OFFICIAL STATEMENT DATED OCTOBER 1, 2020

NEW ISSUE -- BOOK-ENTRY ONLY

Moody's Investors Service: Aa1
S&P Global Ratings: AA+
(See "Ratings" herein)

In the opinion of Special Counsel, assuming compliance with certain covenants and under existing statutes, regulations and decisions, the interest portion of the Contract Payments to be made by the County under the Funding Agreement and to be received by the Holders of the Tax-Exempt Certificates will be excludable from gross income for federal income tax purposes and the interest portion of such Contract Payments is exempt from income taxation by the State of Maryland. No opinion is expressed as to estate or inheritance taxes, or any other Maryland taxes not levied or assessed directly on the interest portion of such Contract Payments. The interest portion of such Contract Payments, for federal income tax purposes, is not included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, interest on these Contract Payments will be includable in the applicable taxable base for the purpose of determining the branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States of America. The interest portion of the Contract Payments to be made by the County under the Funding Agreement and to be received by the Holders of the Taxable Certificates is not excludable from gross income for Federal income tax purposes and is not exempt from income taxation by the State of Maryland or by any of its political subdivisions.

$125,890,000
MONTGOMERY COUNTY, MARYLAND
Certificates of Participation
Series 2020

consisting of

$95,360,000 Certificates of Participation (Public Facilities Projects), Series 2020A
$27,555,000 Certificates of Participation (Master Lease Refunding), Series 2020B
$2,975,000 Certificates of Participation, Series 2020C (Taxable)

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

The Montgomery County, Maryland Certificates of Participation (Public Facilities Projects), Series 2020A (the "Series 2020A Certificates"), Certificates of Participation (Master Lease Refunding), Series 2020B (the "Series 2020B Certificates" and together with the Series 2020A Certificates, the "Tax-Exempt Certificates") and Certificates of Participation, Series 2020C (Taxable) (the "Series 2020C Certificates" or "Taxable Certificates" and together with the Tax-Exempt Certificates, the "Series 2020 Certificates") are being issued by Montgomery County, Maryland (the "County") in fully registered form in denominations of $5,000 each or any integral multiple thereof.

The Series 2020 Certificates represent proportionate interests in a Funding Agreement (the "Funding Agreement") between the County and U.S. Bank National Association (the "Bank"), and are payable solely from and secured by (i) periodic payments to be made by the County to the Bank pursuant to the Funding Agreement (the "Contract Payments") and (ii) amounts realized pursuant to the exercise of certain remedies under the Funding Agreement upon the occurrence of nonappropriation or certain defaults by the County thereunder.

The Series 2020 Certificates are issued pursuant to a Trust Agreement (the "Trust Agreement") between the County and U.S. Bank National Association, as trustee (the "Trustee") and as the Bank, pursuant to which the County and the Bank have agreed to assign to the Trustee for the benefit of the Holders of the Series 2020 Certificates all of the County's and the Bank's right, title and interest under the Funding Agreement, including the Contract Payments to be made by the County, the right to receive Revenues, and amounts on deposit from time to time in the funds and accounts established under the Trust Agreement for such Bonds, as provided thereunder.

The Series 2020 Certificates initially will be maintained under a book-entry only system under which The Depository Trust Company, New York ("DTC"), will act as securities depository. Purchases of the Series 2020 Certificates will be in book-entry only form. So long as the Series 2020 Certificates shall be maintained under a book-entry system, payments of the principal or redemption price of and interest on the Series 2020 Certificates will be made when due by the Trustee to DTC in accordance with the Trust Agreement, and the Trustee will have no obligation to make any payments to any beneficial owner of any Series 2020 Certificate. See "Appendix D - BOOK-ENTRY ONLY SYSTEM."

Interest on the Series 2020 Certificates is payable on April 1, 2021 and semi-annually on each October 1 and April 1 thereafter until maturity or earlier redemption. The Series 2020A Certificates are subject to redemption prior to maturity as described herein under "The Series 2020 Certificates -- Redemption Provisions." The Series 2020B Certificates and Series 2020C Certificates are not subject to optional redemption prior to maturity.

FOR AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIPS, SEE INSIDE COVER

The Series 2020 Certificates, and the interest thereon, are limited obligations of the County. The principal or redemption price of and the interest on the Series 2020 Certificates shall be payable solely from the Contract Payments and other funds pledged for the payment thereof under the Trust Agreement. All amounts payable by the County under the Funding Agreement, including the Contract Payments, are subject in each year to appropriation by the County Council of the County (the "County Council"). The County Council is under no obligation to make any appropriation with respect to the Funding Agreement. The Funding Agreement is not a general obligation of the County and shall never constitute an indebtedness of the County within the meaning of any constitutional or statutory limitation or a charge against the general credit or taxing power of the County.

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 making an informed decision.

The Series 2020 Certificates are offered when, as and if issued and received, subject to the approval as to their legality by McKennon Shelton & Henn LLP, Baltimore, Maryland, Special Counsel, and certain other conditions. It is anticipated that the Series 2020 Certificates in definitive form will be available for delivery through the facilities of DTC on or about October 15, 2020.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIPS

$95,360,000
MONTGOMERY COUNTY, MARYLAND
Certificates of Participation
(Public Facilities Projects)
Series 2020A

Maturing October 1	Principal Amount	Interest Rate	Yield	CUSIP**	Maturing October 1	Principal Amount*	Interest Rate	Yield	CUSIP**
2021	$5,535,000	5.000%	0.180%	61334ECC0	2031	$3,020,000	5.000%	1.140%*	61334ECN6
2022	5,815,000	5.000	0.200	61334ECD8	2032	3,155,000	4.000	1.270*	61334ECP1
2023	6,120,000	5.000	0.210	61334ECE6	2033	3,270,000	3.000	1.600*	61334ECQ9
2024	6,430,000	5.000	0.300	61334ECF3	2034	3,370,000	3.000	1.700*	61334ECR7
2025	6,760,000	5.000	0.400	61334ECG1	2035	3,450,000	2.000	2.000	61334ECS5
2026	7,105,000	5.000	0.530	61334ECH9	2036	3,525,000	2.000	2.046	61334ECT3
2027	7,465,000	5.000	0.680	61334ECJ5	2037	3,590,000	2.000	2.097	61334ECU0
2028	4,920,000	5.000	0.820	61334ECK2	2038	3,665,000	2.000	2.152	61334ECV8
2029	5,170,000	5.000	0.960	61334ECL0	2039	3,745,000	2.125	2.206	61334ECW6
2030	5,430,000	5.000	1.070	61334ECM8	2040	3,820,000	2.125	2.250	61334ECX4

$27,555,000
MONTGOMERY COUNTY, MARYLAND
Certificates of Participation
(Master Lease Refunding)
Series 2020B

Maturing April 1	Principal Amount	Interest Rate	Yield	CUSIP**
2021	$4,435,000	4.000%	0.160%	61334ECY2
2022	6,910,000	4.000	0.170	61334ECZ9
2023	7,165,000	4.000	0.190	61334EDA3
2024	4,430,000	4.000	0.280	61334EDB1
2025	3,880,000	5.000	0.360	61334EDC9
2026	515,000	5.000	0.480	61334EDD7
2027	220,000	5.000	0.620	61334EDE5

$2,975,000
MONTGOMERY COUNTY, MARYLAND
Certificates of Participation
Series 2020C (Taxable)

Maturing April 1	Principal Amount	Interest Rate	Yield	CUSIP**
2021	$275,000	2.000%	0.400%	61334EDF2
2022	640,000	2.000	0.450	61334EDG0
2023	655,000	2.000	0.550	61334EDH8
2024	425,000	2.000	0.650	61334EDJ4
2025	430,000	2.000	0.800	61334EDK1
2026	90,000	2.000	1.000	61334EDL9
2027	90,000	2.000	1.150	61334EDM7
2028	90,000	2.000	1.250	61334EDN5
2029	90,000	2.000	1.350	61334EDP0
2030	95,000	2.000	1.450	61334EDQ8
2031	95,000	2.000	1.600	61334EDR6

The rates shown above are the interest rates payable by the County resulting from the successful bids for the Series 2020 Certificates at public sale on October 1, 2020. The yields shown above were furnished by the successful bidders for the Series 2020 Certificates. Any additional information concerning the reoffering of the Series 2020 Certificates should be obtained from the successful bidders and not from the County.

* Yield to first optional call date of October 1, 2030.

**The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by CUSIP Global Services, which is managed on behalf of the American Bankers Association ("ABA") by S&P Global Market Intelligence. These entities are not affiliated with the County, and the County is not responsible for the selection or use of the CUSIP numbers. CUSIP is a registered trademark of the ABA. The CUSIP numbers are included solely for the convenience of certificate holders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such securities or the use of secondary market financial products. The County has not agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the assigned CUSIP numbers set forth above. The use of CUSIP numbers in this Official Statement is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services

OFFICIAL STATEMENT DATED OCTOBER 1, 2020

$125,890,000
MONTGOMERY COUNTY, MARYLAND
Certificates of Participation
Series 2020

consisting of

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$27,555,000 Certificates of Participation (Master Lease Refunding), Series 2020B
$2,975,000 Certificates of Participation, Series 2020C (Taxable)

No dealer, broker, salesman or other person has been authorized by the County 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 2020 Certificates 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 obtained from the County and other sources which are deemed to be reliable but is not guaranteed as to accuracy or completeness.

No quotations from or summaries or explanations of provisions of laws or documents herein purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the Series 2020 Certificates. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof, the inside front cover and the appendices attached hereto are part of this Official Statement.

THE SERIES 2020 CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE TRUST AGREEMENT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE SERIES 2020 CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and are not representations of fact, and no representation is made that any of the estimates will be realized. 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 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 entirety. The offering of the Series 2020 Certificates is made only by means of this entire Official Statement.

The 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 comparable 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.

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MONTGOMERY COUNTY, MARYLAND
OFFICIAL ROSTER OF COUNTY OFFICIALS

COUNTY EXECUTIVE

Marc Elrich

COUNTY COUNCIL

Sidney Katz	*President*
Tom Hucker	*Vice President*
Gabe Albornoz	
Andrew Friedson	
Evan Glass	
Nancy Navarro	
Will Jawando	
Craig Rice	
Hans Riemer	

The terms of the County Executive and all County Council members expire in December 2022.

APPOINTED OFFICIALS

Richard S. Madaleno	*Chief Administrative Officer*
Michael J. Coveyou	*Director, Department of Finance*
Jennifer Bryant	*Acting Director, Office of Management and Budget*
Marc P. Hansen	*County Attorney*
Selena Mendy Singleton	*Clerk of the Council*

SPECIAL COUNSEL

McKennon Shelton & Henn LLP
Baltimore, Maryland

FINANCIAL ADVISOR

Davenport & Company LLC
Towson, Maryland

INDEPENDENT PUBLIC ACCOUNTANTS

CliftonLarsonAllen LLP
Timonium, Maryland

TRUSTEE

U.S. Bank National Association
Richmond, Virginia

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

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OFFICIAL STATEMENT

Relating to

$125,890,000
MONTGOMERY COUNTY, MARYLAND
Certificates of Participation
Series 2020

consisting of

$95,360,000 Certificates of Participation (Public Facilities Projects), Series 2020A
$27,555,000 Certificates of Participation (Master Lease Refunding), Series 2020B
$2,975,000 Certificates of Participation, Series 2020C (Taxable)

INTRODUCTION

The purpose of this Official Statement, which includes the attached Appendices, is to provide certain information concerning the sale and delivery of the Montgomery County, Maryland Certificates of Participation (Public Facilities Projects), Series 2020A (the "Series 2020A Certificates") in the aggregate principal amount of $95,360,000, the Montgomery County, Maryland Certificates of Participation (Master Lease Refunding), Series 2020B (the "Series 2020B Certificates" and together with the Series 2020A Certificates, the "Tax-Exempt Certificates") in the aggregate principal amount of $27,555,000 and the Montgomery County, Maryland Certificates of Participation, Series 2020C (Taxable) (the "Series 2020C Certificates" or "Taxable Certificates" and together with the Tax-Exempt Certificates, the "Series 2020 Certificates") in the aggregate principal amount of $2,975,000.

The Series 2020 Certificates are to be issued pursuant to a Trust Agreement (the "Trust Agreement") between Montgomery County, Maryland (the "County") and U.S. Bank National Association, as trustee (the "Trustee"). The Series 2020A Certificates are being issued to (i) finance and refinance the acquisition, construction and equipping of certain real and personal property identified herein as the Tax-Exempt Improvements and (ii) pay the costs of issuing the Series 2020A Certificates. The Series 2020B Certificates are being issued to (i) provide for the prepayment of certain outstanding tax-exempt lease obligations under a Master Lease Agreement between the County and an affiliate of a financial institution (as amended and supplemented, the "Master Lease") and (ii) pay the costs of issuing the Series 2020B Certificates. The Series 2020C Certificates are being issued to (i) provide for the prepayment of certain outstanding taxable lease obligations under the Master Lease and the acquisition of certain personal property identified herein as the Taxable Improvements (collectively with the Tax-Exempt Improvements, the "Improvements") and (ii) pay the costs of issuing the Series 2020C Certificates. For more information regarding the Improvements see "Description of Improvements."

The Series 2020 Certificates represent proportionate interests in a Funding Agreement (the "Funding Agreement") between the County and U.S. Bank National Association (the "Bank"). The Funding Agreement requires the County to make periodic payments (the "Contract Payments") in amounts sufficient to pay the scheduled debt service on the Series 2020 Certificates until the County shall pay the principal of and premium, if any, and interest on the Series 2020 Certificates. Payment by the County of amounts owed under the Funding Agreement, including the Contract Payments, is dependent on the appropriation in each year by the County Council of the County (the "County Council") of funds sufficient for such purpose. The County expects that amounts owed under the Funding Agreement, including the Contract Payments, will be appropriated and paid by the County.

The Series 2020 Certificates, and the interest on them, are limited obligations of the County. The principal or redemption price of and the interest on the Series 2020 Certificates of each series shall be *payable solely from the Contract Payments and amounts on deposit from time to time in the funds and accounts established under the Trust Agreement for such Series 2020 Certificates, as provided thereunder. All amounts payable by the County under the Funding Agreement, including the Contract Payments, are subject in each year to appropriation by the County Council. The County Council is under no obligation to make any appropriation with respect to the Funding Agreement.*

The Funding Agreement is not a general obligation of the County and shall never constitute an indebtedness of the County within the meaning of any constitutional or statutory limitation or a charge against the general credit or taxing power of the County.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2020 Certificates are expected to be applied as follows:

SOURCES OF FUNDS:

Principal amount of Series 2020A Certificates	$ 95,360,000
Original Issue Premium	16,255,213
Principal amount of Series 2020B Certificates	27,555,000
Original Issue Premium	2,683,828
Principal amount of Series 2020C Certificates	2,975,000
Original Issue Premium	109,023
Total sources of funds	$144,938,064

USES OF FUNDS:

Costs of Tax-Exempt Improvements	$110,917,000
Costs of Taxable Improvements	915,000
Prepayment of Master Lease (Tax-Exempt)	30,137,134
Prepayment of Master Lease (Taxable)	2,136,832
Costs of issuance for Tax-Exempt Certificates(1)	799,907
Costs of issuance for Taxable Certificates(1)	32,191
Total uses of funds	$144,938,064

(1) Includes the Underwriters' discount, certain fees and expenses of the financial advisor to the County, Special Counsel to the County, and fees of the rating agencies, as well as printing costs, fees and expenses of the Trustee and other miscellaneous expenses.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 CERTIFICATES

General

The Series 2020 Certificates are payable as to principal, redemption price and interest solely from Contract Payments to be paid by the County, as Purchaser pursuant to the Funding Agreement, and amounts from time to time on deposit in certain funds and accounts established by the Trust Agreement for such Series 2020 Certificates. Pursuant to the Trust Agreement, the County and the Bank have assigned to the Trustee all of their respective rights under the Funding Agreement, and all amounts on deposit from time to time in such funds and accounts and the right to receive Revenues for the benefit of the holders (the "Holders") of the Series 2020 Certificates. See Appendix B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

ALL AMOUNTS PAYABLE BY THE COUNTY UNDER THE FUNDING AGREEMENT, INCLUDING THE CONTRACT PAYMENTS, ARE SUBJECT IN EACH YEAR TO APPROPRIATION

BY THE COUNTY COUNCIL. THE COUNTY COUNCIL IS UNDER NO OBLIGATION TO MAKE ANY APPROPRIATIONS WITH RESPECT TO THE FUNDING AGREEMENT. THE AMOUNTS PAYABLE BY THE COUNTY UNDER THE FUNDING AGREEMENT ARE NOT GENERAL OBLIGATIONS OF THE COUNTY AND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE COUNTY. THE COUNTY HAS NOT PLEDGED ITS FULL FAITH AND CREDIT OR ITS TAXING POWERS TO THE PAYMENT OF AMOUNTS DUE UNDER THE FUNDING AGREEMENT.

