

*In the opinion of Bond Counsel, based on existing law and subject to the conditions described in the section herein entitled “TAX MATTERS,” interest on the Series 2021 Bonds (i) is excludable from the gross income of the owners of the Series 2021 Bonds for Federal income tax purposes and (ii) is not treated as a specific item of tax preference for purposes of the Federal alternative minimum tax. It is also the opinion of Bond Counsel that, under existing law of the State of Maryland, the interest on the Series 2021 Bonds and any gain realized from the sale or exchange of the Series 2021 Bonds is exempt from all State, municipal and local taxation in the State of Maryland; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Series 2021 Bonds or the interest thereon. See “TAX MATTERS” herein.*

**\$15,940,000**  
**MONTGOMERY COUNTY REVENUE AUTHORITY**  
**LEASE REVENUE BONDS**  
**(CROSSVINES PROJECT)**  
**SERIES 2021**

**Dated: Date of Delivery****Due: October 1, as set forth on inside front cover**

The Series 2021 Bonds are being issued to finance a portion of the cost of developing, constructing and equipping a custom winery, education/events center and related facilities in Poolesville, Maryland (as more particularly described herein, the “Project”). The Series 2021 Bonds are secured by a Trust Agreement dated as of December 1, 2021 (the “Trust Agreement”) between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). Pursuant to a Ground Lease dated as of December 1, 2021 (the “Lease Agreement”) between the Authority and Montgomery County, Maryland (the “County”), the Authority is leasing approximately 3.6 acres of surplus land to the County. The County’s payments under the Lease Agreement will be sufficient to pay, when due, the principal of and interest on the Series 2021 Bonds. *The County’s payments under the Lease Agreement are payable solely from amounts (if any) appropriated annually by the County Council for Montgomery County, Maryland. The issuance of the Series 2021 Bonds does not directly, or indirectly, or contingently obligate, morally, or otherwise, the County to levy or pledge any form of taxation whatsoever therefor or to make any appropriation for their payment.*

The Series 2021 Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York (“DTC”) will act as security depository. Purchases of the Series 2021 Bonds will be in book-entry only form. So long as the Series 2021 Bonds shall be maintained under a book-entry system, payments of the principal or redemption price of and interest on the Series 2021 Bonds will be made when due by the Trustee to DTC in accordance with the Trust Agreement. DTC is required to remit such payments to DTC participants, who are required in turn to remit such payments to beneficial owners, as described in this Official Statement.

The Series 2021 Bonds are issuable only as fully registered bonds without coupons in the denomination of \$5,000 each or any integral multiple thereof. Interest on the Series 2021 Bonds is payable semiannually on April 1 and October 1 of each year, commencing April 1, 2022, until maturity or earlier redemption. The Series 2021 Bonds are subject to redemption by the Authority prior to maturity as set forth herein. See “THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds” herein.

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

**THE SERIES 2021 BONDS CONSTITUTE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE PAYMENTS MADE BY THE COUNTY PURSUANT TO THE LEASE AGREEMENT AND FROM THE OTHER ASSETS PLEDGED UNDER THE TRUST AGREEMENT AS SECURITY FOR THE PAYMENT THEREOF. THE SERIES 2021 BONDS DO NOT CONSTITUTE A DEBT OF THE AUTHORITY, THE COUNTY, THE STATE OF MARYLAND OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF MARYLAND OR ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE SERIES 2021 BONDS OR THE INTEREST THEREON. THE ISSUANCE OF THE SERIES 2021 BONDS DOES NOT DIRECTLY, OR INDIRECTLY, OR CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE COUNTY TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE AUTHORITY HAS NO TAXING POWER.**

**DELIVERY:** The Series 2021 Bonds are offered for delivery when, as and if issued, subject to the approving legal opinion of McGuireWoods LLP, Baltimore, Maryland, Bond Counsel, and other conditions specified in the official Notice of Sale for the Series 2021 Bonds. It is expected that the Series 2021 Bonds in definitive form will be available for delivery through the facilities of DTC in New York, New York, on or about December 16, 2021.

The date of this Official Statement is December 2, 2021.

---

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

**\$15,940,000**  
**MONTGOMERY COUNTY REVENUE AUTHORITY**  
**LEASE REVENUE BONDS**  
**(CROSSVINES PROJECT)**  
**SERIES 2021**

**MATURITY SCHEDULE**

<b><u>Maturity Date</u></b> <b><u>(October 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b> *	<b><u>Price or</u></b> <b><u>Yield</u></b> *	<b><u>CUSIP</u></b> **
2022	\$390,000	5.000%	0.200%	613366 KN2
2023	410,000	5.000	0.300	613366 KP7
2024	430,000	5.000	0.370	613366 KQ5
2025	455,000	5.000	0.500	613366 KR3
2026	475,000	5.000	0.630	613366 KS1
2027	500,000	5.000	0.760	613366 KT9
2028	525,000	5.000	0.900	613366 KU6
2029	555,000	5.000	1.000	613366 KV4
2030	580,000	5.000	1.050	613366 KW2
2031	610,000	5.000	1.100	613366 KX0
2032	635,000	2.000	1.500 <sup>†</sup>	613366 KY8
2033	645,000	2.000	1.600 <sup>†</sup>	613366 KZ5
2034	660,000	2.000	1.700 <sup>†</sup>	613366 LA9
2035	675,000	2.000	1.800 <sup>†</sup>	613366 LB7
2036	685,000	2.000	1.900 <sup>†</sup>	613366 LC5
2039	730,000	2.000	2.050	613366 LF8
2042	775,000	2.125	2.200	613366 LJ0
2043	795,000	2.250	2.250	613366 LK7
2044	810,000	2.250	2.300	613366 LL5

\$1,415,000, 2.000%\* Term Bond due October 1, 2038, Price 100.000\*, CUSIP\*\*: 613366 LE1

\$1,505,000, 2.125%\* Term Bond due October 1, 2041, Price 99.597\*, CUSIP\*\*: 613366 LH4

\$1,680,000, 2.375%\* Term Bond due October 1, 2046, Price 99.533\*, CUSIP\*\*: 613366 LN1

---

\* The rates shown above are the interest rates payable by the Authority resulting from the successful bid for the Series 2021 Bonds at public sale on December 2, 2021. The yields or prices shown above were furnished by the successful bidder. Any additional information concerning the reoffering of the Series 2021 Bonds should be obtained from the successful bidder and not from the Authority or the County. See "SALE AT COMPETITIVE BIDDING" herein.

\*\* CUSIP (Committee on Uniform Securities Identification Procedures) data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association ("ABA") by S&P Global Market Intelligence. "CUSIP" is a registered trademark of the ABA. CUSIP numbers are included solely for the convenience of the holders of the Series 2021 Bonds. None of the Authority, the County nor the successful bidder takes any responsibility for the accuracy of CUSIP information. The CUSIP number for a specific maturity is subject to change after the issuance of the Series 2021 Bonds in certain circumstances. The Authority 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 herein. 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.

<sup>†</sup> Yield to first optional redemption date of October 1, 2031.

No dealer, broker, salesman or any other person has been authorized by the Authority to give any information or to make any representation, other than those contained in this Official Statement, and if given and made, such other information or representation must not be relied upon as having been authorized by the Authority. 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 2021 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been provided by the Authority, the County and other sources which are deemed to be reliable but is not guaranteed as to accuracy or completeness.

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 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 Authority or the County since the date hereof.

The order and placement of materials in this Official Statement, including the appendices and the information incorporated herein by reference, are not to be deemed 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 captions and headings in this Official Statement are for convenience only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provisions or sections of this Official Statement. The offering of the Series 2021 Bonds is made only by means of this entire Official Statement.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute forward-looking statements, as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended. In this respect, such forward-looking statements are identified by the use of the words estimate, project, anticipate, expect, forecast, intend or believe or the negative thereof or other variations thereon or 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 in such forward-looking statements. Such forward-looking statements speak only as of the date of this Official Statement. The Authority and the County disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein, to reflect any changes in the Authority's or the County's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No quotations from or summaries or explanations of provisions of laws and 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 Authority and the purchasers or owners of any of the Series 2021 Bonds. 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, inside front cover, and the appendices attached hereto are part of this Official Statement.

**THE SERIES 2021 BONDS 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 2021 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

## TABLE OF CONTENTS

INTRODUCTION.....	1
THE SERIES 2021 BONDS .....	2
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS.....	6
THE PROJECT .....	7
PLAN OF FINANCING.....	9
THE AUTHORITY .....	9
THE COUNTY.....	10
TAX MATTERS .....	19
CERTAIN LEGAL MATTERS .....	22
ENFORCEABILITY OF REMEDIES.....	22
ABSENCE OF MATERIAL LITIGATION .....	22
RATING.....	23
SALE AT COMPETITIVE BIDDING .....	23
FINANCIAL ADVISOR.....	23
CONTINUING DISCLOSURE .....	23
MISCELLANEOUS.....	23
APPENDIX A – Form of Trust Agreement .....	A-1
APPENDIX B – Form of Lease Agreement.....	B-1
APPENDIX C – Form of Approving Opinion of Bond Counsel.....	C-1
APPENDIX D – Official Notice of Sale .....	D-1
APPENDIX E – Form of Continuing Disclosure Agreement .....	E-1

## **MONTGOMERY COUNTY REVENUE AUTHORITY**

Stephen H. Edwards, Chairman  
Herbert L. Tyson, Secretary/Treasurer  
David D. Freishtat, Member  
Jonathan W. Powell, Member  
Yaakov Weissman, *Ex-officio* Member

Keith Miller, Chief Executive Officer  
Michael Boone, Chief Financial Officer

## **MONTGOMERY COUNTY, MARYLAND**

### **COUNTY EXECUTIVE**

Marc Elrich

### **COUNTY COUNCIL**

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

### **APPOINTED OFFICIALS**

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

---

### **BOND COUNSEL**

McGuireWoods LLP  
Baltimore, Maryland

### **FINANCIAL ADVISOR**

PFM Financial Advisors LLC  
Philadelphia, Pennsylvania

### **TRUSTEE**

U.S. Bank National Association  
Richmond, Virginia

---

[ THIS PAGE INTENTIONALLY LEFT BLANK ]

## **OFFICIAL STATEMENT**

**\$15,940,000**  
**MONTGOMERY COUNTY REVENUE AUTHORITY**  
**LEASE REVENUE BONDS**  
**(CROSSVINES PROJECT)**  
**SERIES 2021**

### **INTRODUCTION**

The purpose of this Official Statement, which includes the cover page, inside front cover, Table of Contents and Appendices A, B, C, D and E, is to provide certain information concerning the sale and delivery by the Montgomery County Revenue Authority (the “Authority”) of \$15,940,000 of its Lease Revenue Bonds (Crossvines Project), Series 2021 (the “Series 2021 Bonds”).

The Series 2021 Bonds are being issued pursuant to a Trust Agreement dated as of December 1, 2021 (the “Trust Agreement”) between the Authority and U.S. Bank National Association, as trustee (the “Trustee”).

The proceeds of the Series 2021 Bonds will be used (i) to finance and refinance a portion of the costs of developing, constructing and equipping a custom winery, education/events center and related facilities (as more particularly described herein under the caption “THE PROJECT”, the “Project”) located in Poolesville, Maryland within Montgomery County, Maryland (the “County”) and (ii) to pay the costs of issuing the Series 2021 Bonds. See “THE PROJECT” herein.

The Authority and the County will enter into a Ground Lease dated as of December 1, 2021 (the “Lease Agreement”) pursuant to which the Authority will lease approximately 3.6 acres of surplus land to the County, on which a portion of the Project (as more particularly defined herein under the caption “THE PROJECT”, the “Facilities”) will be constructed. The term of the Lease Agreement will commence on the date of issuance of the Series 2021 Bonds and terminate on the twenty-fifth anniversary of the Final Completion (as defined in the Facility Agreement) of the Project. Under the terms of the Lease Agreement, the County is obligated (subject to the terms thereof) to pay to the Authority specified rentals (the “Lease Payments”), which amounts are calculated to be sufficient in both time and amount to pay, when due, the principal of, premium, if any, and interest on the Series 2021 Bonds. See APPENDIX B – Form of Lease Agreement. Upon the issuance of the Series 2021 Bonds, there will be no other bonds or other obligations payable from lease payments under the Lease Agreement.

The ability of the County to pay the Lease Payments is subject to the annual appropriation of sufficient funds for such purpose by the County Council of Montgomery County, Maryland (the “County Council”). The County is under no obligation to make any appropriations with respect to the Lease Agreement. In the event that the County Council of Montgomery County (the “County Council”) fails or delays to appropriate sufficient moneys to enable the County to make the Lease Payments, there may not be sufficient money to pay when due the principal of, premium, if any, and interest on the Series 2021 Bonds. The County is under no obligation to make any appropriations with respect to the Lease Agreement. No assurance can be given that such appropriations will be made, or that if made, that they will be made at the times and in the amounts necessary to pay when due the principal of, premium, if any, and interest on the Series 2021 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS”.

Pursuant to the Trust Agreement, the Authority will assign to the Trustee, for the benefit of owners of the Series 2021 Bonds, all of the Authority’s rights to receive the Lease Payments under the Lease Agreement.

Capitalized terms not otherwise defined in the Official Statement shall have the respective meanings assigned to them in the Trust Agreement or the Lease Agreement. See APPENDIX A – Form of Trust Agreement and APPENDIX B – Form of Lease Agreement.

