown Development District) Senior Series 2014 (the “Series 2014 Bonds”). All capitalized terms used in this Official Statement that are defined in the Indenture and not defined herein shall have the respective meanings set forth in the Indenture. See “Definitions of Certain Terms and Summaries of Legal Documents” in Appendix A.

The Series 2014 Bonds are authorized to be issued pursuant to Chapter 20A and Chapter 14 of the Montgomery County Code, as amended (the “Acts”); Resolution No. 13-1135 adopted by the County Council of the County (the “County Council”) on January 13, 1998 (the “Formation Resolution”), as amended by Resolution No. 14-957 (“Resolution No. 14-957”) adopted by the County Council on July 17, 2001, Resolution No. 13-1398 adopted by the County Council on August 4, 1998, as amended by Resolution No. 14-947 (the “Bond Resolution”), Resolution No. 17-1161 adopted by the County Council on July 15, 2014 (the “Refunding Resolution”), an executive order issued by the County Executive, and an Indenture of Trust dated as of April 1, 2002 by and between the County and U.S. Bank National Association, successor trustee to Wachovia Bank, National Association (the “Trustee”), as amended by the First Supplemental Indenture dated as of July 1, 2004 between the County and the Trustee, and the Second Supplemental Indenture dated as of August 1, 2014 between the County and the Trustee (the “Second Supplemental Indenture”, and as so amended and supplemented, the “Indenture”).

Use of Proceeds

The proceeds of the Series 2014 Bonds will be used to (i) refund all of the County's outstanding Special Obligation Bonds (West Germantown Development District), Senior Series 2002A and the County's outstanding Special Obligation Bonds (West Germantown Development District), Senior Series 2004A and Senior Series 2004B (together, the "Refunded Bonds"), (ii) fund a portion of the 2014 Reserve Account for the Series 2014 Bonds and (iii) pay a portion of the costs of issuing the Series 2014 Bonds. See "Estimated Sources and Uses of Funds." The proceeds of the Refunded Bonds were used to finance the costs of certain infrastructure projects located within the West Germantown Development District (the "District").

A portion of the proceeds of the Series 2014 Bonds will be deposited by the Director of Finance of the County (the "Director of Finance") with the Trustee to pay the redemption price of the Refunded Bonds on August 26, 2014. Amounts on deposit with the Trustee will be pledged only to the payment of the principal of and interest on the Refunded Bonds, and are not available for the payment of principal, redemption premium, if any, or interest on the Series 2014 Bonds.

Creation of the District and Levy of Special Taxes

The Acts provide a method of financing certain infrastructure improvements through the creation of special taxing districts. The Acts provide for the creation of such special taxing districts by the County upon petition by the owners of at least 80% of the assessed valuation of the real property located within the proposed special taxing district and at least 80% of the owners of the real property located within the proposed special taxing district. Upon approval of the creation of the special taxing district, the County may issue special obligation bonds for infrastructure improvements located within the special taxing district or outside the special taxing district if such infrastructure improvements are reasonably related to the other infrastructure improvements within the special taxing district and may levy and collect a special tax within such district to pay the debt service and administrative expenses in connection with such bonds and such district. The special taxes levied are collected and secured in the same manner as general ad valorem property taxes of the County and are subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as are provided for general ad valorem property taxes of the County.

The District was created by the County pursuant to the provisions of the Acts and the Formation Resolution and consists of approximately 666 acres of land in the West Germantown area of the County. The District is located in the southwest quadrant of the intersection of Clopper Road and Germantown Road. In addition to creation of the District, the Formation Resolution created a special fund, established the methodology for assessment and collection of special taxes, and authorized the issuance of bonds pursuant to County Council action. See "THE WEST GERMANTOWN DEVELOPMENT DISTRICT."

The County levied special taxes and assessments on property located in the District from 2002 through 2011, and will continue to levy special taxes until the bonds for the District (including the Series 2014 Bonds) are fully repaid.

Security for the 2014 Bonds

THE SERIES 2014 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 SPECIAL TAXES AND CERTAIN OTHER ASSETS OF THE DISTRICT PLEDGED BY THE COUNTY UNDER THE INDENTURE, INCLUDING AMOUNTS DEPOSITED IN CERTAIN FUNDS AND ACCOUNTS HELD BY THE COUNTY AND THE TRUSTEE UNDER THE INDENTURE. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS".

The Series 2014 Bonds are not general obligations of the County and do not constitute a pledge of the full faith and credit or the taxing power of the County. The Series 2014 Bonds are not an indebtedness of the County within the meaning of the Montgomery County Charter. Except for the special taxes within the District, no other taxes or assessments are pledged to the payment of the Series 2014 Bonds.

The Series 2014 Bonds will be secured by (a) the proceeds of special taxes (the "Special Taxes") levied on all taxable real property within the District and (b) certain other assets and revenues of the District pledged by the County pursuant to the Indenture, including certain funds held by the County and the Trustee under the Indenture and interest earnings thereon, as and to the extent hereinafter described (collectively, together with the Special Taxes, the "Special Revenues"). The Series 2014 Bonds and any Additional Bonds issued under the Indenture are secured by a senior lien on and senior priority interest in the special revenues under the Indenture.

Upon the issuance of the Series 2014 Bonds, there will be no bonds outstanding which are secured by the Special Taxes levied in the District other than the Series 2014 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS" – Special Taxes" and "THE WEST GERMANTOWN DEVELOPMENT DISTRICT – Methodology for Levying the Special Taxes." Under certain circumstances, the County may issue Additional Bonds to refund bonds issued under the Indenture or to obtain funds necessary to finance or refinance improvements within the District. Any Additional Bonds will be secured by the Special Revenues and other security provided under the Indenture on parity with any outstanding bonds previously issued under the Indenture. The Series 2014 Bonds are issued as Additional Bonds under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Additional Bonds."

The County has covenanted for the benefit of Bondholders that the County will take action with respect to delinquencies in the payment of the Special Taxes, including enforcement of the collection of such Special Taxes as set forth in the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS – Special Taxes." The County is not required, nor does the County intend, to advance any of its own funds or any other moneys of the County in the event of a delinquency in the payment of the Special Taxes.

Assessed Property Values

Information regarding the assessed value of the property in the District has been compiled by the County, acting as Administrator under the Indenture. See "THE WEST GERMANTOWN DEVELOPMENT DISTRICT –Assessed Property Values".

Enforcement of Special Taxes

The County has covenanted in the Indenture for the benefit of the owners of the Series 2014 Bonds (the "Bondholders" or "Holders") that the County will comply with all provisions of the Acts and the methodology for calculation of Special Taxes so as to ensure timely levy and collection of the Special Tax revenues.

Risk Factors

The purchase of the Series 2014 Bonds involves investment risks. See "SPECIAL BONDHOLDERS RISKS" below for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Series 2014 Bonds.

Limitations Concerning Information Contained Herein

This Official Statement contains brief descriptions of, among other things, the Series 2014 Bonds, the security for the Series 2014 Bonds, risk factors, the District and the County, together with summaries of certain provisions of the Series 2014 Bonds and the Indenture. Such descriptions and information do not purport to be complete, comprehensive or definitive. All such descriptions are qualified in their entirety by reference to such documents, copies of which are available for inspection at the offices of the County.

ESTIMATED SOURCES AND USES OF FUNDS

The County estimates that the costs of refunding the Refunded Bonds and the sources of funds available therefor are as follows:

Sources of Funds:	**Total**
Series 2014 Bond Proceeds:	
Par Amount	$12,025,000
Premium	978,420
Other Sources of Funds:	
2002A Reserve Account	1,160,000
2002B Reserve Account	429,500
2002A Bond Account	464
2004B Bond Account	172
Total Sources:	**$14,593,556**

Uses of Funds:	
Refunding of Refunded Bonds	$13,186,069
2014 Reserve Account	1,202,500
Costs of Issuance[1]	202,052
Additional Proceeds (rounding)	2,935
Total Uses:	**$14,593,556**

(1) Costs of Issuance include the Underwriter's discount, rating agency fees, fees and expenses of bond counsel, counsel to the Underwriter, fees and expenses of the Trustee, accounting fees and other costs incidental to issuance of the Series 2014 Bonds.

THE SERIES 2014 BONDS

General

The Series 2014 Bonds will be dated the date of their delivery and will mature and bear interest on the dates and at the rates set forth on the inside front cover page of this Official Statement. Interest on the Series 2014 Bonds will be payable semiannually on each July l and January 1 of each year (each a "Payment Date"), commencing January 1, 2015 (subject to the redemption provisions set forth below).

Book-Entry Only System

The information in this section has been obtained from sources that the County believes to be reliable, but the County does not take any responsibility for the accuracy thereof.

The Depository Trust Company

DTC will act as securities depository for the Series 2014 Bonds. The ownership of one fully registered Series 2014 Bond for each maturity, in the aggregate principal amount of such maturity, initially will be registered in the name of Cede & Co. (DTC's partnership as nominee) or such other name as may be requested by an authorized representative of DTC, and deposited with DTC or its designated custodian. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). 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.

Ownership of Series 2014 Bonds

Purchases of Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2014 Bond ("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 2014 Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2014 Bonds, except in the event that use of the book-entry system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 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 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

The Trustee will make payments of principal of, redemption premium, if any, and interest on the Series 2014 Bonds to Cede & Co., or such other DTC nominee as may be requested by an authorized representative of DTC. DTC's current practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from 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, the County or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, 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 the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners entitled thereto is the responsibility of Direct and Indirect Participants. DTC, the Trustee and the County are not responsible for and make no representations concerning the manner of, or any charges that may be associated with, payments by Direct Participants or Indirect Participants to Beneficial Owners.

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.

Redemption notices shall be sent to DTC. If less than all of the Series 2014 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2014 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 2014 Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

Neither the County nor the Trustee will have any responsibility or obligation to the Direct Participants or the Beneficial Owners with respect to (A) the accuracy of any records maintained by DTC or any Participant; (B) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Series 2014 Bonds; (C) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Indenture to be given to Bondholders; or (D) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

The County and the Trustee cannot give any assurances that DTC will distribute payments of principal of, redemption premium, if any, and interest on the Series 2014 Bonds paid to DTC or its nominee, as the registered owner, or any redemption or other notices, to the Direct Participants or that they will do so on a timely basis, that Direct Participants or Indirect Participants will distribute to Beneficial Owners any payments or notices received by them or do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

So long as Cede & Co. is the registered owner of the Series 2014 Bonds, as nominee of DTC, references in this Official Statement to the owners of the Series 2014 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners and Cede & Co. will be treated as the only Bondholder of Series 2014 Bonds for all purposes under the Indenture.

The County may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to Series 2014 Bonds without the consent of Beneficial Owners or Bondholders.

Discontinuance of Book-Entry Only System

DTC may discontinue providing its services as a securities depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the County or Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates for the Series 2014 Bonds will 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, bond certificates for the Series 2014 Bonds will be printed and delivered.

Redemption Provisions

Optional Redemption

The Series 2014 Bonds which mature on or before July 1, 2024, are not subject to redemption prior to their respective maturities. The Series 2014 Bonds which mature on or after July 1, 2025, are subject to redemption beginning July 1, 2024, 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 equal to the principal amount of the Series 2014 Bonds to be redeemed, together with interest accrued to the date fixed for redemption, without premium.

Selection of Series 2014 Bonds for Redemption

So long as the Series 2014 Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2014 Bonds of any one maturity to be credited with any partial redemption shall be made as described above under "Book-Entry Only System" except as otherwise directed by the County.

If fewer than all of the Series 2014 Bonds of any one maturity shall be called for redemption during any other period, the County shall select or cause to be selected the particular Series 2014 Bonds or portions of Series 2014 Bonds to be redeemed from such maturity as shall be elected by the County or, in the absence of any such election, by lot or in such other manner as the County in its discretion may deem proper.

Notice of Redemption

Each notice of redemption of Series 2014 Bonds shall be given at least 20 days before the redemption date and shall set forth (i) whether the Series 2014 Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Series 2014 Bonds to be redeemed, (ii) that the interest on the Series 2014 Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption and the redemption price and (iv) that the Series 2014 Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the office of the Trustee. The redemption of Series 2014 Bonds is conditioned upon the deposit of sufficient money for the payment of the redemption price and accrued interest on the Series 2014 Bonds to be redeemed with the Trustee on the date designated for redemption.

The Trustee

U.S. Bank National Association, Richmond, Virginia, successor in interest to Wachovia Bank, National Association, has been appointed as the Trustee for the Series 2014 Bonds under the Indenture.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS

General

THE SERIES 2014 BONDS SHALL BE SPECIAL OBLIGATIONS OF THE COUNTY, PAYABLE SOLELY FROM THE SPECIAL REVENUES AND CERTAIN OTHER ASSETS AND REVENUES OF THE DISTRICT PLEDGED BY THE COUNTY UNDER THE INDENTURE, INCLUDING FUNDS DEPOSITED IN CERTAIN FUNDS AND ACCOUNTS HELD BY THE COUNTY AND THE TRUSTEE THEREUNDER, AS FULLY DESCRIBED HEREIN. THE SERIES 2014 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION DEBT OF THE COUNTY OR A PLEDGE OF THE COUNTY'S FULL FAITH AND CREDIT OR TAXING POWERS. THE SERIES 2014 BONDS ARE NOT AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF THE MONTGOMERY COUNTY CHARTER. EXCEPT FOR THE SPECIAL TAXES, NO OTHER TAXES OR ASSESSMENTS ARE PLEDGED TO THE PAYMENT OF THE SERIES 2014 BONDS.

THE INDENTURE DOES NOT PROVIDE FOR ACCELERATION OF THE PRINCIPAL OF THE INTEREST ON THE SERIES 2014 BONDS UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THE INDENTURE. SEE APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.

AS DESCRIBED HEREIN, THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2014 BONDS AND ANY ADDITIONAL BONDS ISSUED UNDER THE INDENTURE IS A SENIOR OBLIGATION UNDER THE INDENTURE.

Special Taxes

General

The primary source of payment for the Series 2014 Bonds is the Special Taxes levied on real property located in the District. The Special Taxes will be levied upon all real property in the District (except for Exempt Property) at the rate that, when multiplied by the estimated assessment of all property in the District, will result in Special Tax revenues at least equal to the Revenue Requirement. In determining the Special Tax rate, the County must assume that delinquencies do not increase the Revenue Requirement by more than 10%. Next, the County will multiply the Special Tax Rate by the actual assessment of all property in the District to determine the revenues that will be generated by the Special Tax. See “THE WEST GERMANTOWN DEVELOPMENT DISTRICT—Methodology for Levying the Special Taxes”. The principal of, premium, if any, and interest on the Series 2014 Bonds and any Additional Bonds are secured under the Indenture by a senior pledge of Special Taxes collected by or on behalf of the County from property owners in the District, including all scheduled payments of Special Taxes and amount received from the collection of unpaid and delinquent Special Taxes.

Levy, Payment and Collection

Pursuant to the Indenture, in each year the County Representative will determine the amount of Special Taxes within the District required for the payment of principal of and interest on any Outstanding Series 2014 Bonds becoming due and payable during the ensuing Fiscal Year, including any necessary replenishment of the 2014 Reserve Account und and an amount estimated to be sufficient to pay the Administrative Expenses during such Fiscal Year, taking into account the balances in the Special Fund and in the other funds and accounts held by the County and the Trustee under the Indenture. The County Representative will make such determination in accordance with the methodology for calculation of any Special Taxes set forth in the Bond Resolution. See “THE WEST GERMANTOWN DEVELOPMENT DISTRICT –Methodology for Levying the Special Taxes”. The County Representative will send a written recommendation to the County Council as to the amount of any Special Taxes to be levied for the ensuing Fiscal Year at such time so as to allow the County Council to make such levy prior to July 1 of such Fiscal Year.

The Special Taxes are payable in the same manner and at the same time as the general ad valorem taxes on real property in the County, in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as general ad valorem taxes on real property in the County. The Special Taxes are due and payable without interest on July 1 of each taxable year. Under current law, residents of owner-occupied residential property and properties designated as "small business" by the State of Maryland will pay the Special Taxes in two installments on September 30 and December 31, without interest, unless the taxpayer opts out of the semiannual payment system and remains in the annual payment cycle. The first installment is due July 1 and is in arrears on October 1. The second installment is due December 1 and is in arrears on January 1. If the taxpayer opts out, the full tax payment is due on July 1, and is in arrears on October 1. Special Taxes payable on non-owner-occupied residential or non-small business property are delinquent if not paid in full on September 30 of each taxable year. Interest and penalties on delinquent Special Taxes will accrue from the applicable due date. The Special Taxes will appear on the same tax bill as a property owner's general ad valorem property taxes.

The following is a summary of the timeline for the collection of taxes on property within the District:

Process	**Date**
Notice of assessed value mailed to property owners	Late December
Valuation date (Date of Finality) for real property	January 1
Property taxes, including Special Taxes, if any, due	July 1
Deadline to pay taxes other than owner-occupied residential and small business property without interest	September 30
Deadline to pay first installment of taxes on owner-occupied residential and small business property without interest	September 30
Deadline to pay final installment of taxes on owner-occupied residential and small business property	December 31
Bond Interest Payment Date	January 1
Delinquent properties become subject to tax sale (notices mailed to property owners)	In April
Tax sale	Second Monday in June
Foreclosure proceeding to be brought by holder of certificate of sale	Six months after tax sale, but no later than two years after tax sale
Bond Interest and Principal Payment Date	July 1

The assessment of all real property for purposes of property taxation by the County is the responsibility of the State Department of Assessments and Taxation ("SDAT"). Assessment rolls are maintained by SDAT in each County. Real property is valued and assessed at 100% of full cash value (market value). One-third of the real property base in the County is physically inspected and revalued once every three years. Any increase in full cash value arising from such reassessment is phased in over the ensuing three taxable years in equal annual installments, although a decline in assessed valuation becomes fully effective in the first year. See page B-10 of Appendix B for a table showing the tax assessment revenue of all real property in the County for the last 10 fiscal years.