THE FUNDING AGREEMENT MAY BE TERMINATED UPON THE OCCURRENCE OF NONAPPROPRIATION OR AN EVENT OF DEFAULT. IN SUCH EVENT, ALL PAYMENT OBLIGATIONS UNDER THE FUNDING AGREEMENT WILL TERMINATE, AND THE SERIES 2020 CERTIFICATES OF EACH SERIES AND THE INTEREST THEREON WILL BE PAYABLE ONLY FROM AMOUNTS PAYABLE UNDER THE FUNDING AGREEMENT THAT WERE PREVIOUSLY APPROPRIATED AND FROM UNEXPENDED PROCEEDS OF SUCH SERIES OF SERIES 2020 CERTIFICATES. IN NO EVENT SHALL THE AMOUNTS ON DEPOSIT IN THE FUNDS AND ACCOUNTS CREATED BY THE TRUST AGREEMENT FOR ANY TAX-EXEMPT CERTIFICATES BE APPLIED TO THE PAYMENT OF ANY TAXABLE CERTIFICATES. THERE IS NO ASSURANCE THAT SUCH MONEYS WILL BE SUFFICIENT FOR THE PAYMENT OF THE SERIES 2020 CERTIFICATES OR THE INTEREST THEREON UPON THE OCCURRENCE OF A NONAPPROPRIATION OR AN EVENT OF DEFAULT UNDER THE FUNDING AGREEMENT.

THE FUNDS FROM WHICH AMOUNTS ARE APPROPRIATED TO PAY CONTRACT PAYMENTS ARE NOT LIMITED TO ANY PARTICULAR SOURCE OF COUNTY REVENUES. THE COUNTY EXPECTS THAT ALL CONTRACT PAYMENTS WILL BE APPROPRIATED AND PAID BY THE COUNTY FROM AMOUNTS HELD IN CERTAIN FUNDS OR ACCOUNTS ESTABLISHED AND MAINTAINED BY THE COUNTY.

Funding Agreement

The County and the Bank, have entered into the Funding Agreement for a term which begins as of the date of issuance and delivery of the Series 2020 Certificates and shall remain in effect until the County has paid all Contract Payments to the Trustee, as assignee of the Bank, unless terminated earlier in accordance with the Funding Agreement. The Contract Payments due under the Funding Agreement are sufficient to pay the scheduled debt service on each series of the Series 2020 Certificates and the fees and expenses of the Trustee. The Contract Payments relating to each series of the Series 2020 Certificates are payable semi-annually on April 1 and October 1 of each year so long as such Series 2020 Certificates are outstanding and will be paid directly to the Trustee.

The ability of the County to pay the Contract Payments is subject to the annual appropriation of sufficient funds for such purpose by the County Council. The County may terminate the Funding Agreement at the end of the last fiscal year or earlier date for which an appropriation is available if sufficient funds are not appropriated for any fiscal year. The County Executive has covenanted in the Funding Agreement, to the extent permitted by law and subject to applicable public policy, to use his best efforts to obtain the authorization and appropriation of such funds, including, without limitation, the recommendation for inclusion of such funds in the budget of the County to be submitted to the County Council and a request for adequate funds to meet its obligations under the Funding Agreement in full in its next fiscal year budget. The County has also covenanted to apply funds that are appropriated for the Improvements to the payment of its obligations under the Funding Agreement.

The County has agreed, to the extent permitted by law and subject to applicable public policy, not to terminate the Funding Agreement if sufficient funds are appropriated to it for a particular fiscal year which are available for the payment of Contract Payments due in that fiscal year. See Appendix B - “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Summary of Certain Provisions of the Funding Agreement.”

If the County fails to pay any of the Contract Payments, the Trustee has the right to seek certain remedies under the Funding Agreement, including the termination of the Funding Agreement. See Appendix B - "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Summary of Certain Provisions of the Funding Agreement."

The County will insure or cause to be insured the Tax-Exempt Improvements against damage and destruction. Net insurance proceeds, as well as condemnation awards, may be applied to the repair or replacement of the Improvements or to the redemption of all or a portion of the Series 2020A Certificates. See "THE CERTIFICATES – Redemption Provisions – Extraordinary Redemption" and Appendix B - "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Summary of Certain Provisions of the Funding Agreement."

No Lien on Improvements

The payment of the Contract Payments by the County is *not* secured by any lien on the Improvements or other assets that may be constructed, acquired or renovated with proceeds of the Series 2020 Certificates.

THE SERIES 2020 CERTIFICATES

The Series 2020 Certificates will be dated the date of delivery, and will mature (subject to the redemption provisions set forth below) on the dates and in the amounts and bear interest as set forth on the inside front cover hereof.

The Series 2020 Certificates will be executed and delivered in fully registered form, without coupons, in denominations of $5,000 each or any integral multiple thereof. Interest will be payable on the Series 2020 Certificates on each April 1 and October 1 (each an "Interest Payment Date"), beginning April 1, 2021. Interest paid on April 1, 2021 will accrue from the date of delivery of the Series 2020 Certificates. The principal or redemption price of and interest on the Series 2020 Certificates will be paid as described in Appendix D so long as the Book-Entry Only System is maintained. If the Book-Entry Only System is discontinued, then the Series 2020 Certificates will be payable at the corporate trust office of the Trustee in Richmond, Virginia and interest will be payable by check mailed by the Trustee to the registered Holders of Series 2020 Certificates as their names and addresses appear in the registration books maintained by the Trustee as of (i) the fifteenth calendar day of the month next preceding each Interest Payment Date or (ii) in the case of the payment of any defaulted interest, the tenth (10^{th}) day before such payment. At the request of a Holder of Series 2020 Certificates in the aggregate principal amount of at least $100,000, any such payments may be made by wire transfer in accordance with written instructions filed by such Holder with the Trustee. Interest on the Series 2020 Certificates shall be calculated on the basis of a year consisting of 360 days divided into twelve 30-day months.

Authority for the Certificates

The Series 2020 Certificates are issued pursuant to the Montgomery County Charter, the Montgomery County Code and an Executive Order of the County Executive of the County.

Redemption Provisions

Optional Redemption

The Series 2020A Certificates that mature on or before October 1, 2030, are not subject to redemption prior to their respective maturities. The Series 2020A Certificates that mature on or after October 1, 2031, are subject to redemption beginning October 1, 2030, as a whole or in part at any time thereafter, in any order of their maturities, at the option of the County, at a redemption price for each certificate equal to the principal amount of the certificate to be redeemed, together with interest accrued to the date fixed for redemption, without premium.

The Series 2020B Certificates and Series 2020C Certificates are not subject to optional redemption prior to their respective maturities.

Extraordinary Redemption

The Series 2020A Certificates are subject to extraordinary redemption as soon as practicable after such moneys are available therefor in whole at any time or in part at any time at par plus accrued interest, to the date fixed for redemption from amounts deposited in the Principal Account relating to the Series 2020A Certificates from (i) Net Proceeds of insurance not required or requested in accordance with the Funding Agreement to replace, repair, rebuild, restore or modify the Tax-Exempt Improvements after the damage or destruction of the Tax-Exempt Improvements deposited pursuant to the Funding Agreement or (ii) Net Proceeds and amounts, if any, deposited by the County with the Trustee. See Appendix B – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS -- Summary of Certain Provisions of the Trust Agreement."

Selection of Series 2020 Certificates to be Redeemed

If fewer than all of the outstanding Series 2020 Certificates of a series are called for redemption, the Trustee shall redeem such Series 2020 Certificates of the maturities directed by the County and by lot in such manner as the Trustee shall determine within any maturity; provided however, that the portion of any Series 2020 Certificate to be redeemed shall be in the principal amount of $5,000 or any integral multiple thereof and, in selecting Series 2020 Certificates for redemption, the Trustee shall treat each Series 2020 Certificate as representing that number of Series 2020 Certificates that is obtained by dividing the principal amount of such Series 2020 Certificate by $5,000.

Notice of Redemption

The Trustee will mail notice of redemption, by first class mail, not less than 20 days and not more than 40 days before the date of redemption to the registered Holders of the Series 2020 Certificates of the maturity or maturities to be redeemed at their addresses shown on the registration books maintained by the Trustee. Notice having been given and sufficient moneys having been delivered to the Trustee, interest will cease to accrue on the Series 2020 Certificates to be redeemed on and after the redemption date. Any notice of redemption may indicate that such redemption is conditioned upon the deposit of sufficient moneys to effect such redemption on the redemption date. The failure by the Trustee to mail a notice of redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of the Series 2020 Certificates.

Additional Certificates

The County may issue additional parity certificates (the "Additional Certificates") under the Trust Agreement to provide additional funds to finance or refinance additions to the Improvements and other projects permitted under the Trust Agreement.

The Series 2020 Certificates will be secured equally and ratably on parity with any Additional Certificates, provided that in no event shall any Taxable Certificates be paid from amounts on deposit in any fund or account created for any Tax-Exempt Certificates. The Contract Payments made pursuant to the Funding Agreement by the County shall be increased by an amount equal to the principal of and interest on any such Additional Certificates that may be issued.

DESCRIPTION OF THE IMPROVEMENTS

The Improvements consist of (i) the Wheaton Redevelopment Project, (ii) the Rockville Core Project and (iii) the Equipment Acquisition Project, as each is defined and more particularly described below.

The Wheaton Redevelopment Project consists of the design and construction of an office building, an approximately 400 space underground public parking garage and a town square located on the site of a County government office known as the Mid-County Regional Service Center (the "RSC") and a County-owned surface parking lot located in Wheaton. The office building will be owned by the Maryland-National Capital Park and Planning Commission ("M-NCPPC"), which will house its new headquarters in the building. The remainder of the building space will be used by the County pursuant a long-term lease with M-NCPPC and serve as the new offices of the RSC, the Wheaton Urban District, the Department of Environmental Protection, the Department of Permitting Services, the Department of Recreation and the Community Use of Public Facilities and Environmental Health Regulatory Services in the Department of Health and Human Services; and as street-front retail space. The underground parking garage will be part of the Wheaton Parking Lot District.

The Rockville Core Project consists of the planning, design, and renovation of Grey Courthouse located at 27 Courthouse Square, Rockville, Maryland. The project will include the renovation of office space for occupancy by various County departments which currently utilize office space that is leased by the County.

The Equipment Acquisition Project consists of the purchase by the County of certain equipment and vehicles, including: (i) fire and emergency medical services ("EMS") vehicles and apparatus, including pumper trucks, brush engines and EMS units; (ii) buses for the County's Ride On fleet and buses for the County's Bus Rapid Transit line and (iii) heavy equipment vehicles, including leafers, dump trucks, a brush chipper, heavy plow trucks and a pick-up truck.

The components of the Equipment Acquisition Project which are not eligible for tax-exempt financing are referred to herein as the "Taxable Improvements." All Improvements other than the Taxable Improvements are referred to herein as the "Tax-Exempt Improvements."

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ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each June 30: (i) the principal and interest due on the Series 2020A Certificates; (ii) the principal and interest due on the Series 2020B Certificates; (iii) the principal and interest due on the Series 2020C Certificates and (iv) the total debt service requirements of the Series 2020 Certificates.

	Series 2020A Certificates		Series 2020B Certificates		Series 2020C Certificates		Total
Year	Principal	Interest	Principal	Interest	Principal	Interest	
2021	-	$ 1,825,657	$ 4,435,000	$ 529,517	$ 275,000	$ 27,436	$ 7,092,610
2022	$ 5,535,000	3,820,881	6,910,000	970,950	640,000	54,000	17,930,831
2023	5,815,000	3,537,131	7,165,000	694,550	655,000	41,200	17,907,881
2024	6,120,000	3,238,756	4,430,000	407,950	425,000	28,100	14,649,806
2025	6,430,000	2,925,006	3,880,000	230,750	430,000	19,600	13,915,356
2026	6,760,000	2,595,256	515,000	36,750	90,000	11,000	10,008,006
2027	7,105,000	2,248,631	220,000	11,000	90,000	9,200	9,683,831
2028	7,465,000	1,884,381	-	-	90,000	7,400	9,446,781
2029	4,920,000	1,574,756	-	-	90,000	5,600	6,590,356
2030	5,170,000	1,322,506	-	-	95,000	3,800	6,591,306
2031	5,430,000	1,057,506	-	-	95,000	1,900	6,584,406
2032	3,020,000	846,256	-	-	-	-	3,866,256
2033	3,155,000	707,656	-	-	-	-	3,862,656
2034	3,270,000	595,506	-	-	-	-	3,865,506
2035	3,370,000	495,906	-	-	-	-	3,865,906
2036	3,450,000	410,856	-	-	-	-	3,860,856
2037	3,525,000	341,106	-	-	-	-	3,866,106
2038	3,590,000	269,956	-	-	-	-	3,859,956
2039	3,665,000	197,406	-	-	-	-	3,862,406
2040	3,745,000	120,966	-	-	-	-	3,865,966
2041	3,820,000	40,588	-	-	-	-	3,860,588
TOTAL	$95,360,000	$30,056,673	$27,555,000	$2,881,467	$2,975,000	$209,236	$159,037,376

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THE COUNTY

General

Montgomery County, Maryland is a body politic and corporate and a political subdivision of the State of Maryland. For more information, respecting the County, see the County's Annual Information Statement (the "AIS"), which is hereby incorporated by reference and can be found at:

https://www.montgomerycountymd.gov/BONDS/Resources/Files/AIS2020.pdf

Information respecting the County's Comprehensive Annual Financial Report ("CAFR"), is hereby incorporated by reference and can be found at:

https://www.montgomerycountymd.gov/mcerp/Resources/Files/FY19%20CAFR%20Final(2).pdf

Selected Debt and Financial Schedules

The information (including Tables 1 through 7) presented on the following pages provides current information on the County's financial position as of June 30, 2019 and June 30, 2020, as applicable, and certain portions of such information have been updated to reflect the effect of the issuance by the County of its Consolidated Public Improvement Bonds of 2020, Series A (the "Series 2020A Bonds"), Consolidated Public Improvement Refunding Bonds of 2020, Series B (the "Series 2020B Bonds"), and Consolidated Public Improvement Refunding Bonds of 2020, Series C (Taxable) (the "Series 2020C Bonds" and together with the Series 2020A Bonds and the Series 2020B Bonds the "2020 General Obligation Bonds"), which were issued on August 5, 2020, on the current debt of the County. For more information on the County, and a complete overview of the County's debt and the County's Basic Financial Statements for the year ended June 30, 2019, please see the AIS.