*The Series 2021 Bonds constitute limited obligations of the Authority and are payable solely from the payments made by the County pursuant to the Lease Agreement and from other assets pledged under the Trust Agreement as security for the payment thereof. The Series 2021 Bonds do not constitute a debt of the Authority, the County, the State of Maryland or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the full faith and credit nor the taxing power of the County, the State of Maryland or any of its political subdivisions is pledged to the payment of the Series 2021 Bonds or the interest thereon. The Authority has no taxing power.*

## **THE SERIES 2021 BONDS**

### **General**

The Series 2021 Bonds will be dated the date of their delivery and will mature and bear interest on the dates and at the rates set forth on the inside front cover page hereof. Interest on the Series 2021 Bonds will be payable semiannually on April 1 and October 1 of each year (each a “Payment Date”), commencing April 1, 2022. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The Series 2021 Bonds shall be delivered in the form of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. So long as the Series 2021 Bonds shall be maintained under a book-entry system, payments of the principal of, premium (if any) and interest on the Series 2021 Bonds will be made as described below under the heading “— Book-Entry Only System.” At any other time, payments of interest due with respect to any Series 2021 Bond on any Payment Date shall be made to the person who appears on the registration books as the Owner thereof as of the Record Date immediately preceding such Payment Date, such interest to be paid in lawful money of the United States of America by check or draft of the Trustee mailed to such Owner at its address as it appears on the registration books or at such other address as it may have filed with the Trustee for that purpose. The principal and redemption premium, if any, payable with respect to any Bond shall be payable in lawful money of the United States of America upon surrender thereof at the designated corporate trust office of the Trustee.

### **Registration and Exchange of Bonds**

So long as the Series 2021 Bonds are maintained under a book-entry system, Beneficial Owners (hereinafter defined) thereof will have no right to receive physical possession of the Series 2021 Bonds, and transfers of ownership interests in the Series 2021 Bonds will be made through book-entries by DTC and Direct Participants (hereinafter defined). See “— Book-Entry Only System” below.

If the book-entry system is discontinued, Series 2021 Bonds may be exchanged at the designated corporate trust office of the Trustee for a like aggregate principal amount of Series 2021 Bonds of other authorized denominations of the same maturity and bearing interest at the same rate. No exchange may be made during the 15 days preceding any date set by the Trustee for the selection of Series 2021 Bonds for redemption prior to maturity. The Trustee may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The registration of any Series 2021 Bond may, in accordance with its terms, be transferred upon the registration books by the person in whose name it is registered, in person or by its duly authorized attorney, upon surrender of such Series 2021 Bond at the designated corporate trust office of the Trustee, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. No transfer may be made during the 15 days preceding any date set by the Trustee for the selection of Series 2021 Bonds for redemption prior to maturity. Whenever any Series 2021 Bond or Series 2021 Bonds shall be surrendered for registration of transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Series 2021 Bond or Series 2021 Bonds for a like aggregate principal amount of the same maturity and bearing interest at the same rate.

If any Series 2021 Bond shall become mutilated, the Authority, upon the request and at the expense of the Owner of said Series 2021 Bond, shall execute and the Trustee shall authenticate and deliver a new Series 2021 Bond of like tenor, maturity and number in exchange and substitution for the Series 2021 Bond so mutilated, but only upon surrender to the Trustee of the Series 2021 Bond so mutilated. Every mutilated Series 2021 Bond so surrendered to the Trustee shall be cancelled by it. If any Series 2021 Bond shall be lost, destroyed or stolen, evidence of such loss,



destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Authority shall execute and the Trustee, at the expense of the Bond Owner, shall authenticate and deliver a new Series 2021 Bond of like tenor and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the Series 2021 Bond so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Series 2021 Bond delivered and of the expenses which may be incurred by the Trustee in carrying out its duties as described in this paragraph. Notwithstanding any other provision of this paragraph, in lieu of delivering a new Series 2021 Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Series 2021 Bond.

### **Book-Entry Only System**

***The Depository Trust Company.*** The Depository Trust Company, New York, New York, (“DTC”), is acting as the securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2021 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies.

DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has S&P Global Ratings’ rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2021 Bond (the “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 purchases. 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 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2021 Bonds to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2021 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, its nominee, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest on the Series 2021 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Authority and the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2021 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2021 Bond certificates will be printed and delivered.

***Book-Entry Only System – Miscellaneous.*** The information in the section "BOOK-ENTRY ONLY SYSTEM — The Depository Trust Company" has been obtained by the Authority from DTC. The Authority takes no responsibility for the accuracy or completeness thereof. Neither the Authority nor the Trustee will have any responsibility or obligations to the Direct or Indirect Participants or the persons for whom they act as nominees with respect to the payments to or in the providing of notice to the Direct or Indirect Participants, or Beneficial Owners. The Authority cannot and does not give any assurance that the Direct or Indirect 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 they will serve and act in the manner described in this Official Statement.

***Termination of Book-Entry Only System.*** In the event that the Book-Entry Only System is discontinued, the Series 2021 Bonds will be delivered by DTC to the Trustee and such Series 2021 Bonds will be exchanged for Series 2021 Bonds registered in the names of the Direct Participants or the Beneficial Owners identified to the Trustee. In such event, certain provisions of the Series 2021 Bonds pertaining to ownership of the Series 2021 Bonds will be applicable to the registered owners of the Series 2021 Bonds as described herein.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the County believe to be reliable, but neither the Authority nor the County takes any responsibility for the accuracy thereof.

## Redemption of Series 2021 Bonds

***Optional Redemption.*** The Series 2021 Bonds maturing on or after October 1, 2032 shall be subject to redemption prior to their respective maturities, at the option of the Authority, at any time on or after October 1, 2031, either as a whole or in part, but only upon payment of a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption, without premium.

***Redemption From Net Proceeds of Insurance and Condemnation Awards.*** The Series 2021 Bonds are also subject to redemption, in whole or in part at any time, from any insurance proceeds or condemnation award, to the extent remaining after payment therefrom of all expenses incurred in collection thereof with respect to the Project (the "Net Proceeds"), which Net Proceeds are deposited in the Lease Payment Fund, at a redemption price equal to the principal amount of the Series 2021 Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium. Nothing in the Lease Agreement, the Trust Agreement or any other document relating to the Project purports to prevent the County from exercising its power of eminent domain with respect to the Project, and such an exercise could result in the redemption of the Series 2021 Bonds without premium at any time.

***Redemption from Unexpended Proceeds.*** The Series 2021 Bonds are subject to redemption prior to maturity in Authorized Denominations at any time at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption, without premium, from amounts transferred from the Project Account to the Lease Payment Fund in accordance with the Trust Agreement.

***Mandatory Sinking Fund Redemption.*** The Series 2021 Bonds are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory sinking fund installments on October 1 of the following years in the following amounts:

### **Series 2021 Bonds Maturing on October 1, 2038**

<b><u>Year</u></b>	<b><u>Sinking Fund Installment</u></b>
2037	\$700,000
2038*	715,000

\*Final Maturity

### **Series 2021 Bonds Maturing on October 1, 2041**

<b><u>Year</u></b>	<b><u>Sinking Fund Installment</u></b>
2040	\$745,000
2041*	760,000

\*Final Maturity

### **Series 2021 Bonds Maturing on October 1, 2046**

<b><u>Year</u></b>	<b><u>Sinking Fund Installment</u></b>
2045	\$830,000
2046*	850,000

\*Final Maturity

***Selection of Series 2021 Bonds for Redemption.*** The Series 2021 Bonds subject to redemption shall be selected in such order of maturity as the Authority may direct. If fewer than all of the Series 2021 Bonds of a single maturity are to be redeemed, the Series 2021 Bonds to be redeemed will be selected by the Trustee by lot or such other random method which the Trustee shall in its discretion deem appropriate and fair, provided that if the Series 2021 Bonds are registered in a book-entry system, the Securities Depository shall select the particular Series 2021 Bonds or portions thereof to be redeemed in accordance with its procedures. For the purposes of such selection, Series 2021 Bonds shall be deemed to be composed of \$5,000 portions and any such portion may be separately redeemed. Upon surrender of any Series 2021 Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Series 2021 Bond or Series 2021 Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Series 2021 Bond surrendered and of the same interest rate and the same maturity.

***Notice of Redemption.*** The Trustee shall give notice of the redemption of the Series 2021 Bonds on behalf of the Authority at least 30 days before the date fixed for redemption; provided, however, that neither the failure of any Owner to receive such notice nor any immaterial defect in any notice shall affect the sufficiency of the proceedings for the redemption of such Series 2021 Bonds. Such notice shall state the redemption date and redemption price, the CUSIP numbers and maturities of the Series 2021 Bonds to be redeemed and any conditions to such redemption (which may include that such redemption is conditional upon the receipt by the Trustee of sufficient moneys on or prior to the date fixed for redemption). In the case of any Series 2021 Bond called for redemption only in part, the notice shall further set forth the portion of the principal amount thereof which is to be redeemed. In each case, such notice shall state that on the specified redemption date, if all conditions, if any, to such redemption have been satisfied, there shall become due and payable upon each such Series 2021 Bond to be redeemed, the redemption price thereof, together with interest accrued to such date, and that from and after such date interest with respect thereto shall cease to accrue.

***Effect of Notice of Redemption.*** If, on said date fixed for redemption, moneys for the redemption of all the Series 2021 Bonds to be redeemed, together with interest to the date of redemption and any applicable redemption premium, shall be held by the Trustee so as to be available therefor on such date of redemption, and any conditions to such redemption have been satisfied, then, from and after said date of redemption, interest with respect to the Series 2021 Bonds (or portions thereof) designated for redemption shall cease to accrue or become payable. All moneys held by or on behalf of the Trustee for the redemption of Series 2021 Bonds shall be held in trust for the account of the Owners of the Series 2021 Bonds (or portions thereof) so to be redeemed.

## **SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS**

### **General**

The Series 2021 Bonds are payable as to principal, premium (if any) and interest solely from (i) the Lease Payments to be paid by the County pursuant to the Lease Agreement, (ii) any moneys received by the Trustee upon the occurrence of an Event of Default by the Authority under the Trust Agreement, and (iii) amounts from time to time on deposit in certain funds and accounts established by the Trust Agreement. Pursuant to the Trust Agreement, the Authority will assign to the Trustee its rights to receive the Lease Payments under the Lease Agreement.

THE SERIES 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE SOLELY FROM THE PAYMENTS MADE BY THE COUNTY PURSUANT TO THE LEASE AGREEMENT AND FROM OTHER ASSETS PLEDGED UNDER THE TRUST AGREEMENT AS SECURITY FOR THE SERIES 2021 BONDS. THE SERIES 2021 BONDS DO NOT CONSTITUTE A DEBT OF THE AUTHORITY, THE COUNTY, THE STATE OF MARYLAND OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF MARYLAND OR ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE SERIES 2021 BONDS OR THE INTEREST THEREON. THE AUTHORITY HAS NO TAXING POWER.

ALL AMOUNTS PAYABLE BY THE COUNTY UNDER THE LEASE AGREEMENT, INCLUDING THE LEASE PAYMENTS, ARE SUBJECT IN EACH YEAR TO APPROPRIATION BY THE COUNTY. THE COUNTY IS UNDER NO OBLIGATION TO MAKE ANY APPROPRIATION WITH RESPECT TO THE LEASE AGREEMENT. THE LEASE AGREEMENT IS NOT A GENERAL OBLIGATION OF THE COUNTY AND DOES NOT CONSTITUTE A DEBT 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 ISSUANCE OF THE SERIES 2021 BONDS DOES NOT DIRECTLY, OR INDIRECTLY, OR CONTINGENTLY OBLIGATE, MORALLY, OR OTHERWISE, THE COUNTY TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE LEASE AGREEMENT DOES NOT CREATE ANY CONTRACTUAL RELATIONSHIP BETWEEN THE COUNTY AND THE BONDHOLDERS, AND THE BONDHOLDERS HAVE NO RIGHT TO BRING ANY ENFORCEMENT ACTION AGAINST THE COUNTY FOR PAYMENT OF THE LEASE PAYMENTS DUE UNDER THE LEASE AGREEMENT.

### **Lease Agreement**

On the date of issuance of the Series 2021 Bonds, the County and the Authority will enter into a Ground Lease dated as of December 1, 2021 (the “Lease Agreement”) pursuant to which the Authority will lease to the County approximately 3.6 acres of surplus land adjacent to the Poolesville Golf Course (the “Leased Premises”). The Lease Payments due under the Lease Agreement will be sufficient to pay the scheduled debt service on the Series 2021 Bonds. The Lease Payments are payable at least two (2) days prior to each April 1 and October 1 so long as any of the Series 2021 Bonds are outstanding and will be paid directly to the Trustee. The term of the Lease Agreement will commence on the date of issuance of the Series 2021 Bonds and will terminate on the twenty-fifth (25<sup>th</sup>) anniversary of Final Completion (as defined in the Facility Agreement) of the Project.

The ability of the County to pay the Lease Payments is subject to the annual appropriation of sufficient funds for such purpose by the County Council. The County is under no obligation to make any appropriations with respect to the Lease Agreement. The County has covenanted, subject to applicable law and public policy, not to terminate the Lease Agreement in any fiscal year for which sufficient funds are appropriated for the payment of Lease Payments due in that fiscal year. There is no Maryland law as to the enforceability of this type of covenant. If the County fails to make Lease Payments, the Authority has the right to seek certain remedies, including the right to a writ of mandamus, injunction or other similar relief as may be available under Maryland law against the County and the right to maintain any and all actions at law or suits in equity or other proceedings to enforce the curing or remedying of such default or for damages resulting from such default. See APPENDIX B – Form of Lease Agreement.