In any year of a triennial cycle, real property will be revalued if substantially completed improvements are made which add at least $100,000 in value to the property. Such revaluation will occur on the January 1, April 1, July 1 or October 1 next succeeding the substantial completion of the improvements. The phased-in value for each of the years remaining in the triennial cycle will be adjusted to reflect the revaluation. Real property revalued on July 1 is subject to the payment of Special Taxes for the full taxable year beginning on such July 1. Real property revalued on October 1, January 1 or April 1 is subject to the payment of a portion of the Special Taxes levied on such property for the full taxable year, computed by multiplying the new assessed valuation by three-quarters, one-half or one-quarter, respectively, of the Special Tax rate applicable to the property. Such amounts are due on the revaluation date and are overdue 30 days after the tax bill is mailed or made available.

In the Indenture, the County has covenanted to take the following actions with respect to delinquent Special Taxes:

(1) At least 30 days before a property is first advertised for sale, the Director of Finance shall send a notice of delinquent Special Taxes to property owners in the District with unpaid Special Taxes in accordance with State and County law.

(2) The Director of Finance shall advertise the affected properties within the District for tax sale in accordance with the State and County law.

(3) On the 2nd Monday in June of each year, subject to the continuation of such sale as is allowed by law, all District properties with delinquent Special Taxes shall be offered at tax sale in accordance with State and County law and duly adopted County procedure.

(4) By June 30 of each year, the Director of Finance shall deposit to the Special Fund all Special Taxes collected at tax sale (including penalties and interest). In addition, the Director of Finance shall give written notice to the County Representative of any District properties for which no bids were received (sold to the County) or on which the tax sale process was stopped by a bankruptcy stay.

(5) In the event of a redemption of a District property after June 30 of any year, the Director of Finance shall deposit to the Special Fund the delinquent Special Taxes (including penalties and interest) collected by the Director of Finance in connection with such redemption not later than the last day of the month immediately succeeding the month in which the redemption occurred.

(6) In the event that a property sold to the County is not redeemed, the Director of Finance shall give written notice to the County Representative when the County forecloses the right of redemption and takes title to the property and the County shall continue to make the property available for sale, subject, however, to County laws relating to the disposition of County property. Following receipt of such notice, the County Representative shall make adjustments to its books and records as necessary.

There is no assurance that the owners of real property in the District will be financially able to pay the annual Special Taxes or that they will pay such amounts even if financially able to do so. The Special Taxes, when levied, will constitute a lien on parcels subject to taxation within the District which in the event of a failure to pay such Special Taxes could lead to a tax sale of the applicable parcel and legal action against the property owner to enforce payment. In the event of the delinquency in the payment of any installment of Special Taxes, the County is required to sell the real property at tax sale.

At least 30 days prior to the date a delinquent property is first advertised for tax sale, the County mails a notice of sale to the person who last appears as the owner on the County's tax rolls. The County publishes a listing of delinquent properties in one or more newspapers once a week for four successive weeks prior to the tax sale. The advertisement will include the amount of delinquent taxes, interest and other delinquent charges, as well as an advertising fee and, if required, the cost of surveying and attorney's fees, plus an administration fee to cover the cost of holding the tax sale.

Each parcel of property taken to tax sale will be sold as an entity. A sealed bid process is used. Bids may be submitted by mail, overnight delivery, by email or in person. No property will be sold for a sum less than the advertised price. When sold, the County's lien on the property passes to the bidder/purchaser. No later than the day following the sale, the bidder/purchaser is required to pay the full amount advertised, plus the high-bid premium described below.

At the time the advertisement is prepared, all delinquent tax accounts from the various election districts in the County are divided into property groups consisting of approximately the same number of properties. Bidders can bid on one property group, multiple property groups or any number of individual properties from different groups. Bidders bidding on full groups are given priority over bidders seeking to purchase individual properties. Awards will be made first to the highest bidder on a full group of properties.

The County may establish a high-bid premium for all properties sold in groups and/or by a sealed bid process. This high-bid premium is 20% of the amount by which the bid exceeds 40% of the properties full cash value. The high-bid premium is payable at the same time successful bidder pays the tax sale amount. The County will refund the high-bid premium, without interest, to the holder of the tax sale certificate on redemption of the property or to the plaintiff in an action to foreclose the right of redemption on delivery of a tax sale deed for the property for which the high-bid premium was paid.

The forgoing paragraphs describe the County's tax sale procedures in effect on the date of this Official Statement. Such procedures may be changed from time to time by the County.

The ability of the County to sell real property at tax sale may be limited in certain instances and may require the prior consent of the property owner in the event that property is owned by any receivership of the Federal Deposit Insurance Corporation. See "SPECIAL BONDHOLDERS RISKS."

The Acts and the Bond Resolution specify that the Special Taxes shall be levied, collected and are payable in the same manner as general ad valorem taxes and shall be subject to the same penalties and the same procedure, sale, and lien priority in the case of delinquency as is provided for general ad valorem property taxes. The Special Taxes rank on a parity with general ad valorem property taxes and any proceeds from tax sale will be applied to the payment of any delinquent Special Taxes and such delinquent general ad valorem property taxes on a pro rata basis.

No assurances can be given that the real property subject to sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Taxes. The County is not required to purchase or otherwise acquire any lot or parcel of property offered for sale if there is no other purchaser at such sale. If there is no third party purchaser at the tax sale, and the County buys the property, the delinquent Special Taxes and any additional Special Taxes levied after the date of the sale will not be paid until the property is sold to a third party.

The County has covenanted in the Indenture that it will comply with the requirements of the Acts and all other applicable laws so as to assure timely collection of the Special Revenues, including without limitation, the enforcement of delinquent Special Taxes. The County has further covenanted in the Indenture that it will order and cause to be commenced as describes below, and thereafter diligently prosecute the collection (unless such delinquency is otherwise brought current) of any Special Taxes or installment thereof not paid when due. See "WEST GERMANTOWN DEVELOPMENT DISTRICT-Delinquencies and Tax Lien Sales."

In determining the Special Tax rate each year, the County may increase the Special Tax Requirement (i.e. the aggregate amount required for debt service on the Bonds, replenishment of the Reserve Funds and Administrative Expenses) by up to 10% to cover delinquencies (plus an amount equal to available Reserve Funds earnings). Therefore, there is no assurance that the Special Taxes which may be levied pursuant to the Bond Resolution will be at all times sufficient to pay debt service on the Series 2014 Bonds and to replenish any deficiency in the Series 2014 Reserve Account. See "SPECIAL BONDHOLDERS RISKS".

Pledged Funds

Special Fund

The Formation Resolution established the West Germantown Development District Special Fund (the "Special Fund") The County will hold and invest the Special Fund in accordance with the Indenture for the benefit of the Bondholders and has granted a lien on the Special Fund to secure the payment of the Series 2014 Bonds.

THE SERIES 2014 BONDS AND ANY ADDITIONAL BONDS ISSUED UNDER THE INDENTURE ARE SECURED BY A SENIOR LIEN ON AND A SENIOR PRIORITY INTEREST IN THE SPECIAL FUND. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2014 BONDS AND ANY ADDITIONAL BONDS WILL BE PAID FROM THE SPECIAL FUND ON EACH DATE ON WHICH SUCH PRINCIPAL OF PREMIUM, IF ANY, AND INTEREST IS DUE AND PAYABLE.

Pursuant to the Indenture, the County has covenanted to deposit all Special Revenues received by the County into the Special Fund. Special Revenues include all scheduled payments of Special Taxes and the proceeds of the redemption or sale of property sold at tax sale, including any penalties collected in connection with delinquent Special Taxes. Special Revenues do not include any administrative expenses collected by the County in connection with delinquent Special Taxes.

As soon as practicable following receipt, all Special Revenues shall be deposited by the County into the Special Fund. The County shall withdraw from the Special Fund and transfer the following amounts, on the following dates, in the following order of priority: (i) at least five days before each Interest Payment Date, to the Trustee for deposit of the Series 2014 Bond Account an amount, taking into account any amounts then on deposit in the Series 2014 Bond Account, such that the amount in the Series 2014 Bond Account equals the principal, premium, if any, and interest due on the Series 2014 Bonds on such Interest Payment Date and (ii) at any time upon receipt of notice from the Trustee of a deficiency in the 2014 Reserve Account, to the Trustee for deposit to the 2014 Reserve Account, the amounts required to be deposited into the 2014 Reserve Account and described under the caption "- Reserve Fund" below, until the amount in the 2014 Reserve Account is equal to the Reserve Requirement for the Series 2014 Bonds. If all transfers required by clauses (i) and (iii) of the preceding sentence have been made and the amount on deposit in the Reserve Fund is at least equal to the Reserve Requirement for the Bonds; then amounts on deposit in the Special Fund equal to the Administrative Expenses due for the next ensuing year plus any Administrative Expenses then due and payable (all as reflected in a certificate of the County Representative delivered to the Trustee), shall be withdrawn by the County from the Special Fund and used to pay Administrative Expenses from time to time.

The Trustee shall deposit moneys received from the County (i) first, to the Series 2014 Bond Account in the amount required to make the amount on deposit in the Series 2014 Bond Account equal to the principal of, premium, if any, and interest payable on the Series 2014 Bonds on the next succeeding Interest Payment Date and (ii) second, to the 2014 Reserve Account, the amounts required to be deposited into the 2014 Reserve Account and described under the caption·"- Reserve Fund" below, until the amount on deposit in the 2014 Reserve Account is equal to the Reserve Requirement for the Series 2014 Bonds. See Appendix A-Definitions and Summary of Certain Provisions of the Indenture- Funds and Accounts- 2014 Reserve Account.

2014 Reserve Account

The Indenture establishes a 2014 Reserve Account to be held by the Trustee. The Indenture provides that the 2014 Reserve Account must be maintained in an amount equal to the Reserve Requirement for the Series 2014 Bonds. The Reserve Requirement for the Series 2014 Bonds, is, as of any date of calculation, an amount equal to the lesser of: (i) Maximum Annual Debt Service for the Series 2014 Bonds through the final maturity date of any Series 2014 Bonds as of the date of determination, (ii) 125% of Average Annual Debt

Service on the Series 2014 Bonds of the date of determination, or (iii) 10% of the initial principal amount of the Series 2014 Bonds.

Initially, the 2014 Reserve Requirement for the Series 2014 Bonds is equal to 10% of the original principal amount of the Series 2014 Bonds.

All amounts deposited in the 2014 Reserve Account shall be used by the Trustee solely for the purpose of: (i) making transfers to the Series 2014 Bond Account in the event of any deficiency on any Interest Payment Date in the Series 2014 Bond Account of the amount required for payment of the principal of, and interest and any premium on, the Series 2014 Bonds, (ii) making transfers as described below whenever the amount then on deposit in the 2014 Reserve Account exceeds the Reserve Requirement for the Series 2014 Bonds or (iii) making transfers as described below to the Series 2014 Bond Account for the purpose of paying the principal or interest due on all of the outstanding Series 2014 Bonds.

At any time upon receipt of notice from the Trustee of a deficiency in the 2014 Reserve Account, the County shall withdraw monies from the Special Fund and transfer them to the Trustee for deposit to the 2014 Reserve Account such that: (i) if the deficiency resulted from a quarterly valuation, such deficiency shall be replenished in three equal monthly payments prior to the next succeeding valuation date and (ii) if such deficiency resulted from a withdrawal from the 2014 Reserve Account, such deficiency must be replenished within the next succeeding 12 months. There can be no assurance that the maximum Special Taxes which may be levied pursuant to the Bond Resolution will be sufficient to cure any deficiencies in the 2014 Reserve Account.

Amounts on deposit in the 2014 Reserve Account in excess of the Reserve Requirement for the Series 2014 Bonds, either as the result of a decrease in the Reserve Requirement for the Series 2014 Bonds or because of a "surplus" following the valuation of the amounts deposit in the 2014 Reserve Account, shall be withdrawn therefrom and transferred first, to the County, in an amount equal to the Administrative Expenses due for the next ensuing year plus any Administrative Expenses then due and payable (as reflected in a certificate of the County Representative), and second, to the Series 2014 Bond Account to be used for the payment of interest on the Series 2014 Bonds on the next Interest Payment Date.

Whenever the balance in the 2014 Reserve Account is sufficient, together with other moneys under the Indenture available for such purpose, to retire all of the outstanding Series 2014 Bonds, the 2014 Reserve Account will be liquidated for the retirement of such Series 2014 Bonds.

Improvement Fund

The Indenture establishes an Improvement Fund. Upon the Issuance of the Series 2014 Bonds, no amounts remain in the Improvement Fund under the Indenture.

Additional Bonds

Under certain conditions set forth in the Indenture, the County may issue Additional Bonds for the purpose of refunding or advance refunding any Outstanding Bonds or obtaining funds necessary to finance or refinance the completion of the Improvements. Any such Additional Bonds will be secured by the Special Revenues, and the other security provided under the Indenture on parity with the Series 2014 Bonds.

As a condition to the issuance of Additional Bonds, either (A) the assessed value of all parcels of real property in the District subject to the levy of the Special Taxes and not delinquent in the payment of any Special Taxes then due and owing as of immediately the proceeding January 1 must be at least 20 times the sum of: (I) the aggregate principal amount of all Bonds then Outstanding, less the principal amount of any Outstanding Bonds that will not be Outstanding upon the issuance of such Additional Bonds and (II) the aggregate principal amount of the Series, of Additional Bonds proposed to the issued or (B) if such Additional

Bonds are issued for the purpose of refunding all or any portion of the Outstanding Senior Bonds, Maximum Annual Debt Service must not be increased.

The following Projected Debt Service Coverage chart is provided to show that debt service is covered assuming no change in assessed value or tax rate starting in FY15, after giving effect to the redemption of the Refunded Bonds. It is expected that the assessed value will change over time and assumed that the County will continue to set the tax rate as directed under the Acts and the Bond Resolution.

Projected Debt Service Coverage

	Bond Debt Service				Special Tax and Assessments			
Fiscal Year	**Principal**	**Interest**	**2014 Reserve Account[1]**	**Total**	**Special Tax Rate [2]**	**Assessed Value [2]**	**Projected Special Taxes**	**Projected Coverage**
2015	$585,000	$379,301	(1,220)	$963,081	$0.182	$693,501,729	$1,262,173	131.06%
2016	700,000	436,000	(1,220)	1,134,780	0.182	693,501,729	1,262,173	111.23%
2017	720,000	415,000	(1,220)	1,133,780	0.182	693,501,729	1,262,173	111.32%
2018	740,000	393,400	(1,220)	1,132,180	0.182	693,501,729	1,262,173	111.48%
2019	765,000	371,200	(1,220)	1,134,980	0.182	693,501,729	1,262,173	111.21%
2020	795,000	340,600	(1,220)	1,134,380	0.182	693,501,729	1,262,173	111.27%
2021	825,000	308,800	(1,220)	1,132,580	0.182	693,501,729	1,262,173	111.44%
2022	860,000	275,800	(1,220)	1,134,580	0.182	693,501,729	1,262,173	111.25%
2023	890,000	241,400	(1,220)	1,130,180	0.182	693,501,729	1,262,173	111.68%
2024	930,000	205,800	(1,220)	1,134,580	0.182	693,501,729	1,262,173	111.25%
2025	965,000	168,600	(1,220)	1,132,380	0.182	693,501,729	1,262,173	111.46%
2026	1,005,000	130,000	(1,220)	1,133,780	0.182	693,501,729	1,262,173	111.32%
2027	2,245,000	89,800	(1,220,000)	1,114,800	0.182	693,501,729	1,262,173	113.22%
Total	12,025,000	3,755,701	(1,234,640)	14,546,061				

(1) Earnings in the 2014 Reserve Account will be used to offset debt service payments.
The 2014 Reserve Account will be liquidated to pay a portion of the final principal payment.
(2) Special Tax Rate and Assessed Value held constant at FY2015 levels.

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THE COUNTY

Montgomery County, Maryland is a body corporate and politic and a political subdivision of the State of Maryland. Under its Charter, the County's executive and administrative functions are vested in the elected County Executive. The County Council is the County legislative body and its nine members, four of whom are elected by the qualified voters of the entire County. Each of the five other members represent one of the five substantially equally populated councilmanic districts where they must reside. Council members and the County Executive (who is elected County-wide) serve four-year terms, and may continue to serve until a successor is elected. For more complete information on the County see "APPENDIX B – Economic and Demographic Information for Montgomery County, Maryland".

The County's financial matters are currently administered through the Office of Management and Budget by its Director and the Department of Finance by its Director. Each Director is appointed by the County Executive, in accordance with the provisions of the County's Charter. The Director of the Office of Management and Budget is responsible for preparation and administration of the County budget. The Director of Finance is charged with the administration of the financial affairs of the County, which generally include: the collection of State and County taxes, special assessments, water and wastewater utility charges, fees and other revenues and funds of every kind due to the County (including the Special Taxes), including the enforcement of the collection of taxes in the manner provided by law; the custody and safe-keeping of all funds and securities belonging to or by law deposited with, distributed to, or handled by the County; the management of the level of County debt, and payments thereof; the disbursement of County funds; the keeping and supervision of all accounts; and such other functions as may be prescribed by the County Executive or by legislative act of the County Council not inconsistent with the Charter of the County.