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Table 1
Statement of Direct and Overlapping Debt
As of June 30, 2020
And Including 2020 General Obligation Bonds

Direct Debt as of June 30, 2020 (projected, unaudited)		
General Obligation Bonds Outstanding[1]	$2,588,060,000	
Short-Term BANs/Commercial Paper Outstanding[2]	155,000,000	
Series 2020A General Obligation Bonds	320,000,000	
Series 2020B General Obligation Bonds	163,950,000	
Series 2020C General Obligation Bonds	370,845,000	
Revenue Bonds Outstanding	224,590,320	
Total Direct Debt		$ 3,822,445,320
Overlapping Debt as of June 30, 2019		
Washington Suburban Sanitary Commission Applicable to Montgomery County	$2,418,648,000	
Housing Opportunities Commission	1,119,461,875	
Montgomery County Revenue Authority	72,674,787	
Maryland-National Capital Park and Planning Commission Applicable to Montgomery County	62,340,000	
Kingsview Village Center Development District	527,084	
West Germantown Development District	9,280,000	
Towns, Cities and Villages within Montgomery County	48,406,347	
Total Overlapping Debt		$ 3,731,338,093
Total Direct and Overlapping Debt		$ 7,553,783,413
Less Self-Supporting Debt as of June 30, 2019 (unless otherwise indicated)		
County Government Revenue Bonds as of June 30, 2020 (projected, unaudited)	$ 224,590,320	
Washington Suburban Sanitary Commission Applicable to Montgomery County	2,418,648,000	
Housing Opportunities Commission	1,119,461,875	
Montgomery County Revenue Authority	72,674,787	
Maryland-National Capital Park and Planning Commission Applicable to Montgomery County	-	
Total Self-Supporting Debt		$ (3,835,374,982)
Net Direct and Overlapping Debt		$ 3,718,408,431
Ratio of Debt to Estimated June 30, 2020 Assessed Valuation of (100% Assessment):		$197,949,932,000
Direct Debt		1.93%
Net Direct Debt[3]		1.82%
Direct and Overlapping Debt		3.82%
Net Direct and Overlapping Debt		1.88%
Ratio of Debt to Estimated June 30, 2020 Market Value of:		$206,365,949,744
Direct Debt		1.85%
Net Direct Debt[3]		1.74%
Direct and Overlapping Debt		3.66%
Net Direct and Overlapping Debt		1.80%

(1) This amount has been reduced by $521,750,000, the amount of the County's general obligation bonds refunded with a portion of the proceeds of the Series 2020B Bonds and Series 2020C Bonds (the "Refunded Bonds").
(2) Net of amount retired with the proceeds of the Series 2020A Bonds.
(3) Net Direct Debt of $3,597,855,000 is derived by subtracting direct self-supporting debt, which consists only of County Government Revenue Bonds, from Total Direct Debt.

Table 2
Statement of Legal Debt Margin
As of June 30, 2020
And Including 2020 General Obligation Bonds

June 30, 2020 Assessed Valuation - Real Property (Estimated)		$ 193,818,900,000
Debt Limit (% of Assessed Valuation)		6.00%
Subtotal Limitation - Real Property		$ 11,629,134,000
June 30, 2020 Assessed Valuation - Personal Property (Estimated)		$ 4,131,032,000
Debt Limit (% of Assessed Valuation)		15.00%
Subtotal Limitation - Personal Property		$ 619,654,800
Total Assessed Valuation - Real and Personal Property (Estimated)		$ 197,949,932,000
Legal Limitation for the Borrowing of Funds and the Issuance of Bonds		$ 12,248,788,800
Less Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds Outstanding[(1)]	$2,588,060,000	
Series 2020A Bonds	320,000,000	
Series 2020B Bonds	163,950,000	
Series 2020C Bonds	370,845,000	
Short-Term BANs/Commercial Paper Outstanding[(2)]	155,000,000	
Net Direct Debt		3,597,855,000
Legal Debt Margin		$ 8,650,933,800
Net Direct Debt as a Percentage of Assessed Valuation		1.82%

(1) This amount has been reduced by $521,750,000, the amount of the Refunded Bonds.
(2) Net of amount retired with the proceeds of the Series 2020A Bonds.

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Table 3
General Obligation Debt of the County
As of June 30, 2019 and June 30, 2020
And Including 2020 General Obligation Bonds

Issue	Dated Date	Original Issue Size	Original Coupon Rates	TIC (1)	Maturity	Principal Outstanding June 30,2019	Principal Outstanding June 30, 2020(5) (unaudited)
GO Bonds(2)	11/17/2009	$232,000,000	3.75-5.00	3.1774	2015-29	$ 170,140,000	-
GO Refunding Bonds	11/17/2009	161,755,000	2.00-5.00	2.6487	2011-20	46,400,000	$23,160,000
GO Bonds	07/26/2010	195,000,000	2.00-5.00	2.2596	2011-22	32,500,000	16,250,000
GO Bonds(3)	07/26/2010	130,000,000	4.75-5.40	5.0708	2023-30	130,000,000	-
GO Bonds	08/11/2011	320,000,000	2.00-5.00	3.2268	2012-31	16,000,000	-
GO Refunding Bonds	08/11/2011	237,655,000	2.00-5.00	1.9896	2012-22	102,145,000	80,080,000
GO Bonds	10/24/2012	295,000,000	2.50-5.00	2.2599	2013-32	103,250,000	14,750,000
GO Bonds	11/26/2013	295,000,000	3.00-5.00	3.1270	2014-33	191,750,000	59,000,000
GO Refunding Bonds	11/26/2013	24,915,000	5.00	2.7745	2023-24	24,915,000	24,915,000
GO Bonds	11/19/2014	500,000,000	4.00-5.00	2.7745	2015-32	350,000,000	125,000,000
GO Refunding Bonds	11/19/2014	297,990,000	5.00	2.3437	2016-28	270,480,000	270,395,000
GO Refunding Bonds	04/09/2015	58,520,000	5.00	1.2264	2018-21	37,475,000	22,585,000
GO Bonds	12/01/2015	300,000,000	3.00-5.00	2.8036	2016-35	255,000,000	240,000,000
GO Bonds	12/13/2016	340,000,000	3.00-5.00	3.2816	2017-37	306,000,000	289,000,000
GO Bonds	11/15/2017	170,000,000	5.00	1.7265	2018-27	153,000,000	136,000,000
GO Refunding Bonds	11/15/2017	78,270,000	5.00	1.6316	2018-26	61,915,000	53,900,000
GO Refunding Bonds	11/15/2017	294,625,000	3.00-5.00	2.0707	2019-31	294,625,000	285,695,000
GO Refunding Bonds	11/15/2017	143,830,000	3.00-4.00	2.1002	2020-29	143,830,000	143,830,000
GO VRDO(4)	12/19/2017	170,000,000	Variable	Variable	2028-37	170,000,000	170,000,000
GO Bonds	11/08/2018	330,000,000	3.50-5.00	3.2797	2019-38	330,000,000	313,500,000
GO Bonds	11/07/2019	320,000,000	3.00-5.00	2.2108	2020-40	-	320,000,000
GO Bonds	08/05/2020	320,000,000	4.00-1.75	1.4217	2021-2040	-	320,000,000
GO Refunding Bonds	08/05/2020	163,950,000	4.00	0.7398	2023-2032	-	163,950,000
GO Refunding Bonds	08/05/2020	370,845,000	1.85-0.400	1.4799	2023-2034	-	370,845,000
Total		$5,749,355,000				$3,189,425,000	$3,442,855,000

(1) True Interest Cost
(2) Includes Federally Taxable - Build America Bonds - Direct Pay. The County's 2017 Series D Bonds were issued to provide for the crossover refunding of a portion of these bonds in the outstanding principal amount of $154,675,000 (the "Crossover Refunded Series 2009B Bonds"). Prior to the Crossover Date (November 1, 2019), the Crossover Refunded Series 2009B Bonds remained outstanding and interest payments due thereon were paid from legally available funds (not from the Crossover Escrow Account). The principal amount of the Crossover Refunded Series 2009B Bonds outstanding as of June 30, 2019 is included for purposes of this table. The Crossover Refunded Series 2009B Bonds were fully redeemed on the Crossover Date from amounts on deposit in the Crossover Escrow Account.
(3) Federally Taxable – Build America Bonds – Direct Pay
(4) Variable Rate Demand Obligations
(5) Principal outstanding as of June 30, 2020 ($3,109,810,000) is adjusted to include the 2020 General Obligation Bonds issued and delivered by the County on August 5, 2020 (net of the amount of the Refunded Bonds).

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Table 4
General Obligation Bonds Authorized - Unissued
As of June 30, 2020

Purpose	Chapter	Act	Amount	Amount Unissued
General County, Parks, and	26	2013	$ 331,600,000	$ 49,235,253
Consolidated Fire Tax District	31	2014	167,400,000	167,400,000
	49	2015	148,100,000	148,100,000
	26	2018	28,100,000	28,100,000
	22	2019	5,600,000	5,600,000
			$ 680,800,000	$398,435,253
Road & Storm Drainage	49	2015	-	-
	26	2018	$ 37,900,000	$ 11,394,888
	22	2019	88,600,000	$88,600,000
			$ 126,500,000	$ 99,994,888
Public Schools and	49	2015	$ 267,200,000	$ 13,816,174
Community College	26	2018	38,400,000	38,400,000
	22	2019	245,000,000	245,000,000
			$ 550,600,000	$297,216,174
Mass Transit	49	2015	$ 34,200,000	$ 556,685
	26	2018	51,500,000	51,500,000
			$ 85,700,000	$ 52,056,685
Public Housing	22	2009	$ 1,000,000	$ 1,000,000
	54	2010	46,400,000	46,400,000
			$ 47,400,000	$ 47,400,000
Easements				
Agricultural Easements	24	2011	$ 2,000,000	$ 2,000,000
Façade Easements	24	2011	1,100,000	1,100,000
	26	2013	2,200,000	2,200,000
			$ 5,300,000	$ 5,300,000
Total General Obligation Bonds			$1,496,300,000	$900,403,000

Note: In addition to the above noted authority, the County has authority under the provisions of section 56-13 of the Montgomery County Code, as amended, to issue County bonds, within statutory debt limits to finance approved urban renewal projects.

Table 5
Bond Anticipation Notes Outstanding
As of June 30, 2020
And Including 2020 General Obligation Bonds

Issue	Balance June 30, 2019	BANs Retired	BANs Issued	Total BANs Outstanding as of June 30, 2020	BANs Retired[(1)]	Balance
BAN 2009-A	$100,000,000	$100,000,000	$100,000,000	$100,000,000	$ 22,500,000	$77,500,000
BAN 2009-B	100,000,000	100,000,000	100,000,000	100,000,000	22,500,000	77,500,000
BAN 2010-A	150,000,000	85,000,000	85,000,000	150,000,000	150,000,000	-
BAN 2010-B	150,000,000	85,000,000	85,000,000	150,000,000	150,000,000	-
Total	$500,000,000	$370,000,000	$370,000,000	$500,000,000	$345,000,000	$155,000,000

(1) With the proceeds of the Series 2020A Bonds.

Table 6
Montgomery County, Maryland
Schedule of General Fund Revenues, Expenditures, & Transfers In (Out)
(GAAP Basis)

	Fiscal Year Actual[1][2]			Projected Fiscal Year
	2017	2018	2019	2020 (Unaudited)[2][3]
Revenues:				
Taxes:				
Property, including interest & penalty	$ 1,268,546,191	$ 1,267,143,805	$ 1,292,155,658	$ 1,295,454,907
Transfer tax and recordation tax	178,375,819	158,587,905	168,192,023	182,762,241
County income tax	1,466,625,994	1,469,251,059	1,531,219,289	1,640,319,299
Other taxes	268,924,060	275,876,684	273,354,916	283,209,028
Total Taxes	3,182,472,064	3,170,859,453	3,264,921,886	3,401,745,475
Licenses and permits	11,236,330	11,256,621	11,747,328	13,109,310
Intergovernmental revenue	75,066,678	64,287,818	66,502,144	72,994,130
Charges for services	30,128,687	12,494,474	30,198,205	10,671,700
Fines and forfeitures	26,826,771	29,660,682	31,495,317	35,452,650
Investment income	1,120,236	3,595,298	8,583,321	8,203,470
Miscellaneous	22,474,705	9,241,500	16,930,457	13,176,659
Total Revenues	3,349,325,471	3,301,395,846	3,430,378,658	3,555,353,394
Expenditures (including encumbrances):				
General County:				
General government	446,202,270	386,666,899	389,073,054	536,890,396
Public safety	379,644,039	392,519,611	402,853,522	393,950,288
Public works and transportation	67,413,701	70,864,322	60,992,654	46,180,788
Health and human services	237,717,134	249,913,897	254,956,656	248,987,249
Culture and recreation	45,250,504	47,205,792	50,137,324	42,858,986
Housing and community development	13,662,421	13,321,644	14,056,063	17,990,541
Environment	2,314,408	2,534,498	2,107,892	3,124,145
Education	1,792,988,988	1,850,884,306	1,885,648,526	1,899,124,033
Total Expenditures	2,985,193,465	3,013,910,969	3,059,825,691	3,189,106,426
Transfers In (Out):				
Transfers In:				
Special Revenue Funds	27,116,652	48,196,400	28,757,130	30,229,302
Enterprise Funds	26,090,797	34,864,333	41,504,274	45,641,108
Internal Service Funds	4,312	27,359,360	11,537,012	-
Capital Projects Fund	-	-	5,500,000	-
Component Units	-	-	-	-
Total Transfers In	53,211,761	110,420,093	87,298,416	75,870,410
Transfers Out:				
Special Revenue Funds	(25,773,949)	(22,352,856)	(42,135,619)	(27,133,886)
Debt Service Fund	(309,582,508)	(312,020,119)	(329,700,927)	(346,834,960)
Capital Projects Fund	(55,254,099)	(46,703,653)	(47,326,269)	(33,911,000)
Enterprise Funds	(25,000)	(2,166,800)	(25,000)	(1,696,170)
Internal Service Funds	(95,623)	(609,198)	(857,758)	-
Total Transfers Out	(390,731,179)	(383,852,626)	(420,045,573)	(409,576,016)
Net Transfers In (Out)	(337,519,418)	(273,432,533)	(332,747,157)	(333,705,606)
Other Financing Sources	22,843	367	8,655	-
Net Change in Fund Balance	26,635,432	14,052,711	37,814,465	32,541,362
Fund Balances, Beginning of Year	480,336,363	506,971,795	521,024,506	558,838,971
Fund Balance, End of the Year	$ 506,971,795	$ 521,024,506	$ 558,838,971	$ 591,380,333

(1) Amounts for FY17-FY19 are audited. Fiscal Year ended June 30. Statements are based on the County's Comprehensive Annual Financial Report (CAFR).
(2) For financial reporting purposes, the amounts include the General Fund, Urban Districts, Economic Development and the Revenue Stabilization Fund.
(3) The County's most current Fiscal Plan, issued subsequent to the preparation of the schedule presented above, reflects FY20 projected Revenue Stabilization Fund and Unassigned General Fund balances of $382.2 million and $154.1 million, respectively, for total estimated FY20 budgetary reserves of $536.3 million. The Fiscal Plan incorporates the most recent formal revenue and expenditure estimates, for which there is some uncertainty as a result of the current economic situation.

Table 7
General Fund
Schedule of Actual and Estimated
GAAP Fund Balances

	Fiscal Year Actual[1]				Estimated Fiscal Year
	2016	2017	2018	2019	2020 (Unaudited)
Restricted - Revenue Stabilization Fund [2][4]	$ 254,406,038	$ 280,660,259	$ 308,695,745	$ 341,545,046	$ 364,671,289
Components of General Fund Reported Fund Balance (Net of RSF) [1][3]					
Nonspendable	$ 7,275,055	$ 8,797,529	$ 6,755,806	$ 12,137,808	$ 8,741,550
Restricted - Other	6,907,814	11,784,991	13,639,668	10,219,326	10,637,950
Committed	71,684,134	60,445,573	62,163,634	59,837,927	78,051,927
Assigned	27,035,009	26,916,962	27,071,892	31,782,165	28,201,507
Unassigned[4]	113,028,313	118,366,481	102,697,791	103,316,700	101,076,111
Subtotal	225,930,325	226,311,536	212,328,791	217,293,926	226,709,044
Total Reported General Fund	$ 480,336,363	$ 506,971,795	$ 521,024,536	$ 558,838,972	$ 591,380,333

(1) Amounts for FY16-19 are audited.
(2) Per Sections 20-64 through 20-72, inclusive, of the County Code, use of the resources in the Revenue Stabilization Fund is restricted. For financial reporting purposes, the fund is reported as part of the General Fund.
(3) Beginning in FY 2016, for GAAP financial reporting purposes, the Economic Development Fund and Urban District Funds, are required to be reported as part of the General Fund.
(4) The County's most current Fiscal Plan, issued subsequent to the preparation of the schedule presented above, reflects FY20 projected Revenue Stabilization Fund and Unassigned General Fund balances of $382.2 million and $154.1 million, respectively, for total estimated FY20 budgetary reserves of $536.3 million. The Fiscal Plan incorporates the most recent formal revenue and expenditure estimates, for which there is some uncertainty as a result of the current economic situation.