The County is required under the Lease Agreement to carry certain insurance with respect to the Facilities. The County intends to provide a portion or all of such insurance through self-insurance. The County currently covers all of its property under a commercial and property insurance policy subject to a deductible and has no plans to change this practice. Net insurance proceeds, as well as condemnation awards, must be applied to the repair or replacement of the Project or to the redemption of all or a portion of the Series 2021 Bonds. See “THE SERIES 2021 BONDS- -Redemption of Series 2021 Bonds – Redemption from Net Proceeds of Insurance and Condemnation Awards,” APPENDIX A – Form of Trust Agreement and APPENDIX B – Form of Lease Agreement.

## **THE PROJECT**

### **General**

The Project consists of (i) an approximately 7,300 square foot custom winery, including a wine production area, barrel and case storage and outdoor receiving and production space, (ii) an education/events center containing approximately 16,500 square feet, including a banquet area, pre-event space, a multi-purpose room, an à la carte eating area and commercial kitchens (the “Facilities”), (iii) a vineyard, (iv) a surface parking lot and (v) related facilities. The Project will be located on approximately 35 acres of surplus land adjacent to the Poolesville Golf Course, which is owned and operated by the Authority. The Facilities will be constructed on the Leased Premises, which consist of a 3.6-acre portion of the 35 acres. The Project and the Poolesville Golf Course will share the use and expenses of the surface parking lot.

The Project will support the County’s long-range plan for economic and agricultural development, education, and workforce development in the County’s agricultural reserve. The Authority will collaborate with educational institutions to support opportunities in viticulture and enology, hospitality, marketing and culinary arts programs. The Project will dedicate several acres for the development of a demonstration vineyard where students can learn vineyard management while providing quality grapes to support the winemaking industry. The University of Maryland Extension will coordinate the research and development of the vineyard. In addition to supporting

specific degrees in viticulture and enology, the Authority will also collaborate with the Universities at Shady Grove to support degree programs in agri-tourism, marketing, communication, business entrepreneurship and culinary arts. Students in these degree programs will use the Project to obtain hands-on experience in their fields of study.

The Authority obtained a Phase I environmental site assessment regarding the Leased Premises, dated September 30, 2021. The assessment revealed no evidence of Recognized Environmental Conditions except that vent and fill pipes were noted on the northern side of an existing structure located on the Leased Premises which will be demolished. The pipes are assumed to be associated with an underground storage tank (“UST”) for heating oil. The UST was not physically observed as the crawl space under the structure was not accessible; however, as the site is included on the State’s Registered UST and Historical UST Lists, it is assumed that an UST is located on the Leased Premises. The assessment recommended that during demolition of the structure, it should be anticipated that one or more UST’s will need to be closed in accordance with State and Federal guidelines. The Authority believes that sufficient funds will be available from the Project’s contingency to pay for any closure and remediation costs.

### **The Facility Agreement**

On the date of issuance of the Series 2021 Bonds, the Authority and the County will enter into a Crossvines Project and Facility Operation Agreement dated as of December 1, 2021 (the “Facility Agreement”). The term of the Facility Agreement will commence on the date of issuance of the Series 2021 Bonds and will expire on the twenty-fifth (25<sup>th</sup>) anniversary of Final Completion (as defined in the Facility Agreement) of the Project. Pursuant to the Facility Agreement, the Authority is responsible for the design, construction and completion of the Project and shall pay the costs thereof.

Upon completion of the Project, the Facility Agreement requires the Authority to operate and manage the Project, including employing all employees needed for the Project, establishing rates and charges for services provided at the Project, establishing administrative policies and procedures for scheduling events and the use of the Project, purchasing supplies and services, scheduling maintenance, arranging for public relations and advertising and preparing annual marketing plans, planning, executing and supervising all repairs and maintenance for the Project, and obtaining and keeping in full force and effect all licenses and permits required for the activities to be conducted at the Project. The Facility Agreement allows the Authority to employ qualified third parties to operate, manage and maintain the Project.

The Authority is required under the Facility Agreement to insure the Project against damage and destruction and may provide such insurance through self-insurance. Net insurance proceeds, as well as condemnation awards, must be applied to the repair or replacement of the Project or to the redemption of all or a portion of the Series 2021 Bonds. See “THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds – Redemption from Net Proceeds of Insurance and Condemnation Awards.”

*(The remainder of this page has been left blank intentionally.)*

## PLAN OF FINANCING

### General

The Series 2021 Bonds are being issued to (i) to finance and refinance a portion of the costs of the Project and (ii) to pay the costs of issuing the Series 2021 Bonds. The remaining costs of the Project will be funded through grants from the State of Maryland, which have been received or have been awarded in the aggregate amount of \$3,000,000.

### Estimated Sources and Uses of Funds

The estimated sources and uses of the proceeds of the Series 2021 Bonds will be as follows:

#### Sources:

Principal Amount of the Series 2021 Bonds .....	\$15,940,000.00
Original Issue Premium.....	1,170,429.90
Total Sources.....	<u>\$17,110,429.90</u>

#### Uses:

Deposit to Project Fund .....	\$16,614,000.00
Underwriter's Discount .....	195,921.87
Costs of Issuance <sup>1</sup> .....	300,508.03
Total Uses: .....	<u>\$17,110,429.90</u>

<sup>1</sup> Includes fees and expenses of Bond Counsel and the financial advisor to the Authority, printing costs, fees and expenses of the Trustee, rating agency fees and other miscellaneous expenses.

## THE AUTHORITY

### General

The Authority is a body corporate and politic, an instrumentality of the County and a public corporation. The Authority was formed in 1957 pursuant to the Montgomery County Revenue Authority Act (the "Act"), codified at Chapter 42 of the Montgomery County Code (2004 Edition), as amended. Under the Act, the Authority is authorized to issue revenue bonds, such as the Series 2021 Bonds, for the purpose of financing and refinancing public facilities located in the County. The Authority is governed by a five member board (the "Board"), whose members are appointed by the County Executive of the County, subject to confirmation by the County Council. The current members of the Authority, their titles and the terms of their appointment are as set forth below. Currently, one seat on the Board is vacant.

<u>Member</u>	<u>Expiration of Term</u>
Stephen H. Edwards, Chairman	July 1, 2026
Herbert L. Tyson, Secretary/Treasurer	July 1, 2022
David D. Freishtat, Member	July 1, 2024
Jonathan W. Powell, Member	July 1, 2023
Yaakov Weissman, <i>Ex-officio</i> Member	no expiration of term

The Chief Executive Officer of the Authority is Keith Miller. The Chief Executive Officer serves at the pleasure of the Authority.

## Outstanding Long-Term Debt of the Authority

The Authority has outstanding certain other revenue bonds, which are limited obligations of the Authority secured by specific lease payments or other specified revenues. As of June 30, 2021, the Authority's revenue bonds were outstanding in the following principal amounts: \$22,695,000 Transportation Fund Lease Revenue Bonds, Series 2015; \$14,525,000 Lease Revenue Refunding Bonds (Montgomery College Arts Center Project), Series 2014; \$1,145,602 Golf Course System Project Revenue Bonds, Series 2013; \$1,905,000 Taxable Lease Refunding Revenue Bonds (Montgomery County Conference Center Project), Series 2012A; \$6,840,000 Tax-Exempt Lease Revenue Bonds (Montgomery College Project), Series 2011A; \$4,385,000 Taxable Lease Revenue Bonds (Montgomery College Project), Series 2011B; and \$11,113,328 Golf Course System Project and Refunding Revenue Bonds, Series 2010.

Upon the issuance of the Series 2021 Bonds, no other long-term obligations of the Authority will be on a parity with, or will be payable from the same sources of funds as, the Series 2021 Bonds. The Series 2021 Bonds are not cross-collateralized with or cross-defaulted to any other bonds of the Authority.

The Authority has never defaulted in the payment of the principal of or interest on any of its obligations.

## 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 which is hereby incorporated by reference and can be found at:

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

***The Lease Agreement is not a general obligation of the County and does not constitute a pledge of the faith and credit or the taxing powers of the County. Payments under the Lease Agreement are payable solely from amounts (if any) appropriated by the County Council. The issuance of the Series 2021 Bonds does not directly, or indirectly, or contingently obligate, morally, or otherwise, the County to levy or pledge any form of taxation whatsoever therefor or to make any appropriation for their payment.***

### 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, including the County's general obligation bonds, but not any subject to appropriation bonds, as of June 30, 2020, and June 30, 2021, as applicable. The County's most current Fiscal Plan, approved on June 22, 2021, contains updated information concerning the FY21 results including estimates providing that (i) tax revenues for two major revenue categories, property tax and income tax, that comprise nearly 90% of total tax revenues are expected to exceed the estimates for the FY21 Approved Budget and meet the County's revised estimate for FY21, (ii) FY21 revised tax revenues for real and personal property are estimated to increase by 0.01% from the FY21 Approved Budget, and (iii) FY21 revised income tax revenues are estimated to increase by 0.73% from the FY21 Approved Budget. 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, 2020, please see the AIS.

[table appears on next page]



**Table 1**  
**Statement of Direct and Overlapping Debt**  
**As of June 30, 2021 (Unaudited)<sup>(1)</sup>**  
**And Including 2021 General Obligation Bonds<sup>(2)</sup>**

Direct Debt as of June 30, 2021		
General Obligation Bonds Outstanding <sup>(3)</sup>	\$3,163,445,000	
Short-Term BANs/Commercial Paper Outstanding <sup>(4)</sup>	160,000,000	
Series 2021 General Obligation Bonds	335,115,000	
Revenue Bonds Outstanding	<u>165,766,663</u>	
Total Direct Debt		\$ 3,824,326,663
Overlapping Debt as of June 30, 2020		
Washington Suburban Sanitary Commission		
Applicable to Montgomery County	\$2,415,741,953	
Housing Opportunities Commission	1,361,034,104	
Montgomery County Revenue Authority	67,419,826	
Maryland-National Capital Park and Planning Commission		
Applicable to Montgomery County	67,475,000	
Kingsview Village Center Development District	319,855	
West Germantown Development District	8,515,000	
Towns, Cities and Villages within Montgomery County	<u>41,648,343</u>	
Total Overlapping Debt		<u>\$ 3,962,154,081</u>
Total Direct and Overlapping Debt		\$ 7,786,480,744
Less Self-Supporting Debt as of June 30, 2020		
County Government Revenue Bonds (dated June 30, 2021)	\$ 165,766,663	
Washington Suburban Sanitary Commission		
Applicable to Montgomery County	2,415,741,953	
Housing Opportunities Commission	1,361,034,104	
Montgomery County Revenue Authority	67,419,826	
Maryland-National Capital Park and Planning Commission		
Applicable to Montgomery County	<u>-</u>	
Total Self-Supporting Debt		<u>\$ (4,009,962,546)</u>
Net Direct and Overlapping Debt		<u>\$ 3,776,518,198</u>
Ratio of Debt to Estimated June 30, 2021 Assessed Valuation of (100% Assessment):		\$ 201,215,583,000
Direct Debt		1.90%
Net Direct Debt <sup>(4)</sup>		1.82%
Direct and Overlapping Debt		3.87%
Net Direct and Overlapping Debt		1.88%
Ratio of Debt to Estimated June 30, 2021 Market Value of:		\$ 209,771,081,772
Direct Debt		1.82%
Net Direct Debt <sup>(5)</sup>		1.74%
Direct and Overlapping Debt		3.71%
Net Direct and Overlapping Debt		1.80%

(1) Unaudited numbers for the period ending June 30, 2021.

(2) Includes the County's \$335,115,000 Consolidated Public Improvement Project and Refunding Bonds of 2021, Series A issued and delivered on September 8, 2021 (the "Series 2021 CPI Bonds").

(3) This amount has been reduced by \$25,965,000, the amount of the bonds refunded with the Series 2021 CPI Bonds.

(4) Net of amount retired with proceeds of the Series 2021 CPI Bonds.

(5) Net Direct Debt of \$3,658,560,000 is derived by subtracting direct self-supporting debt, which consists only of County Government Revenue Bonds in the amount of \$165,766,663 from Total Direct Debt.

**Table 2**  
**Statement of Legal Debt Margin**  
**As of June 30, 2021 (Unaudited)**  
**And Including 2021 General Obligation Bonds<sup>(1)</sup>**

June 30, 2021 Assessed Valuation - Real Property (Estimated)		\$ 197,017,000,000
Debt Limit (% of Assessed Valuation)		<u>6.00%</u>
Subtotal Limitation - Real Property		<u>\$ 11,821,020,000</u>
June 30, 2021 Assessed Valuation - Personal Property (Estimated)		\$ 4,198,583,000
Debt Limit (% of Assessed Valuation)		<u>15.00%</u>
Subtotal Limitation - Personal Property		<u>\$ 629,787,450</u>
Total Assessed Valuation - Real and Personal Property (Estimated)		\$ 201,215,583,000
Legal Limitation for the Borrowing of Funds and the Issuance of Bonds		\$ 12,450,807,450
Less Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds Outstanding <sup>(2)</sup>	\$3,163,445,000	
Series 2021 General Obligation Bonds	335,115,000	
Short-Term BANs/Commercial Paper Outstanding <sup>(3)</sup>	160,000,000	
Net Direct Debt		<u>\$ 3,658,560,000</u>
Legal Debt Margin		<u>\$ 8,792,247,450</u>
Net Direct Debt as a Percentage of Assessed Valuation		1.82%

- (1) Includes the County's \$335,115,000 Consolidated Public Improvement Project and Refunding Bonds of 2021, Series A issued and delivered on September 8, 2021 (the "Series 2021 CPI Bonds").
- (2) This amount has been reduced by \$25,965,000, the amount of the bonds refunded with the Series 2021 CPI Bonds.
- (3) Net of amount retired with proceeds of the Series 2021 CPI Bonds.