THE WEST GERMANTOWN DEVELOPMENT DISTRICT

Introduction

The District was created on January 13, 1998 by the County pursuant to the provisions of the Acts and the Formation Resolution and consists of approximately 666 acres of land in the West Germantown area of the County. The District is located in the southwest quadrant of the intersection of Clopper Road and Germantown Road. See "Site Map" on page ii.

Currently, the District consists of 1,385 taxable residential properties, 3 tax exempt residential properties, 4 undeveloped properties held by a developer, 20 government tax-exempt properties, and 97 homeowner's association properties (exempt). Of the 1,385 taxable residential properties, there are 1,119 single family detached homes, 159 townhomes, 103 garden style condominiums, and 4 vacant lots.

Administration of the District

The Indenture requires the County to perform all functions relating to the administration of the District including the following functions:

(1) Determination and calculation of the annual Special Taxes:

(2) Review and reconciliation of cash transaction statements delivered to the County Representative pursuant to the Indenture; and

(3) Performance of obligations with respect to Special Tax delinquencies as required by the Indenture.

The County is currently acting as the Administrator to undertake these functions pursuant to the requirements of the Indenture.

Assessed Property Values

As of FY2015, there are a total of 1,385 taxable parcels in the West Germantown Development District. The chart below shows the assessment and tax information since the District was created:

Special Taxes and Assessments
FY2003 – FY2015

	Total Assessment	Special Tax Rates	Special Assessment	Annual Debt Service	Resolution Number
Tax Levy 02 (FY03)	$188,488,866	$0.224	$744.96	$ 982,425	14-1279
Tax Levy 03 (FY04)	309,245,370	0.213	755.93	1,005,478	15-203
Tax Levy 04 (FY05)	453,492,737	0.192	705.09	1,026,864	15-639
Tax Levy 05 (FY06)	523,251,128	0.187	660.53	1,041,730	15-1024
Tax Levy 06 (FY07)	574,389,247	0.161	549.35	1,065,303	15-1478
Tax Levy 07 (FY08)	640,416,462	0.156	563.57	1,086,868	16-181
Tax Levy 08 (FY09)	720,743,291	0.144	695.01	1,111,675	16-587
Tax Levy 09 (FY10)	791,046,664	0.137	740.14	1,124,710	16-979
Tax Levy 10 (FY11)	668,889,994	0.163	990.16	1,150,760	16-1382
Tax Levy 11 (FY12)	669,370,634	0.165	776.93	1,169,690	17-158
Tax Levy 12 (FY13)	671,593,033	0.173	--	1,191,515	17- 452
Tax Levy 13 (FY14)	681,935,571	0.183	--	1,219,866	17-771
Tax Levy 14 (FY15)	693,501,729	0.182	--	1,239,724	17-1120
Avg. Anl. % Change from FY03 to FY15	20.61%	-1.44%	-7.69%	2.01%	
Percent Change from FY14 to FY15	1.70%	-0.55%	--	1.63%	

As indicated in the chart above, the West Germantown Development District assessed value grew steadily from FY2003 through FY2010. This was reflective of the completion of the planned home construction for the build out of the District as well as the strong housing sales market in the Montgomery County area. During FY2011, there was a market correction due to the economic downturn experienced across the country and the County during this same time frame. The assessed value base has continued to rise/recover since FY2010 to a current high in FY2015 of $693.5 million.

The Special Tax rate has reflected changes in assessed value and debt service requirements. As noted in the above chart, the average annual percentage change in the tax rate from FY2003 to FY2015 has been a negative 1.44 percent change. This is a very modest variation of the tax rate over time but reflective of the growth in the assessed value base and modest debt requirements compared to the assessed value base. The FY2014 to FY2015 percentage change was a negative 0.55 percent change. This is again reflective of the strong assessed value base of the District.

The special assessment rate was applied to undeveloped properties within the District so as to more fairly and evenly distribute the tax burden for the debt service payments for the real property owners within the District. The County levied special assessments on property located in the District from 2002 through 2011. Beginning in FY2012, the County determined that the District was officially “built out” for taxing purposes;

therefore, FY2012 was the last year that the special assessment was applied. However, the County will continue to levy Special Taxes until all bonds for the District are fully repaid.

Delinquencies and Tax Lien Sales

West Germantown Development District Tax Sales
FY2003 – FY2014

	Regular Tax Collection thru Tax Sale	Regular Interest Collection thru Tax Sale	Number of Accounts subject to tax sale
FY2003	$ 610.21	$ 66.81	2
FY2004	1,069.65	133.71	2
FY2005	0	0	0
FY2006	659.27	55.62	2
FY2007	2,460.36	307.63	5
FY2008	1,677.19	204.64	3
FY2009	1,872.75	133.57	3
FY2010	975.10	65.00	1
FY2011	1,406.47	164.28	3
FY2012	928.79	116.10	1
FY2013	1,734.55	160.18	3
FY2014	1,005.49	108.11	3
Total	$ 14,399.83	$ 1,515.65	28

Since the creation of the District, there have been a few tax accounts each year that have gone to tax sale and only a total of 28 over the span of 12 years. Per the above chart the largest number of tax accounts going to sale was five accounts in FY2007 and there were no tax sales in FY2005. This demonstrates the high level of tax payment compliance that is achieved by the District taxpayers. For example, in FY2014 there were a total of 1,385 taxable accounts; only three accounts went to tax sale, which is 0.22 percent of the total taxable accounts that went to tax sale and 0.08 percent of the total District tax levy of $1,237,735 for FY2014. This is a relatively small percentage and demonstrates the strong tax payment history of the District.

Tax Levy Process

If a real property owner owns property in tax class R064 (West Germantown), additional charges will appear on the real property tax bill. Through the creation of the District, the County financed certain infrastructure improvements by issuing bonds secured by taxes and assessments levied on property in the District. An ad valorem based special tax is levied on all real property located in the District to generate revenues to pay the debt service on the special obligation bonds issued for the District. Revenues collected from the District are used exclusively for the District.

Tax Lien Sale Process

The tax lien sale is held every year on the second Monday in June. Pursuant to the Maryland State law, each local jurisdiction holds an annual tax sale to sell property liens for unpaid property taxes and other charges to the highest bidder. The new certificate holders, upon being awarded the winning bid, pay the County the outstanding taxes and charges, including any penalty and interest charges. Please note that the County sells the lien on the property at tax sale, not the actual property.

For more information on the annual Tax Lien Sale, please see the link: http://www.montgomerycountymd.gov/apps/taxliensale/.

History of Total District Revenue, Debt Service Coverage, and Value to Lien Ratio

	Special Tax Levy(1)	Special Assessment in District(1)(2)	Total Revenue Collection	Balance in Special Revenue Fund(3)	Total Available for Debt Service	Debt Service on Bonds	Coverage	Value to Lien
Tax Levy 02 (FY03)	$ 477,334	$ 575,748	$ 1,053,082	$ 0	$1,053,082	$ 982,425	107%	11.90
Tax Levy 03 (FY04)	732,275	310,041	1,042,316	14,140	1,056,456	1,005,478	105	19.66
Tax Levy 04 (FY05)	875,670	139,004	1,014,673	62,324	1,076,997	1,026,864	105	29.07
Tax Levy 05 (FY06)	963,647	90,922	1,054,569	20,742	1,075,311	1,041,730	103	33.87
Tax Levy 06 (FY07)	930,870	42,808	973,678	121,661	1,095,339	1,065,303	103	37.62
Tax Levy 07 (FY08)	1,022,006	3,212	1,025,218	71,623	1,096,841	1,086,868	101	42.52
Tax Levy 08 (FY09)	1,035,825	3,962	1,039,787	137,094	1,176,881	1,111,675	106	48.65
Tax Levy 09 (FY10)	1,078,984	4,219	1,083,202	120,968	1,204,171	1,124,710	107	54.39
Tax Levy 10 (FY11)	1,081,923	5,644	1,087,566	141,115	1,228,681	1,150,760	107	46.99
Tax Levy 11 (FY12)	1,104,453	2,238	1,106,690	149,647	1,256,338	1,169,690	107	48.19
Tax Levy 12 (FY13)	1,155,941	-	1,155,941	94,470	1,250,411	1,191,515	105	49.73
Tax Levy 13 (FY14)(4)	1,237,735		1,237,735	66,282	1,304,017	1,219,563	107	52.18

(1) Source: Montgomery County Department of Finance.

(2) Special Assessments are no longer levied because the District is fully developed.

(3) Balances in the Special Revenue Fund are excess funds available after the payment of the prior year's debt service.

(4) Unaudited.

The above historical chart on revenues and debt service demonstrates the strong growth in value to lien ratio that the District has experienced compared to its relatively low debt burden. When the District was originally formed and still undeveloped, there was a value to lien ratio of 11.90. The ratio is currently 49.78. This is a large and stable district with a homogeneous housing base as evidenced by the listing of the top 10 rate account payers below.

Methodology for Levying the Special Taxes

Special Taxes

All of the real property in the District is subject to the Special Tax, except for Exempt Property and property exempted from property taxes by law (i.e., real property owned by governmental units, churches, schools, disabled veterans and the blind). The Special Tax must be levied and collected, and is payable, in the same manner, for the same period or periods, and with the same date or dates of finality as property taxes, except as otherwise provided in the Bond Resolution. All unpaid Special Taxes are, until paid, a lien on the property in respect to which they are imposed from the date they become payable, and are subject to interest and penalties, to the same extent as other property taxes in the County. The Special Taxes cannot be accelerated because of any default in payment of the principal of or interest on the Series 2014 Bonds.

The County Council must levy the Special Tax at the Special Tax Rate that, when multiplied by the estimated assessment of all of the taxable property in the District, which result in Special Tax revenues at least equal to the Special Tax Requirement for that taxable year. In setting the Special Tax Rate each taxable year, the County Council must consider (1) the estimated assessment of all taxable property in the District, and (2) the Special Tax Requirement, assuming delinquencies do not increase the Special Tax Requirement by more than 10 percent.

Exempt Property is defined as any property that is fully-developed prior to creation of the District. Fully developed means there is a building on the property, the property cannot be More Intensively Developed with action by the property owner and the property owner has not taken any action that would result in the property being More Intensively Developed. Property is deemed to be More Intensively Developed if (a) the development of additional permanent buildings on the property or a change in use of the property from the use when the District was created, (b) plan approval is granted by the County to the Maryland National Capital Park and Planning Commission for the development of the property that will result in the construction of additional permanent buildings on the property or a change in use of the property from the use when the District was created or (c) the zoning is changed for the property at the request of the property owner in a manner that would allow additional permanent buildings to be constructed or allow a change in use of the property from the use when the District was created.

A Parcel ceases to be Exempt Property if (A) the Parcel becomes More Intensively Developed, and (B) the Parcel benefits from any development capacity attributable to infrastructure improvements financed by the District. A Parcel that ceases to be Exempt Property must be subject to the Special Tax in the next taxable year. In addition, the Parcel must be subject to the Special tax for all prior taxable years in which the Special Tax was levied as if it were not Exempt Property for those years. The Special Tax for prior taxable years may be paid in installments over five years with interest at the weighted average of the true interest cost of the Series 2014 bonds, but must be fully paid for any Parcel no later than the date the Parcel is fully improved and sold to a Final User.

The Special Tax must not be levied after the date all of the bonds under the Indenture are fully repaid.

Top Ten Taxpayers in West Germantown Taxing District in FY2013

	Parcel # Account	Taxes	Assessed Value
1	3332107	$1,438.84	$831,699.42
2	3332381	1,413.76	817,202.31
3	3332437	1,398.36	808,300.58
4	3332528	1,362.20	787,398.84
5	3332233	1,357.36	784,601.16
6	3332255	1,351.48	781,202.31
7	3332836	1,341.62	775,502.89
8	3332596	1,333.48	770,797.69
9	3295345	1,333.31	770,699.42
10	3332368	1,326.91	767,000.00
Total		**$13,657.32**	**$7,894,404.62**

In FY2013, the highest Special Tax paid was $1,438.84 for the highest assessed property in the District which was assessed at $831,699.42. The tenth-ranked taxpayer in the District paid $1,326.91 in Special Taxes on a real estate property assessment of $767,000. The top ten taxpayers represent a total of $13,657.32 in Special Taxes or 1.18 percent of the total Special Tax collections of $1,155,941for FY 2013.

TAX MATTERS

The following is only a general summary of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), as enacted and in effect on the date hereof and does not purport to be complete; holders of the Series 2014 Bonds should consult their own tax advisors as to the effects, if any, of the Code (and any proposed or subsequently enacted amendments to the Code) in their particular circumstances.

Maryland Income Taxation

In the opinion of Bond Counsel, the interest payable on the Series 2014 Bonds and profit realized from the sale or exchange of the Series 2014 Bonds will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Series 2014 Bonds, their transfer or the interest therefrom.

Interest on the Series 2014 Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Purchasers of the Series 2014 Bonds should consult their own tax advisors with respect to the taxable status of the Series 2014 Bonds in jurisdictions other than Maryland.

Federal Income Taxation

In the opinion of Bond Counsel, assuming compliance with certain covenants described herein, interest on the Series 2014 Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, and decisions.

Under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Series 2014 Bonds, including restrictions that must be complied with throughout the term of the Series 2014 Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Series 2014 Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Series 2014 Bonds; and (iii) other requirements applicable to the use of the proceeds of the Series 2014 Bonds and the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Series 2014 Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has made certain covenants to regulate the investment of the proceeds of the Series 2014 Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Series 2014 Bonds.

Further, Bond Counsel is of the opinion that under existing statutes, regulations and decisions, interest on the Series 2014 Bonds is not included in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to tax may be required to increase its alternative minimum taxable income by 75% 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 such purposes, "adjusted current earnings" may include, among other items, interest income from the Series 2014 Bonds. In addition, interest income on the Series 2014 Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States of America.

In rendering its opinion with respect to the Series 2014 Bonds, Bond Counsel will rely, without independent investigation, on certifications provided by the County with respect to certain material facts within their knowledge relevant to the tax-exempt status of interest on the Series 2014 Bonds.

See Appendix D hereto for the proposed form of opinion of Bond Counsel.

Certain Other Federal Income Tax Consequences

Certain Federal Income Tax Consequences of Ownership

There are other federal income tax consequences of ownership of obligations such as the Series 2014 Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest, (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 15% of the sum of tax-exempt interest received or accrued and the deductible portion of dividends received by such companies; (iii) interest income that is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income tax purposes; and (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, which includes interest on tax-exempt obligations such as the Series 2014 Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; and (v) net gain realized upon the sale or other disposition of the Series 2014 Bonds must be taken into account when computing the 3.8% Medicare tax with respect to investment income imposed on certain higher income individuals and specified trusts and estates.

Tax Accounting Treatment of Discount Bonds

Certain maturities of the Series 2014 Bonds may be issued at an initial public offering price which is less than the amount payable on such Series 2014 Bonds at maturity (the "Discount Bonds"). The difference between the initial offering price at which a substantial amount of the Discount Bonds of each maturity was sold and the principal amount of such Discount Bonds payable at maturity constitutes original issue discount. In the case of any holder of Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to such Discount Bonds is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or repayment at maturity). For federal income tax purposes (i) any holder of a Discount Bond will recognize gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the sum of (1) the holder's original cost basis in such Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such Discount Bond, and (ii) the amount of the basis adjustment described in clause (i)(b)(2) will not be included in the gross income of the holder.

Original issue discount on Discount Bonds will be attributed to permissible compounding periods during the life of any Discount Bonds in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Bonds of each maturity is determined using permissible compounding periods. In general, the length of a permissible compounding period cannot exceed the length of the interval between debt service payments on the Discount Bonds and must begin or end on the date of such payments. Such yield then is used to determine an amount of accrued interest for each permissible compounding period. For this purpose, interest is treated as compounding periodically at the end of each applicable compounding period. The amount of original issue discount which is treated as having accrued in respect of a Discount Bond for any particular compounding period is equal to the excess of (i) the product of (a) the yield for the Discount Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year multiplied by (b) the amount that would be the tax basis of such Discount Bond at the beginning of such period if held by an original purchaser who purchased at the initial public offering price, over (ii) the amount actually payable as interest on such Discount Bond during such period. For purposes of the preceding sentence the tax basis of a Discount Bond, if held by an original purchaser, can be determined by adding to the initial public offering price of such Discount Bond the original issue discount that is treated as having accrued during all prior compounding periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then interest which would have accrued for that compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Holders of Discount Bonds should note that, under the tax regulations, the yield and maturity of a Discount Bond is determined without regard to commercially reasonable sinking fund payments, and any original issue discount remaining unaccrued at the time that a Discount Bond is redeemed in advance of stated maturity will be treated as taxable gain. Moreover, tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable on the occurrence of certain contingencies.

The prices or yields furnished by the successful bidder for the Series 2014 Bonds as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purposes of determining the original issues discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Bonds but does not purport to deal with all aspects of federal income taxation that may be relevant to particular investors or circumstances, including those set out above. Prospective purchasers of Discount Bonds should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Discount Bonds under the alternative minimum tax or the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the alternative minimum tax or the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Bonds should consult their tax advisors.