Revenue Stabilization Fund

The State enacted legislation in 1992 authorizing political subdivisions in the State to establish "rainy day" or reserve funds to accommodate future funding shortfalls. Pursuant to this State law, the County, under Section 20-64 of Article XII of the County Code, established a Revenue Stabilization Fund (the "Fund") effective July 1, 1994. The Fund supplements the reserve or operating margin the County annually sets aside, and provides a mechanism to level out the revenue stream by adjusting for year-to-year fluctuations beyond a certain baseline level.

Effective fiscal year 2011, the mandatory annual contribution to the Fund must equal the greater of 50 percent of any excess revenue or an annual amount equal to the lesser of 0.5 percent of the Adjusted Governmental Revenues (as defined below) or the amount needed to obtain a total reserve of 10 percent of the Adjusted Governmental Revenues. Excess revenue is the amount, if positive, by which total revenues from the income tax, real property transfer tax, recordation tax, and investment income for the General Fund for the fiscal year exceed the original projections for these amounts. Adjusted Governmental Revenues means tax-supported County Governmental Funds revenues, plus revenues of the County Grants Fund, County Capital Projects Fund, tax-supported funds of the Montgomery County Public Schools, not including the County's local contribution, tax-supported funds of Montgomery College, not including the County's local tax contribution, and tax-supported funds of the County portion of the Maryland-National Capital Park and Planning Commission.

In fiscal year 2014, the fund balance in the Fund was combined with the General Fund in the Comprehensive Annual Financial Report. This amount is reported as restricted fund balance in the General Fund. The County is phasing in a 10 percent reserve requirement for Adjusted Governmental Revenues and expects to obtain this level of funding in fiscal year 2020.

Table 8
Revenue Stabilization Fund
Transfers In and Fund Balance
(in Millions)

Fiscal Year[(1)]	Transfers	Fund Balance
2019	$25.6	$341.5
2018	24.9	308.7
2017	24.7	280.7
2016	23.2	254.4
2015	22.4	230.6

Financial Impact of COVID-19

Introduction

The information in this section provides an overview of the County's actions taken in responding to the public health crisis caused by the new strain of coronavirus and associated illness called COVID-19 ("COVID-19"). The ultimate economic and fiscal impact is unknown and cannot be reasonably estimated at the current time. On January 31, 2020, the United States Department of Health and Human Services declared a public health emergency for the United States to aid the nation's health care community in responding to COVID-19. The World Health Organization (the "WHO") and the Centers for Disease Control and Prevention declared COVID-19 to be a "public health emergency of international concern." On March 11, 2020, the WHO declared the COVID-19 outbreak a global pandemic (the "Pandemic") and on March 13, 2020, the President of the United States declared a national state of emergency.

Executive Action

In response to the Pandemic, the Governor of Maryland (the "Governor") proclaimed a state of emergency and catastrophic health emergency within the State of Maryland ("Maryland" or the "State") on March 5, 2020 and renewed on March 16, 2020. Since the initial and renewed proclamation, the Governor has issued a series of executive orders, among other things, prohibiting large gatherings and events, requiring Maryland residents to remain at home except to conduct and participate in essential and certain other activities, requiring closure of nonessential and certain other businesses and authorizing emergency healthcare delivery. On May 13, 2020, the Governor issued an executive order lifting the state-wide stay-at-home order and easing certain other restrictions such as allowing certain retail establishments to open at limited capacity, but allowing political subdivisions (such as the County) to issue orders that are more restrictive. On May 27, 2020, the Governor amended prior orders to allow political subdivisions to permit, among other things, the opening of certain retail and personal services establishments, provided that the number of persons in such establishments does not exceed 50% of their maximum occupancy, outdoor dining facilities, so long as patrons are seated at least six feet apart (unless such persons are members of the same household). On June 3, 2020, the Governor announced the second phase of Maryland's roadmap to recovery further lifting several restrictions with an executive order reopening many nonessential retail establishments, which the Governor further amended on June 10, allowing for the reopening of, among other facilities, fitness centers, malls and casinos, effective June 19, 2020. Under the Governor's orders, political subdivisions retained the authority to enforce restrictions based on local conditions.

On May 15, 2020, Montgomery County Executive signed an Executive Order 067-20 continuing the County's Stay at Home order until COVID-19 data shows it is safe to move towards reopening. The Montgomery County Council voted unanimously to approve the Executive Order. On May 28, 2020, the County Executive announced Phase I reopening, which such reopening started on June 1. On June 16, 2020, the County Executive announced Phase 2 reopening, which such reopening started on June 19.

Effective August 5, 2020, the June 19, 2020 executive order lifting the stay at home order was amended and restated to provide detailed guidance regarding face coverings, general operating requirements, and facilities that may open. The County is in Phase 2 of reopening. The County is incrementally reopening, based on public health data.

The U.S. Treasury Department and the Internal Revenue Service automatically extended the federal income tax filing due date from April 15, 2020, to July 15, 2020. The Maryland Comptroller likewise extended the deadline for filing Maryland state tax returns and making payments for state income taxes from April 15, 2020, to July 15, 2020. This action by the Maryland Comptroller has delayed the payment of local income taxes to the County.

Financial Impact

The economic, financial, and budgetary impacts on the County and its economy from the measures taken to combat the Pandemic may be significant. At this time, the County cannot determine with any reasonable degree of certainty the impact on County revenues, expenditures, reserves, budget, or financial position. Such impact will depend heavily on future events and actions by the State government and federal government, as well as other nations around the world. No assurance can be given regarding future events or impacts because many actions and events are unpredictable, unknowable at this time, and outside the control of the County. The County will continue to monitor events as they occur, especially those that may have a significant impact on the County's budget and finances.

Through the first three quarters of FY20, current year tax revenues were approximately $50 million above the FY20 approved budget due to higher than anticipated income tax and transfer and recordation taxes. The last income tax distribution was in August and was $59.6 million, an increase of approximately $29 million from the estimate, which includes the delayed tax payments made by taxpayers that had been extended from April 15 to July 15, as described above. The impact of the coronavirus did not impact the County's August distribution that covers the third month of the second quarter of the current calendar year. For the entire second quarter of the current calendar year, income tax revenues were 6.5 percent above the estimate. Since mid-March 2020 the County has had a procurement freeze and a hard position freeze in place to reduce spending. Any deficit remaining after cost saving measures implemented by the County will be funded by either the County's General Fund unrestricted reserve or, if necessary, the Revenue Stabilization Fund ("Rainy Day Fund").

The General Fund unrestricted reserve had a balance of $103.3 million and the Revenue Stabilization Fund had a balance of $341.5 million at the end of Fiscal Year 2019. The full financial impact of the Pandemic on the County, its economy, and its financial position will continue to change as circumstances and events evolve. The County likely will be impacted by (i) overall decreases in the income tax due to an unprecedented employment decline, reduced business income, and lower capital gains from investments, (ii) transfer and recordation taxes due to a potential slowdown in the housing market, and, to a lesser extent, the County's fee and fine revenue and (iii) cancellations of major events and conferences, which will decrease hotel/motel tax revenue.

As of August 4, 2020, the County Council has approved supplemental appropriations of $137.7 million ($79.2 million in FY20 special appropriations and $58.5 million in FY21 special appropriations) in response to the COVID-19 health crisis to provide assistance to small businesses and families. The County has received $183.3 million in federal aid from the Coronavirus Aid, Relief, and Economic Security ("CARES") Act signed into law by the President on March 27, 2020. This funding can be applied to reimburse expenditures incurred due to the public health emergency through December 30, 2020. Additionally, the County will receive $30.1 million in Transit funding through the CARES Act that can be used after July 1, 2020 (beginning of FY21). The County also has received a $2.95 million Community Development Block Grant ("CDBG") for rental relief and a $1.4 million Emergency

Solutions Grant ("ESG") for homeless services from the U.S. Department of Housing and Urban Development (HUD). Also, through the CARES Act, the County received a $4.8 million Emergency Solutions COVID-19 Grant from HUD for rental assistance, temporary shelter and rapid rehousing. The County will use those funds for Pandemic related costs incurred and to be incurred by the County.

On July 28, 2020, the County Council approved a FY21 tax supported operating budget Savings Plan of $31.9 million for Montgomery County Government ("MCG"), $4.4 million for Montgomery College, and $7.5 million for the M-NCPPC. The Montgomery County Public Schools ("MCPS") also have been asked to develop opportunities to reduce spending for FY21 and have signaled willingness to assist in finding savings where possible. The County Council also approved a FY21 Capital Improvements Plan ("CIP") Savings Plan that included $22.8 million in PAYGO savings and $4.9 million in CIP cash savings in MCG and Housing Opportunities Commission projects. Additional CIP cash savings are expected from M-NCPPC, Montgomery College, and MCPS in September. The County is also seeking reimbursement for qualified expenses from the Federal Emergency Management Agency ("FEMA").

As a result of the Pandemic, the County has and will continue to experience an increase in expenses for emergency preparedness, public health and personnel costs. The County cannot determine at this time the full extent of the expenses it will incur as a result of the Pandemic. The County has the ability to modify its FY21 operating budget (i.e., additional Savings Plan) and adjust its cash spending in the Capital Improvement Program to help the operating budget. Moreover, the County maintains an unrestricted General Fund reserve to pay for unanticipated increased expenses and, if necessary, can access the Revenue Stabilization Fund in the event that current year appropriations become unfunded and can utilize lines of credit for short-tern borrowing in response to the delayed payment of taxes and other anticipated revenues.

The ongoing Pandemic may cause additional economic and health challenges that cannot be anticipated at this time. The County will continue to act proactively to manage its affairs through these uncertain times.

TAX MATTERS

Tax-Exempt Certificates

Maryland Income Taxation

In the opinion of Special Counsel, assuming compliance with covenants herein and under existing statutes, regulations and decisions, the interest portion on the Contract Payments relating to the Tax-Exempt Certificates to be made by the County under the Funding Agreement and to be received by the Holders of the Tax-Exempt Certificates is exempt from income taxation by the State of Maryland. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the interest portion of such Contract Payments. Interest on the Contract Payments to be received by Holders of the Tax-Exempt Certificates may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws.

Federal Income Taxation

In the opinion of Special Counsel, assuming compliance with certain covenants described herein and under existing statutes, regulations, and decisions, the interest portion of the Contract Payments relating to the Tax-Exempt Certificates to be made by the County under the Funding Agreement and to be received by the Holders of the Tax-Exempt Certificates will be excludable from gross income for federal income tax purposes.

Under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain restrictions that must be met subsequent to the delivery of the Tax-Exempt Certificates, including restrictions that must be complied with throughout the term of the Funding Agreement in order that the interest portion of the Contract Payments be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Tax-Exempt Certificates 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 Tax-Exempt Certificates; and (iii) other requirements applicable to the use of the proceeds of the Tax-Exempt Certificates 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 portion of the Contact Payments received by the Holders of the Tax-Exempt Certificates 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 Tax-Exempt Certificates and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of the interest portion of the Contract Payments received by the Holders of the Tax-Exempt Certificates.

Further, under existing statutes, regulations and decisions, Special Counsel is of the opinion that the interest portion of the Contract Payments relating to the Tax-Exempt Certificates received by the Holders of the Tax-Exempt Certificates is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. In addition, the interest portion of such Contract Payments will be subject to the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

In rendering its opinion, Special Counsel will rely, without independent investigation on the representations of certain officials of the County made on behalf of the County in its Tax and Section 148 Certificate with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of the Tax-Exempt Certificates.

Special Counsel will express no opinion as to the treatment for federal or State of Maryland income tax purposes of any payment made to the Bank under the Funding Agreement or its assigns from sources other than the Contract Payments to be made by the County that may result should the County not make an appropriation to provide for the payment of the Contract Payments or upon defeasance of the Tax-Exempt Certificates.

Certain Other Federal Tax Considerations

There are other federal tax consequences of ownership of obligations such as the Tax-Exempt Certificates 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 25% of the sum of tax-exempt interest income 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; (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 Tax-Exempt Certificates, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; (v) net gain realized upon the sale or other disposition of the Tax-Exempt Certificates generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and certain trusts and estates; and (vi) receipt of certain investment income, including interest on the Tax-Exempt Certificates, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code.

Tax Accounting Treatment of Discount Certificates

Certain maturities of the Tax-Exempt Certificates may be issued at an initial issue price that is less than the amount payable on such Tax-Exempt Certificates at maturity (the "Discount Certificates"). The difference between the initial offering price at which a substantial amount of the Discount Certificates of each maturity was sold and the principal amount of such Discount Certificates payable at maturity constitutes original issue discount. In the case of any Holder of Discount Certificates, the amount of such original issue discount which is treated as having accrued with respect to such Discount Certificates 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 Certificate 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 Certificate, and (2) the amount of original issue discount attributable to the period during which the Holder held such Discount Certificate, 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 Certificates will be attributed to permissible compounding periods during the life of any Discount Certificates in accordance with a constant rate of interest accrual method. The yield to maturity of the Discount Certificates 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 Certificates 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 that is treated as having accrued in respect of a Discount Certificate for any particular compounding period is equal to the excess of (i) the product of (a) the yield for the Discount Certificate (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 Certificate at the beginning of such period if held by an original purchaser who purchased at the initial issue price, over (ii) the amount actually payable as interest on such Discount Certificate during such period. For purposes of the preceding sentence the tax basis of a Discount Certificate, if held by an original purchaser, can be determined by adding to the initial issue price of such Discount Certificate, the original issue discount that is treated as having accrued during all prior compounding periods. If a Discount Certificate 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 Certificates should note that, under the tax regulations, the yield and maturity of a Discount Certificate is determined without regard to commercially reasonable sinking fund payments and any original issue discount remaining unaccrued at the time that a Discount Certificate is redeemed in advance of the stated maturity will be treated as taxable gain. Moreover, the tax regulations prescribe special conventions for determining the yield and maturity of certain debt instruments that provide for alternative payment schedules applicable upon the occurrence of certain contingencies.

The yields furnished by the successful bidders for the Tax-Exempt Certificates as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount Certificates 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 Certificates should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Discount Certificates. In addition, prospective corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Discount Certificates under 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 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 Certificates should consult their tax advisors.

Purchase, Sale and Retirement of Tax-Exempt Certificates

Except as noted below in the case of market discount, the sale or other disposition of a Tax-Exempt Certificate will normally result in capital gain or loss to its Holder. A Holder's initial tax basis in a Certificate will be its cost. Upon the sale or retirement of a Tax-Exempt Certificate, 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 Tax-Exempt Certificate, determined by adding to the original cost basis in such Tax-Exempt Certificate the amount of original issue discount that is treated as having accrued as described above under "TAX MATTERS -- Tax Accounting Treatment of Discount Certificates." Such gain or loss will be long-term capital gain or loss if, at the time of the sale or retirement the Tax-Exempt Certificate 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, short-term capital gains are taxed at rates applicable to ordinary income, while net capital gains are taxed at lower rates. 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 Tax-Exempt Certificate after its original issuance at a discount below its principal amount (or in the case of a Tax-Exempt Certificate issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such Tax-Exempt Certificate was first issued), the Holder will be deemed to have acquired the Tax-Exempt Certificate at ''market discount,'' unless the amount of market discount is *de minimis,* as described in the following paragraph. If a Holder that acquires a Tax-Exempt Certificate with market discount subsequently realizes a gain upon the disposition of the Tax-Exempt Certificate, 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 Tax-Exempt Certificate, 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 Tax-Exempt Certificate not issued at an original issue discount, market discount will be *de minimis* if the excess of the Tax-Exempt Certificate's stated redemption price at maturity over the Holder's cost of acquiring the Tax-Exempt Certificate 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 the Tax-Exempt Certificate and its stated maturity date. In the case of a Tax-Exempt Certificate issued at an original issue discount, market discount will be *de minimis* if the excess of the Tax-Exempt Certificate's revised issue price over the Holder's cost of acquiring the Tax-Exempt Certificate is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the Holder acquires the Tax-Exempt Certificate and its stated maturity date. For this purpose, a Tax-Exempt Certificate'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 the Tax-Exempt Certificate during the period between its original issue date and the date of acquisition by the Holder.