*(The remainder of this page has been left blank intentionally.)*

**Table 3**  
**General Obligation Debt of the County**  
**As of June 30, 2020 (Audited) and**  
**June 30, 2021 (Unaudited)**  
**And Including 2021 General Obligation Bonds**

<u>Issue</u>	<u>Dated Date</u>	<u>Original Issue Size</u>	<u>Original Coupon Rates</u>	<u>TIC<sup>(1)</sup></u>	<u>Maturity</u>	<u>Principal Outstanding June 30, 2020 (Audited)</u>	<u>Principal Outstanding June 30, 2021 (Unaudited)<sup>(3)</sup></u>
GO Refunding Bonds	11/17/2009	\$ 161,755,000	2.00-5.00	2.6487	2011-20	\$ 23,160,000	-
GO Bonds	07/26/2010	195,000,000	2.00-5.00	2.2596	2011-22	16,250,000	-
GO Bonds	07/26/2010	130,000,000	4.75-5.40	5.0708	2023-30	130,000,000	-
GO Refunding Bonds	08/11/2011	237,655,000	2.00-5.00	1.9896	2012-22	80,080,000	\$ 38,655,000 <sup>(4)</sup>
GO Bonds	10/24/2012	295,000,000	2.50-5.00	2.2599	2013-32	88,500,000	-
GO Bonds	11/26/2013	295,000,000	3.00-5.00	3.1270	2014-33	177,000,000	44,250,000
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	325,000,000	100,000,000
GO Refunding Bonds	11/19/2014	297,990,000	5.00	2.3437	2016-28	270,395,000	258,475,000
GO Refunding Bonds	04/09/2015	58,520,000	5.00	1.2264	2018-21	22,585,000	7,700,000
GO Bonds	12/01/2015	300,000,000	3.00-5.00	2.8036	2016-35	240,000,000	225,000,000
GO Bonds	12/13/2016	340,000,000	3.00-5.00	3.2816	2017-37	289,000,000	272,000,000
GO Bonds	11/15/2017	170,000,000	5.00	1.7265	2018-27	136,000,000	119,000,000
GO Refunding Bonds	11/15/2017	78,270,000	5.00	1.6316	2018-26	53,900,000	45,585,000
GO Refunding Bonds	11/15/2017	294,625,000	3.00-5.00	2.0707	2019-31	285,695,000	272,650,000
GO Refunding Bonds	11/15/2017	143,830,000	3.00-4.00	2.1002	2020-29	143,830,000	129,420,000
GO VRDO <sup>(2)</sup>	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	313,500,000	297,000,000
GO Bonds	11/07/2019	320,000,000	3.00-5.00	2.2108	2020-40	320,000,000	304,000,000
GO Bonds	08/05/2020	320,000,000	1.75-4.00	1.4217	2021-40	-	320,000,000
GO Refunding Bonds	08/05/2020	163,950,000	4.00	0.7391	2023-32	-	163,950,000
GO Refunding Bonds	08/05/2020	370,845,000	0.50-1.85	1.4768	2023-34	-	370,845,000
GO Project and Refunding Bonds	09/08/2021	<u>335,115,000</u>	2.00-5.00	1.4717	2022-41	-	<u>335,115,000</u>
Total		<u>\$5,532,450,000</u>				<u>\$3,109,810,000</u>	<u>\$3,498,560,000</u>

(1) True Interest Cost

(2) Variable Rate Demand Obligations

(3) Principal outstanding as of June 30, 2021 (\$3,498,560,000) is adjusted to include the \$335,115,000 Consolidated Public Improvement Project and Refunding Bonds of 2021, Series A (the "Series 2021 CPI Bonds") issued and delivered by the County on September 8, 2021 (net of amount of bonds refunded with the proceeds of the Series 2021 CPI Bonds)

(4) Represents principal amount that was paid by the County on July 1, 2021.

*(The remainder of this page has been left blank intentionally.)*

**Table 4**  
**General Obligation Bonds Authorized - Unissued**  
**As of June 30, 2021 (Unaudited)**

<u>Purpose</u>	<u>Chapter</u>	<u>Act</u>	<u>Amount</u>	<u>Amount Unissued</u>
General County, Parks, and Consolidated Fire Tax District	26	2013	\$ 331,600,000	-
	31	2014	167,400,000	\$127,015,353
	49	2015	148,100,000	148,100,000
	26	2018	28,100,000	28,100,000
	22	2019	5,600,000	5,600,000
			<u>\$ 680,800,000</u>	<u>\$308,815,353</u>
Road & Storm Drainage	49	2015	-	-
	26	2018	\$ 37,900,000	-
	22	2019	88,600,000	\$ 43,105,488
			<u>\$ 126,500,000</u>	<u>\$ 43,105,488</u>
Public Schools and Community College	49	2015	\$ 267,200,000	-
	26	2018	38,400,000	-
	22	2019	245,000,000	\$136,592,874
			<u>\$ 550,600,000</u>	<u>\$136,592,874</u>
Mass Transit	49	2015	\$ 34,200,000	-
	26	2018	51,500,000	\$ 39,189,285
			<u>\$ 85,700,000</u>	<u>\$ 39,189,285</u>
Public Housing	22	2009	\$ 1,000,000	\$ 1,000,000
	54	2010	46,400,000	46,400,000
			<u>\$ 47,400,000</u>	<u>\$ 47,400,000</u>
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
			<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>
Total General Obligation Bonds			<u>\$1,496,300,000</u>	<u>\$580,403,000</u>

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, 2021 (Unaudited)**  
**And Including 2021 General Obligation Bonds**

<u>Issue</u>	<u>Balance June 30, 2020</u>	<u>BANs Retired</u>	<u>BANs Issued</u>	<u>Total BANs Outstanding as of June 30, 2021<sup>(1)</sup></u>	<u>BANs Retired<sup>(2)</sup></u>	<u>Balance</u>
BAN 2009-A	\$100,000,000	\$ 22,500,000	\$ 7,500,000	\$85,000,000	-	-
BAN 2009-B	100,000,000	22,500,000	7,500,000	85,000,000	-	-
BAN 2010-A	150,000,000	150,000,000	150,000,000	150,000,000	-	-
BAN 2010-B	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>	-	-
Total	<u>\$500,000,000</u>	<u>\$345,000,000</u>	<u>\$315,000,000</u>	<u>\$470,000,000</u>	<u>\$310,000,000</u>	<u>\$160,000,000<sup>(3)</sup></u>

<sup>(1)</sup> Unaudited.

<sup>(2)</sup> The aggregate principal amount of \$310,000,000 of Bond Anticipation Notes was retired in September 2021.

<sup>(3)</sup> \$24,000,000 of the 2010-A Bond Anticipation Notes were retired on November 4, 2021 and \$25,000,000 of the 2010-B Bond Anticipation Notes will be retired on November 30, 2021, making the balance of Bond Anticipation Notes outstanding as of November 30, 2021 \$111,000,000.

*(The remainder of this page has been left blank intentionally)*

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

	Fiscal Year Ending June 30 <sup>(1)(3)</sup>			Approved Budget <sup>(2)(3)(4)</sup>
	2018	2019	2020	2021
Revenues:				
Taxes:				
Property, including interest & penalty	\$ 1,268,805,073	\$ 1,292,155,658	\$ 1,268,904,164	\$ 1,246,241,020
Transfer tax and recordation tax	158,587,905	168,192,023	173,412,108	181,575,261
County income tax	1,469,251,059	1,531,219,289	1,700,584,075	1,695,360,735
Other taxes	274,215,416	273,354,916	259,686,972	273,568,383
Total Taxes	3,170,859,453	3,264,921,886	3,402,587,319	3,396,745,399
Licenses and permits	11,256,621	11,747,328	10,880,889	13,465,465
Intergovernmental revenue	64,287,818	66,502,144	75,407,920	75,671,630
Charges for services	12,494,474	30,198,205	24,159,285	13,162,131
Fines and forfeitures	29,660,682	31,495,317	29,516,285	45,155,800
Investment income	3,595,298	8,583,321	2,622,856	5,167,950
Miscellaneous	9,241,500	16,930,457	10,570,798	18,165,759
Total Revenues	3,301,395,846	3,430,378,658	3,555,745,352	3,567,534,134
Expenditures (including encumbrances):				
General County:				
General government	386,666,899	389,073,054	482,163,029	482,702,587
Public safety	392,519,611	402,853,522	423,392,675	420,095,375
Public works and transportation	70,864,322	60,922,654	48,151,831	46,518,227
Health and human services	249,913,897	254,956,656	262,278,944	251,454,732
Culture and recreation	47,205,792	50,137,324	50,308,512	47,632,812
Housing and community development	13,321,644	14,056,063	14,449,684	11,382,074
Environment	2,534,498	2,107,892	3,033,009	3,358,531
Education	1,850,884,306	1,885,648,526	1,910,678,276	1,920,965,816
Total Expenditures	3,013,910,969	3,059,825,691	3,194,455,960	3,184,110,154
Transfers In (Out):				
Transfers In:				
General Funds	-	-	-	-
Special Revenue Funds	44,511,302	28,757,130	29,757,250	26,055,305
Enterprise Funds	38,549,431	41,504,274	46,355,930	44,568,663
Internal Service Funds	27,359,360	11,537,012	-	3,713,312
Capital Projects Fund	-	5,500,000	5,500,000	-
Component Units	-	-	-	-
Total Transfers In	110,420,093	87,298,416	81,613,180	74,337,280
Transfers Out:				
General Funds	-	-	-	-
Special Reserve Funds	(24,494,654)	(42,135,619)	(27,133,885)	(21,603,055)
Debt Service Fund	(312,020,121)	(329,700,927)	(341,615,901)	(357,573,250)
Capital Projects Fund	(46,703,653)	(47,326,269)	(46,177,189)	(41,177,000)
Enterprise Funds	(25,000)	(25,800)	(25,000)	(25,000)
Internal Service Funds	(609,198)	(857,758)	(4,773,319)	-
Total Transfers Out	(383,852,626)	(420,045,573)	(419,725,294)	(420,378,305)
Net Transfers In (Out)	(273,432,533)	(332,747,157)	(338,112,114)	(346,041,025)
Other Financing Sources	367	8,655	359	-
Net Change in Fund Balance	14,052,711	37,814,465	23,177,637	37,382,955
Fund Balances, Beginning of Year	506,971,795	521,024,506	558,838,972	582,016,609
Fund Balance, End of the Year	\$ 521,024,506	\$ 558,838,971	\$ 582,016,609	\$ 619,399,564

(1) Source: County Comprehensive Annual Financial Reports. Audited.

(2) Source: County Fiscal Year 2021 Approved Budget.

(3) For financial reporting purposes, the amounts include the General Fund, Urban Districts, Economic Development and the Revenue Stabilization Fund.

(4) The County's most current Fiscal Plan for Fiscal Year 2021 projects Revenue Stabilization Fund and Unassigned General Fund balances of \$403.8 million and \$82.1 million, respectively, for total estimated budgetary reserves of \$485.9 million. The Fiscal Plan, approved on June 22, 2021, incorporates the most recent revenue and expenditure estimates.

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

	Fiscal Year Ending June 30 <sup>(1)</sup>			Approved Budget <sup>(2)(4)(5)</sup>	
	2017	2018	2019	2020	2021
Restricted - Revenue Stabilization Fund <sup>(3)</sup>	\$ 280,660,259	\$ 308,695,745	\$ 341,545,046	\$ 376,281,822	\$ 384,865,242
Components of General Fund Reported Fund Balance (Net of RSF) <sup>(1)(3)</sup>					
Nonspendable	\$ 8,797,529	\$ 6,755,806	\$ 12,137,808	\$ 10,198,747	\$ 9,472,473
Restricted - Other	11,784,991	13,639,668	10,219,326	6,861,399	10,626,346
Committed	60,445,573	62,163,634	59,837,927	42,854,105	56,325,310
Assigned	26,916,962	27,071,892	31,782,165	48,141,465	33,478,121
Unassigned <sup>(4)</sup>	118,366,481	102,697,761	103,316,699	97,679,071	124,632,072
Subtotal	226,311,536 <sup>(1)</sup>	212,328,761	217,293,925	205,734,787	234,534,322
Total Reported General Fund	\$ 506,971,795 <sup>(2)</sup>	\$ 521,024,506	\$ 558,838,971	\$ 582,016,609	\$ 619,399,564

(1) Source: County Comprehensive Annual Financial Reports. Audited.

(2) Source: County Fiscal Year 2021 Approved Budget.

(3) Per Section 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.

(4) For GAAP financial reporting purposes, the Economic Development Fund and Urban District Funds are required to be reported as part of the General Fund.

(5) The County's most current Fiscal Plan for Fiscal Year 2021 projects Revenue Stabilization Fund and Unassigned General Fund balances of \$403.8 million and \$82.1 million, respectively, for total estimated budgetary reserves of \$485.9 million. The Fiscal Plan, approved on June 22, 2021, incorporates the most recent revenue and expenditure estimates.

### 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 ( “AGR”) 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.