Purchase, Sale and Retirement of Series 2014 Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Series 2014 Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Series 2014 Bond will be its cost. Upon the sale or retirement of a Series 2014 Bond, for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Series 2014 Bond, determined by adding to the original cost basis in such Series 2014 Bond the amount of original issue discount that is treated as having accrued as described above under "Tax Matters -- Tax Accounting Treatment of Discount Bonds." Such gain or loss will be a long-term capital gain or loss if at the time of the sale or retirement the Series 2014 Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For noncorporate taxpayers, however, net capital gains are taxed at lower rate, while short-term capital gains will be taxed at the rates applicable to ordinary income. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

Market Discount

If a holder acquires a Series 2014 Bond after its original issuance at a discount below its principal amount (or in the case of a Series 2014 Bond issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such bond was first issued), the holder will be deemed to have acquired the Series 2014 Bond at "market discount," unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Series 2014 Bond with market discount subsequently realizes a gain upon the disposition of such Series 2014 Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount attributable to the period during which the holder held such Series 2014 Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Series 2014 Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of such Series 2014 Bond's stated redemption price at maturity over the holder's cost of acquiring such Series 2014 Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires such Series 2014 Bond and its maturity date. In the case of a Series 2014 Bond issued with original issue discount, market discount will be *de minimis* if the excess of such Series 2014 Bond's revised issue price over the holder's cost of acquiring such Series 2014 Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires the Series 2014 Bond and its stated maturity date. For this purpose, a Series 2014 Bond's "revised issue price" is the sum of (i) its original issue price and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to such Series 2014 Bond during the period between its original issue date and the date of acquisition by the holder.

Tax Accounting Treatment of Premium Bonds

A Series 2014 Bond will be considered to have been issued at a premium if, and to the extent that, the holder's tax basis in such Series 2014 Bond exceeds the amount payable at maturity (or, in the case of a Series 2014 Bond callable prior to maturity, the amount payable on the earlier call date). Under tax regulations applicable to the Series 2014 Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) which produces the lowest yield to maturity on the Series 2014 Bonds. The holder will be required to reduce his tax basis in the Series 2014 Bond for purposes of determining gain or loss upon disposition of such Series 2014 Bond by the amount of amortizable bond premium that accrues, determined in the manner prescribed in the regulations. Generally, no deduction (or other tax benefit) is allocable in respect of any amount of amortizable bond premium on the Series 2014 Bonds.

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 discuss all aspects of federal income taxation that may be relevant to a particular holder of Series 2014 Bonds in light of such holder's particular circumstances and income tax situation. Each holder of Series 2014 Bonds should consult such holder's tax advisor as to the specific tax consequences to such holder of the ownership and disposition of the Series 2014 Bonds, including the application of state, local, foreign and other tax laws.

Legislative Developments

Legislative proposals currently under consideration or proposed after issuance and delivery of the Series 2014 Bonds could adversely affect the market value of the Series 2014 Bonds. Further, if enacted into law, any such proposal could cause the interest on the Series 2014 Bonds to be subject, directly or indirectly, to federal income taxation and could otherwise alter or amend one or more of the provisions of federal tax law described above or their consequences. Prospective purchasers of the Series 2014 Bonds should consult with their tax advisors as to the status and potential effect of pending proposed legislative proposals, as to which Bond Counsel expresses no opinion.

SPECIAL BONDHOLDERS RISKS

Investment in the Series 2014 Bonds involves certain risks. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Series 2014 Bonds. This discussion does not purport to be comprehensive or definitive. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failures to pay the Special Taxes could result in the inability to make full and punctual payments of debt service on the Series 2014 Bonds. The order in which such risks are presented is not to be deemed to be a determination of their materiality or the likelihood that the circumstances or events described will occur, and this section, together with the other information in this Official Statement, must be considered in its entirety.

Limited Obligations

The Series 2014 Bonds are payable solely from the Special Tax revenues and certain other funds on deposit with the Trustee or which may be deposited with the Trustee in the future, including earnings and investments on funds on deposit with the Trustee.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE SERIES 2014 BONDS, EXCEPT AS OTHERWISE DESCRIBED HEREIN. EXCEPT FOR THE SPECIAL TAXES NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE SERIES 2014 BONDS. THE SERIES 2014 BONDS ARE NOT GENERAL OBLIGATIONS OF THE COUNTY, BUT ARE SPECIAL OBLIGATIONS OF THE COUNTY PAYABLE SOLELY FROM AMOUNTS DEPOSITED IN CERTAIN FUNDS AND ACCOUNTS HELD BY THE COUNTY AND THE TRUSTEE UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN.

Potential Delay and Limitations of Tax Sales

The payment of Special Taxes and the ability of the County to recover delinquent unpaid Special Tax Revenues may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS- Special Taxes- *Levy, Payment and Collection*" and "SPECIAL BONDHOLDERS RISKS – Bankruptcy".

The ability of the County to recover delinquent unpaid Special Taxes on real properties through the sale of such properties may be limited with regard to properties in which the FDIC may acquire an interest. However, if a lender takes a security interest in property in the District and becomes insolvent, such lender could fall under the jurisdiction of the FDIC. The FDIC has adopted policies regarding the payment of state and local property taxes, including ad valorem and non-ad valorem special taxes and assessments. While this federal instrumentality has acknowledged a policy of paying ad valorem and non-ad valorem special taxes and assessments in certain circumstances, it has also indicated an intention to assert federal preemptive power to challenge any prior taxes, special taxes and assessments where it is in its interest to do so, including the requirement that local agencies obtain the consent of the FDIC in order to sell property at tax sale to recover delinquent special taxes.

If the County is required to obtain the consent of the FDIC in order to sell property located in the District at a tax sale, such consent could be denied and the County might be unable to recover Special Taxes on the property. Additionally, any delay in receiving the consent of the FDIC to a tax sale would delay recovery of any delinquent Special Taxes. This, in turn, could result in a delay or default in payment of the Series 2014 Bonds.

In addition, potential investors should be aware that any recovery of Special Taxes is subject to County procedures for providing notice to record holders of the property of the pending tax sale and delays by subsequent purchasers of property at tax sale to initiate proceedings to foreclose redemption of the property. Potential investors should also be aware that during any period of time in which property offered for sale remains unsold, none of the delinquent Special Taxes are required to be paid.

Delays and uncertainties in recovering delinquent Special Tax Revenues create significant risks for Bondholders. Delinquencies which continue during the pendency of protracted tax sale proceedings could result in the rapid, total depletion of the 2014 Reserve Account prior to replenishment from the resale of such property. In that event, there could be a default in payments of the principal of, and interest on, the Series 2014 Bonds.

Bankruptcy

The various legal opinions to be delivered concurrently with the delivery of the Series 2014 Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the validity and enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Although a bankruptcy proceeding would not cause the Special Taxes to become extinguished, the amount and priority of any lien for Special Taxes could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the amount secured by the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in completing a tax sale of a property. Such delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Series 2014 Bonds and the possibility of delinquent tax installments not being paid in full.

Decline in Property Values

Various factors may adversely affect the value of property in the District. Property values could be adversely affected by economic or financial market instability and declines in economic conditions generally and in the District in particular, which could adversely affect the ability of homeowners to pay the Special Taxes and the amount realized upon any sale of the property at tax sale. Such pressures may also have a near-term impact on assessment values and tax collections in such instances where taxpayer assessment appeals are approved by the State of Maryland. For future impacts, however, tax rates for subsequent levy years will be set appropriately to reflect any reduction in assessment values for the District.

No Acceleration Provision

The Series 2014 Bonds do not contain a provision allowing for the acceleration of the Series 2014 Bonds in the event of a payment default or other default under the terms of the Series 2014 Bonds or the Indenture. Further, the Indenture does not specify any events of default or remedies nor does it require the Trustee to seek any remedies. The ultimate source of recovery in the event of a default on payment of Special Taxes is the tax sale described under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2014 BONDS -Special Taxes-*Levy, Payment and Collection*".

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," the interest on the Series 2014 Bonds could become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2014 Bonds as a result of a failure of the County to comply with certain provisions of the Code. Should such an event of taxability occur, the Series 2014 Bonds are not subject to early redemption and may remain Outstanding to maturity or until redeemed under the redemption provisions of the Indenture.

Bond Ratings

There is no assurance that the rating assigned to the Series 2014 Bonds will not be lowered or withdrawn at any time, which could adversely affect the market price and marketability of the Series 2014 Bonds. See "RATINGS" below.

Secondary Market

There can be no assurance that there will be a secondary market for the purchase or sale of the Series 2014 Bonds. From time to time there may be no market for the Series 2014 Bonds depending upon prevailing market conditions, the financial condition or market position of any firms who may make the secondary market and the financial condition of the County. The Series 2014 Bonds should, therefore, be considered long-term investments in which funds are committed to maturity.

UNDERWRITING

The Series 2014 Bonds are being purchased for reoffering by M&T Securities, Inc. (the "Underwriter"). The Underwriter has made a firm commitment to purchase the Series 2014 Bonds for $12,949,548.45. The purchase price reflects the initial par amount of the Series 2014 Bonds plus premium in the amount of $978,420.45 less an underwriter's discount of $53,872.00. The purchase contract pursuant to which the Underwriter is purchasing the Series 2014 Bonds provides that the Underwriter will purchase all of the Series 2014 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in such contract of purchase. The offering prices may be changed from time to time by the Underwriter.

The Underwriter has provided this paragraph for inclusion in this Official Statement. The Underwriter, together with its affiliates, is a full-service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the County, for which they may have received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

CERTAIN LEGAL MATTERS

The authorization, sale, issuance and delivery of the Series 2014 Bonds will be subject to legal approval by McKennon Shelton & Henn LLP, Bond Counsel, and a copy of their unqualified approving legal opinion with respect to the Series 2014 Bonds will be delivered upon request, without charge, to the successful bidders for the Series 2014 Bonds. The opinion is expected to be substantially in the form of the draft opinion attached to this Official Statement as Appendix C.

LITIGATION

The County is currently processing numerous claims for damages and is also a defendant in a number of lawsuits which are expected to be paid, when applicable, through its self-insurance program. Management and legal counsel believe that the self-insurance program is adequately funded to cover such claims and lawsuits to be paid out of the program. In addition to those suits in which claims for liability are adequately covered by insurance, the County is a defendant in various suits involving tort claims, violations of civil rights, breach of contract, inverse condemnation, and other suits and actions arising in the normal course of business. In the opinion of the County Attorney, none of such claims and suits will materially affect the County's ability to perform its obligations to the holders of the Series 2014 Bonds.

LEGALITY FOR INVESTMENT

The Series 2014 Bonds are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians for all public funds of the State of Maryland or other political corporations or subdivisions of the State of Maryland, and any and all public funds of cities, towns, counties, school districts or other political corporations or subdivisions of the State of Maryland.

RATINGS

Fitch Ratings, and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., have given the Series 2014 Bonds the ratings indicated on the cover page of this Official Statement. An explanation of the significance of any such rating may be obtained from the rating agency furnishing the same. The County furnished the rating agencies information contained in a preliminary form of this Official Statement and certain publicly available materials and information respecting the County. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies and assumptions of the rating agencies. Such ratings may be changed at any time, and no assurance can be given that they will not be revised downward, upward, or withdrawn by any or all of the rating agencies if, in the judgment of any or all, circumstances so warrant. Such circumstances may include, without limitation, changes in or unavailability of information relating to the County. Any such revision or withdrawal of any or all of such ratings could have an effect on the market price of the Series 2014 Bonds.

FINANCIAL ADVISOR

Public Financial Management, Inc., is serving as financial advisor to the County with respect to the issuance and sale of the Series 2014 Bonds. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities. The Financial Advisor has not and is not obligated to undertake or to make an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

CERTIFICATE OF COUNTY OFFICIALS

The Chief Administrative Officer and the Director of Finance of the County will furnish a certificate to the Underwriter for the Series 2014 Bonds to the effect that, to the best of their knowledge and belief, this Official Statement, as of the date of sale and the date of delivery of the Series 2014 Bonds, is true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact, required to be stated or necessary to be stated, to make such statements, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement (the "Continuing Disclosure Agreement") on or before the date of issuance and delivery of the Series 2014 Bonds, the form of which is attached to this

Official Statement as Appendix C. Potential purchasers of the Series 2014 Bonds should note that the Listed Events in Appendix C are intended to completely restate the events specified in Rule 15c2-12.

The County has not failed to comply during the last five years with any prior continuing disclosure undertaking made pursuant to Rule 15c2-12. However, the County's timely-filed disclosure under its Solid Waste Disposal Waste Disposal System Refunding Revenue Bonds (the "2003 Series A Bonds") issued on behalf of the County by Northeast Maryland Waste Disposal Authority (the "Authority") for FY2010 was filed on EMMA under the County's CUSIP only and for FY2012 under the Authority's CUSIP only. The 2003 Series A Bonds are no longer outstanding.

MISCELLANEOUS

All references to any documents mentioned herein and in the accompanying Appendices, including any summaries thereof, are qualified in their entirety by reference to such documents. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the registered Holders of the Series 2014 Bonds.

The information in this Official Statement is presented for the guidance of prospective purchasers of the Series 2014 Bonds described herein. The information has been compiled from official and other sources and, while not guaranteed by the County, is believed to be correct. So far as any statements made in this Official Statement and the Appendices attached hereto involve matters of opinion or of estimates, whether or not so expressly stated, they are set forth as such and not as representations of facts, and no representation is made that any of the estimates will be realized.

The attached Appendices are integral parts of the Official Statement and must be read in their entirety together with all of the foregoing information.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution of this Official Statement and its delivery have been duly authorized by the County.

/s/Timothy L. Firestine
Timothy L. Firestine
Chief Administrative Officer

/s/Joseph F. Beach
Joseph F. Beach
Director, Department of Finance

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APPENDIX A

DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF LEGAL DOCUMENTS

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DEFINITIONS AND SUMMARY OF
CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. This is not a complete recital of the terms of the Indenture and reference should be made to the Indenture for a complete statement of its provisions.

In addition to the 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 Indenture, and Second Supplemental Indenture, and the Bond Resolution.

Definitions

“Acts” means, collectively, the County Act and the State Act:

“Additional Bonds” means any bonds issued by the County on parity with any then Outstanding Bonds pursuant to the Indenture.

“Administrative Expenses” means any or all of the following costs directly related to the administration of the District and the discharge of the duties of the County and the Trustee under the Indenture, the fees and expenses of the Trustee, the expenses of the County in carrying out its duties under the indenture, including, but not limited to levying and collecting the Special Taxes, complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state tax and securities law, including the fees of any professionals retained by the County to provide services for such purposes the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund relating to any Series of Bonds), any amounts payable to the Bond Insurer pursuant to the Indenture for reimbursement of expenses and indemnification: an allocable share of the salaries of County personnel directly related thereto, and all other costs and expenses of the County or the Trustee incurred in connection with the discharge of their respective duties under the Indenture and, in the case of the County, in any way related to the administration of the District.

“Administrator” means any person selected by the County to perform any and all of the tasks of the County Representative under the Indenture and any other tasks set forth in an Administration Agreement.

“Administration Agreement” means any agreement between the County and an Administrator, as any such agreement may be amended or supplemented from time to time.

“Annual Debt Service” means, for each Bond Year during which and after the calculation is made, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund payments, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund payment due in such Bond Year).

“Authorized Denomination: means (1) with respect to the Series 2014 Bonds, $5,000 and any integral multiple thereof; and (2) with respect to any Additional Bonds, such Authorized Denomination as shall be set forth in the Supplemental Indenture authorizing the issuance of each Additional Bonds.

“Authorized Officer of the County” means the Director of Finance or any other County officer designated by the County Executive in writing to act on behalf of the County under the Indenture.

“Balloon Indebtedness” means indebtedness of which 25% or more of the principal amount thereof comes or may come due in any one Fiscal Year by maturity, mandatory sinking fund redemption or optional or mandatory tender by the holder thereof.

“Bond Counsel” means any attorney or firm or attorneys acceptable to the County and nationally recognize for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established by the Indenture.

“Bond Register” means the books for the registration and transfer of Bonds maintained by the Trustee under the Indenture.

“Bond Resolution” means Resolution No. 13-1398 adopted by the County Council on August 4, 1998, as amended by Resolution No. 14-957 adopted by the County Council on July 17, 2001.

“Bond Year” means the one-year period beginning on July 1 each year and ending on the day prior to July 1 in the following year, except that the first Bond Year shall begin on the Closing Date for the Series 2014 Bonds and end on June 30, 2015.

“Bondholder” or “holder” or “owner” means any person who shall be the registered owner of any Outstanding Bond.

“Business Day” means any day, other than a Saturday or Sunday or a day on which commercial banks in New York, New York, or the corporate trust office of the Trustee located in Richmond, Virginia, are required or authorized by law to close or a day on which the New York Stock exchange in closed.

“Closing Date” means the date upon which there is a physical delivery of the Series 2014 Bonds in exchange for the amount representing the purchase price of the Series 2014 Bonds.

“Code” means the United States Internal Revenue Code of 1986, as amended and the Regulations thereunder, or any successor statute, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the Treasury Department or Internal Revenue Service of the United States.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the County and related to the authorization, sale and issuance of the Bonds, which items of expense shall include, but not be limited to, bond printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Trustee including its first annual administration fee, initial fees and charges of the Administrator, if any, including any fees for the first Bond Year, expenses incurred by the County in connection with the issuance of the Bonds and the establishment of the District, special tax consultant fees and expenses, appraiser’s fee, preliminary engineering fees and expenses, bond (underwriter’s) discount, legal fees and charges, including bond counsel, underwriter’s counsel, Trustee’s counsel, financial advisor’s fees, charges for execution, transportation, and safekeeping of the Bonds and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established by the Indenture.

“County” means Montgomery County, Maryland and any successor thereto.

“County Act” means Chapter 14 of the 1994 Montgomery County Code, as amended, and any acts amendatory or supplementary thereto.