Amortizable Premium

A Tax-Exempt Certificate will be considered to have been acquired at a premium if, and to the extent that, immediately after the acquisition of such Tax-Exempt Certificate, the Holder’s tax basis in the Tax-Exempt Certificate exceeds the amount payable at maturity. Under the tax regulations applicable to the Tax-Exempt Certificates, the amount of 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 Tax-Exempt Certificate. The Holder will be required to reduce his tax basis in the Tax-Exempt Certificate for purposes of determining gain or loss upon disposition of the Tax-Exempt Certificate by the amount of amortizable certificate premium that accrues (determined on a constant yield method) during his period of ownership. No deduction (or other tax benefit) is allocable in respect of any amount of amortizable certificate premium on the Tax-Exempt Certificates.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; Holders of the Tax-Exempt Certificates 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.

Taxable Certificates

General

The interest portion of the Contract Payments relating to the Taxable Certificates to be made by the County under the Funding Agreement and to be received by the Holders of the Taxable Certificates will be includable in gross income for United States federal income tax purposes.

Many factors may impact the application of federal income tax laws pertaining to the Taxable Certificates and the receipt of interest portion of the Contract Payments relating to the Taxable Certificates, including the status of the beneficial owner of the Taxable Certificates as a United States holder or non-United States holder under applicable rules, whether the Taxable Certificates are held as capital assets or in some other context, and whether the status of the beneficial owner and/or the financial context in which it is operating represents a special tax situation, such as S corporations, insurance companies, tax-exempt organizations, financial institutions, regulated investment companies, real estate investment trusts, certain broker-dealers and traders in securities. Persons considering the purchase of the Taxable Certificates should consult their own tax advisors concerning the application of federal income tax laws to their particular situations as well as any consequences arising from the federal alternative minimum tax or the federal estate tax or under the laws of any other taxing jurisdiction.

The following is a summary of certain United States federal income tax consequences of the ownership of the Taxable Certificates held as capital assets by United States holders. The discussion below is based upon the provisions of the Code, and regulations, rulings and judicial decisions as of the date of this Official Statement. Those authorities may be changed, in some cases retroactively, so as to result in United States federal income tax consequences different from those discussed below.

As used herein, “United States holder” means a beneficial owner of a Taxable Certificate who or that, for United States federal income tax purposes, is (i) a citizen or resident of the United States of America, (ii) an entity taxable as a corporation created or organized in or under the laws of the United

States of America or any political subdivision of the United States of America, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust if it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or if it has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

If a partnership, or other entity classified as a partnership for federal income tax purposes, holds Taxable Certificates, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding Taxable Certificates should consult its tax advisor.

State of Maryland Taxation

Under existing law of the State of Maryland, the interest portion of the Contract Payments to be made by the County under the Funding Agreement and to be received by the Holders of the Taxable Certificates is not exempt from income taxation by the State of Maryland or by any of its political subdivisions.

The interest portion of the Contract Payments received by Holders of the Taxable Certificates may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws.

United States Federal Income Taxation

The interest portion of the Contract Payments received by Holders of the Taxable Certificates will be taxable as ordinary income at the times accrued or paid in accordance with United States holder's method of accounting for federal income tax purposes.

Tax Accounting Treatment of Taxable Discount Certificates

Certain maturities of the Taxable Certificates may be issued at an initial public offering price which is less than the stated redemption price at maturity of such Taxable Certificates (the "Taxable Discount Certificates"). If the stated redemption price at maturity of Taxable Discount Certificates of a particular maturity exceeds the first price at which a substantial amount of such Taxable Discount Certificates was sold for money (excluding sales to bond houses, brokers or similar persons acting as underwriters, placement agents or wholesalers) by more than a *de minimis* amount, the Taxable Discount Certificates will be treated as having original issue discount. A holder of Taxable Discount Certificates (whether a cash or accrual method taxpayer) is required to include in gross income as interest the amount of such original issue discount that is treated as having accrued during a taxable year, with respect to such Taxable Discount Certificates, in advance of the receipt of some or all of the related cash payments. Accrued original issue discount is added to the original cost basis of the holder in determining, for federal income tax purpose, gain or loss upon disposition (including sale, early redemption or repayment at maturity).

Original issue discount on Taxable Discount Certificates will be attributed to permissible compounding periods during the life of any Taxable Discount Certificates in accordance with a constant rate of interest accrual method. The yield to maturity of the Taxable Discount Certificates 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 Taxable Discount Certificates and must begin or end on the date of such payments. The amount of original issue discount allocable to any compounding period is equal to the excess, if any, of (a) the Taxable Discount Certificate's adjusted issue price at the beginning of the compounding period multiplied by its yield to maturity, determined on the basis of compounding at the close of each compounding period and properly adjusted for the length of the compounding period, over (b) the aggregate of all qualified stated interest allocable to the compounding period. Original issue discount allocable to a final compounding period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final compounding period. Special rules apply for calculating original issue discount for an initial short compounding period. The "adjusted issue price" of a Taxable Discount Certificate at the beginning of any compounding period is equal to its issue price increased by the accrued original issue discount for each prior compounding period (determined without regard to the amortization of any acquisition or Taxable Certificate premium, as described below) and reduced by any payments made on the Taxable Discount Certificate (other than qualified stated interest) on or before the first day of the compounding period. Under these rules, a holder of a Taxable Discount Certificate will have to include in income increasingly greater amounts of original issue discount in successive compounding periods. The amount of original issue discount accrued on Taxable Discount Certificates held of record by persons other than corporations and other exempt holders will be reported to the Internal Revenue Service. If a Taxable Discount Certificate 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.

The term "qualified stated interest" means stated interest that is unconditionally payable in cash or in property, other than debt instruments of the issuer, if the interest to be paid is payable at least once per year, is payable over the entire term of the Taxable Discount Certificate and is payable at a single fixed rate or, subject to certain conditions, based on one or more interest indices.

Holders of Taxable Discount Certificates should note that, under applicable regulations, the yield and maturity of a Taxable Discount Certificate is determined without regard to commercially reasonable sinking fund payments and any original issue discount remaining unaccrued at the time that a Taxable Discount Certificate 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 upon the occurrence of certain contingencies.

The yields (and related prices) furnished by the successful bidder for the Taxable Certificates, as shown on the inside cover of this Official Statement, may not reflect the initial issue price for the purposes of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Taxable Discount Certificates 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 Taxable Discount Certificates should consider possible state and local income, excise or franchise tax consequences arising from original issue discount on Taxable Discount Certificates. In addition, prospective foreign corporate purchasers should consider possible federal tax consequences arising from original issue discount on such Taxable Discount Certificates under 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 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 Taxable Discount Certificates should consult their tax advisors.

Purchase, Sale and Retirement of Taxable Certificates

Except as noted below in the case of market discount, the sale or other disposition of a Taxable Certificate will normally result in capital gain or loss. A United States holder's initial tax basis in a Taxable Certificate will be its cost. Upon the sale, redemption or retirement of a Taxable Certificate, for federal income tax purposes, a United States 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 (less an amount equal to any accrued qualified stated interest, which will be treated as a payment of interest) and (b) the tax basis in such Taxable Certificate, determined by adding to the original cost basis in such Taxable Certificate the amount of any original issue discount and any market discount previously included in such holder's income, and by subtracting any amortized premium and any cash payments on the Taxable Certificate other than qualified stated interest, as more fully described above under "Tax Accounting Treatment of Taxable Discount Certificates". Such gain or loss will be long-term capital gain or loss if at the time of the sale, redemption or retirement the Taxable Certificate has been held for more than one year. Under present law, both long and short-term capital gains of corporations are taxed at the rates applicable to ordinary income. For noncorporate taxpayers, however, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. 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 United States holder acquires a Taxable Certificate after its original issuance at a cost, which is less than its stated redemption price at maturity (or, in the case of a Taxable Certificate having original issue discount, its revised issue price) by more than a certain *de minimis* amount, such holder will be deemed to have acquired the Taxable Certificate at "market discount." The amount of market discount treated as having accrued will be determined either on a ratable basis, or, if the holder so elects, on a constant interest method. Upon any subsequent disposition (including a gift, redemption or payment at maturity) of such Taxable Certificate (other than in connection with certain nonrecognition transactions), the lesser of any gain on such disposition (or appreciation, in the case of a gift) or the portion of the market discount that accrued while the Taxable Certificate was held by such holder will be treated as ordinary income at the time of the disposition. In lieu of including accrued market discount in income at the time of disposition, a holder may elect to include market discount in income currently. Unless a holder so elects, a holder may be required to defer deductions for a portion of such holder's interest expenses with respect to any indebtedness incurred or maintained to purchase or carry such Taxable Certificate until the holder disposes of the Taxable Certificate. The election to include market discount in income currently, once made, is irrevocable and applies to all market discount obligations acquired on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the Internal Revenue Service.

Acquisition Premium

A subsequent United States holder of a Taxable Certificate is generally subject to rules for accruing original issue discount described above. However, if such holder's purchase price for the Taxable Certificate exceeds the adjusted issue price (the sum of the issue price of the Taxable Certificate and the aggregate amount of the original issue discount includable in the gross income of all holders for periods before the acquisition of the Taxable Certificate by such holder and reduced by any payment previously made on the Taxable Certificate other than a payment of qualified stated interest) the excess (referred to as "acquisition premium") is offset ratably against the amount of original issue discount otherwise includable in such holder's taxable income (*i.e.*, such holder may reduce the daily portions of original issue discount by a fraction, the numerator of which is the excess of such holder's purchase price for the Taxable Certificate over the adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Taxable Certificate after the purchase date other than qualified stated interest over the Taxable Certificates' adjusted price).

Amortizable Certificate Premium

If the United States holder's basis in a Taxable Certificate exceeds the sum of all amounts payable on the Taxable Certificate after the date on which the holder acquires it other than qualified stated interest, such excess will constitute amortizable premium with respect to the Taxable Certificate and, in the case of a Taxable Discount Certificate, such holder will not have to account for original issue discount with respect to such Taxable Certificate. The holder of a Taxable Certificate having amortizable premium generally may elect to amortize the premium over the remaining term of the Taxable Certificate on a constant yield method as an offset to interest when includable in income under its regular accounting method. In the case of instruments that provide for alternative payment schedules, premium is calculated by assuming that (a) the holder will exercise or not exercise options in a manner that maximizes its yield and (b) the issuer will exercise or not exercise options in a manner that minimizes its yield (except that the issuer will be assumed to exercise call options in a manner that maximizes the holder's yield). If the holder does not elect to amortize premium, that premium will decrease the gain or increase the loss that would otherwise be recognized on disposition of the Taxable Certificate. An election to amortize premium on a constant yield method will also apply to all debt obligations held or subsequently acquired by the holder on or after the first day of the first taxable year to which the election applies. The holder may not revoke the election without the consent of the Internal Revenue Service. Holders of Taxable Certificates having amortizable premium should consult with their own tax advisors before making this election.

Election to Use Original Discount Method with Respect to a Taxable Certificate

The Holder of a Taxable Certificate may elect to treat the interest portion of the Contact Payments received by such Holder as original issue discount and calculate the amount includable in gross income under the constant yield method described above. For the purposes of this election, interest includes stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable premium or acquisition premium. The holder must make this election for the taxable year in which the Taxable Certificate is acquired and may not revoke the election without the consent of the Internal Revenue Service. Holders of Taxable Certificates should consult with their own tax advisors about this election.

Consequences of Defeasance of Taxable Certificates

The Taxable Certificates may be defeased prior to maturity at the option of the County. Holders of the Taxable Certificates should be aware that under applicable Treasury Regulations, any such defeasance may be treated as a sale or retirement and subsequent reissuance of the Taxable Certificates for tax purposes with the result that such holders would be required to recognize capital gain or loss for federal income tax purposes at the time of such defeasance without a corresponding receipt of cash with which to pay any tax liability attributable to any such gain.

Medicare Tax

Interest income from the Taxable Certificates (including accrued original issue discount and market discount) and net gain realized on the sale or other disposition of property such as the Taxable Certificates generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and specified trusts and estates. Holders of the Taxable Certificates should consult their tax advisors concerning this additional tax as it may apply to the purchase, holding and disposition of the Taxable Certificates.

U.S. Federal Information Reporting and Backup Withholding

Under current United States federal income tax law, a 24% backup withholding tax requirement may apply to certain payments of interest and original issue discount on, and the proceeds of a sale, exchange or redemption of, the Taxable Certificates. In addition, certain persons making such payments are required to submit information returns (*i.e.,* Internal Revenue Service Form 1099) to the Internal Revenue Service with regard to those payments. Backup withholding and information reporting will generally not apply with respect to payments made to certain exempt recipients, such as corporations or certain exempt entities.

Foreign Investors

Subject to the discussion in the following paragraph, payments with respect to the Taxable Certificates to a non-United States holder that has no connection with the United States other than holding its Taxable Certificate generally will be made free of withholding tax, as long as that holder has complied with certain tax identification and certification requirements. Non-United States holders should consult their tax advisors regarding the possible United States income tax implications of their ownership and disposition of the Taxable Certificates.

Sections 1471 through 1474 of the Code and related federal income tax guidance, collectively referred to as FATCA, generally impose United States federal withholding tax at a rate of 30% on certain types of payments to certain foreign entities, unless various information reporting and diligence requirements are satisfied. This tax generally would apply in the case of Taxable Certificates held through foreign financial institutions that do not satisfy such requirements. Generally, the 30% United States federal withholding tax under FATCA will apply to United States-source interest (such as interest and original issue discount on the Taxable Certificates) and, under current guidance, would apply to certain "passthru" payments no earlier than the date that is two years after publication of final regulations defining the term "foreign passthru payments." Non-United States holders should consult their tax advisors regarding the possible implications of FATCA on their ownership and disposition of the Taxable Bonds.

If any amount of, or in respect of, U.S. withholding tax were to be deducted or withheld from payments on the Taxable Certificates as a result of a failure by an investor (or by an institution through which an investor holds the Taxable Certificates) to comply with FATCA, none of the County, any paying agent or any other person would, pursuant to the terms of the Taxable Certificates, be required to pay additional amounts with respect to any Taxable Certificate as a result of the deduction or withholding of such tax. *Non-U.S. owners should consult their tax advisers regarding the application of FATCA to the ownership and disposition of Taxable Certificates.*

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Taxable Certificates 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.

Legislative Developments

Legislative proposals, either on the State or federal level, currently under consideration or proposed after issuance and delivery of the Bonds could adversely affect the market value of the Series

2020 Certificates. Further, if enacted into law, any such legislation could cause the interest on the Tax-Exempt Certificates to be subject, directly or indirectly, to federal income taxation, or could cause the interest on the Tax-Exempt Certificates to be subject, directly or indirectly, to Maryland income taxation and could otherwise alter or amend one or more of the provisions of federal or State tax law described above or their consequences, as applicable. Prospective purchasers of the Series 2020 Certificates should consult with their own tax advisors as to the status and potential effect of any legislative proposals.

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. 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, the possible liability of the County in the resolution of these cases will not materially affect the County's ability to perform its obligations to the Holders of the Series 2020 Certificates.

INDEPENDENT PUBLIC ACCOUNTANTS

The audited basic financial statements of the County are linked within the County's AIS, which have been audited by CliftonLarsonAllen LLP ("CliftonLarson"), independent public accountants, as indicated in their report with respect thereto. The audited basic financial statements have been included in reliance upon the qualification of said firm to issue said report. In the report, CliftonLarson states that with respect to certain of the County's component units, its opinion is based on the reports of other independent public accountants. The report of CliftonLarson also contains an explanatory paragraph which states that CliftonLarson did not audit certain identified supplementary information and expressed no opinion thereon.

FINANCIAL ADVISOR

Davenport & Company LLC (the "Financial Advisor") has acted as financial advisor to the County for the sale and issuance of the Series 2020 Certificates and on certain other financial matters. The Financial Advisor assisted in the preparation of this Official Statement and in other matters related to the planning, structuring and issuance of the Series 2020 Certificates and provided other advice. The Financial Advisor has not undertaken to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

RATINGS

Rating reviews for this issue have been received from Moody's Investors Service, Inc. and S&P Global Ratings. A rating reflects only the view of the rating organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the marketability or market price of the Series 2020 Certificates.