*(The remainder of this page has been left blank intentionally)*

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's reserve policy target is 10 percent of AGR and the Fiscal Year 2020 and Fiscal Year 2021 approved budgets planned a reserve at 10 percent of AGR. Due to the County's response to the COVID-19 pandemic, Fiscal Year 2020 reserves were at 8.9% of AGR and Fiscal Year 2021- Fiscal Year 2023 reserves are estimated to be lower than the 10 percent policy target. When emergencies require reserves to dip below the 10 percent policy target, it is the County's policy to ensure that reserves achieve the policy target within three fiscal years. The County's Fiscal Plan shows reserves increasing to 9.0 percent in Fiscal Year 2021, 9.6 percent in Fiscal Year 2022, 9.8 percent in Fiscal Year 2023 and 10.0 percent in Fiscal Year 2024.

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

Fiscal Year <sup>(1)</sup>	Transfers	Fund Balance
2021	\$27.1	\$403.8
2020	26.8	376.3
2019	25.6	341.5
2018	24.9	308.7
2017	24.7	280.7
2016	23.2	254.4

(1) Amounts for Fiscal Year 2016-Fiscal Year 2020 are audited. Amounts for Fiscal Year 2021 are Fiscal Plan estimates.

### **Financial Impact of COVID-19**

The information in this section provides an overview of the County's actions taken in responding to the public health crisis caused by the coronavirus and associated illness called COVID-19 ("COVID-19"). Following the initial events of the 2020 when (i) on January 31, 2020 the United States Department of Health and Human Services declared a public health emergency for the United States, (ii) the World Health Organization ("WHO") and the Centers for Disease Control and Prevention (the "CDC") declaring COVID-19 to be a "public health emergency of international concern", (iii) on March 11, 2020 the WHO declared the COVID-19 outbreak to be a global pandemic and (iv) on March 13, 2020, the President of the United States declared a national state of emergency; both the State of Maryland and Montgomery County each took various actions to mitigate the spread of COVID-19. In the period of time (18 months) following these events, various executive orders have been issued by Federal, state, and local entities focusing on mitigating COVID-19 and then transitioning to reopening the economy.

The County on May 28, 2021, moved to the next phase of reopening from the COVID-19 health crisis since at that time more than 60 percent of County residents had received at least one vaccine, and more than 50 percent had been fully vaccinated. Due to the spread of the contagious delta variant of COVID-19, on August 5, 2021, the County Council approved a new Board of Health regulation to reinstate indoor masking as the County exceeded the substantial COVID-19 transmission threshold as defined by the Centers for Disease Control and Prevention ("CDC"). The mask mandate was in effect from August 7, 2021 until it was lifted on October 28, 2021 at 12:01 a.m. for indoor locations accessible to the public. On November 2, 2021, the Council voted to require seven consecutive days of substantial COVID-19 transmission in the County before an indoor face covering requirement is reinstated in areas open to the public and to automatically terminate face covering requirements at 12:01 a.m. on the day immediately following the date that 85 percent or more of the County's population is fully vaccinated, as reported by the CDC on its COVID Data Tracker. Additionally, the County follows State of Maryland and Maryland Department of Health COVID-19 requirements as they are promulgated, which may result in the implementation of various additional safety protocols from time to time. Businesses and workplaces may set their own additional requirements. See website for further details. ([montgomerycountymd.gov/covid19/](https://montgomerycountymd.gov/covid19/))

Over the past year, the County made many difficult financial decisions to adjust to unprecedented times. Federal and State partners have provided some much-needed assistance, and the County's revenue forecasts have greatly improved compared to initial projections. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided the County with \$183.3 million in flexible aid to help address many of the most pressing expenditure challenges. In addition, the County received funds in the amount of \$30.2 million to help maintain our transit system that experienced record lows in ridership due to stay-at-home orders, business shutdowns, physical distancing



requirements, and other societal shifts brought on by the virus. Under the Consolidated Appropriations Act, 2021 passed by the United States Congress on December 27, 2020, the County also received \$31.4 million in federal funding to be used for rental and utility assistance within the County. The State provided the County with funds to help its restaurants when the pandemic was in its most extreme phase. Most recently, with the enactment of President Biden's American Rescue Plan Act (ARPA), the County government was allocated \$204.1 million in Federal aid that will be used over the coming months and years to replace revenue losses that occurred during the pandemic and provide economic assistance to the County's residents and businesses. In addition, this funding will ensure that the County government recovers from the pandemic stronger and more resilient. On May 10, 2021, the U.S. Department of the Treasury issued interim guidance on the usage of funds the County will receive under the Coronavirus State and Local Fiscal Recovery Funds included in ARPA. On June 1, 2021, the County received the first tranche of \$102.1 million of ARPA funding.

The County Executive recommended, and the County Council approved two Fiscal Year 2021 operating budget mid-year Savings Plans totaling \$44.4 million for Montgomery County Government. The two Fiscal Year 2021 mid-year Savings Plans also included reductions in the CIP including a reduction to PAYGO of \$32 million. The Fiscal Year 2022 budget and Fiscal Plan presents a plan to restore the reserves which were reduced below the policy level in fiscal 2020, to our policy level of ten percent within three fiscal years (Fiscal Year 2024).

On May 27, the Montgomery County Council formally approved a \$6 billion Fiscal Year 2022 Operating Budget that greatly reflects the recommended budget of County Executive Marc Elrich focusing on "response, recovery, and resilience" following the COVID-19 health crisis. During the budget review and approval process, the Council agreed to 99.85 percent of all spending proposals the County Executive had in his recommended budget. Additionally, the Federal Emergency Management Agency (FEMA) also provided the County with \$36.2 million in reimbursements for eligible expenditures.

The Fiscal Year 2022 total approved operating budget is \$6 billion - a 2.3 percent increase over Fiscal Year 2021. The Fiscal Year 2022 tax supported budget is \$5.1 billion and is a 1.0 percent increase over Fiscal Year 2021. The approved budget does not include an increase to the property tax rate and is consistent with the amended Charter Limit.

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 Fiscal Year 2022 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-term 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**

*Opinion of Bond Counsel – Federal Income Tax Status of Interest.* Bond Counsel's opinion will state that, under current law, interest on the Series 2021 Bonds (i) is excludable from the gross income of the owners of the Series 2021 Bonds for purposes of Federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not a specific item of tax preference for purposes of the Federal alternative minimum tax.

Bond Counsel's opinion speaks as of its date, is based on current provisions of the Code, and other current legal authority and precedent, and covers certain matters not directly addressed by such authority and precedent and represents Bond Counsel's judgment as to the proper treatment of interest on the Series 2021 Bonds for Federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the County or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Internal Revenue Service (the "IRS") or the courts. The County has covenanted, however, to comply with the requirements of the Code.

Although Bond Counsel is of the opinion that interest on the Series 2021 Bonds is excludable from gross income for Federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Series 2021 Bonds may otherwise affect the Federal tax liability of an owner of the Series 2021 Bonds. The nature and extent of these other Federal tax consequences depend on the owner's particular tax status and levels of other income or deductions. Bond Counsel will express no opinion regarding any such other tax consequences and prospective purchasers of the Series 2021 Bonds should consult their own tax advisors with respect thereto.

See Appendix C – Form of Approving Opinion of Bond Counsel.

*Reliance and Assumptions; Effect of Certain Changes.* In delivering its opinion regarding the tax treatment of interest on the Series 2021 Bonds, Bond Counsel is relying upon certifications of representatives of the Authority and the County, the underwriters of the Series 2021 Bonds, the financial advisor to the Authority and other persons as to facts material to the opinion, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants (as hereinafter defined) by the Authority. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Series 2021 Bonds in order for interest on the Series 2021 Bonds to be and remain excludable from gross income for purposes of Federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Series 2021 Bonds and the use of the property financed by the Series 2021 Bonds, limitations on the source of the payment of and the security for the Series 2021 Bonds and the obligation to rebate certain excess earnings on the gross proceeds of the Series 2021 Bonds to the United States Treasury. The certificates executed and delivered by the Authority and the County (collectively, the "Certificates") with respect to the Series 2021 Bonds contain covenants (the "Covenants") under which the Authority and the County have agreed to comply with such requirements. Failure by the Authority or the County to comply with the Covenants could cause interest on the Series 2021 Bonds to become includable in gross income for Federal income tax purposes retroactively to their date of issue. If such a failure occurs, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2021 Bonds from becoming includable in gross income for Federal income tax purposes. Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Series 2021 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Certificates, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Certificates. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Series 2021 Bonds from gross income for Federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

*Original Issue Discount.* "Original issue discount" is the excess, if any, of the amount payable at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) of any maturity of the Series 2021 Bonds purchased as part of the initial public offering over the issue price of the maturity. The amount of original issue discount that has accrued and is properly allocable to an owner of any maturity of the Series 2021 Bonds with original issue discount (an "OID Bond") will be excludable from gross income to the same extent as interest on the Series 2021 Bonds for Federal income tax purposes. In general, the "issue price" for each maturity of the Series 2021 Bonds is the first price at which a substantial amount of the Series 2021 Bonds of that maturity was sold to the public, which may differ from the price shown on the inside cover page hereof.

The Code provides that the amount of original issue discount accrues in accordance with a constant interest method based on the compounding of interest. In the case of an original owner of an OID Bond, the amount of original issue discount that is treated as having accrued on such OID Bond is added to the owner's adjusted basis in determining, for Federal income tax purposes, gain or loss upon the disposition of the OID Bond (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued original issue discount will be excluded from the gross income of the owner for Federal income tax purposes.

The accrual of original issue discount and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the issue price may be determined according to rules that differ from those described above.

In addition, original issue discount that accrues in each year to an owner of an OID Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral Federal income tax consequences discussed below. Consequently, owners of any OID Bond should be aware that the accrual of original issue discount in each year may result in additional distribution requirements or other collateral Federal income tax consequences although the owner of such OID Bond has not received cash attributable to such original issue discount in such year.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for Federal income tax purposes of the original issue discount accrued upon sale or redemption of such OID Bonds (including OID Bonds not purchased in the initial offering at their issue price) and with respect to state and local tax consequences of owning OID Bonds.

*Bond Premium.* In general, a Bond purchased at a price (excluding accrued interest) producing a tax basis in excess of the principal amount payable at maturity is a “Premium Bond” and the amount of the excess constitutes the “Bond Premium” on the Premium Bond. Under the Code, the Bond Premium is amortized based on the owner’s yield over the remaining term of the Premium Bond (or, in the case of certain callable Premium Bonds, to an earlier call date that results in a lowest yield on the Premium Bond). The owner of a Premium Bond must amortize the Bond Premium by offsetting the qualified stated interest allocable to each interest accrual period against the Bond Premium allocable to that period. No deduction is allowed for such amortization of Bond Premium and the owner is required to decrease the adjusted basis in the Premium Bond by the amount of the amortizable Bond Premium properly allocable to the owner.

Prospective purchasers of any Premium Bond should consult their own tax advisors regarding the treatment of Bond Premium for Federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, sale, exchange, or other disposition of, and amortization of Bond Premium on, such Premium Bond.

*Certain Collateral Federal Tax Consequences.* The following is a brief discussion of certain collateral Federal income tax matters with respect to the Series 2021 Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Series 2021 Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning or disposing of the Series 2021 Bonds.

Prospective purchasers of the Series 2021 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral Federal income tax consequences to certain taxpayers including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the “branch profits tax,” individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

*Information Reporting and Backup Withholding.* Prospective purchasers should be aware that the interest on the Series 2021 Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2021 Bonds may be subject to backup withholding if the interest is paid to an owner who or which (i) is not an “exempt recipient” and (ii) (A) fails to furnish an accurate U.S. taxpayer identification number in the manner required, (B) has been notified of a failure to report all interest and dividends required to be shown on Federal income tax returns or (C) fails to certify under penalty of perjury that the owner is not subject to withholding. Individuals generally are not exempt recipients, although corporations and other entities generally are.

The reporting and backup withholding requirements do not in and of themselves affect the excludability of interest on the Series 2021 Bonds from gross income for Federal income tax purposes, and amounts withheld under the backup withholding rules may be refunded or credited against the owner’s Federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

*Opinion of Bond Counsel – State Tax Exemption.* In the opinion of Bond Counsel, under existing law of the State of Maryland, the interest on the Series 2021 Bonds and any gain realized from the sale or exchange of the Series 2021 Bonds is exempt from all State, municipal and local taxation in the State of Maryland; however, the law of the State

of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Series 2021 Bonds or the interest thereon.

Interest on the Series 2021 Bonds may be subject to state and local taxes in jurisdictions other than the State of Maryland under applicable state or local laws. Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding the taxable status of the Series 2021 Bonds in a particular state or local jurisdiction other than the State of Maryland.

*Effects of Future Enforcement, Regulatory and Legislative Actions.* The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for Federal income tax purposes. If the IRS does audit the Series 2021 Bonds, the IRS will, under its current procedures, treat the Authority as the taxpayer. As such, the beneficial owners of the Series 2021 Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Series 2021 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Series 2021 Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in Federal or state income tax rates and the application of Federal or state income tax laws (including the substitution of another type of tax) or may repeal or reduce the benefit of the excludability of interest on tax-exempt obligations from gross income for Federal or state income tax purposes.

The Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the Federal or state tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Series 2021 Bonds, regulatory interpretation of the Code or actions by a court involving either the Series 2021 Bonds or other tax-exempt obligations will not have an adverse effect on the Series 2021 Bonds' Federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Series 2021 Bonds.

Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed Federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

## **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, tax-exempt nature and validity of the Series 2021 Bonds are subject to the approving opinion of Bond Counsel.