“County Representative” means the Director of Finance, the person or persons appointed by the Director of Finance to perform the tasks of the County Representative under the Indenture or designee of such person.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds (including mandatory sinking fund payments) during the period of computation, excluding amounts scheduled during such period which related to principal which has been retired before the beginning of such period.

“Defeasance Security” means nonredeemable direct general obligations of the United States of America to which its full faith and credit is pledged (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and nonredeemable obligations, the payment of principal and interest on which are directly or indirectly guaranteed by the full faith and credit of the United States of America, including, without limitation, such of the foregoing which are commonly referred to as “stripped” obligations and coupons.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to the Indenture.

“District” means the West Germantown Development District formed by the County under the Acts and the Formation Resolution.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Event of Default” means any Event of Default specified in the Indenture and described under the caption “Defaults and Remedies”.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract, or other investment agreement that is acquired in accordance with applicable regulations under the Code), or (iii) the investment is a United States Treasury Security- State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

“Federal Securities” means (i) obligations for which the United States of America has pledged its faith and credit for the payment of the principal and interest and (ii) obligations that a federal agency or a federal instrumentality has issued in accordance with an Act of Congress for which the full faith and credit of the United States of America are pledged.

"Fiscal Year" means the twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Formation Resolution" means Resolution No. 13-1135 adopted by the County Council on January 13, 1998, as amended by Resolution No. 14-957 adopted by the County Council on July 17, 2001.

"Indenture" means the Indenture of Trust dated as of April 1, 2002, between the County and the Trustee, as it may be amended or supplemented from time to time by any Supplemental Indenture adopted pursuant to the provisions of the Indenture.

"Independent Consultant" means any consultant or firm of consultants appointed by the County or the County Representative who (i) has experience in matters relating to the administration of development districts such as the District, the issuance of bonds such as the Bonds, or the appraisal of real property, (ii) is not an officer or employee of the County, and (iii) does not have any interest, direct or indirect, with or in any property in the District or with or in any owner of such property. The Administrator may be an Independent Consultant.

"Interest Payment Dates" means January 1 and July 1 of each year, commencing January 1, 2015.

"Investment Instructions" means the investment instruction delivered by the County from time to time to and acknowledged and accepted by, the Trustee.

"Maryland Code" means the Annotated Code of Maryland, as amended.

"Maximum Annual Debt Service" means the largest Annual Debt Service for any Bond Year during which and after the calculation is made through the final maturity date of any Bonds Outstanding on the date such calculation is made, plus any Additional Bonds proposed to be issued pursuant to the Indenture, as applicable.

"Notice Holder" means any person who provides (i) a written request to the Trustee for notices under the Indenture to be given to such person at the address designated in such writing and (ii) evidence reasonably satisfactory to the Trustee of such person's beneficial ownership of $1,000,000 or more in aggregate principal amount of the Bonds. The Trustee may, in its sole discretion, but shall not be obligated to determine that any person no longer qualifies as a Notice Holder due to such person's beneficial ownership of less than $1,000,000 in aggregate principal amount of the Bonds: provided that each of the initial Notice Holders shall continue to be a Notice Holder for so long as such person shall be the owner or beneficial owner of any of the Bonds.

"Outstanding" when used as of any particular time with reference to Bonds, means all Bonds issued and delivered by the County under the Indenture except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation, (ii) Bonds paid within the meaning of the Indenture: and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the County pursuant to the Indenture or any Supplemental Indenture.

"Permitted Investments" means amounts deposited in the following, but only to the extent that the same are acquired at Fair Market Value.

(i) with respect to amounts in the Bond Fund, the Reserve Fund and the Special Fund, any of the following investments to the extent permitted (as determined by the County) pursuant to the County Act and which Permitted Investments as in effect on the Closing Date are as follows:

(a) the bond, stock or other valid obligations of the State or of any county, municipal or public corporation, special district and/or political subdivision of the State which are rated in the highest rating category by the Qualified Rating Agencies (without regard to any refinement or gradation of rating categories by numerical modifier or otherwise); and

(b) the bonds or other obligations of the United States of America. United States Treasury Certificates, bonds of any public corporation or other body, guaranteed as to payment of principal and interest by the United States of America; and

(ii) with respect to Bond proceeds deposited in the Improvement Fund, the Costs of Issuance Fund and with respect to any other funds held by the Trustee under the Indenture, any of the following investments to the extent permitted (as determined by the County) pursuant to the County Act and which Permitted Investments as in effect on the Closing Date are as follows:

(a) Federal Securities;

(b) Repurchase agreements, with the consent of the Bond Insurer, with a maturity not exceeding one year, represented by written agreement in commercially reasonable form (i) with any corporation or other entity that fall under the jurisdiction of the Bankruptcy Code provide that (A) the Trustee or third party acting solely as agent for the Trustee has possession of the collateral; (B) the market value (marked to market daily) of the collateral is maintained at an amount equal to at least 102% of the amount of cash transferred by the Trustee into the dealer bank or securities firm under the repurchase agreement plus interest; (C) failure to maintain the requisite collateral levels will require the Trustee to liquidate the collateral immediately; and (D) the repurchase securities are free and clear of any third-party lien or claim; and (ii) with financial institutions including the Trustee and its affiliates insured by the Federal Deposit Insurance Corporation or any broker-dealer with "retail customer" which fails under the jurisdiction of the Securities Investors Protection Corporation SIPC") provided that (A) the requirements specified in clause (i)(A), (B), and (C) are met. (B) the Trustee has perfected first priority security interest in the collateral and (C) the collateral is free and clear of third party liens and, in the case of SIPC broker, was not acquired pursuant to a repurchase agreement or reverse repurchase agreement;

(c) bonds, notes or other obligations rated in the highest letter and numerical rating category by a nationally recognized statistical rating organization as designated by the Securities and Exchange Commission issued by or on behalf of the State or any other state or any agency, department, county, municipal or public corporation, special district, authority, or political subdivision thereof or in any fund or trust that invest only in such securities;

(d) shares in money market mutual funds investing solely in Permitted Investments described in paragraph (ii)(a) or (b) above, which are registered and operating under the Investment Company Act of 1940, as amended and are rated in the highest rating category by a Qualified Rating Agency and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, including any such money market mutual funds of the Trustee and its affiliates; or

(e) commercial paper rated in the highest letter and numerical rating category by a nationally recognized statistical rating organization as designated by the Securities and Exchange

Commission provided that such commercial paper may not exceed five percent (5%) of the total investments made hereunder.

"Principal Office" means the principal corporate trust office of the Trustee set forth in the Indenture or such other or additional offices as may be designated by the Trustee.

"Qualified Rating Agency" means Fitch Ratings, Moody's Investors Service, Inc. or Standard and Poor's Ratings Group, a Division of the McGraw-Hill Companies, Inc.

"Rebate Fund" means the fund by that name established by the Indenture.

"Record Date" means the 15th day of the month preceding the month of the applicable Interest Payment Date, whether or not such day is a Business Day.

"Reserve Fund" means the fund by that name established pursuant to the Indenture consisting of the 2014 Reserve Account relating to the Series 2014 Bonds.

"Reserve Requirement" means, for any Series of Bonds, as of any date of calculation, an amount equal to the lesser of (i) Maximum Annual Debt Service for such Series as of the date of determination (ii) one hundred twenty-five percent (125% of average Annual Debt Service for such Series as of the date of determination, or (iii) ten percent (10%) of the original principal amount of the Bonds of such Series issued under the Indenture.

"Resolutions" means, collectively, the Bond Resolution, Formation Resolution and Refunding Resolution.

"Revenue Requirement" means for any taxable year, (i) when determining the Special Assessment Rate, (a) the amount required in any taxable year to pay year, (1) debt service and other periodic costs on the Bonds or other indebtedness of the District. (2) a pro rata share of the Administrative Expenses to be incurred in the taxable year or incurred in any previous taxable year and not paid by the District, such pro rata share to be based on the amount of the annual Special Assessment Revenues divided by the aggregate annual Special Assessment Revenues and Special Tax revenues, and (3) the costs of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash), less (b) (1) any credits available under the Indenture, such as investment earnings on any account balances and capitalized interest available to pay debt service, which may be offset by delinquencies in payment of the Special Assessments (whether estimated or actual) and any replenishment of the reserve fund and (2) Special Taxes available to be applied to the Revenue Requirement: and (ii) when determining the Special Tax Rate, (a) the amount required in any taxable year to pay (1) debt service and other periodic costs on the Bonds or other indebtedness of the District, (2) a pro rata share of the Administrative Expenses to be incurred in the taxable year or incurred in any previous table year and not paid by the District, such pro rat share to be based on the amount of annual Special Tax revenues divided by the aggregate annual Special Assessment Revenues and Special Tax revenues, (3) any amount required to replenish any reserve fund established for the Bonds, (4) an amount equal to the estimated delinquencies expected in payment of the Special Tax not otherwise taken into account in a replenishment of the reserve fund, and (5) the cost of remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of cash), less (b) any credits available under the Indenture, such as investment earnings on any account balances and capitalized interest available to pay debt service.

“Senior Bonds” means the Series 2014 Bonds and any Series of Additional Bonds issued as Senior Bonds under the Indenture.

“Series” means any series of Bonds issued under the Indenture.

“Special Fund” means the fund by the name established by the Formation Resolution and otherwise described in the Indenture.

“Special Revenues” means the proceeds of the Special Assessments and the Special Taxes, including any scheduled payments thereof, interest thereon and proceeds of the redemption or sale of property sold at tax sale, including any penalties and interest thereon. “Special Revenues” does not include any administrative expenses collected by the County in connection with delinquent Special assessments or Special Taxes.

“Special Taxes” means that taxes levied within the District pursuant to the Acts and that Resolution as more particularly described in the Bond Resolution.

“State” means the State of Maryland.

“State Act” means Chapter 20A of the 1994 Montgomery County Code, as amended any acts amendatory or supplementary thereto.

“Second Supplemental Indenture” means that Second Supplemental Indenture dated as of August 1, 2014 between the County and the Trustee.

“Supplemental Indenture” means any indenture agreement or other instrument hereafter duly executed by the County and the Trustee and which indenture, agreement or other instrument is and the Trustee and which indenture, agreement or other instrument is amendatory of or supplemental to the Indenture, but only if and to the extent that such indenture, agreement or other instrument is specifically authorized under the Indenture.

“Tax Certificate” means the Tax Certificate and Covenants dated the Closing Date delivered by the County.

“Trustee” means U.S. Bank, National Association, Richmond, Virginia, in its capacity as trustee with the trust duties and powers herein provided, its successors and assigns, and any other banking corporation or association which may at any time be substituted in its place as provided in the Indenture.

“Variable Rate Indebtedness” means indebtedness which does not bear a fixed rate of interest to maturity.

“2014 Bond Account” means the subaccount within the Bond Fund by that name established by the Second Supplemental Indenture.

“2014 Reserve Account” means subaccount within the Reserve Fund by that name established by the Second Supplemental Indenture.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

Additional Bonds

So long as no Event of Default has occurred and is continuing. the County may issue from time to time Additional Bonds under and secured by the Indenture on a parity with the Outstanding Bonds, subject to the conditions set forth in the Indenture, for the purpose of (i) refunding or advance refunding any Outstanding Bonds or (ii) obtaining funds necessary to finance or refinance the completion of the Improvements. The Trustee will authenticate and deliver the Additional Bonds upon the receipt by the Trustee of:

(i) a counterpart of the applicable Supplemental Indenture authorizing the issuance of such series of Additional Bonds;

(ii) a certified copy of the resolution of the County Council of the Issuer authorizing the issuance of such Additional Bonds;

(ii) a request and authorization from the County to the Trustee (A) to authenticate and deliver such Additional Bonds to or upon the order of the purchaser(s) designated therein upon payment to the Trustee for the account of the County, of a sum specified therein and (B) to deposit the proceeds of the sale of such Additional Bonds and other moneys as specified in the Supplemental Indenture authorizing the issuance of such Additional Bonds:

(iv) an opinion of Bond Counsel to the effect that (A) the Supplemental Indenture has been duly executed by the County and constitutes the valid and binding obligations of the County enforceable against the County in accordance with its terms; (B) the Additional Bonds have been duly and validly authorized and issued by the County and constitute the valid and binding limited obligations of the County enforceable against the County in accordance with their terms, and (C) the issuance of such Additional Bonds will not adversely affect the excludability from gross income for federal income tax purpose of interest paid on any tax-exempt Bonds theretofore issued. The opinion of Bond Counsel may be qualified as to such matters as are acceptable to the County and the Trustee, and include customary exceptions as to bankruptcy, insolvency and other laws affecting creditors' rights generally and customary exceptions as to principles of equity;

(v) moneys or securities authorized for the investment of any reserve fund in an amount equal to the amount, if any, required to make the amount on deposit in such reserve fund equal to the reserve requirement for such Additional Bonds:

(vi) either (A) the assessed value of all parcels of real property in the District subject to the levy of the Special Taxes and Special Assessments and not delinquent in the payment of any Special Taxes and Special Assessments then due and owing as of the immediately preceding January 1 shall be at least 20 times the sum of: (I) the aggregate principal amount of all Bonds then Outstanding, less the principal amount of any Outstanding Bonds that will not be Outstanding upon the issuance of such Additional Bonds and (II) the aggregate principal amount of the Series of Additional Bonds proposed to be issued or (B) if such Additional Bonds are issued for the purpose of refunding all or any portion of the Outstanding Senior Bonds, Maximum Annual Debt Service is not increased:

(vii) evidence satisfactory to Bond Counsel that the County Council has taken such actions, obtained such petitions and held such public hearings as may be required by the Acts for the issuance of such Additional Bonds; and

(viii) such other certificates, statements, receipts and documents as the Trustee or the County may require for the delivery of such Additional Bonds.

Funds and Accounts

Creation of Funds and Accounts. The Indenture provides for the creation of the following funds and accounts: (1) a Bond Fund and therein a 2014 Bond Account (2) a Reserve Fund and therein a 2014 Reserve Account (4) a Costs of Issuance Fund: and (5) a Rebate Fund.

Reserve Fund. Moneys in the 2014 Reserve Account shall be held in trust by the Trustee for benefits of the holders of the Series 2014 Bonds as a reserve for the payment of principal of, and interest and any premium on the Series 2014 Bonds and shall be subject to a lien in favor of the holders of the Series 2014 Bonds. Interest earnings and profits resulting from the investment of moneys in the Reserve Fund shall be used by the County Representative to comply with the arbitrage rebate provisions of the Indenture and the Tax Certificate and shall, to the extent amounts in the Reserve Fund equal the Reserve Requirement, otherwise be subject to transfer as provided below.

Except as otherwise provided below, all amounts deposited in the Series 2014 Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the 2014 Bond Account in the event of any deficiency on any Interest Payment Date in the 2014 Bond Account of the amount then required for payment of the principal of (including any sinking fund payments) and interest and any premiums on the Series 2014 Bonds or for the purpose of redeeming Series 2014 Bonds.

Whenever transfer is made from the Reserve Fund to the Bond Fund due to a deficiency in the Bond Fund, the Trustee shall provide written notice thereof to the County Representative and the Bond Insurer, specifying the amount withdrawn.

Whenever, on any Interest Payment Date, or on any other date at the request of the County Representative or other date that valuation is required by the Indenture, the amount in the 2014 Reserve Account exceeds the Reserve Requirement for the Series 2014 Bonds, the Trustee shall provide written notice to the County Representative of the amount of the excess and shall transfer in the following order of priority, such excess from the Reserve Fund: (i) to the County, an amount equal to the Administrative Expenses due for the next ensuring year plus any Administrative Expenses then due and payable (all as reflected in a certificate of the County Representative delivered to the Trustee), (ii) to the 2014 Bond Account as applicable, to be used for the payment of interest on the applicable Series of 2014 Bonds on the next Interest Payment Date.

The Trustee shall value the Reserve Fund (i) quarterly on each January 1. April 1, July 1, and October 1 and (ii) at any time upon the request of the County Representative. Whenever upon valuation by the Trustee, the balance in the 2014 Reserve Account equals exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee shall transfer the amount in the 2014 Reserve Account to the 2014 Bond Account to be applied on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Series 2014 Bonds of the applicable Series. In the event that the amount so transferred exceed the amount required to pay and redeem the Outstanding 2014 Bonds respectively, the balance remaining in the 2014 Reserve Account after such transfer shall be transferred to the County to be used for any lawful purpose of the County.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund as described in the immediately preceding paragraph until after (i) the calculation of any rebate amounts due to the Federal Government following payment of the Series 2014 Bonds and withdrawal of any such amount from the Reserve Fund for purpose of making such payment to the federal government, and (ii) payment of all amounts then due to the Trustee.

Whenever, upon valuation by the Trustee, the amount on deposit in Series 2014 Reserve Account is less than the Reserve Requirement for the Series 2014 Bonds, the Trustee shall notify the County of the amount necessary to restore the amount in the 2014 Reserve Account to the Reserve Requirement for the related Series of Bonds. A deficiency upon the quarterly valuation shall be replenished in three equal monthly payments prior to the next succeeding valuation date. A withdrawal must be replenished within the next succeeding twelve months.

Bond Fund. Moneys in the 2014 Bond Account shall be held in trust by the Trustee for the benefit of the Holders of the Series 2014 Bonds, shall be disbursed for the payment of the principal of, and interest and any premium on, the Series 2014 Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Holders of the Series 2014 Bonds. Interest earning and profits resulting from the investment and deposit of amounts in the accounts of the Bond Fund shall be retained in such accounts to be used for purposes of such account.