CERTIFICATE OF COUNTY OFFICIALS

The Chief Administrative Officer of the County and the Director of Finance of the County will furnish a certificate to the successful bidders for the Series 2020 Certificates 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 2020 Certificates, 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 UNDERTAKING

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities Exchange Act of 1934 ("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 2020 Certificates, the form of which is attached to this Official Statement as Appendix B. Potential purchasers of the Series 2020 Certificates should note that the definition of Reportable Events in Appendix B is intended to completely restate the events specified in Rule 15c2-12. It is noted that certain Reportable Events are expected to have no applicability to the Series 2020 Certificates, such as the possibility of unscheduled draws on debt service reserves and matters affecting collateral for the Series 2020 Certificates.

With the exception of the following, the County has complied in all material respects with its continuing disclosure undertakings pursuant to Rule 15c2-12 during the last five years. The County has established procedures to ensure that the County will fulfill the requirements of its continuing disclosure obligations for its bonds.

- The County failed to file notices of ratings changes in connection with:, (i) the upgrade by Standard & Poor's Rating Group in January 2016 of the County's Revenue Bonds (Water Quality Protection Charge), Series 2012, (ii) the upgrade by Fitch Ratings in April 2016 of the County's Taxable Limited Obligation Certificates (Facility and Residential Development Projects), and (iii) the upgrade by Fitch Ratings in April 2016 of the County's Lease Revenue Project and Refunding Bonds (Metrorail Garage Projects). The County subsequently filed notices of such upgrades on EMMA.

LEGALITY OF THE SERIES 2020 CERTIFICATES

The authorization, sale, issuance and delivery of the Series 2020 Certificates will be subject to legal approval by McKennon Shelton & Henn LLP, Special Counsel, and a copy of their unqualified approving legal opinions with respect to the Series 2020 Certificates will be delivered upon request, without charge, to the successful bidders for the Series 2020 Certificates. The opinions are expected to be substantially in the forms of the draft opinions, each of which areattached to this Official Statement as Appendix A.

INFORMATION IN OFFICIAL STATEMENT

All quotations, summaries and explanations in this Official Statement of State and County laws and the Montgomery County Charter do not purport to be complete and reference is made to pertinent provisions of the same for complete statements. Any estimates or opinions herein, whether or not expressly so stated, are intended as such and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which such information is stated or the date hereof. This Official Statement shall not be construed as part of any contract between the County and the purchasers or Holders of its Series 2020 Certificates. The County has been advised by McKennon Shelton & Henn LLP, Special Counsel, in connection with legal statements contained in this Official Statement; however, Special Counsel has not passed upon or assumed responsibility for the accuracy of the statistical data, financial statements and economic data contained herein.

Any questions regarding this Official Statement or the Series 2020 Certificates should be directed to the County's Director of Finance, Department of Finance, Montgomery County, Maryland, 101 Monroe Street, 15th floor, Rockville, Maryland 20850, Telephone: (240) 777-8860.

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AUTHORIZATION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement have been duly authorized by the County. This Official Statement is hereby deemed final for the purposes of Rule 15c2-12 of the Securities and Exchange Commission.

MONTGOMERY COUNTY, MARYLAND

By: /s/ Marc Elrich
Marc Elrich
County Executive

By: /s/ Michael J. Coveyou
Michael J. Coveyou
Director of Finance

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APPENDIX A

FORM OF APPROVING OPINIONS OF SPECIAL COUNSEL

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[PROPOSED FORM OF OPINION FOR TAX-EXEMPT CERTIFICATES]

[Closing Date]

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

County Executive and Council Members:

We have served as bond counsel to Montgomery County, Maryland (the "County") in connection with the issuance of its [__________] Montgomery County, Maryland Certificates of Participation (Public Facilities Projects), Series 2020A (the "Series 2020A Certificates") and its Montgomery County, Maryland Certificates of Participation (Master Lease Refunding), Series 2020B (the "Series 2020B Certificates and together with the Series 2020A Certificates, the "Certificates") each of which evidence a proportionate interest in the Funding Agreement.

In connection with the issuance of the Certificates, we have examined:

(i) the Charter of the County;

(ii) Chapter 20 of the Montgomery County Code, as amended;

(iii) Executive Order No. _______ of the County Executive of the County issued on ______, 2020;

(iv) the form of Series 2020A Certificate and the form of Series 2020B Certificate;

(v) the Certificates of Participation Trust Agreement by and between Montgomery County, Maryland and the U.S. Bank National Association, acting as Trustee (the "Trustee"), dated as of [______] 1, 2020 (the "Trust Agreement");

(vi) the Funding Agreement by and between the County and U.S. Bank National Association, acting as the Bank (the "Bank"), dated as of [____] 1, 2020, (the "Funding Agreement");

(vii) relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code");

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

(ix) other proofs submitted to us relative to the issuance of the Certificates.

The Funding Agreement provides for the payment by the County of contract payments relating to the Certificates (the "Contract Payments"). Each Contract Payment has a principal portion and an interest portion, in the amounts and on the dates set forth in the Funding Agreement.

In rendering this opinion, we have relied without investigation on the County's Tax and Section 148 Certificate dated this date made on behalf of the County by officers thereof with respect to certain material facts within the knowledge of the County relevant to the tax-exempt status of interest on the Certificates.

We have made no investigation of, and are rendering no opinion regarding the title to real or personal property or the priority or perfection of any lien or security interest in real or personal property.

Based upon the foregoing, it is our opinion that, under existing statutes, regulations and decisions:

(a) The County is a validly created and existing body politic and corporate and political subdivision of the State of Maryland.

(b) The Certificates (i) have been duly authorized and issued pursuant to, and are permitted by the terms of, the Trust Agreement, (ii) constitute valid and binding obligations evidencing direct and proportionate interests of the owners thereof in principal and interest components of Contract Payments and (iii) are equally and ratably secured under the Trust Agreement. Additional Certificates secured equally and ratably with the Certificates may be issued from time to time under the conditions, limitations and restrictions set forth in the Trust Agreement.

(c) The County's obligation to make Contract Payments is subject to and dependent upon the County Council making annual appropriations for such purpose. Such obligation does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County Council has appropriated moneys to make such payments.

(d) The Funding Agreement and the Trust Agreement have been duly authorized, executed and delivered by the County and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitute the valid and binding obligation of the County enforceable against the County in accordance with their terms.

(e) The Funding Agreement, the Trust Agreement and the Certificates are subject to bankruptcy, insolvency, moratorium, reorganization and other state and federal laws affecting the enforcement of creditors' rights and to general principles of equity.

(f) The interest portion of Contract Payments to be made by the County under the Funding Agreement and to be received by the holders of the Certificates is exempt from income taxation by the State of Maryland; no opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed on the interest portion of such Contract Payments.

(g) Assuming compliance with certain covenants described herein, the interest portion of the Contract Payments to be made by the County under the Funding Agreement to be received by the holders of the Certificates 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 Certificates in order for interest portion of the Contract Payments relating to the Certificates to remain excludable from gross income for federal income tax purpose, including restrictions that must be complied with throughout the term of the Funding Agreement. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Certificates 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 Certificates; and (iii) other requirements applicable to the use of the proceeds of the Certificates and the facilities financed with proceeds of the Certificates. Failure to comply with one or more of these requirements could result in the inclusion of the interest portion of the Contract Payments received by holders of the Certificates 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 Certificates and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of the interest portion of the Contract Payment received by holders of the Certificates.

(h) The interest portion of the Contract Payments received by holders of the Certificates is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. The interest portion of the Contracts payments received by holders of the Certificates 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.

No opinion is expressed as to the treatment for federal or State of Maryland income tax purposes of any payment made to the Bank or its assigns from sources other than the Contract Payments paid by the County that may result should the County not make an appropriation to provide for the payment of the Contract Payments or upon defeasance of the Certificates.

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,

[PROPOSED FORM OF OPINION FOR TAXABLE CERTIFICATES]

[Closing Date]

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

County Executive and Council Members:

We have served as bond counsel to Montgomery County, Maryland (the "County") in connection with the issuance of its [__________] Montgomery County, Maryland Certificates of Participation, Series 2020C (Taxable) (the "Series 2020C Certificates") each of which evidence a proportionate interest in the Funding Agreement.

In connection with the issuance of the Series 2020C Certificates, we have examined:

(i) the Charter of the County;

(ii) Chapter 20 of the Montgomery County Code, as amended;

(iii) Executive Order No. _______ of the County Executive of the County issued on ______, 2020;

(iv) the form of Series 2020C Certificate;

(v) the Certificates of Participation Trust Agreement by and between Montgomery County, Maryland and the U.S. Bank National Association, acting as Trustee (the "Trustee"), dated as of [______] 1, 2020 (the "Trust Agreement");

(vi) the Funding Agreement by and between the County and U.S. Bank National Association, acting as the Bank (the "Bank"), dated as of [____] 1, 2020, (the "Funding Agreement");

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

(ix) other proofs submitted to us relative to the issuance of the Series 2020C Certificates.

The Funding Agreement provides for the payment by the County of contract payments relating to the Series 2020C Certificates (the "Contract Payments"). Each Contract Payment has a principal portion and an interest portion, in the amounts and on the dates set forth in the Funding Agreement.

We have made no investigation of, and are rendering no opinion regarding the title to real or personal property or the priority or perfection of any lien or security interest in real or personal property.

Based upon the foregoing, it is our opinion that, under existing statutes, regulations and decisions:

(a) The County is a validly created and existing body politic and corporate and political subdivision of the State of Maryland.

(b) The Series 2020C Certificates (i) have been duly authorized and issued pursuant to, and are permitted by the terms of, the Trust Agreement, (ii) constitute valid and binding obligations evidencing direct and proportionate interests of the owners thereof in principal and interest components of Contract Payments and (iii) are equally and ratably secured under the Trust Agreement. Additional Certificates secured equally and ratably with the Series 2020C Certificates may be issued from time to time under the conditions, limitations and restrictions set forth in the Trust Agreement.

(c) The County's obligation to make Contract Payments is subject to and dependent upon the County Council making annual appropriations for such purpose. Such obligation does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County Council has appropriated moneys to make such payments.

(d) The Funding Agreement and the Trust Agreement have been duly authorized, executed and delivered by the County and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitute the valid and binding obligation of the County enforceable against the County in accordance with their terms.

(e) The Funding Agreement, the Trust Agreement and the Series 2020C Certificates are subject to bankruptcy, insolvency, moratorium, reorganization and other state and federal laws affecting the enforcement of creditors' rights and to general principles of equity.

(f) The interest portion of Contract Payments relating to the Series 2020C Certificates to be made by the County under the Funding Agreement and to be received by the holders of the Series 2020C Certificates is not exempt from income taxation by the State of Maryland or by any of its political subdivisions.

(g) The interest portion of the Contract Payments to be made by the County under the Funding Agreement and to be received by the holders of the Series 2020C Certificates will be includable in gross income for federal income tax purposes.

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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APPENDIX B

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of October __, 2020 (this "Disclosure Agreement") is executed and delivered by MONTGOMERY COUNTY, MARYLAND (the "County") in connection with the issuance of its Certificates of Participation (Public Facilities Projects) Series 2020A (the "Series 2020A Certificates"), Certificates of Participation (Master Lease Refunding) Series 2020B (the "Series 2020B Certificates" and together with the Series 2020A Certificates, the "Tax-Exempt Certificates") and Certificates of Participation Series 2020C (Taxable) (the "Series 2020C Certificates" and together with the Tax-Exempt Certificates, the "Series 2020 Certificates"). 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 2020 Certificates, 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.

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 the County, acting as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the County.

"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.

"Participating Underwriter" shall mean any of the original underwriters of the Series 2020 Certificates required to comply with the Rule in connection with offering of the Series 2020 Certificates.

"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, the following annual financial information and operating data, such information and data 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, 2020:

(i) Statement of Direct and Overlapping Debt;

(ii) General Bonded Debt Ratios;

(iii) Assessed Value of All Taxable Property By Class;

(iv) Property Tax Levies and Collections;

(v) Property Tax Rates and Tax Levies, By Purpose; and

(vi) Schedule of General Fund Revenues, Expenditures and Transfers In (Out).

(b) The County shall provide to the MSRB annual audited financial statements for the County, such information to be made available within 275 days after the end of the County's fiscal year, commencing with the fiscal year ended June 30, 2020, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the County's fiscal year (commencing with the fiscal year ended June 30, 2020), the County will provide unaudited financial statements within such time period.

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) 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 for the Series 2020 Certificates.

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

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 2020 Certificates:

(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 Tax-Exempt Certificates, or other material events affecting the tax status of the Tax-Exempt Certificates;

(7) modifications to rights of holders of the Series 2020 Certificates, if material;

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

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Series 2020 Certificates, if material;

(11) rating changes;

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

(13) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(14) 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;

(15) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect holders of the Series 2020 Certificates, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflects financial difficulties.

(b) In a timely manner, not in excess of ten business days after the occurrence of an event listed in Section 4(a) above, 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 2020 Certificates 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 2020 Certificates 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 2020 Certificates, or type of business conducted by the County;

(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 2020 Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment does not materially impair the interests of owners of the Series 2020 Certificates, 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 2020 Certificates.

(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) or 3(b) 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) or 3(b) 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 owners from time to time of the Series 2020 Certificates, including beneficial owners, and shall create no rights in any other person or entity.

SECTION 11. *Relationship to Series 2020 Certificates.* This Disclosure Agreement constitutes an undertaking by the County that is independent of the County's obligations with respect to the Series 2020 Certificates. 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 2020 Certificates.

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 Agreement, 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. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

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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:________________________________
Michael J. Coveyou
Director of Finance

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<u>APPENDIX C</u>

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

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DEFINITIONS OF CERTAIN TERMS

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 in this Official Statement shall have the meanings set forth in the Funding Agreement and the Trust Agreement.

"Certificate Fund" means the fund so designated that is established under the provisions of the Trust Agreement for the purpose of accepting and disbursing to the Certificate Holders moneys received by the Trustee from the County for the payment of principal, premium, if any, and interest on the Series 2020 Certificates.

"Interest Payment Date" means April 1 and October 1 of each year, commencing April 1, 2021.

"Net Proceeds" means the amount remaining from the gross proceeds of any insurance claim after deducting all expenses (including reasonable attorney's fees) incurred in the collection of such claim.

"Revenues" means (i) all payments to be made by the County to the Trustee pursuant to the Funding Agreement, (ii) the proceeds of the Certificates and all amounts from time to time on deposit in the funds and accounts established by the Trust Agreement and (iii) all other revenues derived from the Funding Agreement or the exercise of the remedies thereunder.

SUMMARY OF CERTAIN PROVISIONS OF THE FUNDING AGREEMENT

The following is a summary of certain provisions of the Funding Agreement. This summary is not a complete recital of the terms of the Funding Agreement, and reference is made to the Funding Agreement for a complete statement of its terms.

Term of Agreement (Sections 3.02.)

The Funding Agreement will remain in effect until the County has paid all of the Contract Payments and any other sums required to be paid under the provisions of the Funding Agreement to the Bank or in the event that sufficient funds are not appropriated for the payment of the Contract Payments or upon the occurrence of an Event of Default under and as defined in the Funding Agreement, until the date on which the Funding Agreement is terminated.

Contract Payments to Be Unconditional (Section 4.03.)

The obligation of the County to make payment of the Contract Payments required under the Funding Agreement and to perform and observe the other covenants and agreements contained therein is absolute and unconditional in all events except as expressly provided in the Funding Agreement. Notwithstanding any dispute between the County and the Bank or any other person, the County agrees to pay all Contract Payments when due and not to withhold any part of any Contract Payments pending final resolution of the dispute. The County agrees that it will not assert any right of set-off, cross-claim, recoupment, or counterclaim against its obligation to make the payments required under the Funding Agreement. The County's obligation to pay Contract Payments during the term of the Funding Agreement will not be abated through accident or unforeseen circumstances.

Continuation of Agreement by the County (Section 4.04.)