## **ENFORCEABILITY OF REMEDIES**

The remedies available to the Trustee and the Owners of the Series 2021 Bonds upon an event of default under the Trust Agreement are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for under the Trust Agreement may not be readily available or may be limited. The enforceability of certain legal rights related to the Series 2021 Bonds is subject to limitations imposed by bankruptcy, insolvency, moratorium, reorganization and other state and Federal laws affecting the enforcement of creditors' rights and to general principles of equity.

## **ABSENCE OF MATERIAL LITIGATION**

In the opinion of the County Attorney of the County, there is no pending or threatened litigation to which the Authority or the County is a party which in any way questions or affects the validity of the Series 2021 Bonds, or any proceedings or transactions relating to their issuance, sale and delivery.

## **RATING**

S&P Global Ratings has given the Series 2021 Bonds the rating indicated on the cover page of this Official Statement. 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 any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by any such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the Series 2021 Bonds.

## **SALE AT COMPETITIVE BIDDING**

The Series 2021 Bonds were offered by the Authority at a competitive bidding on December 2, 2021, in accordance with the Official Notice of Sale. See APPENDIX D – Official Notice of Sale. The interest rates shown on the inside front cover of this Official Statement are the interest rates payable by the Authority resulting from the successful bid for the Series 2021 Bonds at the competitive sale. The prices or yields shown on the inside cover of this Official Statement are based on the information supplied to the County by the successful bidder. All other information concerning the reoffering of the Series 2021 Bonds should be obtained from the successful bidder and not from the Authority.

## **FINANCIAL ADVISOR**

PFM Financial Advisors LLC, Philadelphia, Pennsylvania (the “Financial Advisor”), has rendered financial advice to the Authority and the County in the preparation of this Official Statement. 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.

## **CONTINUING DISCLOSURE**

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”) to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the Authority and the County, as the “obligated persons” (as defined in Rule 15c2-12) with respect to the Series 2021 Bonds, will execute and deliver a continuing disclosure agreement (the “Continuing Disclosure Agreement”) on or before the date of issuance and delivery of the Series 2021 Bonds, the form of which is attached to this Official Statement as Appendix E. Potential purchasers of the Series 2021 Bonds should note that the definition of Reportable Events summarized in Appendix E 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 2021 Bonds, such as the possibility of unscheduled draws on debt service reserve funds and events affecting the collateral for the Series 2021 Bonds.

The Authority has complied in all material respects with its continuing disclosure undertakings pursuant to Rule 15c2-12 during the last five years.

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 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. The County has established procedures to ensure that the County will fulfill the requirements of its continuing disclosure obligations for its bonds.

## **MISCELLANEOUS**

All references to the Lease Agreement and the Trust Agreement and other documents mentioned herein, including any summaries thereof, are qualified in their entirety by reference to such documents. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Owners of the Series 2021 Bonds.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any of the Series 2021 Bonds.

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

**MONTGOMERY COUNTY REVENUE AUTHORITY**

By: /s/ Keith Miller  
Chief Executive Officer

**APPENDIX A**  
**FORM OF TRUST AGREEMENT**

[ THIS PAGE INTENTIONALLY LEFT BLANK ]



---

TRUST AGREEMENT  
DATED AS OF DECEMBER 1, 2021  
BY AND BETWEEN  
MONTGOMERY COUNTY REVENUE AUTHORITY  
AND  
U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE  
  
SECURING \$15,940,000 PRINCIPAL AMOUNT OF  
MONTGOMERY COUNTY REVENUE AUTHORITY  
LEASE REVENUE BONDS  
(CROSSVINES PROJECT), SERIES 2021

---

## TABLE OF CONTENTS

### ARTICLE I

#### DEFINITIONS; AUTHORIZATION

Section 1.1. Definitions.....	6
Section 1.2. Rules of Construction.....	10
Section 1.3. Authorization .....	11
Section 1.4. Representations of the Issuer .....	11
Section 1.5. Representations of the Trustee.....	11
Section 1.6. References to Principal .....	11

### ARTICLE II

#### THE BONDS

Section 2.1. Authorization of Bonds.....	11
Section 2.2. Date .....	12
Section 2.3. Maturity; Interest Rate .....	12
Section 2.4. Form of Bonds; Payments of Principal and Interest .....	12
Section 2.5. Form of Bonds .....	12
Section 2.6. Payment of Bonds .....	13
Section 2.7. Application of Proceeds of Bonds.....	13
Section 2.8. Transfer and Exchange.....	13
Section 2.9. Bonds Mutilated, Lost, Destroyed, or Stolen .....	13
Section 2.10. Execution .....	14
Section 2.11. Execution of Documents and Proof of Ownership.....	14
Section 2.12. Registration Books.....	14
Section 2.13. Authentication.....	14
Section 2.14. Book-Entry System .....	15

### ARTICLE III

#### PROJECT FUND

Section 3.1. Project Fund.....	16
Section 3.2. Disbursements.....	16
Section 3.3. Transfer of Unexpended Proceeds of Bonds.....	16

### ARTICLE IV

#### REDEMPTION OF BONDS

Section 4.1. Redemption of Bonds.....	17
Section 4.2. Selection of Bonds for Redemption .....	18
Section 4.3. Notice of Redemption .....	18
Section 4.4. Partial Redemption of Bonds .....	19
Section 4.5. Effect of Notice of Redemption .....	19
Section 4.6. No Partial Redemption After Default.....	19

## ARTICLE V

### LEASE PAYMENTS; LEASE PAYMENT FUND

Section 5.1. Assignment of Rights in Lease Agreement.....	19
Section 5.2. Establishment of Lease Payment Fund .....	19
Section 5.3. Deposits .....	19
Section 5.4. Application of Moneys.....	20
Section 5.5. Final Surplus. ....	20

## ARTICLE VI

[reserved]

## ARTICLE VII

### MONEYS IN FUNDS; INVESTMENT

Section 7.1. Held in Trust .....	20
Section 7.2. Investments Authorized .....	20
Section 7.3. Accounting.....	21
Section 7.4. Allocation of Earnings .....	21
Section 7.5. Valuation and Disposition of Investments .....	21
Section 7.6. Restrictions on Investment.....	21
Section 7.7. Maintenance of Rebate Fund .....	21
Section 7.8. Prevention of Bonds From Becoming Arbitrage Bonds.....	22
Section 7.9 Arbitrage Covenant.....	22
Section 7.10 Compliance with Applicable Laws and Regulations .....	22

## ARTICLE VIII

### INSURANCE AND CONDEMNATION FUND; EMINENT DOMAIN

Section 8.1 Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award .....	22
Section 8.2. Application of Net Proceeds of Eminent Domain.....	23
Section 8.3. Cooperation.....	24

## ARTICLE IX

### THE TRUSTEE

Section 9.1. Duties of Trustee.....	24
Section 9.2. Compensation of the Trustee .....	25
Section 9.3. Removal or Resignation of Trustee.....	25
Section 9.4. Appointment of Agents .....	25
Section 9.5. Merger or Consolidation .....	25
Section 9.6. Protection and Rights of the Trustee .....	26
Section 9.7. Appointment of Co-Trustee .....	27
Section 9.8. Non-Presentment of Bonds .....	27
Section 9.9. Indemnification of Trustee in Certain Circumstances.....	28

ARTICLE X

MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 10.1. Amendments Permitted.....	28
Section 10.2. Procedure for Amendment with Written Consent of Bond Owners.....	29
Section 10.3. Disqualified Bonds.....	30
Section 10.4. Effect of Supplemental Agreement.....	30
Section 10.5. Endorsement or Replacement of Bonds Delivered After Amendments.....	30
Section 10.6. Amendatory Endorsement of Bonds .....	31

ARTICLE XI

COVENANTS; FURTHER ASSURANCES

Section 11.1. Compliance with and Enforcement of Lease Agreement.....	31
Section 11.2. Observance of Laws and Regulations .....	31
Section 11.3. Prosecution and Defense of Suits.....	31
Section 11.4. Recordation and Filing.....	31
Section 11.5. Further Assurances.....	31

ARTICLE XII

LIMITATION OF LIABILITY

Section 12.1. Limited Liability of Issuer and County .....	31
Section 12.2. No Liability of Issuer or County for Trustee Performance; No Liability of Trustee for County or Issuer Performance .....	32
Section 12.3. Opinion of Counsel .....	32
Section 12.4. Limitation of Rights to Parties and Bond Owners .....	32

ARTICLE XIII

EVENTS OF DEFAULT AND REMEDIES  
OF BOND OWNERS

Section 13.1. Assignment of Rights.....	32
Section 13.2. Remedies.....	32
Section 13.3. Application of Funds.....	32
Section 13.4. Institution of Legal Proceedings .....	33
Section 13.5. Non-waiver .....	33
Section 13.6. Remedies Not Exclusive .....	33
Section 13.7. Power of Trustee to Control Proceedings .....	33
Section 13.8. Limitation on Suits by Bond Owners.....	33

ARTICLE XIV

ASSIGNMENT OF LEASE PAYMENTS

Section 14.1. Assignment .....	34
Section 14.2. Acceptance .....	34
Section 14.3. Condition on Assignment.....	34

ARTICLE XV

MISCELLANEOUS

Section 15.1. Defeasance .....	34
Section 15.2. Records .....	35
Section 15.3. Notices .....	35
Section 15.4. Governing Law .....	36
Section 15.5. Binding Effect; Successors .....	36
Section 15.6. Execution in Counterparts.....	36
Section 15.7. Cancellation of Bonds.....	37
Section 15.8. Headings .....	37
Section 15.9. Waiver of Notice.....	37
Section 15.10. Severability of Invalid Provisions.....	37
Section 15.11. Days other than Business Days.....	37
Section 15.12. Patriot Act.....	37
Section 15.13. Electronic Signatures.....	37

EXHIBIT A - Form of Bond

EXHIBIT B – Form of Requisition (Costs of Issuance Account)

EXHIBIT C – Form of Requisition (Project Account)

EXHIBIT D – Form of Completion Certificate

## TRUST AGREEMENT

THIS TRUST AGREEMENT (including all Exhibits hereto, and all amendments, modifications or supplements hereto, this “Trust Agreement”) is made and entered into as of December 1, 2021, by and between the MONTGOMERY COUNTY REVENUE AUTHORITY, a public body corporate and politic and an instrumentality of Montgomery County, Maryland, duly existing under and by virtue of the laws of the State of Maryland and of Montgomery County, Maryland (the “Issuer”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association having a corporate trust office in Richmond, Virginia (the “Trustee”).

### WITNESSETH:

WHEREAS, Montgomery County, Maryland (the “County”) and the Issuer have determined that there is demand in the County for a custom winery, an education/events center, a vineyard and related surface parking (as more particularly described in Appendix I hereto, the “Project”) to facilitate local wine production and provide space for large corporate, public social events and educational facilities; and

WHEREAS, the Issuer and the County have entered into a Ground Lease dated as of December 1, 2021 (including all Exhibits thereto, and all amendments, modifications or supplements thereto, the “Lease Agreement”), pursuant to which the County has leased from the Issuer certain land located in Montgomery County, Maryland (the “Leased Premises”) on which a portion of the Project consisting of the custom winery and education/events center will be constructed; and

WHEREAS, in order to finance the cost of constructing and equipping the Project, the Issuer will issue its lease revenue bonds designated “Montgomery County Revenue Authority Lease Revenue Bonds (Crossvines Project), Series 2021” (the “Bonds”), which will be payable from the proceeds of the Lease Payments to be made by the County under the Lease Agreement; and

WHEREAS, to better secure to the owners of the Bonds the payment of the principal of, interest on, and redemption premiums (if any) on such Bonds, the Issuer shall assign and transfer its rights to receive the Lease Payments under the Lease Agreement to the Trustee, and in consideration of such assignment and the execution of this Trust Agreement, the Trustee shall act as trustee for the owners of the Bonds;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and promises contained herein, the parties hereto hereby agree as follows:

## ARTICLE I

### DEFINITIONS; AUTHORIZATION

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified.

“Authorized Denomination” means \$5,000 or any integral multiple thereof.

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

“Bond Year” means the period of twelve (12) consecutive months ending on June 30 in any year during which Bonds are or will be Outstanding; provided, however, that the final Bond Year shall end on the date on which funds are deposited with the Trustee in an amount sufficient to pay or redeem the last Bond. For purposes of this definition only, the term Outstanding shall include Bonds which are deemed paid in accordance with Section 15.1 hereof.

“Bonds” means the Montgomery County Revenue Authority Lease Revenue Bonds (Crossvines Project), Series 2021 executed and delivered pursuant hereto.

“Business Day” means a day other than (i) a Saturday, Sunday, or legal holiday in the State, or (ii) any other day on which banking institutions are authorized or required by law to be closed in the State.

“Closing Date” means the day on which the Bonds, duly executed by the Issuer and authenticated by the Trustee, are delivered to the purchasers thereof.

“Code” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein that is applicable to the Bonds or the use of the proceeds thereof shall be deemed to include the Regulations promulgated thereunder, now in effect or promulgated hereafter from time to time.

“Completion Certificate” means a certificate, signed by the Issuer Representative, substantially in the form of Exhibit D hereto, furnished by the Issuer pursuant to Section 3.3 hereof.

“Completion Date” means the date of completion of the Project, as specified in the Completion Certificate delivered by the Issuer to the Trustee pursuant to Section 3.3 hereof.