Notwithstanding any provision of the Indenture to the contrary, whenever the Trustee shall receive amounts from the County for deposit to the Bond Fund, the Trustee shall deposit such amounts first in the 2014 Bond Account until the amount on deposit in such account equals the principal of and interest on the Series 2014 Bonds payable on the next Interest Payment Date.

On each Interest Payment Date and on any redemption date, the Trustee shall withdraw from the 2014 Bond Account and pay to the holders of the Series 2014 Bonds the principal, and interest and any premium, then due and payable thereon, including any amounts due on the Series 2014 Bonds by reason of sinking fund payments, or a redemption of the 2014 Bonds required by the Indenture, less any amount to be used to pay interest on the 2014 Bonds on such Interest Payment Date from such payments to be made in the priority listed in the second succeeding paragraph.

In the event that amounts in the 2014 Bond Account are insufficient for the purposes set forth in the preceding paragraph, the Trustee shall withdraw from the 2014 Reserve Account to the extent of any fund, therein amounts to cover the amount of such insufficiency and deposit such amount in the 2014 Bond Account.

If, after the foregoing transfer, there are insufficient funds in the 2014 Bond Account to make the payments provided for in the first sentence of the second preceding paragraph above the Trustee shall apply available funds first to the payment of interest on the Series 2014 Bonds, then to the payment of principal due and payable on the Series 2014 Bonds by reason of sinking fund payments and premium, and then to payment of principal due and payable on the Series 2014 Bonds by reason of sinking fund payments. Any sinking fund payment not made as schedule shall be added to the sinking fund payment to be made on the next sinking fund payment date.

Special Fund. The Special Fund will be held by the County. The County shall deposit in the Special Fund, as soon as practicable following receipt, any Special Revenues. Moneys in the Special Fund shall be held in trust by the County for the benefit of the Bondholders, shall be disbursed as provided below and shall be subject to a lien in favor of the Bondholders to the extent provided in the Indenture.

The County shall withdraw the Special Fund and transfer the following amounts, on the following dates, in the following order of priority: (i) at least five days before each Interest Payment Date, to the Trustee for deposit to the 2014 Bond Account an amount, taking into account any amounts then on deposit in the 2014 Bond Account such that the amount in 2014 Bond Account equals the principal (including any sinking fund payment), premium, if any, and interest due on the 2014 Bonds on such Interest Payment Date and (ii) at any time upon receipt of notice from the Trustee of a deficiency in the 2014 Reserve Account, the amounts required to be deposited to the 2014 Reserve Account described above in the last paragraph under the caption –"Reserve Fund", until the amount in the 2014 Reserve Account is equal to the Reserve Requirement for the Series 2014 Bonds. If all transfers required by clause (i) of the preceding sentence have been made and the amount on deposit in the Reserve Fund is at least equal to the Reserve requirement for the Bonds, then amounts on deposit in the Special fund equal to the Administrative Expenses due for the next ensuing year plus any Administrative Expenses then due and payable (all as reflected in a certificate of the County Representative delivered to the Trustee), shall be withdrawn by the County from the Special Fund and used to pay the Administrative Expenses from time to time.

The Trustee shall deposit moneys received from the County (i) first, to the 2014 Bond Account in the amount required to make the amount on deposit in the 2014 Bond Account equal to the principal of, premium, if any, and interest payable on the Series 2014 Bonds on the next succeeding Interest Payment Date and (ii) second, to the 2014 Reserve Account, the amounts required to be deposited to the 2014 Reserve Account described above in the last paragraph under the caption "Reserve Fund", until the amount on deposit in the 2014 Reserve Account described above in the last paragraph under the "Reserve Fund" until the amount on deposit in the Series 2014 Reserve Account is equal to the Reserve Requirement for the Series 2014 Bonds.

Interest earnings and profits resulting from the investment of moneys in the Special Fund shall be retained in the particular subaccount of the Special Fund to be used for the purposes thereof.

Rebate Fund. Funds shall be deposited to and withdrawn from the Rebate Fund in accordance with the provisions of the Indenture. The Rebate Fund shall be invested in accordance with the Investment Instructions. The Rebate Fund is not pledged to the payment of the Series 2014 Bonds.

Administrative Expenses

Amounts transferred to the County in accordance with the Indenture for the payment of Administrative Expenses may be used by the County to pay Administrative Expenses from time to time. The County Representative shall maintain records of all Administrative Expenses paid by the County from time to time, including the nature of such Administrative Expenses.

Investments

Moneys in any fund or account created or established by the Indenture and held by the Trustee shall be invested by the Trustee in Permitted Investments at the direction of the County. Absent such direction, the Trustee shall invest amounts deposited in such funds and accounts in Federal Securities which by their terms mature prior to the date on which such money are required to be paid out under the Indenture. Moneys in any fund or account created or established by the Indenture or the Resolutions and held by the County shall be invested by the County in Permitted Investments which by their terms mature prior to the date on which such moneys are required to be paid out under the Indenture.

The Trustee and its affiliates may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. The Trustee shall not incur any liability for losses arising from any investments made pursuant to the Indenture. The Trustee shall not be required to determine the legality of any investments nor shall the Trustee be liable for failure to invest in legal investments or in the highest yielding investments.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to the Indenture or otherwise containing gross proceeds of the 2002 Bonds (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued by the Trustee and the County at Fair Market Value or as otherwise provided under the Investment Instructions. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code shall he valued by or on behalf of the County at their present value (within the meaning of Section 148 of the Code). The Trustee shall not be liable for such valuation or verification of the application or such section of the Code.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions in the Indenture for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee or the County under the Indenture, provided that the Trustee and the County shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture.

The Trustee and the County shall sell at Fair Market Value, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and the Trustee and the County shall not be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance herewith.

Interpretation of Indenture

In determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of the Indenture, the Trustee shall consider the effect on the Bondholders without regard to the Bond Insurance Policy. The Trustee shall not be permitted to resolve ambiguities in the Indenture in any manner that shall be deemed to be conclusively binding on the Bondholders without the consent of the Bond Insurer.

Covenants of the County

The County has made, among others, the following covenants under the Indenture:

Punctual Payment. The County will punctually pay or cause to be paid the principal of, and interest and any premium on, the Bonds when and as due in strict conformity with the terms of the Indenture, the Bonds and any Supplemental Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and all Supplemental Indentures and of the Bonds.

Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the County shall not, directly or indirectly, extend or consent to the extension of the time of the payment of any claim for interest on any of the Bonds and shall not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claim for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the County, such claim for interest so extended or funded shall not be entitled in case of default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

No Encumbrances. The County will not encumber, pledge or place any charge or lien upon any of the Special Revenues or other amounts pledged to the Bonds or the funds or accounts pledged under the Indenture superior to, on a parity with or subordinate to the pledge and lien created for the benefit of the Bonds, except as permitted by the Indenture.

Protection of Security and Rights of Bondholders. The County will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons.

Compliance with Law. The County will comply with all applicable provisions of the Acts and law in financing the Improvements.

Further Assurance. The County will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Bondholders of the rights and benefits provided in the Indenture.

No Arbitrage: Rebate. The Director of Finance shall be the official of the County responsible for issuing the Bonds (the "Section 148 Certifying Official"). The Section 148 Certifying Official shall execute and deliver on the Closing Date the County's Tax Certificate that complies with the requirements of Section 148 of the Code. The County shall set forth in its Tax Certificate its reasonable expectations as to relevant facts, estimates and circumstances relating to the use of the proceeds of the Bonds, or of any moneys, securities or other obligations that may be deemed to be proceeds of the Bonds within the meaning of Section 148.

The County further covenants that it will not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Series 2014 Bonds to be "arbitrage bonds" within the meaning of Section 148(f) of the Code.

The County shall (i) hold and invest Bond proceeds within its control (if such proceeds are invested), (ii) direct the Trustee to transfer amounts on deposit in any fund or account created by the Indenture to the Rebate Fund for the payment of rebate or payments in lieu thereof to the United States of America, all in accordance with the expectations of the County set forth in the Tax Certificate.

The County shall make timely payment, but only form the Special Revenues or funds held under the Indenture, or any rebate amount or payment in lieu thereof (or installment of either) required to be paid to the United States of America in order to preserve the excludability from gross income, for federal income tax purpose, of interest paid on the Bonds and shall include with any such payment such other documents, certificates or statements as shall be required to be included therewith under then applicable law and regulations.

Upon the written direction of the County, the Trustee shall transfer amounts on deposit in any fund and account created by the Indenture of the Rebate Fund, and by other provisions of the indenture to the contrary notwithstanding. Amounts on deposit in the Rebate Fund from time to time required to be paid to the United States of America pursuant to Section 148 of the Code as a rebate or payment in lieu thereof shall be made available by the Trustee to the County for such payments upon the written direction of the County. Upon the written direction of the County, the Trustee shall transfer amounts on deposit in the Rebate Fund to any fund or account created by the Indenture or thereto the County for deposit to any such fund or account, provide, however, that the amount set forth by the County in such written direction to be transferred shall not exceed the excess of the amount on deposit in the Rebate Fund over the rebate liability as of the date of the calculation, less amounts theretofore paid to the United States of America as rebate with respect to the Bonds.

Maintenance of Tax-Exemption. The County shall take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the Bondholders to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds.

Amendments to Implementation Agreement. The County shall not execute or deliver any amendment to the Implementation Agreement or terminate the obligations of any Implementation Party thereunder without the prior written consent of the Bond Insurer.

Trustee: Resignation and Removal

The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture and in the Investment Instructions, and no implied covenants or obligations shall be read into the Indenture against the Trustee.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversation or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph, shall be the successor to such Trustee without the execution or filing of any paper or any further act.

The Trustee may be removed at any time for cause by the Bond Insurer, or with the written consent of the Bond Insurer, the Majority Holders acting in their sole discretion by an instrument or concurrent instruments in writing signed by the Majority Holders and delivered to the Trustee, the County and the Developers. After an Event of Default has occurred and is continuing, the Trustee may be removed at any time by the Bond Insurer. Upon thirty (30) days prior written notice, the County, with prior written consent of the Bond Insurer, may remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus and undivided profits of at least One hundred million Dollars ($100,000,000), and subject to supervision or examination by federal or state authority. If such bank 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 foregoing requirement, combined capital and surplus of such bank 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.

The Trustee may at any time provide notice of resignation by giving written notice to the County and the Bond Insurer and by giving to the Bondholders notice by mail of such resignation. Upon receiving notice of the resignation of the Trustee or the removal by the Bond Insurer, the Majority Holders or the County of the Trustee, the County shall promptly appoint a successor Trustee by an instrument in writing. Any resignation or removal of the Trustee shall become effective upon acceptance of appointment by the successor Trustee.

If no appointment of a successor Trustee shall be made pursuant to the foregoing paragraphs within forty- five days after the Trustee shall have given to the County and the Bond Insurer written notice or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee, the Bond Insurer or any Bondholder may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Supplemental Indentures

Amendment Without Bondholder Consent. The Indenture and the rights and obligations of the County and of the Bondholders may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without consent of any Bondholders, but with the prior written consent of the Bondholder without consent of any Bondholder, but with the prior written consent of the Bond Insurer (except with respect to Supplemental Indentures described in paragraphs (v) and (vi) below, which shall not require Bond Insurer consent), to the extent permitted by law but only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the County in the Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers reserved to or conferred upon the County in the Indenture so long as such limitation or surrender of such rights or powers shall not adversely affect the Bondholders;

(ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, provided under any circumstances that such modifications or amendments shall not adversely affect the interests of the Bondholders;

(iii) to amend any provision relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest on any of the Bonds under the Code, in the opinion of Bond Counsel:

(iv) to permit Bond proceeds to be applied for any additional uses permitted by the Acts;

(v) in connection with the issuance of Additional Bonds under and pursuant to the Indenture;

(vi) in connection with the initiation of a book-entry registration system for the Bonds in accordance with the Indenture; or

(vii) to make modifications not adversely affecting any Outstanding Bonds in any material respect;

provided, however, that no amendments or modification to the Indenture shall be entered into for the purpose of modifying any rights or obligations of the Trustee under the Indenture without the written consent of the Trustee. The Trustee shall give notice to the Notice Holders if any Supplemental Indenture is executed as permitted by the Indenture without the consent of the Bondholders.

Amendment With Bondholder Consent. Except as set forth above, the Indenture and the rights and obligation of the County and of the Bondholders may only be modified or amended at any time by a Supplemental Indenture which shall become binding when there is filed with the Trustee the written consent of the Bond Insurer and either (i) the written consent of the Majority Holders of the Bonds Outstanding or (ii) if only one Series of Bonds then Outstanding are affected by such Supplemental Indenture, the written consent or the Majority Holders of the Bonds of such Series then Outstanding.

No modification or amendment to the Indenture shall (a) extend the maturity of or reduce the interest or compounding rate on any Bond or otherwise alter or impair the obligation of the County to pay the principal and interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Bonds without the express written consent of the Bondholder of such Bond, (b) reduce the percentage of the Bonds required for the written consent to any such amendment or modification, (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, (d) deprive the holder of any Bond then Outstanding of the lien created by the Indenture without the express written consent of such Bondholder or (d) permit the creation by the County of any pledge or lien upon the Special Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds, except as provided in the Indenture.

Procedure for Amendment With Written Consent of Bondholders. The County and the Trustee may at any time, adopt a Supplemental Indenture amending the provisions of the Bonds or of the Indenture or any Supplemental Indenture to the extent that such amendment is not permitted as set forth above under the caption "Amendment Without Bondholder Consent", to take effect when and as provided below. A copy of such Supplemental Indenture, together with a request to the applicable Bondholders for their consent thereto, shall be mailed by first class mail, by the Trustee to each such Bondholder, but failure to mail copies of such Supplemental Indenture and request shall not affect the validity of the Supplemental Indenture when consented to as set forth below.

Such Supplemental Indenture shall not become effective unless there shall be filed with the trustee the written consent of the Bond Insurer and the Bondholders set forth above (exclusive of Bonds owned by or held for the account of the County) and a notice shall have been mailed as provide below. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by the Indenture. Any such consent shall binding upon the Bondholder giving such consent and on any subsequent Bondholder (whether or not such subsequent Bondholder has notice thereto), unless such consent is revoked in writing by the Bondholder giving such consent or a subsequent Bondholder by filing such revocation with the Trustee prior to the date when the notice provided for below has been mailed.

After the Bond Insurer and the Bondholders of the required percentage of Bonds or Series of Bonds shall have their consents to the Supplemental Indenture, the Trustee shall mail a notice to the Bondholders of all of the Outstanding Bonds in the manner provided above for the mailing of the Supplemental Indenture stating in substance that the Supplemental Indenture has been consented to by Bondholders of the required percentage of Bond or Series of Bonds, as applicable, and will be effective as provided above (but failure to mail copies of said notice shall not affect the validity of the Supplemental Indenture or consents thereto). A record, consisting of the papers required above to be filed with the Trustee, shall be proof of the matters therein related until the contrary is proved. The Supplemental indenture shall become effective upon the filing with the Trustee of the requisite consents.

Effect of Supplemental Indenture. From and after any Supplemental Indenture becomes effective provided above, the Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under the Indenture of the County and all Bondholders of Bonds Outstanding shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Opinion of Bond Counsel Concerning Supplemental Indenture. The Trustee shall not execute or consent to any Supplemental Indenture unless prior to the execution and delivery thereof the Trustee shall have received the written opinion of Bond Counsel to the effect that the modifications or amendments effected by such Supplemental Indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes and are authorized and permitted under the provisions of the Indenture.

Liability of County

The County shall not incur any responsibility with respect to the Bonds or the Indenture other than in connection with the duties and obligations explicitly in the Indenture or the Bonds assigned to or imposed upon it. The County shall not be liable in connection with the performance of its duties under the Indenture, except for its own gross negligence or willful default. The County shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee in the Indenture or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or event of default thereunder.

In the absence of bad faith, the County, including the County Representative, may conclusively rely, as to the truth or the statements and correctness of the opinions expressed therein, upon certificates and opinions furnished to the County and conforming to the requirements of the Indenture. The County, including the County Representative, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of the Indenture shall require the County to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Special Revenues) in the performance of any of its obligations under the Indenture, or in the exercise of any of its rights and powers.

The County and the County Representative may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The

County may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

Whenever in the administration of its duties under the Indenture, the County or the County Representative shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be specifically prescribed in the Indenture) may, in the absence of willful misconduct on the part of the County, be deemed to be conclusively proved and established by a certificate of the Trustee or an Independent Consultant and such certificate shall be full warrant to the County and the County Representative for any action taken or suffered under the provisions of the Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the County or the County Representative may, in lieu thereof, accept other evidence of such matter or require such additional evidence as to it may deem reasonable.

County Representative; Administrator

Appointment of Administrator. In order to perform its duties and obligations under the Indenture, including the duties and obligations of the County Representative, the County may employ one or more Administrators. The County shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith and shall be entitled to rely, and shall be fully protected in doing so, upon the opinion, calculations, determinations and directions of such persons or entities.

Qualifications: Resignation, Removal and Appointment of Administrator. Any Administrator appointed pursuant to the Indenture shall be an individual or entity with the ability, as determined by the County, to perform the duties of the County and/or the County Representative under the Indenture and as more particularly set forth in the Administration Agreement.