The County agrees, subject to the nonappropriation provisions of the Funding Agreement, to pay the Contract Payments due under the Funding Agreement. The County agrees, to the extent permitted by law and subject to applicable public policy, that it will not terminate the Funding Agreement for nonappropriation of funds in any fiscal year for which sufficient funds for the payment of Contract Payments due in that fiscal year are appropriated for such Contract Payments. The County Executive, to the extent permitted by law and subject to applicable public policy, will use best efforts to obtain the authorization and appropriation of such funds, including (without limitation) the inclusion of such funds in the budget of the County to be submitted to the County Council and a request for adequate funds to meet the County's obligations in full in its next fiscal year budget. The County reasonably believes that funds in an amount sufficient to pay all Contract Payments will be available. The Funding Agreement does not obligate the County Council to make any such appropriation.

Nonappropriation (Section 4.05.)

In the event that sufficient funds are not appropriated for the payment of the Contract Payments, the County may terminate the Funding Agreement at the end of the last fiscal year or earlier date for which an appropriation is not available and the County will not be obligated to make payment of the Contract Payments beyond the last date for which an appropriation is available. The County agrees to deliver written notice to the Bank of such termination no later than seven days after the County has knowledge that an appropriation will not be available. The failure to give the notice will not extend the Funding Agreement beyond such fiscal year or affect the termination of the Funding Agreement. Upon termination of the Funding Agreement for nonappropriation, the County will pay to the Bank all proceeds of the Certificates not theretofore expended by the County, if any, or such lesser amount as shall be required to pay the outstanding principal of and interest on the Certificates and all other amounts payable under the Funding Agreement after the application to the payment thereof of amounts on deposit in the funds and accounts created by the Trust Agreement. Upon the payment of such proceeds to the Bank, all obligations of the County under the Funding Agreement requiring the expenditure of money will cease (other than the obligation to pay any Contract Payments and other amounts payable under the Funding Agreement previously appropriated).

Events of Default and Remedies (Section 6.01., 6.02. and 6.03.)

The following constitute an "Events of Default" under the Funding Agreement, subject to the provisions under the Funding Agreement regarding nonappropriation: (a) failure by the County to pay any Contract Payment at the time specified in the Funding Agreement; or (b) failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed, for a period of 30 days after written notice to the County by the Bank, specifying such failure and requesting that it be remedied, unless the Bank agrees to an extension of such time; provided that if the failure stated on the notice cannot be corrected within 30 days, the Bank will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is corrected; or (c) the County files any proceeding under the United States Bankruptcy Code or makes a general assignment for the benefit of creditors or institutes or consents to the filing of any proceeding for any receivership under any other bankruptcy or insolvency laws.

Whenever any Event of Default shall have happened and be continuing, the Bank shall have the right, at its sole option, without any further demand or notice, to terminate the Funding Agreement and require the County to pay to the Bank all proceeds of the Certificates not theretofore expended by the County, if any, or such lesser amount as shall be required to pay the outstanding principal of and interest on the Certificates and all other amounts payable thereunder after the application to the payment thereof of amounts on deposit in the funds and accounts created by the Trust Agreement, holding the County liable for the deficiency, if any, between (i) the amount actually appropriated for the payment of Contract Payments and other amounts payable thereunder and unpaid by the County during the current fiscal year and which is therefore payable by the County thereunder to the end of the current fiscal year of the County and (ii) the sum of the amounts on deposit in the funds and accounts created by the Trust Agreement and the proceeds of the Certificates not theretofore expended by the County, if any, paid to the Bank, after deducting all the Bank's costs and expenses, including (without limitation) reasonable attorneys' fees and expenses incurred in the enforcement of the Funding Agreement.

Whenever an Event of Default shall have occurred and be continuing, the Bank shall have the right, at its sole option, without further demand or notice, to institute appropriate legal proceedings to require the County to cure any such Event of Default by observing, complying with or performing its obligations under the Funding Agreement.

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT

The following is a summary of certain provisions of the Trust Agreement. This summary is not a complete recital of the terms of the Trust Agreement, and reference is made to the Trust Agreement for a complete statement of its terms.

Security (Granting Clause)

The County and the Bank, in order to provide for the payment of each series of the Series 2020 Certificates and the interest with respect thereto according to their tenor, purport and effect, and the performance and observance by the County and the Bank, respectively, of all the covenants expressed or implied in the Series 2020 Certificates, the Trust Agreement and the Funding Agreement, do, pursuant and subject to the provisions of the Trust Agreement, thereby grant, bargain, sell, release, convey, transfer and assign unto the Trustee for the benefit of the Certificate Holders, their successors and assigns, unconditionally and absolutely, all rights, title and interest of the County and the Bank, respectively, under the Funding Agreement, and all amounts on deposit from time to time in the funds and accounts established for such Certificates by the Trust Agreement. NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL THE AMOUNTS ON DEPOSIT IN THE FUNDS AND ACCOUNTS CREATED BY THE TRUST AGREEMENT FOR THE TAX-EXEMPT CERTIFICATES BE APPLIED TO THE PAYMENT OF THE TAXABLE CERTIFICATES.

Establishment and Application of Project Fund (Section 4.02.)

There is established under the Trust Agreement a special fund designated the "Project Fund," which shall be held by the Trustee for the benefit of the Certificate Holders and which shall be kept separate and apart from all other funds and moneys held by the Trustee. Within the Project Fund there is established a Series 2020A Project Account, a Series 2020B Project Account, a Series 2020C Project Account, a Series 2020A/B Costs of Issuance Account and a Series 2020C Costs of Issuance Account.

Moneys on deposit in the Series 2020A/B Costs of Issuance Account and the Series 2020C Costs of Issuance Account shall be paid by the Trustee for the costs of issuance of the Tax-Exempt Certificates and the Taxable Certificates, respectively, upon receipt from the County of a duly executed requisition.

Moneys on deposit in the Series 2020A Project Account shall be paid by the Trustee to pay the portion of the Improvements Costs relating to the Tax-Exempt Improvements and other costs of financing the Tax-Exempt Improvements upon receipt from the County of a duly executed requisition. In no event shall any amounts on deposit in the Series 2020A Project Account be applied to the payment of any Taxable Certificates or for any portion of the Taxable Improvements.

Moneys on deposit in the Series 2020B Project Account shall be used to provide for the prepayment of certain of the County's lease obligations under the Master Lease in accordance with written directions to be provided by the County. In no event shall any amounts on deposit in the Series 2020B Project Account be applied to the payment of any Taxable Certificates or for any portion of the Taxable Improvements.

A portion of the moneys on deposit in the Series 2020C Project Account shall be paid by the Trustee to pay a portion of the Improvements Costs relating to the Taxable Improvements and other costs of financing the Taxable Improvements upon receipt from the County of a duly executed requisition. A portion of the moneys on deposit in the Series 2020C Project Account shall also be used to provide for the prepayment of certain of the County's lease obligations under the Master Lease in accordance with written direction to be provided by the County. Any moneys on deposit in the Series 2020C which are not expended on the foregoing purposes shall be transferred to the appropriate accounts within the Certificate Fund for the purpose of paying the maturing principal of and interest on the Series 2020C Certificates as they become due. In no event shall any amounts on deposit in the Series 2020C Project Account be applied to the payment of any Tax-Exempt Certificates or for any portion of the Tax-Exempt Improvements.

Establishment and Application of Certificate Fund (Section 4.03.)

There is established under the Trust Agreement a special fund designated the "Certificate Fund," which shall be held in trust by the Trustee for the benefit of the Certificate Holders and which shall be kept separate and apart from all other funds and moneys held by the Trustee. Within the Certificate Fund there is established the Interest Account for the Series 2020A Certificates (the "Series 2020A Interest Account"), the Interest Account for the Series 2020B Certificates (the "Series 2020B Interest Account"), the Interest Account for the Series 2020C Certificates (the "Series 2020C Interest Account" and collectively with the Series 2020A Interest Account, the Series 2020B Interest Account and any similar account created in connection with the issuance of Additional Certificates, the "Interest Accounts"), the Principal Account for the Series 2020A Certificates (the "Series 2020A Principal Account"), the Principal Account for the Series 2020B Certificates (the "Series 2020B Principal Account"), the Principal Account for the Series 2020C Certificates (the "Series 2020C Principal Account" and collectively with the Series 2020A Principal Account, the Series 2020B Principal Account and any similar account created in connection with the issuance of Additional Certificates, the "Principal Accounts").

Trustee shall deposit Revenues immediately upon their receipt by the Trustee, including (without limitation) amounts received by the Trustee pursuant to the Funding Agreement, as follows:

FIRST: to the Interest Accounts, the amount, if any, necessary to make the amount on deposit in the Interest Account equal to the interest to accrue on the Certificates relating thereto until the earlier of (i) the immediately succeeding Interest Payment Date and (ii) any redemption date;

SECOND: to the Principal Accounts, the amount, if any, necessary to make the amount on deposit therein equal to the principal amount or redemption price of the Certificates relating thereto due on the earlier of (i) the immediately succeeding Interest Payment Date and (ii) any redemption date; and

THIRD: to the Trustee, the accrued fees and expenses of the Trustee invoiced and remaining unpaid for a period of 30 days.

After making the payments required by items FIRST through THIRD above, the Trustee shall deposit any balance of Revenues held by the Trustee on a pro rata basis in the Interest Accounts according to the respective aggregate principal amount of Certificates and Additional Certificates then Outstanding.

Upon receipt of any late payment of a Contract Payment, the Trustee shall deposit such Contract Payment as follows:

FIRST: to each Interest Account, an amount equal to the amount of interest, if any, theretofore due to Certificate Holders and unpaid;

SECOND: to each Principal Account, an amount equal to the amount of principal, if any, theretofore due to the Certificate Holders and unpaid;

THIRD: to each Interest Account, the amount, if any, necessary to make the amount on deposit in the Interest Account equal to the interest to accrue on the Certificates until the earlier of (i) the immediately succeeding Interest Payment Date and (ii) any redemption date fixed in accordance with the Trust Agreement;

FOURTH: to each Principal Account, the amount, if any, necessary to make the amount on deposit therein equal to the principal amount or redemption price of the Certificates due on the earlier of (i) the immediately succeeding Interest Payment Date and (ii) any redemption date of which the Trustee shall then have knowledge; and

FIFTH: to the Trustee, the accrued and unpaid fees and expenses of the Trustee as set forth in the Trust Agreement.

After making the payments required by items FIRST through FIFTH above, the Trustee shall deposit any balance of such Contract Payment on a pro rata basis in the Interest Accounts according to the respective aggregate principal amount of Certificates and Additional Certificates then Outstanding.

NOTWITHSTANDING ANY PROVISION IN THE TRUST AGREEMENT, IN NO EVENT SHALL THE AMOUNTS ON DEPOSIT IN THE FUNDS AND ACCOUNTS CREATED BY THE TRUST AGREEMENT FOR ANY TAX-EXEMPT CERTIFICATES BE APPLIED TO THE PAYMENT OF ANY TAXABLE CERTIFICATES.

Establishment and Application of Insurance Fund (Section 4.04.)

There is established under the Trust Agreement a special fund designated the "Insurance Fund," which shall be held in trust by the Trustee for the benefit of the Certificate Holders and which shall be kept separate and apart from all other funds and moneys held by the Trustee and shall not be pledged as security for the Certificates.

Net Proceeds of any insurance claim in excess of $500,000 received in accordance with the Funding Agreement and required to be held in escrow under the Lease, shall be deposited immediately upon their receipt by the Trustee in the Insurance Fund. The Trustee shall notify the County in writing of its receipt of any insurance proceeds.

Moneys in the Insurance Fund shall be applied by the Trustee in accordance with the Funding Agreement for the following purposes:

(a) disbursement to or at the direction of the County to pay the costs of repair or replacement of lost, damaged, destroyed or taken property or other costs approved in writing by the County, upon receipt of either a duly executed requisition of the County; or

(b) if the County shall not elect, within six (6) months of such loss, damage, destruction or taking, in the manner provided by the Funding Agreement, to repair or replace any lost, damaged, destroyed or taken property for which such moneys were received, the Trustee shall transfer such moneys to the Series 2020A Principal Account of the Certificate Fund to be applied to the redemption of Series 2020A Certificates on the earliest practicable redemption date fixed in accordance with the Trust Agreement.

Investments Authorized (Section 4.05.)

Moneys held by the Trustee under the Trust Agreement shall be invested upon written order of a County Representative by the Trustee in Permitted Investments; provided, however, that amounts on deposit in the Certificate Fund shall be invested only in Permitted Investments maturing or redeemable at the option of the holder not later than one year from the date of purchase. Such investments shall be registered in the name of the Trustee or any authorized nominee of the Trustee and held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the Trust Agreement. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment.

For the purpose of determining the amount on deposit in any fund or account created by the Trust Agreement, all Permitted Investments credited to such fund or account shall be valued at their market value. The Trustee may sell at the best price obtainable, or present for redemption, any Permitted Investment so purchased by the Trustee, whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

Interest earned, profits realized or losses suffered by reason of the investment of any fund or account created by the Trust Agreement shall be deposited in the fund or account for which such investment shall have been made.

No-Arbitrage Covenants; Rebate Fund (Section 4.06.)

The County covenants that it will not make, or (to the extent it exercises control or direction) permit to be made, any use of the proceeds of the Tax-Exempt Certificates, or of any moneys, securities or other obligations that may be deemed to be proceeds of the Tax-Exempt Certificates (collectively, "Certificate Proceeds") within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended ("Section 148"), and the regulations issued or proposed thereunder (the "arbitrage regulations") that would cause the Tax-Exempt Certificates to be "arbitrage bonds" within the meaning of Section 148 and the arbitrage regulations. To the extent that provisions of Section 148 and the arbitrage regulations apply only to a portion of the Tax-Exempt Certificates, it is intended that the covenants of the County be construed so as only to require compliance with Section 148 and the arbitrage regulations to the extent of such applicability.

The Trustee shall hold and invest Certificate Proceeds in accordance with written instructions of the County Representative.

There is hereby established in trust a special fund designated the "Rebate Fund," which shall be held by the Trustee for provision of any rebate to be made to the United States of America and which shall be kept separate and apart from all other funds and moneys held by the Trustee.

Upon receipt of a written direction delivered to the Trustee given by the County Representative directing the transfer of amounts on deposit in any fund or account created by the Trust Agreement to the Rebate Fund in order to provide for the rebate of such amounts to the United States of America pursuant to the Internal Revenue Code of 1986, as amended, the Trustee shall make the transfer referred to therein. The Trustee assumes no responsibility for determining the amount of such rebate and will only transfer to the Rebate Fund or remit to the United States of America such amounts as the County so directs.

Amounts on deposit in the Rebate Fund from time to time required to be rebated to the United States of America pursuant to the Internal Revenue Code of 1986, as amended, shall be applied by the Trustee to the payment of such rebates and shall not be pledged to the payment of the principal or redemption price of or interest on the Certificates. If amounts on deposit in the Rebate Fund are determined not to be required to be rebated to the United States of America, then such amounts shall be transferred by the Trustee to the Interest Account of the Certificate Fund as the County so directs.

Issuance of Additional Certificates (Section 7.10.)

So long as the Funding Agreement is in effect and no Event of Default shall have occurred and be continuing thereunder or under the Trust Agreement, one or more series of Additional Certificates on a parity with the Certificates may be issued for the purpose of providing additional funds necessary for the completion of the Improvements or to finance or refinance additions to the Improvements. Each series of Additional Certificates shall be issued in such principal amount, mature on such dates, bear interest at such rates and have such provisions for redemption and other terms and conditions not inconsistent with the Trust Agreement as shall be specified in a supplemental trust agreement authorizing such Additional Certificates. Additional Certificates shall not bear Interest at a variable rate.

Prior to the issuance of each series of Additional Certificates and the execution and delivery of a supplemental trust agreement in connection therewith, the County and Bank, or its assignee, shall enter into an amendment to the Funding Agreement which shall provide among other things that, with the consent of the County, the Contract Payments shall be increased and computed so as to amortize in full the principal of and interest on such Additional Certificates and any other costs in connection therewith.

Limitation on Duties (Section 8.05.)