“Construction Costs” means the amounts to be paid by or on behalf of the Issuer to construct and equip the Project on the Leased Premises, including the costs of site and construction improvements, materials, furniture and equipment in accordance with the provisions of the Lease Agreement.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Issuer relating to the execution and delivery of the Lease Agreement and this Trust Agreement, and other documents related thereto or to the Project, or the execution, sale, and delivery of the Bonds, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, reporting fees, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Bonds and charges and fees in connection with the foregoing.

“County” means Montgomery County, Maryland, a body politic and corporate and a political subdivision of the State, duly organized and existing under the Constitution and laws of the State.

“County Representative” means the Director of Finance of the County or any other person designated by the Director of Finance as authorized to act on behalf of the County under or with respect to this Trust Agreement in a written authorization filed with the Trustee.

“Designated Office of the Trustee” means (i) the corporate trust office of the Trustee designated in Section 15.3 hereof, and (ii) such other office designated by the Trustee by written notice to the County and the Issuer.

“Electronic Means” means a portable document format (“pdf”) or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Event of Default” means (i) on any Payment Date, a failure of the Issuer to have deposited with, or made available to, the Trustee for deposit to the Lease Payment Fund, in accordance with the provisions of this Trust Agreement, an amount of funds sufficient to pay the principal of, interest on, and redemption premiums (if any) then due and payable under the Bonds and (ii) the failure of the Issuer to perform any of its obligations under this Trust Agreement and the continuance thereof for more than 60 days (or such longer period as may be required, in the reasonable judgment of the Trustee, or at the written direction of the Owners

of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, to correct such default with the exercise of due diligence).

“Facility Agreement” means the Crossvines Project and Facility Operation Agreement dated as of December 1, 2021 by and between the County and the Issuer, relating to those services and responsibilities to be performed by the Issuer with respect to the construction and operation of the Project, together with any duly authorized and executed amendments, modifications or supplements thereto.

“Fiscal Year” means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period selected by the County as its fiscal year.

“Government Obligations” means obligations for which the United States has pledged its faith and credit for the payment of the principal and interest thereon.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Issuer, the Trustee or the County.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Article VIII hereof.

“Issuer” means the Montgomery County Revenue Authority, a public body corporate and politic and an instrumentality of the County, duly existing under and by virtue of the laws of the State and of the County.

“Issuer Representative” means the Chief Executive Officer of the Issuer, or any other person authorized by resolution of the Issuer to act on behalf of the Issuer under or with respect to this Trust Agreement.

“Lease Agreement” means the Ground Lease with respect to the Leased Premises (including all Exhibits thereto), dated as of December 1, 2021 by and between the Issuer, as lessor, and the County, as lessee, together with any duly authorized and executed amendments, modifications, or supplements thereto.

“Leased Premises” means all of that certain real property located in the County described in Exhibit A to the Lease Agreement, on which the Project is situate.

“Lease Payments” means all payments required to be paid by the County on any date pursuant to subparagraph (a) of Paragraph 4 of the Lease Agreement, including any prepayment thereof pursuant to Paragraph 26 of the Lease Agreement.

“Lease Payment Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.2 hereof.

“Net Proceeds” means any insurance proceeds or condemnation award, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“Outstanding” or “outstanding”, when used as of any particular time with respect to Bonds, means (subject to the provisions of Section 10.3) all Bonds theretofore executed by the Issuer and authenticated and delivered by the Trustee under this Trust Agreement except:

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

(b) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have theretofore been deposited with the Trustee in accordance with Section 15.1 hereof (whether upon or prior to the maturity or redemption date of such Bonds);



provided, however, that, if such Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 4.3 hereof or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(c) Bonds in lieu of or in exchange for which other Bonds shall have been executed by the Issuer and authenticated and delivered by the Trustee pursuant to Section 2.9 hereof.

“Owner” or “Bond Owner” or “Owner of a Bond”, or any similar term, when used with respect to a Bond, means the person in whose name such Bond shall be registered on the Registration Books.

“Payment Date” means each April 1 and October 1 in every year, commencing April 1, 2022 (or the next succeeding Business Day if the prescribed Payment Date is not a Business Day) so long as any Bonds are Outstanding hereunder.

“Permitted Investments” means any of the following which, at the time of investment, constitute legal investments under the laws of the State for the moneys proposed to be invested therein:

- (a) Government Obligations;
- (b) an obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress;
- (c) obligations issued and unconditionally guaranteed by a supranational issuer (as defined in Section 6-222 of the State Finance and Procurement Article of the Annotated Code of Maryland) denominated in United States dollars and eligible to be sold in the United States;
- (d) a repurchase agreement collateralized in an amount not less than one hundred two percent (102%) of the principal amount by an obligation of the United States, its agencies or instrumentalities, provided the collateral is held by a custodian, other than the seller, designated by the buyer;
- (e) bankers’ acceptances guaranteed by a financial institution with a short-term debt rating in the highest letter and numerical rating category by at least one Rating Agency;
- (f) with respect to amounts treated by the Internal Revenue Service as bond sale proceeds only, bonds, notes, or other obligations having the highest quality letter and numerical rating by at least one Rating Agency issued by or on behalf of the State or any other state or any agency, department, county, municipal or public corporation, special district, authority or political subdivision thereof, or in any fund or trust that invests only in securities of the type described in this paragraph;
- (g) commercial paper that has received the highest letter and numerical rating by at least two Rating Agencies;
- (h) money market mutual funds (including those offered by the Trustee or its affiliates) that are (i) registered with the Securities and Exchange Commission under the Investment Company Act of 1940, 15 U.S.C. § 80a-1 et seq., as amended, (ii) operated in accordance with Rule 2A-7 of the Investment Company Act of 1940, 17 C.F.R. § 270.2A-7, as amended, and (iii) rated in the highest rating category of at least one Rating Agency; and
- (i) any investment portfolio created under the Maryland Local Government Investment Pool defined under §§ 17-301 through 17-309 of the Local Government Article of the Annotated Code of Maryland that is administered by the Office of the Treasurer of the State.

“Project” means the custom winery, education/events center, vineyard and surface parking lot more particularly described in Appendix I hereto financed and refinanced with the proceeds of the Bonds.

“Project Fund” means the fund by that name established and held by the Trustee pursuant to Article III hereof.

“Rating Agency” means each of Fitch Ratings, New York, New York, Moody’s Investors Service, Inc., New York, New York, and S&P Global Ratings, New York, New York, or the successors of any of them.

“Rating Category” means, with respect to any Permitted Investment, one or more of the generic categories of rating by the respective Rating Agency applicable to such Permitted Investment, without regard to any refinement or graduation of such rating category by a numeric modifier or plus or minus sign.

“Rebate Fund” means the fund by that name as may be established and held by the Trustee pursuant to Section 7.7 hereof.

“Rebate Year” has the meaning given such term in Section 7.7 hereof.

“Record Date” means the close of business on the fifteenth day of the calendar month immediately preceding each Payment Date, whether or not such day is a Business Day.

“Registration Books” means the records maintained by the Trustee pursuant to Section 2.12 hereof for the registration of ownership and transfer of ownership of the Bonds.

“Regulations” means any final or temporary Regulations of the United States Department of the Treasury which are promulgated under the Code, which regulations by their terms are effective and/or applicable with respect to the Bonds.

“Required Rebate” has the meaning given such term in Section 7.7 hereof.

“State” means the State of Maryland.

“Term of the Lease Agreement” means the period during which the Lease Agreement is in effect, as provided in Paragraph 3 of the Lease Agreement.

“Trust Agreement” means this Trust Agreement (including any Exhibits hereto) dated as of December 1, 2021, by and between the Issuer and the Trustee, together with any amendments, modifications, or supplements hereto permitted to be made hereunder.

“Trustee” means U.S. Bank National Association, a national banking association or any successor thereto acting as trustee, bond registrar and paying agent pursuant to this Trust Agreement.

“Yield” shall have the meaning ascribed to such term in the Regulations.

Section 1.2. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Trust Agreement:

- (A) Words importing the singular number include the plural number and words importing the plural number include the singular number.
- (B) Words of the masculine gender include correlative words of the feminine and neuter genders.
- (C) The headings and the table of contents set forth in this Trust Agreement are solely for convenience of reference and shall not constitute a part of this Trust Agreement, nor shall they affect its meaning, construction or effect.

- (D) Words importing persons include any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or agency or political subdivision thereof.
- (E) Any reference to a particular percentage or proportion of the Holders of Bonds shall mean the Holders at the particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding under this Trust Agreement, except Bonds held by or for the account of the Issuer, whether or not pledged to or by the Issuer; however, Bonds so pledged may be regarded as Outstanding for the purposes of this paragraph if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to vote such Bonds. Any reference herein to Bonds the consent or direction of a specified proportion of the Holders of which is required or permitted prior to the taking of any action hereunder shall mean the Holders of such proportion of Outstanding Bonds as shall be affected thereby.
- (F) Any reference to the Lease Payment Fund, the Project Fund, the Costs of Issuance Account, the Project Account, the Insurance and Condemnation Fund, and the Rebate Fund shall be to the fund or account so designated that is created hereunder.
- (G) Unless otherwise specified or the context shall require otherwise, any reference to a particular Article or Section shall be to such Article or Section of this Trust Agreement.

Section 1.3. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution of this Trust Agreement by the officers and persons signing it.

Section 1.4. Representations of the Issuer. The Issuer represents and covenants that there are no pending or threatened actions or proceedings before any court or administrative agency that would materially adversely affect the condition, business, or operations of the Issuer or the ability of the Issuer to perform its obligations under this Trust Agreement or the Lease Agreement. If any such actions are threatened or initiated against the Issuer, the Issuer shall promptly notify the Trustee in writing of such pending or threatened action.

Section 1.5. Representations of the Trustee. The Trustee represents and warrants that there are no pending or threatened actions or proceedings before any court or administrative agency that would materially adversely affect the condition, business, or operations of the Trustee or the ability of the Trustee to perform its obligations under this Trust Agreement. If any such actions are threatened or initiated against the Trustee, the Trustee shall promptly notify the Issuer and the County in writing of such pending or threatened action.

Section 1.6. References to Principal. References made to the principal of the Bonds in this Trust Agreement shall be deemed to include any mandatory sinking fund payments, unless the context clearly requires otherwise.

## ARTICLE II

### THE BONDS

Section 2.1. Authorization of Bonds. The Trustee is hereby authorized and directed upon written request and notice from the Issuer to prepare, execute, authenticate, and deliver Bonds in an aggregate principal amount of \$15,940,000 to be payable from the proceeds of the Lease Payments assigned by the Issuer to the Trustee and the other security provided for hereunder. The Bonds are designated as "Montgomery County Revenue Authority Lease Revenue Bonds (Crossvines Project), Series 2021".

THE BONDS CONSTITUTE LIMITED OBLIGATIONS OF THE ISSUER AND ARE PAYABLE SOLELY FROM THE PAYMENTS MADE BY THE COUNTY PURSUANT TO THE LEASE AGREEMENT AND FROM THE OTHER ASSETS PLEDGED UNDER THIS TRUST AGREEMENT AS

SECURITY FOR THE PAYMENT THEREOF. THE BONDS DO NOT CONSTITUTE A DEBT OF THE ISSUER, THE COUNTY, THE STATE OF MARYLAND OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE ISSUANCE OF THE BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE COUNTY TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE OF MARYLAND OR ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THE BONDS OR THE INTEREST THEREON. THE ISSUER HAS NO TAXING POWER.

Section 2.2. Date. Each Bond shall be dated the Closing Date and interest with respect thereto shall be payable from such date.

Section 2.3. Maturity; Interest Rate. The Bonds shall bear interest at the rates set forth in the table below and shall mature on October 1 in the years and the amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2022	\$390,000	5.000%
2023	410,000	5.000
2024	430,000	5.000
2025	455,000	5.000
2026	475,000	5.000
2027	500,000	5.000
2028	525,000	5.000
2029	555,000	5.000
2030	580,000	5.000
2031	610,000	5.000
2032	635,000	2.000
2033	645,000	2.000
2034	660,000	2.000
2035	675,000	2.000
2036	685,000	2.000
2038	1,415,000	2.000
2039	730,000	2.000
2041	1,505,000	2.125
2042	775,000	2.125
2043	795,000	2.250
2044	810,000	2.250
2046	1,680,000	2.375

Section 2.4. Payments of Principal and Interest. Interest on the unpaid and outstanding principal amount of the Bonds shall be payable on each Payment Date to and including the date of maturity or redemption, whichever is earlier, in the manner provided in Section 2.6 hereof. Such interest shall, with respect to any Bond, be computed by multiplying the unpaid and outstanding principal amount of such Bond by the rate of interest applicable to such Bond (on the basis of a 360-day year consisting of twelve 30-day months).

Section 2.5. Form of Bonds. The Bonds shall be delivered in the form of fully registered bonds without coupons in Authorized Denominations. The Bonds shall be numbered in the manner determined by the Trustee. Before authenticating and delivering any Bond, the Trustee shall complete the form of such Bond to show the Registered Owner, principal amount, interest rate, maturity date, number and authentication

date of such Bond. The Bonds shall be in substantially the form set forth in Exhibit A (Form of Bond) attached hereto and incorporated by reference herein.

Section 2.6. Payment of Bonds. Payments of interest due with respect to any Bond on any Payment Date shall be made to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding such Payment Date, such interest to be paid in lawful money of the United States of America by check or draft of the Trustee mailed to such Owner at its address as it appears on the Registration Books or at such other address as it may have filed with the Trustee for that purpose or, in the case of and upon the written request of an Owner of Bonds in an aggregate principal amount equal to or greater than \$500,000, by wire transfer. The principal and redemption premium, if any, payable with respect to any Bond shall be payable in lawful money of the United States of America by check or draft of the Trustee upon surrender of such Bond at the Designated Office of the Trustee.