The County may remove any Administrator upon one hundred twenty days written notice to the Administrator, and may appoint a successor or successors thereto. The County shall provide prior written notice to the Notice Holders of any intention to appoint, remove or replace the Administrator and the identity of any proposed written notice to the Notice Holders of any intention to appoint, remove or replace the Administrator and the identity of any proposed Administrator. The Notice Holders shall have thirty (30) days from the date of such notice to provide the County in writing any comments or concerns of such Notice Holders relating to any intention to appoint, remove or replace any Administrator. The County agrees to consider any such comments or concerns in making its decision to appoint, remove or replace an Administrator or, provided, notwithstanding any provision or statement of the Indenture to the contrary, any decision by the County to appoint, remover or replace an Administrator shall at all times be at the sole discretion of the County. The County shall also provide notice to the Trustee of the removal of the Administrator and the appointment of any Administrator.

The Administrator may resign from its obligations under the Administration Agreement upon one hundred twenty days written notice to the County and the Trustee. Any resignation or removal of the Administrator shall become effective upon acceptance or appointment by the successor Administrator.

If the Administrator has resigned or been removed and no appointment of a successor Administrator has been made within one hundred twenty days following receipt by the County or the Administrator of the written notice of the resignation or removal of the Administrator, the County shall appoint a County Representative to assume the obligations of the Administrator under the Indenture.

Defaults and Remedies

Events of Default. Each of the following is an Event of Default:

(a) Payment of interest on any Bond is not made when due and payable;

(b) Payment of the principal of or premium, if any, on or purchase price of any Bond is not made when due and payable;

(c) Subject to the notice provisions set forth below under the caption "Notice of Certain Defaults", default in the observance or performance of any other covenant, condition or agreement on the part of the County under the Indenture or in the Bonds; or

(d) Appointment by a court of competent jurisdiction of a receiver for all or any substantial part of the Special Revenues and other funds of the County pledged pursuant to the indenture, or the filing of the County of any petition for reorganization of the County or rearrangement or readjustment of the obligations of the County under provisions of any applicable bankruptcy or insolvency law.

Other Remedies. Upon the occurrence and continuation of an Event of Default, the Trustee may, with the consent of the Bond Insurer, and shall at the written request to the Bond Insurer or if there are no Senior Bonds Outstanding, by the Majority Holders, and having been indemnified as provided in the Indenture, pursue any available remedy, at law or in equity, to enforce the payment of the principal of and premium, if any, and interest on the Bonds, to enforce any covenant or condition under the Indenture or to remedy any Event of Default.

Effect of Discontinuance or Abandonment. If any proceeding taken by the Trustee on account of any default has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, then the County, the Trustee, the Bond Insure and the Bondholders will be restored to their former positions and rights under the Indenture and all rights, remedies and powers of the Trustee will continue as though no such proceeding had been taken.

Rights of Bond Insurer and Bondholders. Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuation of any Event of Default, the Bond Insurer, or if there are no Senior Bonds satisfactory to it against the costs, expenses, and liabilities to be incurred, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee under the Indenture.

Restriction of Bondholder Actions. In addition to the other restrictions on the rights of Bondholders to request action upon the occurrence of an Event of Default and to enforce remedies set forth in the Indenture, no Bondholder will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or any remedy under the Indenture or the Bonds, unless (i) the Trustee has received written notice of an Event of Default: (ii) the Bond Insurer, or if there are no Senior Bonds Outstanding, the Majority Holders have made written request of the Trustee to institute the suit, action, proceeding or other remedy, after the right to exercise the powers or rights of action, as the case may be, has accrued, and have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute the action, suit or proceeding in its or their name: (iii) there has been offered to the Trustee security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be incurred, and (iv) the Trustee has not complied with the request within a reasonable time. Such notification, request and offer of indemnity are declared, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Indenture or for any other remedy under the Indenture. It is intended that no one or more Bondholders will have any right to affect, disturb or prejudice the security of the Indenture, or the enforce any right under the Indenture or the Bonds, except in the manner provided for in the Indenture, and that all proceedings at law or in equity will be instituted, had and maintained in the manner provided in the Indenture and for benefit of all Bondholders. Nothing in the Indenture will affect or impair the right of the Bondholders to enforce payment of the Bonds in accordance with their terms.

Waiver of Events of Default: Effect of Waiver. If any Event of Default with respect to the Bonds has been waived as provided in the Indenture, the Trustee will promptly give written notice of the waiver to the County by first class mail, postage prepaid, to all Bondholders if the Bondholders had previously been given notice of the Event of Default. No waiver, rescission and annulment will extend to or affect any subsequent Event of Default or impair any right, power or remedy available under the Indenture.

No delay or omission of the Trustee or of any Bondholder to exercise any right, power or remedy accruing upon any default or Event of Default will impair any such right, power or remedy or will be construed to be a waiver of or acquiescence in any such default or Event of Default. Every right, power and remedy given by the Indenture to the Trustee, to the Bond Insurer and to the Bondholders, respectively, may be exercised from time to time and as offer as may be deemed expedient.

Application of Money. Any money received by the Trustee pursuant to foregoing provisions of the Indenture will, after payment of the costs and expenses of the proceedings resulting in the collection of the money., the expenses, liabilities and advances incurred or made by the Trustee and the fees (whether ordinary or extraordinary) of the Trustee, be deposited in the Bond Fund and applied as follows:

(a) Unless the principal or purchase price of all of the Outstanding Bonds is due and payable, all money will be applied:

First To the payment of the persons entitled to it of all installments of interest then due on the Senior Bonds in order of the maturity of the installments of such interest and, if the money available is not sufficient to pay in full any particular installment then ratably, according to the amounts due on such installment to the persons entitled to it, without any discrimination or privilege; and

Second -To the payment of the persons entitled to it of the unpaid principal or purchase price of and premium, if any, on any of the Senior Bonds which has become due (other than Senior Bonds matured or called for redemption for the payment of which money is held pursuant to the provisions of the Indenture) in the order of their due dates and, if the amount available is not sufficient to pay in full such Senior Bonds and the premium, if any, due on any particular date, then ratably, according to the amount of principal due on such date, to the persons entitled to it without any discrimination or privilege.

Notice of Certain Defaults. Anything in the Indenture to the contrary notwithstanding, not default under paragraph (c) under the caption "Events of Default" will constitute an Event of Default until actual notice of the default is given to the County by the Trustee, the Bond Insurer or by the holders of not less than twenty-five percent in aggregate principal amount of all Outstanding Bonds, and the County has had (i) 30 days after receipt of the notice with respect to any default in the payment of money or (ii) with the consent of the Bond Insurer, 90 days after receipt of the notice of any other default to correct the default or to cause the default to be corrected: provided, however, that if the default cannot be corrected within the applicable period, it will not constitute an Event of Default if corrective action sis instituted by the County within the applicable period and diligently pursued until the default is corrected.

No Acceleration

The principal of and interest on the Bonds shall not be subject to acceleration under the Indenture. Nothing in the Indenture shall in any way prohibit the prepayment or redemption of the 2014 Bonds.

Unclaimed Moneys

Any moneys held by the Trustee in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for five years after the date when the payments of such principal, interest, and premium have become payable, if such moneys were held by the Trustee at such date, shall be repaid by the Trustee to the County as its absolute property free from any trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the County for the payment of the principal of, and interest and any premium on, such Bonds.

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APPENDIX B

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR MONTGOMERY COUNTY, MARYLAND

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Economic and Demographic Information for
Montgomery County, Maryland

Economic and Demographic Information

Montgomery County, Maryland (the "County") was established in 1776, and is located adjacent to the nation's capital, Washington, D.C. and includes 496 square miles of land area. Bordering the County are Howard County to the northeast, Prince George's County to the southeast, Frederic County to the northwest, the District of Columbia to the south, and Virginia to the southwest.

Population

The population of the County, according to the statistics in the table below for 2013 was 999,247. The average per capita income in the County for 2013 was approximately $73,475. The Metropolitan Washington Council of Governments estimates a population of over 1 million by 2015.

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DEMOGRAPHIC STATISTICS
2004-2013

Calendar Year	Population (1)	Personal Income ($ thousands) (2)	Per Capita Income (3)	Civilian Labor Force (4)	Resident Employment (5)	Unemployment Rate (6)	Average Registered Number of Pupils (Fiscal Year)(7)
2004	914,991	$52,238,928	$57,092	497,204	481,248	3.2 %	139,203
2005	921,531	55,846,295	60,602	508,251	492,431	3.1	139,337
2006	926,492	60,372,289	65,162	518,142	503,476	2.8	139,387
2007	931,694	62,643,745	67,236	512,934	499,536	2.6	137,798
2008	942,748	65,845,731	69,844	519,330	502,802	3.2	137,745
2009	959,013	62,962,957	65,654	522,875	493,501	5.6	137,763
2010	975,439	65,904,393	67,564	525,384	494,889	5.8	140,500
2011	989,794	69,050,166	69,762	529,997	501,697	5.3	143,309
2012	991,247	71,540,000	72,172	534,178	506,730	5.1	146,497
2013	999,247	73,420,000	73,475	540,133	512,246	5.2	149,018

NOTES:

(1) Sources: Data for 2004-2011 from the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Data for 2010 from Montgomery Planning Department (MNCPPC) and for 2012 and 2013 are estimated by the Montgomery County Department of Finance from Round 8.2 Cooperative Estimates and pertain to population in households. Estimates for 2004-2011 published by BEA in November 2012 and reflect the County's population estimates available as of November 2012.

(2) Source: Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Personal income includes money income from wages and salaries; transfer payments such as social security and public assistance; income from rent, interest and dividends. Data for 2009-2010 were revised by BEA and data for 2011 are a preliminary estimate from BEA. Data for 2012 through 2013 are estimates derived by the Montgomery County Department of Finance.

(3) Per capita income is derived by dividing personal income by population.

(4) Source: Bureau of Labor Statistics (BLS), U.S. Department of Labor. Civilian labor force data include all persons in the civilian noninstitutional population classified as either employed or unemployed and counted by place of residence and are revised by BLS for 2008 - 2012. Data for 2013 estimated by Montgomery County Department of Finance based on the percent change from first half of CY2012 to the first half of CY2013.

(5) Source: Bureau of Labor Statistics (BLS), U.S. Department of Labor. Resident employment includes all persons who during the survey week (a) did any work as paid employees, worked in their own business or profession or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of their family, or (b) were not working but who had jobs from which they were temporarily absent because of vacation, illness, bad weather etc. Each employed person is counted only once, even if he or she holds more than one job and is counted by place of residence and not by place of employment. Data for 2008-2012 revised by BLS. Data for 2013 estimated by Montgomery County Department of Finance based on the percent change from first half of CY2012 to the first half of CY2013.

(6) The unemployment rates for 2008 through 2012 were revised by the Bureau of Labor Statistics, U.S. Department of Labor. Unemployment rate for 2013 estimated by Montgomery County Department of Finance based on the average of the monthly unemployment rates for the first half of 2013.

(7) Source: County Executive's Recommended FY14 Operating Budget, Office of Management and Budget, Montgomery County, p 10-5.

Employment

The County's economic structure reveals a diversified economy with a strong service sector. The total private section (trade, information services, financial activities, professional services, education and health, and hospitality) employed 80.5 percent of the total workforce in 2012, the latest available annual dated. The following tables present the County's employment by industrial sector:

Payroll Employment

	2000	2011	2012
TOTAL PRIVATE SECTOR	365,022	361,688	362,899
PUBLIC SECTOR EMPLOYMENT:			
Federal	39,615	46,460	47,080
State	1,100	1,186	1,232
Local	33,084	38,450	39,669
TOTAL PUBLIC SECTOR	73,799	86,096	87,981
GRAND TOTAL	438,821	447,784	450,880

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	2011	2012
TOTAL PRIVATE SECTOR	83.2%	80.8%	80.5%
PUBLIC SECTOR EMPLOYMENT:			
Federal	9.0	10.4	10.4
State	0.3	0.3	0.3
Local	7.5	8.5	8.8
TOTAL PUBLIC SECTOR	16.8	19.2	19.5
GRAND TOTAL	100.0%	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.

The table below provides a comparison of the payroll employment data for 2011 and 2012 based on the new classification system which shows that the County had a slight overall percentage gain in employment in 2012.

Payroll Employment (NAICS

	2011	**2012**	**Difference**	**Percent Change**
TOTAL PRIVATE SECTOR	361,688	362,899	1,211	0.3%
GOODS-PRODUCING	35,832	35,091	(741)	-2.1%
Natural Resources and Mining	620	393	(227)	-36.6%
Construction	23,425	23,263	(162)	-0.7%
Manufacturing	11,787	11,435	(352)	-3.0%
SERVICE PROVIDING	325,856	327,802	1946	0.6%
Trade, Transportation, and Utilities	57,440	58,193	753	1.3%
Information	12,634	12,232	(402)	-3.2%
Financial Activities	30,474	30,586	112	0.4%
Professional and Business Services	101,751	99,317	(2,434)	-2.4%
Education and Health Services	64,234	65,780	1,546	2.4%
Leisure and Hospitality	37,523	39,115	1,592	4.2%
Other Services	21,800	22,579	779	3.6%
UNCLASSIFIED	--	--	--	--
PUBLIC SECTOR EMPLOYMENT	83,096	87,981	1,885	2.2%
Federal Government	46,460	47,080	620	1.3%
State Government	1,186	1,232	46	3.9%
Local Government	38,450	39,669	1,219	3.2%
GRAND TOTAL	447,784	450,880	3,096	0.7%

* North American Industrial Classification System.

During calendar year 2012 the County's unemployment rate averaged 5.1 percent. Table 28 presents the County's labor force, employment and unemployment for the calendar years 2000 through 2013.

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Montgomery County's Resident Labor Force
Employment & Unemployment

	Labor Force	Employment	Unemployment	Unemployment
2013*	538,288	510,657	27,631	5.1%
2012**	534,178	506,730	27,448	5.1%
2011**	529,997	501,697	28,300	5.3%
2010**	525,384	494,889	30,495	5.8%
2009**	522,875	493,501	29,374	5.6%
2008**	519,330	502,802	16,528	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).

* Based on the rate of change in the averages of the first ten months of 2012 and 2013.
** Data for 2008 through 2012 were revised by DLLR and BLS to incorporate intercensal population controls for 2000 and 2010.

Federal Government Employment

The County is home to 18 Federal agencies in which over 45,000 civilians are employed. The National Institutes of Health in Bethesda (part of the Department of Health and Human Services) is one of the nation's premier centers of medical research. The following is a partial list of Federal agencies in the County and their estimated employment in 2013.

Department of Health and Human Services (HHS)	28,000
National Institutes of Health	
Food and Drug Administration	
Department of Defense	13,000
Walter Reed National Military Center	
Carderock Naval Surface Warfare Center	
U.S. Army Research Laboratory	
Department of Commerce	5,500
National Oceanic & Atmospheric Administration	
National Institute of Standards & Technology	
Nuclear Regulatory Commission	2,700
Department of Energy	1,800

Source: Maryland Department of Business & Economic Development.

Private Sector Employment

There are several thousand private sector employers in Montgomery County. Below is a listing of some of the County's largest employers.

Name of Firm	Est. No. of Employees
Marriott International, Inc. (Headquarters)	5,200
Adventist Hospital	5,000
Lockheed Martin	4,700
Holy Cross Hospital	3,000
Giant Food Corporation	3,000
Kaiser Permanente of the Mid-Atlantic States	3,000
Verizon	3,000
MedImmune/Astra Zeneca	2,000
Government Employee Insurance Company (GEICO)	2,000
Westat, Inc.	2,000
Suburban Hospital	2,000
Henry M. Jackson Foundation	2,000
Target Corporation	1,500

Note: The employee numbers are from the Maryland Department of Business and Economic Development.

Personal Income

Actual personal income of County residents reached $73.6 billion in calendar year 2012 which is an increase over the 2011 amount of $71.7 billion. The County's total personal income experienced an increase of 2.6 percent in 2012, less than the nation's increase of 4.2 percent, and lower than the State's rate of 3.5 percent. The County's total personal income increase of 2.6 percent is less than the nine-year (2003-2011) annual average growth rate of 4.5 percent.

The County accounts for 23.2 percent of the State's personal income in 2012, which is a percentage that has ranged from a high of 23.8 percent in 2008 to a low of 23.2 percent.

Total Personal Income
($ millions)

Calendar Year	Montgomery County	Maryland	U.S.	Montgomery County as Percent of Maryland
2012	$73,551	$316,682	$13,729,063	23.2 %
2011	71,716	306,011	13,179,561	23.4
2010	67,991	289,653	12,423,332	23.5
2009	65,965	282,152	12,073,738	23.4
2008	67,379	283,053	12,429,284	23.8
2007	64,472	272,901	11,990,244	23.6
2006	62,252	261,067	11,376,460	23.8
2005	57,950	245,063	10,605,645	23.6
2004	54,232	232,067	10,043,284	23.4
2003	50,322	215,982	9,479,611	23.2

Notes: Data for 2003 to 2012 from U.S. Department of Commerce, Bureau of Economic Analysis, revised September 30, 2013 (County, State, and U.S.).

ECONOMY

Federal Spending

Federal spending is an important contributor to the Washington area's economy. According to a George Mason University study, total Federal spending accounts for nearly a third of the metropolitan Washington gross regional product. The success of the region's economy is closely linked to the Federal economy, and the Federal government remains, either directly as an employer or indirectly through Federal spending, the primary source of regional economic growth.