The Trustee shall not have any duty or obligation to manage, control, use, sell or otherwise transfer title to or dispose of or otherwise deal with any part of the assets constituting the Trust Estate, or to otherwise take or refrain from taking any action under or in connection with the Funding Agreement or the Certificates, except as expressly provided by the terms of the Funding Agreement and the Trust Agreement or as expressly provided in written instructions from the Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding. Whenever the Bank is required to give any consent, approval, permission or otherwise act affirmatively under the terms of the Funding Agreement, the Trustee at its discretion may give such consent, approval, permission or otherwise act affirmatively as it may deem appropriate.

Trustee May Deal in Certificates and Take Action as a Holder (Section 8.06.)

The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own and hold any of the Certificates issued under and secured by the Trust Agreement, and may join in the capacity of a Certificate Holder in any action which any Certificate Holder may be entitled to take with like effect as if it were not the Trustee under the Trust Agreement.

Resignation and Removal of Trustee (Section 8.09. and 8.10.)

The Trustee may resign and thereby become discharged from the trusts hereby created by notice in, writing given to the County and the Holders of the Certificates. Such resignation shall take effect immediately upon, but only upon (i) the appointment of a new Trustee under the Trust Agreement, (ii) upon acceptance by the new Trustee of the trusts herein created and the duties of the Trustee under the Trust Agreement and (iii) upon assignment by the Trustee and acceptance and assumption by the new Trustee of all the rights, title and interest, duties and obligations of the Bank under the Funding Agreement. Upon the occurrence of any such resignation, the Trustee, by appropriate documentation, shall transfer all rights title and interest it may have as Trustee under the Trust Agreement and as the Bank under the Funding Agreement to the successor Trustee under the Trust Agreement.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing executed by the Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding.

The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Trust Agreement with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the County or the Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding. Upon any such removal of the Trustee, the Trustee, by appropriate documentation, shall transfer all right, title and interest it may have as Trustee under the Trust Agreement and as the Bank under the Funding Agreement to the successor Trustee under the Trust Agreement. Removal of the Trustee shall take effect immediately upon (i) the appointment of a new Trustee under the Trust Agreement and (ii) upon acceptance by the new Trustee of the trusts created under the Trust Agreement and the duties of the Trustee under the Trust Agreement and of the Bank under the Funding Agreement.

Appointment of Successor Trustee; Qualifications of Trustee (Section 8.11.)

If at any time the Trustee shall resign, be removed, be dissolved or otherwise become incapable of acting, or the bank or trust company acting as the Trustee shall be taken over by a governmental official, agency, department or board, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason, the County shall appoint a successor Trustee to fill such vacancy and shall mail notice of any such appointment to the Trustee and the Certificate Holders.

At any time within one year after any such vacancy shall have occurred, the Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding, by an instrument or concurrent instruments in writing, executed by such Certificate Holders and filed with the County may appoint a successor Trustee, which appointment shall supersede any appointment theretofore made by the County. Copies of each such instrument shall be delivered promptly by the County to the predecessor Trustee and the Trustee so appointed by the Certificate Holders.

If no appointment of a successor Trustee shall be made, the Holders of not less than a majority in aggregate principal amount of the Certificates outstanding or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

Any successor Trustee appointed under the provisions of the Trust Agreement shall (i) be a commercial bank or trust company duly authorized to exercise corporate trust powers and subject to examination by federal or state authority, of good standing and having a combined capital and surplus aggregating not less than $50,000,000; and (ii) have, in the opinion of the County, substantial prior experience as a trustee for the benefit of municipal bondholders or certificate holders if such a bank or trust company is available and willing to assume the position of successor Trustee upon reasonable and customary terms. If the Trustee has or shall acquire any conflicting interest, it shall, within ninety (90) days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign and thereby become discharged from the trusts created under the Trust Agreement by giving notice as provided in the Trust Agreement, such resignation to become effective immediately upon the appointment of a successor Trustee and such successor Trustee's acceptance of such appointment.

Liability of Trustee (Section 8.14.)

Except as expressly provided in the Trust Agreement, the Trustee shall have no obligation or liability to the Certificate Holders with respect to the payment of the Contract Payments when due, or with respect to the performance by the County of any other covenant made by the County in the Funding Agreement. The Trustee shall be under no liability to any person for interest earned on any money received by it under the Trust Agreement for deposit in the Certificate Fund. Any money deposited with the Trustee for the payment of the principal, premium (if any) or interest on the Certificates and remaining unclaimed for five (5) years after the Certificate has become due and payable, will be paid by the Trustee to the County, and the Holder of such Certificate shall thereafter look only to the County for payment thereof, and all liability of the Trustee with respect to such moneys shall thereupon cease. The Trustee shall in no event be liable to any Holder or Holders of any Certificate or any other person for any amount due on any Certificate from its own funds.

Limited Liability of the County (Section 8.15.)

The liability of the County is limited solely to its obligations under the Funding Agreement. No recourse shall be had for the payment of the principal or redemption price of and interest on any Certificate or for any claims based thereon, on the Funding Agreement or on the Trust Agreement against any officer, official, council member, employee or agent of Montgomery County, Maryland, all such liability, if any, being expressly waived and released by every Holder of a Certificate by the acceptance of such Certificate.

Supplemental Trust Agreements and Modification to Trust Agreement (Sections 10.01. and 10.02.)

Without the consent of the Certificate Holders, the County and the Trustee may from time to time, and at any time, enter into such supplemental trust agreements as shall not be inconsistent with the terms and provisions of the Trust Agreement and, in the opinion of the County and the Trustee, shall not be detrimental to the interests of the Certificate Holders, in order:

(a) to cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in the Trust Agreement or in any supplemental trust agreement;

(b) to grant to or upon the Trustee or the Certificate Holders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Trustee or the Certificate Holders;

(c) to authorize the issuance of Additional Certificates pursuant to the Trust Agreement;

(d) to make any other change in the Trust Agreement that, in the opinion of the County and the Trustee, shall not prejudice in any material respect the rights of the Holders of Certificates Outstanding at the date as of which such change shall become effective; or

(e) to maintain the tax exemption of the tax-exempt portion of the Contract Payments related to the Tax-Exempt Certificates.

At least (30) days prior to the execution of any supplemental trust agreement, the Trustee shall cause a notice of the proposed execution of such supplemental trust agreement to be mailed, postage prepaid, to all Certificate Holders at their addresses as they appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental trust agreement and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Certificate Holders.

Holders of not less than a majority in aggregate principal amount of the Certificates Outstanding shall have the right from time to time, anything contained in the Trust Agreement to the contrary notwithstanding, to consent to and approve the execution by the County and the Trustee of a supplemental trust agreement for the purpose of modifying, altering, amending, adding to or rescinding, any of the terms or provisions contained in the Trust Agreement or in any supplemental trust agreement; provided, however, that nothing herein contained shall permit or be construed as permitting:

(a) a preference or priority of any Certificate or Certificates over any other Certificate or Certificates;

(b) a change in the interest rates, payment terms or payment dates of any of the Certificates;

(c) a reduction in the aggregate principal amount of the Certificates without the consent of the holders of such Certificates; or

(d) the adoption of a provision in any supplemental trust agreement which increases the obligations of the County under the Funding Agreement.

If the Holders of not less than a majority in aggregate principal amount of the Certificates at the time of the execution of such supplemental trust agreement shall have consented to and approved the execution thereof as herein provided, no Certificate Holder shall have any right to object to the execution of such supplemental trust agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the County from executing the same or from taking any action pursuant to the provisions thereof.

Defaults and Remedies (Article XI)

The occurrence of an Event of Default under the Funding Agreement constitutes an Event of Default under the Trust Agreement.

The failure by the Trustee to pay to the Certificate Holders the principal or redemption price of or interest on the Certificates when due or to redeem Certificates on any date fixed for redemption of Certificates (the County having deposited sufficient funds with the Trustee for such payment) is also declared to be and constitutes an Event of Default under the Trust Agreement.

Upon the occurrence and continuance of an Event of Default or a Nonappropriation, subject to any applicable cure period, the Trustee may, and shall, upon written request of the Holders of not less than a majority in aggregate principal amount of the Certificates then outstanding, declare the principal amount of and accrued interest on the Certificates due and payable; subject, however, to the condition that after the principal of and accrued interest on the Certificates shall have been so declared to be due and payable, the Trustee may, and shall, upon the written request of the Holders of not less than a majority in aggregate principal amount of the Certificates then Outstanding, waive such Event of Default or Nonappropriation and rescind and annul such declaration and its consequences by written notice to the County; provided that no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or Nonappropriation or impair any right or remedy consequent thereon and provided further that an Event of Default or Nonappropriation based on the nonpayment of interest on or principal of a Certificate may not be waived without the written consent of the Holders of all Certificates then outstanding.

The Trustee, as the Bank under the Funding Agreement, may, in its discretion, enforce each and every right or remedy granted to it pursuant to the Funding Agreement.

Upon the happening of any Event of Default, the Trustee may, and shall, upon the written request of the Holders of not less than a majority in aggregate principal amount of the Certificates then Outstanding and receipt of indemnity to its satisfaction: (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Certificate Holders and require the County to carry out any agreements with or for the benefit of the Certificate Holders and to perform its duties under the Funding Agreement and the Trust Agreement; (b) bring suit against the County upon the Funding Agreement; (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Certificate Holders; (d) intervene in proceedings involving the rights of the Bank, the Trustee or the Certificate Holders; or (e) exercise any other rights or remedies now or hereafter existing at law or in equity including, without implied limitation, the rights and remedies of the Trustee as the Bank under the Funding Agreement.

No Certificate Holder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Trust Agreement, or any other remedy hereunder or on the Certificates, unless (a) such Certificate Holder previously shall have given to the Trustee written notice of a continuing Event of Default; (b) the Holders of not less than a majority in aggregate principal amount of the Certificates then outstanding shall have made written request of the Trustee so to do, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its or their name; (c) there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses (including counsel fees) and liabilities to be incurred therein or thereby; and (d) the Trustee shall not have complied with such request within a reasonable time. Such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Trust Agreement or for any other remedy under the Trust Agreement, it being understood and intended that no one or more Holders of the Certificates secured by the Trust Agreement shall have any right in any manner whatever by his, her or their action to affect, disturb or prejudice the security of the Trust Agreement, or to enforce any right under the Trust Agreement or under the Certificates, except in the manner provided in the Trust Agreement, and that all proceedings at law or in equity shall be instituted, held and maintained in the manner provided in the Trust Agreement and for the equal and ratable benefit of all Holders of Outstanding Certificates.

Nothing contained in the Trust Agreement shall, however, affect or impair the right of any Holder of Certificates to enforce the payment of the principal or redemption price of and the interest on any Certificate at and after the maturity thereof.

Defeasance (12.01)

If the County shall pay or cause to be paid the principal or redemption price of and interest on all of the Certificates, then the pledge of the Trust Estate and all other rights granted hereby to the Trustee or the Certificate Holders shall be discharged and satisfied. In such event, upon the request of the County, the Trustee shall execute and deliver to the County all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee, without any request required, shall pay or deliver all moneys, securities and funds held by it pursuant to the Trust Agreement that are not required for the payment or redemption of Certificates not theretofore surrendered for such payment or redemption to the County or to such officer, board or body as may then be entitled by law to receive the same.

A Certificate shall be deemed to have been paid within the meaning of and with the effect expressed in the Trust Agreement if (i) sufficient money for the payment of the principal or redemption price of and interest on such Certificate shall then be held by the Trustee (through deposit by the County of moneys for such payment or otherwise, regardless of the source of such moneys), whether at or prior to the maturity or the redemption date of such Certificates or (ii) if the maturity or redemption date of such Certificate shall not then have arrived, provision shall have been made for the payment of the principal or redemption price of and interest on such Certificate on the due dates for such payments, by deposit with the Trustee (or other method satisfactory to the Trustee) of Government Obligations, the principal of and the interest on which when due will provide sufficient moneys for such payment and the Trustee shall have given notice, at the expense of the County, by first class mail, postage paid, to all Certificate Holders at their addresses as they appear on the registration books maintained by the Trustee, that such moneys are so available for such payment; provided, however, that if any such Certificate is to be redeemed prior to the maturity thereof, provisions shall have been made for the giving of notice of such redemption.

Anything in the Trust Agreement to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Certificates that remain unclaimed for five (5) years after the date on which such Certificates became due and payable either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such dates or for five (5) years after the date of deposit of such moneys if deposited with the Trustee after such date, shall, at the written request of the County Representative, be repaid by the Trustee to the County or to such officer, board or body as may then be entitled by law to receive such moneys, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged; provided, however, that, before being required to make any such payment, the Trustee may, at the expense of the County, give notice, by first class mail, postage paid, to all Certificate Holders at their addresses as they appear on the registration books maintained by the Trustee, that such moneys remain unclaimed and that, after a date named in such notice which date shall be not fewer than forty (40) nor more than ninety (90) days after the date of giving of such notice, the balance of such moneys then unclaimed shall be returned to the County.

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

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BOOK-ENTRY ONLY SYSTEM

The information contained in this Appendix D has been extracted from a schedule prepared by The Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE." The County makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

General

DTC will act as securities depository for the Series 2020 Certificates. The Series 2020 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020 Certificate will be issued for each maturity of the Series 2020 Certificates in principal amount equal to the aggregate principal amount of the Series 2020 Certificates of such maturity, and will be deposited with DTC.

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

Purchases of Series 2020 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2020 Certificate ("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 2020 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020 Certificates, except in the event that use of the book-entry system for the Series 2020 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2020 Certificates 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 2020 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Certificates 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 Series 2020 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments and any premium on the Series 2020 Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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 Direct or Indirect Participant and not of DTC, DTC's nominee, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest or premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or its Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Book-Entry-Only System — Miscellaneous

The information in the Section "Book-Entry-Only System -- General" has been obtained from DTC. The County takes no responsibility for the accuracy or completeness thereof. The County will have no responsibility or obligations to DTC Participants or the persons for whom they act as nominees with respect to the payments to or the providing of notice to the DTC Participants, or the Indirect Participants, or Beneficial Owners. The County cannot and does not give any assurance that DTC Participants or others will distribute principal and interest payments paid to DTC or its nominees, as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Discontinuation of Book-Entry-Only System

DTC may discontinue providing its services as securities depository with respect to the Series 2020 Certificates at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2020 Certificate certificates are required to be printed and delivered. The County may also decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2020 Certificate certificates will be printed and delivered.

In the event that the Book-Entry Only System is discontinued, the Series 2020 Certificates in fully certificated form will be issued as fully registered Series 2020 Certificates without coupons in the denomination of $5,000 each or any integral multiple thereof. Such Series 2020 Certificates will be transferable only upon the registration books kept at the principal office of the Trustee, by the registered owner thereof in person, or by an attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer in the form attached thereto and satisfactory to the Trustee, and duly executed by the registered owner or a duly authorized attorney. Within a reasonable time of such surrender, the County shall cause to be issued in the name of the transferee a new registered Series 2020 Certificate or Series 2020 Certificates of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Series 2020 Certificate surrendered and maturing on the same date and bearing interest at the same rate. The new Series 2020 Certificate or

Series 2020 Certificates shall be delivered to the transferee only after due authentication by an authorized officer of the Trustee. The County may deem and treat the person in whose name a Series 2020 Certificate is registered as the absolute owner thereof for the purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes.

The Trustee shall not be required to transfer or exchange any Series 2020 Certificate after the mailing of notice calling such Series 2020 Certificate or portion thereof for redemption as previously described; provided, however, that the foregoing limitation shall not apply to that portion of a Series 2020 Certificate in excess of $5,000 which is not being called for redemption.

Neither the County nor the Trustee will have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to 1) the accuracy of any records maintained by DTC, any DTC Participant or any Indirect Participant; 2) the payment by DTC, any DTC Participant or any Indirect Participant of any amount with respect to the principal of or premium, if any, or interest on the Series 2020 Certificates; 3) any notice which is permitted or required to be given to holders; 4) any consent given by DTC or other action taken by DTC as holder; or 5) the selection by DTC, any DTC Participant or any Indirect Participant of any Beneficial Owner to receive payment in the event of partial redemption of Series 2020 Certificates.

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