The importance of Federal spending in the Washington metropolitan region, and particularly in Montgomery County, is exhibited in the percent of total Federal spending targeted to the Washington MSA. While total Federal spending in Federal fiscal year (FFY) 2010 amounted to $3,276.4 billion nationwide, the Washington MSA received $169.5 billion, a 5.2 percent share. Montgomery County received $20.7 billion, a 0.6 percent share of the total Federal spending and 12.2 percent of the region's share. While growth in total Federal spending is robust for all categories, by far the strongest growth is in procurement. As the table below shows, this category consistently grew for the nation and the Washington metropolitan area every year since 2001 for Montgomery County.

These data also show that Federal procurement spending in Montgomery County achieved significant gains in that period, closely tracking growth in the region as a whole. Approximately $20.7 billion in total Federal spending in Montgomery County is estimated to represent approximately 30.9 percent of total personal income for the County as the Federal government boosts economic activity through salaries and wages, transfer payments, and purchases of goods and services with the County's private sector industries. Federal procurement for the County was $9.2 billion in FFY10, a decrease of 6.1 percent over FFY09 but an increase of 15.0 percent over FFY08.

Federal Procurement Trends
2001 – 2010*
($ billions)**

Federal Fiscal Year	Montgomery County	Washington MSA	U.S.
2010	$9.2	$81.3	$516.7
2009	9.8	76.0	550.8
2008	8.0	69.3	514.1
2007	6.6	59.5	440.4
2006	7.8	57.8	408.7
2005	7.7	54.9	381.0
2004	7.5	53.0	339.7
2003	5.7	44.3	327.4
2002	5.0	37.5	286.1
2001	3.9	32.4	260.0

* Federal fiscal year (October 1 through September 30).
** Amounts shown in current dollars (not adjusted for inflation).

Source: U.S. Bureau of the Census, Consolidated Federal Funds Report, FFY 2000-2010 and Center for Regional Analysis, George Mason University.

Note: Due to the cancellation of the consolidated federal funds report, data after 2010 are no longer available.

New Construction

Between FY12 and FY13, the number of new construction projects increased 70.3 percent. At the same time, the value of new construction added to the real property tax base increased 140.4 percent to $1.408 billion. Over the prior nine-year period (from FY04 to FY12), the number of projects, both residential and non-residential decreased from over 2,758 to 875. However, during that same period, the value of new construction averaged $1.4 billion between FY04 and FY12 and ranging from a high of $1.668 billion in FY05 to a low of $0.586 billion in FY12. The decline in the construction of residential properties beginning in FY08 and ending in FY12 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
Montgomery County
($ millions)

Fiscal Year	Construction Starts	Residential	Apartments	Condominiums	Commercial/ Industrial	All Other	Total
2013	$1,497	$537.2	$91.9	$123.8	$651.8	$ 3.0	$1,407.6
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
10-Year Summary		$ 7,310.1	$363.7	$1,381.8	$3,576.0	$337.2	$12,968.7
Categories as Percent of Total		56.3%	2 .8%	10.7%	27.6%	2.6%	100.0%

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The following table provides information concerning the County's property tax levies and collections for the last ten fiscal years.

MONTGOMERY COUNTY, MARYLAND
PROPERTY TAX LEVIES AND COLLECTIONS*
LAST TEN FISCAL YEARS

Fiscal Year	Total Original Levy for Fiscal Year	Tax Levy Adjustments in Subsequent Years (1)	Total Adjusted Levy	Collected within the Fiscal Year of the Levy: Amount (2)	Collected within the Fiscal Year of the Levy: Percentage of Original Levy	Collections in Subsequent Years (2)	Total Collections to Date: Amount	Total Collections to Date: Percentage of Adjusted Levy
2004	$ 927,789,542	$ (1,669,220)	$ 926,120,322	$ 924,992,688	99.70 %	$ 1,106,599	$ 926,099,287	100.00 %
2005	1,006,556,130	(672,818)	1,005,883,312	1,005,935,155	99.94	(2,900,587)	1,003,034,568	99.72
2006	1,032,231,333	(2,363,989)	1,029,867,344	1,031,967,800	99.97	(3,845,674)	1,028,122,126	99.83
2007	1,087,613,905	(1,842,593)	1,085,771,312	1,081,566,118	99.44	(896,167)	1,080,669,951	99.53
2008	1,137,590,824	(3,628,576)	1,133,962,248	1,132,548,519	99.56	(2,995,049)	1,129,553,470	99.61
2009	1,282,437,423	1,231,332	1,283,668,755	1,278,337,019	99.68	516,011	1,278,853,030	99.62
2010	1,344,626,102	(5,078,739)	1,339,547,363	1,343,140,289	99.89	(16,271,483)	1,326,868,806	99.05
2011	1,350,416,973	(1,784,592)	1,348,632,381	1,349,698,631	99.95	(2,453,929)	1,347,244,702	99.90
2012	1,365,605,932	1,881,620	1,367,487,552	1,363,217,734	99.83	359,100	1,363,576,834	99.71
2013	1,390,542,228	-	1,390,542,228	1,384,563,178	99.57	-	1,384,563,178	99.57

NOTES:

* This table includes data for all property taxes billed applicable to all funds for Montgomery County, Maryland to include General, Special Revenue, Debt Service, and Enterprise Funds. Property taxes billed for the State of Maryland, various municipalities and development districts, the Washington Suburban Sanitary Commission, and the Maryland-National Capital Park and Planning Commission, are excluded.

(1) Adjustment data was available and is reported in this schedule beginning with adjustments processed in FY05.
(2) Amounts represent collections received, including overpayments, net of refunds. Penalties and interest are excluded. See Table 12 Note (2) for treatment of such overpayments.

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FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of August 26, 2014 (this "Disclosure Agreement") is executed and delivered by MONTGOMERY COUNTY, MARYLAND (the "County") in connection with the issuance of its Special Obligation Refunding Bonds (West Germantown Development District), Senior Series 2014 (the "Series 2014 Bonds"). The County, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

SECTION 1. *Purpose of the Disclosure Agreement.* This Disclosure Agreement is being executed and delivered by the County for the benefit of the owners of the Series 2014 Bonds, including beneficial owners, and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The County's obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule (as defined below).

SECTION 2. *Definitions.* In addition to the definitions set forth above, which apply to any capitalized term used in this Disclosure Agreement, the following capitalized terms shall have the following meanings:

"Dissemination Agent" shall mean an individual or entity designated in writing by the County to act in such a role on the County's behalf and who has filed with the County a written acceptance of such designation.

"EMMA" shall mean Electronic Municipal Market Access System maintained by the MSRB. For more information on EMMA, see www.emma.msrb.org.

"Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"Official Statement" shall mean the Official Statement dated August 13, 2014 with respect to the Series 2014 Bonds.

"Participating Underwriters" shall mean any of the original underwriters of the Series 2014 Bonds required to comply with the Rule in connection with offering of the Series 2014 Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended or replaced from time to time.

"State" shall mean the State of Maryland.

SECTION 3. *Provision of Annual Financial Information, Operating Data and Audited Information.*

(a) The County shall provide to the MSRB through EMMA, the following report of annual financial information, such information to be updated as of the end of the preceding fiscal year and made available within 275 days after the end of the fiscal year, commencing with the fiscal year ended June 30, 2014:

(i) Any changes to the methodology for levying the Special Taxes in the District since the report of the previous year;

(ii) A summary of the following: (i) assessed valuation of the taxable property within the District with regards to Special Taxes levied and assessed, including any adjustments to the Special Taxes as provided for in the methodology for calculation of such Special Taxes, and (ii) any termination of the Special Taxes as provided for in the methodology for calculation of Special Taxes; and

(iii) The results of any tax sales of District property held on the previous 2nd Monday in June (or alternate date allowed by law).

(b) The presentation of the financial information referred to in paragraph (a) of this Section shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the Final Official Statement.

(c) Any or all of the information to be provided pursuant to subsection (a) above may be set forth in a document or set of documents, or may be included by specific reference to documents previously provided to EMMA, or filed with the SEC. If the document is an official statement, it must be available from EMMA. The County shall identify clearly each other document so included by specific reference.

(d) If the County is unable to provide the annual financial information within the applicable time periods specified in (a) above, the County shall send in a timely manner a notice of such failure to the MSRB.

(e) The County hereby represents and warrants that it has not failed to comply with any prior disclosure undertaking made pursuant to the Rule.

SECTION 4. *Reporting of Significant Events.*

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events with respect to the Series 2014 Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

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

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

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

(6) 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 Series 2014 Bonds or other material events affecting the tax status of the Series 2014 Bonds;

(7) modifications to rights of bondholders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Series 2014 Bonds, if material;

(11) rating changes;

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

(13) the consummation of a merger, consolidation, or acquisition involving the County 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 actions, other than pursuant to its terms, if material; and

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

(b) In a timely manner, not in excess of ten business days after the occurrence of a Listed Event, the County shall file a notice of such occurrence with the MSRB.

SECTION 5. *Filing with EMMA.* Unless otherwise required by the MSRB, all filings with the MSRB shall be made with EMMA and shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 6. *Termination of Reporting Obligations.* The County's obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Series 2014 Bonds either at their maturity or by early redemption. In addition, the County may terminate its obligations under this Disclosure Agreement if and when the County no longer remains an obligated person with respect to the Series 2014 Bonds within the meaning of the Rule.

SECTION 7. *Amendments.*

(a) The County may provide further or additional assurances that will become part of the County's obligations under this Disclosure Agreement. In addition, this Disclosure Agreement may be amended by the County in its discretion, provided that:

(1) the amendment is being made in connection with a change of circumstances that arises from a change in legal requirements, change in law, change in the identity, nature or status of the County as the obligated person with respect to the Series 2014 Bonds, or type of business conducted by the County; and

(2) this Disclosure Agreement, as amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the issuance of the Series 2014 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and the amendment does not materially impair the interests of owners of the Series 2014 Bonds, including beneficial owners, as determined by bond counsel selected by the County or by an approving vote of at least 25% of the outstanding principal amount of the Series 2014 Bonds.

(b) The reasons for the County agreeing to provide any further or additional assurances or for any amendment and the impact of the change in the type of financial information or operating data being provided will be explained in narrative form in information provided with the annual financial information containing the additional or amended financial information or operating data.

SECTION 8. *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 disclaimers or any other information in any disclosure made pursuant to Section 3(a) or 3(b) hereof or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any disclosure made pursuant to Section 3(a)) hereof or notice of occurrence of a Listed Event 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 disclosure made pursuant to Section 3(a)) hereof or notice of occurrence of a Listed Event.

SECTION 9. *Limitation on Remedies and Forum.*

(a) The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under this Disclosure Agreement, and the County shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to Director of Finance, 15th Floor, Executive Office Building, 101 Monroe Street, Rockville, Maryland 20850, or at such alternate address as shall be specified by the County in disclosures made pursuant to Section 3(a) or 3(b) hereof or a notice of occurrence of a Listed Event.

(b) Any suit or proceeding seeking redress with regard to any claimed failure by the County to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Montgomery County, Maryland.

SECTION 10. *Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the current owners from time to time of the Series 2014 Bonds, including beneficial owners, and shall create no rights in any other person or entity.

SECTION 11. *Relationship to Series 2014 Bonds.* This Disclosure Agreement constitutes an undertaking by the County that is independent of the County's obligations with respect to the Series 2014 Bonds. Any breach or default by the County under this Disclosure Agreement shall not constitute or give rise to a breach or default under the Series 2014 Bonds.

SECTION 12. *Severability.* In case any section or provision of this Disclosure Agreement or any covenant, stipulation, obligation, agreement, or action, or any part thereof, made, assumed, entered into or taken under this Disclosure Agreement, or any application thereof, is for any reason held to be illegal or invalid or is at any time inoperable, such illegality, invalidity or inoperability shall not affect the remainder thereof or any other section or provision of this Disclosure Agreement, or any other covenant, stipulation, obligation, agreement, act or action, or part thereof, made, assumed, entered into or taken under this Disclosure Agreement, which shall at the time be construed and enforced as if such illegal or invalid or inoperable portion were not contained therein.

SECTION 13. *Entire Agreement.* This Disclosure Agreement contains the entire agreement of the County with respect to the subject matter hereof and supersedes all prior arrangements and understandings with respect thereto; provided, however, that this Disclosure Agreement shall be interpreted and construed with reference to and in pari materia with the Rule.

SECTION 14. *Captions.* The captions or headings herein shall be solely for convenience of reference and shall in no way define, limit or describe the scope or intent of any provisions or sections hereof.

SECTION 15. *Governing Law*. This Disclosure Agreement and any claim made with respect to the performance by the County of its obligations hereunder shall be governed by, subject to and construed in accordance with the federal securities laws, where applicable, and the laws of the State, without reference to the choice of law principles thereof.

SECTION 16. *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 Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Agreement.

IN WITNESS WHEREOF, the County has caused this Disclosure Agreement to be duly executed as of the day and year first above written.

MONTGOMERY COUNTY, MARYLAND

By: ________________________________
Joseph F. Beach, Director of Finance

[Signature page to Continuing Disclosure Agreement]

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APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

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[Form of Bond Counsel Opinion]

[Date]

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

Ladies and Gentlemen:

As bond counsel to Montgomery County, Maryland (the "County") in connection with the issuance by the County of its $12,025,000 Montgomery County, Maryland Special Obligation Refunding Bonds (West Germantown Development District), Senior Series 2014 (the "Series 2014 Bonds"), we have examined:

(i) Chapters 20A and 14 of the Montgomery County Code, as amended (the "Acts");

(ii) Resolution No. 13-1398 adopted by the County Council on August 4, 1998, as amended by Resolution No. 14-947 (the "Bond Resolution");

(iii) Resolution No. 17-1161 adopted by the County Council on July 15, 2014 (the "Refunding Resolution");

(iv) an Indenture of Trust dated as of April 1, 2002 (the "Original Indenture") by and between the County and U.S. Bank, National Association, a successor trustee (the "Trustee"), as amended and supplemented, particularly by the Second Supplemental Indenture dated as of August 1, 2014, between the County and the Trustee (the "Second Supplemental Indenture" and together with the Original Indenture, the "Indenture");

(v) An Executive Order No.B344-14 issued by the County Executive of the County on August 7, 2014 (the "Order");

(vi) the form of Series 2014 Bond;

(vii) a Tax and Section 148 Certificate and Agreement dated the date hereof (the "Section 148 Certificate") executed by the Director of Finance of the County;

(viii) relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations thereunder;

(ix) relevant provisions of the Constitution and laws of the State of Maryland; and

(x) other proofs submitted to us relative to the issuance and sale of the Series 2014 Bonds.

The terms of the Series 2014 Bonds are set forth in the Indenture and the Series 2014 Bonds.

In rendering this opinion, we have relied without investigation, on the County's Section 148 Certificate with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Series 2014 Bonds.

We have made no investigation of, and are rendering no opinion regarding, title to, liens on or security interests in real or personal property.

Based upon the foregoing, we are of the opinion that, under existing statutes, regulations and decisions:

(a) The Bond Resolution and Refunding Resolution have been duly and lawfully enacted and are valid and is in full force and effect.

(b) The Second Supplemental Indenture has been duly authorized, executed and delivered by the County and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes the valid and binding obligation of the County.

(c) The County is duly authorized and entitled to issue the Series 2014 Bonds, pursuant to the Acts, the Bond Resolution, the Refunding Resolution and the Order. Series 2014 Bonds executed and authenticated as provided in the Indenture have been duly and validly issued by the County and constitute valid and binding special obligations of the County, payable solely from the Special Taxes (as defined in the Indenture) to the extent provided in the Indenture and other amounts pledged to such payment under the Indenture. The Series 2014 Bonds are entitled to the benefit and security of the Indenture to the extent provided therein.

(d) As provided in the Acts, the Bond Resolution and the Refunding Resolution, the Series 2014 Bonds do not constitute a general obligation of the County or a pledge of the County's full faith and credit or taxing power. The County is not obligated to pay the Series 2014 Bonds or the interest thereon except from the Special Taxes and, to the extent provided in the Indenture, from moneys on deposit in certain funds and accounts created by the Indenture.

(e) The interest payable on the Series 2014 Bonds and profit realized from the sale or exchange of the Series 2014 Bonds will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Series 2014 Bonds or the interest thereon.

(f) Assuming compliance with certain covenants described herein, interest on the Series 2014 Bonds is excludable from gross income for federal income tax purposes. It is noted that under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Series 2014 Bonds, including restrictions that must be complied with throughout the term of the Series 2014 Bonds in order that the interest thereon be excludable from gross income. These include (i) a requirement that certain investment earnings received from the investment of the proceeds of the Series 2014 Bonds be rebated (or that certain payments in lieu of rebate be made) to the United States of America under certain circumstances; (ii) other requirements applicable to the investment of the proceeds of the Series 2014 Bonds; and (iii) requirements applicable to the use of the proceeds of the Series 2014 Bonds and the use of the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Series 2014 Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the Series 2014 Bonds and to take such other actions as may be required to maintain the excludability of interest on the Series 2014 Bonds from gross income for federal income tax purposes. It is our opinion that, assuming compliance with such covenants, the interest on the Series 2014 Bonds will remain excludable from gross income for federal income tax purposes under the provisions of the Code.

(g) Interest on the Series 2014 Bonds is not includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to such tax may be required to increase its alternative minimum taxable income by 75% 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 such purposes, "adjusted current earnings" would include, among other items, interest income from the Series 2014 Bonds. In addition, interest income on the Series 2014 Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States of America.

The opinions expressed above are limited to the matters set forth above, and no other opinions should be inferred beyond the matters expressly stated. We assume no obligation to supplement this opinion if any applicable laws or interpretations thereof change after the date hereof or if we become aware of any facts or circumstances that might change the opinions expressed herein after the date hereof.

Very truly yours,

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