Section 2.7. Application of Proceeds of Bonds. The proceeds received from the sale of the Bonds shall be received by the Trustee in trust for the benefit of the Holders from time to time of the Bonds, subject to and in accordance with the terms of this Trust Agreement, and shall be deposited by the Trustee in the Costs of Issuance Account and the Project Account of the Project Fund as directed by the Issuer in writing.

Section 2.8. Transfer and Exchange of Bonds.

(a) Transfer of Bonds. The registration of any Bond may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by its duly authorized attorney, upon surrender of such Bond at the Designated Office of the Trustee, accompanied by delivery of a duly executed, written instrument of transfer in a form approved by the Trustee, acting as bond registrar. No transfer may be made during the fifteen (15) days preceding any date set by the Trustee for the selection of Bonds for redemption prior to maturity. Whenever any Bond or Bonds shall be surrendered for registration of transfer, the Issuer shall execute, and the Trustee shall authenticate and deliver, a new Bond or Bonds, for a like aggregate principal amount of the same maturity and bearing interest at like rate.

(b) Exchange of Bonds. Bonds may be exchanged at the Designated Office of the Trustee, for a like aggregate principal amount of Bonds of other Authorized Denominations of the same maturity and bearing interest at the same rate. No exchange may be made during the fifteen (15) days preceding any date set by the Trustee for the selection of Bonds for redemption prior to maturity. The Trustee may require the payment by the Bond Owner requesting such exchange of any tax or other governmental charges, insurance, and shipping charges required to be paid with respect to such exchange.

Section 2.9. Bonds Mutilated, Lost, Destroyed, or Stolen. If any Bond shall become mutilated, the Issuer, upon the request and at the expense of the Owner of such Bond, shall execute, and the Trustee shall authenticate and deliver, a new Bond of like tenor, maturity, and number in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it. If any Bond shall be lost, destroyed, or stolen, evidence of such loss, destruction, or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and if an indemnity satisfactory to the Trustee shall be given, the Issuer shall execute, and the Trustee, at the expense of the Bond Owner, shall authenticate and deliver, a new Bond of like tenor, principal amount and maturity and numbered as the Trustee shall determine in lieu of and in substitution for the Bond so lost, destroyed, or stolen. The Trustee may require payment of an appropriate fee for each new Bond delivered under this Section 2.9 and of the expenses which may be incurred by the Trustee in carrying out its duties under this Section 2.9. Any Bond issued under the provisions of this Section 2.9 in lieu of any Bond alleged to be lost, destroyed, or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds secured by this Trust Agreement. The Trustee shall not treat both the original Bond and any duplicate Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be executed and delivered hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but rather, both the original and duplicate Bond shall be treated as one and the same. Notwithstanding any other provision of this Section 2.9, in lieu of delivering a new Bond which has been mutilated, lost, destroyed, or stolen, and which has matured, the

Trustee may make payment with respect to such Bond, if an indemnity satisfactory to the Trustee and the Issuer shall be given.

Section 2.10. Execution. The Bonds shall be executed by and in the name of the Issuer by the manual or facsimile signature of the Chairperson of the Issuer. The official seal of the Issuer shall be affixed to or by facsimile imprinted on the Bonds and shall be attested by the manual or facsimile signature of its Secretary-Treasurer. The Bonds shall be authenticated by the manual signature of an authorized officer of the Trustee. If any officer whose signature (whether manual or facsimile) appears on any Bond ceases to be such officer before the date of delivery of such Bond, such signature (whether manual or facsimile) shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such date of delivery.

Section 2.11. Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Bond Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company, or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Bonds shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided) if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument, and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in any jurisdiction, that the person signing such instrument acknowledged before him or her the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association, or partnership, such certificate shall also constitute sufficient proof of his or her authority.

(b) The fact of the ownership of Bonds by any person and the amount, the maturity, and the numbers of such Bonds and the date of his holding the same shall be proved by the Registration Books.

Nothing contained in this Article II shall be construed as limiting the Trustee to the proof herein specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Bond shall bind every future owner of the same Bond in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

Section 2.12. Registration Books. The Trustee shall keep or cause to be kept, at the Designated Office of the Trustee, sufficient records for the registration of ownership and transfer of ownership of the Bonds, and, upon presentation for such purpose, the Trustee shall, under such reasonable rules or regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as hereinbefore provided. The Registration Books shall at all times be open to inspection by the County and the Issuer during regular business hours of the Trustee.

Section 2.13. Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Trust Agreement unless and until a Certificate of Authentication on such Bond, substantially as set forth in the form of Bond attached as Exhibit A hereto, shall have been duly executed by the Trustee. Such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Trust Agreement. The Certificate of Authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the Certificate of Authentication on all of the Bonds issued hereunder.

Section 2.14. Book-Entry System. The provisions of this Section shall apply to the Bonds so long as such Bonds shall be maintained under the book-entry system ("Registered Bonds") with The Depository Trust Company or any other securities depository for the Bonds appointed pursuant to this Section, or their successors (a "Securities Depository"), any other provisions of this Trust Agreement to the contrary notwithstanding. The Bonds shall initially be issued as Registered Bonds.

(a) The principal of and interest on the Bonds shall be payable to the Securities Depository, or registered nominee or assigns, as the registered owner of the Bonds, in same day funds on each date on which the principal of or interest on the Bonds becomes due. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Issuer and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the Issuer and the Securities Depository may agree in writing to make payments in a manner different from that set out herein. In such event, the Issuer shall give the Trustee notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as if set forth herein. Neither the Issuer nor the Trustee shall have any obligation with respect to the transfer or crediting of the appropriate payments to any participant of any Securities Depository (a "Participant") or the beneficial owners of the Bonds or their nominees.

(b) In the event that part but not all of any Outstanding Bond is to be retired (by redemption or otherwise), the Securities Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Bond in accordance with Section 2.8 upon presentation and surrender of such Bond to the Trustee or (ii) shall make appropriate notation on the Bond certificate indicating the date and amount of each principal payment, provided that payment of the final principal amount of any Bond shall be made only upon presentation and surrender of such Bond to the Trustee.

(c) So long as the Securities Depository or its nominee is the registered owner of the Bonds, the Issuer and the Trustee will recognize the Securities Depository or its nominee, respectively, as the holder of all of the Bonds for all purposes, including (without limitation) the payment of the principal of and interest on the Bonds, the giving of notices and any consent or direction required or permitted to be given to, or on behalf of, the holders of the Bonds under this Trust Agreement.

(d) The Issuer, in its discretion, at any time may replace any Securities Depository as the depository for the Bonds with another qualified securities depository or discontinue the maintenance of the Bonds under a book-entry system upon 30 days' notice to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository). A copy of any such notice shall be delivered promptly to the Trustee.

(e) If the Issuer discontinues the maintenance of the Bonds under the book-entry system, the Issuer will issue Bonds directly to the Participants or, to the extent requested by any Participant, to the beneficial owners of Bonds as further described in this Section. The Issuer shall make provisions to notify Participants and the beneficial owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Issuer in its discretion, that it will issue Bonds directly to the Participants or, to the extent requested by any Participant, to beneficial owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

In the event that Bonds are to be issued to Participants or to beneficial owners of the Bonds, the Issuer shall promptly have prepared Bonds in certificated form registered in the names of the Participants as shown on the records of the Securities Depository provided to the Trustee or, to the extent requested by any Participant, in the names of the beneficial owners of Bonds shown on the records of such Participant provided to the Trustee, as of the date set forth in the notice delivered in accordance with this paragraph.

(f) If the Issuer replaces any Securities Depository as the depository for the Bonds with another qualified Securities Depository, the Issuer will issue to the replacement Securities Depository Bonds registered in the name of such replacement Securities Depository or its nominee.

(g) Each Securities Depository and the Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the Issuer and the Trustee shall have no liability for the failure of any Securities Depository to perform its obligations to any Participant or any beneficial owner of any Bonds, nor shall the Issuer or the Trustee be liable for the failure of any Participant or other nominee of any beneficial owner of any Bonds to perform any obligation that such Participant or other nominee may incur to any beneficial owner of the Bonds.

### ARTICLE III

#### PROJECT FUND

Section 3.1. Project Fund. The Trustee shall establish a special fund designated as the “Project Fund”, shall keep such fund separate and apart from all other funds and moneys held by it, and shall administer such fund as provided herein. The Trustee shall establish separate accounts within the Project Fund designated the “Costs of Issuance Account” and “Project Account”, respectively. There shall be deposited in the Costs of Issuance Account and the Project Account of the Project Fund the proceeds of sale of the Bonds required to be deposited therein pursuant to Section 2.7 and any other funds from time to time deposited with the Trustee for such purpose. All moneys at any time on deposit in the Project Fund shall be held by the Trustee in trust for the benefit of the Owners of the Bonds and applied solely as provided herein.

Section 3.2. Disbursements.

(a) The moneys in the Costs of Issuance Account and the Project Account shall be disbursed to pay the Costs of Issuance and the Construction Costs, respectively, upon the written order of the Issuer Representative executed and delivered to the Trustee directing such disbursements as follows:

(i) In the case of payment of Costs of Issuance, the Trustee shall from time to time disburse moneys from the Costs of Issuance Account upon receipt of a requisition signed by the Issuer Representative substantially in the form of Exhibit B hereto setting forth the amounts to be disbursed for payment or reimbursement of Costs of Issuance and the name and address of the person or persons to whom such amounts are to be disbursed.

(ii) In the case of Construction Costs, the Trustee shall from time to time disburse moneys from the Project Account upon receipt of a requisition signed by the Issuer Representative substantially in the form of Exhibit C hereto which requests disbursement of the moneys from the Project Account to pay the Construction Costs. The Trustee shall make such disbursement within five (5) Business Days of receipt of a requisition from the Issuer. Each requisition shall set forth the amounts to be disbursed for payment or reimbursement of Construction Costs, and the name or address of the person or persons to whom such amounts are to be disbursed.

(iii) The requisitions described in paragraphs (i) and (ii) above may be delivered to the Trustee by Electronic Means.

(b) The Trustee shall be responsible for the safekeeping and investment of the moneys held in the Project Fund, and the payment thereof in accordance with this Section 3.2, but the Trustee shall not be responsible for issuing such requisitions.

(c) The Trustee may rely exclusively upon the certifications set forth in the requisitions presented for such disbursements and shall not be responsible for verifying that the contents of such requisitions comply with this Section 3.2.

Section 3.3. Transfer of Unexpended Proceeds of Bonds. (a) Upon the earlier of (1) the filing with the Trustee by the Issuer Representative of a certificate or certificates stating that all of the Costs of Issuance have been paid or (2) the date which is six (6) months after the Closing Date, the Trustee shall



withdraw and transfer any amounts on deposit in the Costs of Issuance Account to the Project Account and the Costs of Issuance Account shall be closed.

(b) Upon the filing with the Trustee by the Issuer Representative of Completion Certificate, the Trustee shall withdraw and transfer to the Lease Payment Fund any and all remaining moneys in the Project Account and the Project Account shall be closed. If the amount so transferred is equal to or lesser than the interest due on the Bonds on the next Payment Date, such amount shall be used to make such interest payment. If the amount so transferred is greater than the interest due on the Bonds on the next Payment Date, such amount shall be applied to the redemption of the Bonds in accordance with Section 4.1(c) and any amount that is less than the smallest Authorized Denomination shall be applied to the next interest payment due on the Bonds.

## ARTICLE IV

### REDEMPTION OF BONDS

#### Section 4.1. Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or after October 1, 2032 are subject to optional redemption prior to maturity in whole or in part on any date on and after October 1, 2031, at a redemption price equal to the principal amount of the Bonds or portions thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

(b) Redemption From Net Proceeds of Insurance and Condemnation or from Self-Insurance. The Bonds are also subject to redemption in whole or in part at any time from the Net Proceeds of insurance or condemnation awards or from moneys available from self-insurance with respect to the Project, which Net Proceeds or moneys available from self-insurance are deposited in the Lease Payment Fund, at a redemption price equal to the principal amount of the Bonds or portions thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

(c) Redemption from Unexpended Proceeds. The Bonds are subject to redemption prior to maturity in Authorized Denominations at any time at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption, without premium, from amounts transferred from the Project Account to the Lease Payment Fund in accordance with Section 3.3 hereof.

(d) Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption prior to maturity at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption from mandatory sinking fund installments on October 1 of the following years in the following amounts:

#### **Bonds Maturing on October 1, 2038**

<u>Year</u>	<u>Sinking Fund Installment</u>
2037	\$700,000
2038*	715,000

\*Final Maturity

**Bonds Maturing on October 1, 2041**

<b><u>Year</u></b>	<b><u>Sinking Fund Installment</u></b>
2040	\$745,000
2041*	760,000

\*Final Maturity

**Bonds Maturing on October 1, 2046**

<b><u>Year</u></b>	<b><u>Sinking Fund Installment</u></b>
2045	\$830,000
2046*	850,000

\*Final Maturity

(e) Upon partial redemption of the Bonds by the Trustee pursuant hereto, the Lease Payments set forth in the Appendix to the Lease Agreement shall be recalculated by the Issuer to reflect the principal portion of all remaining Lease Payments and shall recalculate the amount of the interest portion of each remaining Lease Payment accordingly.

Section 4.2. Selection of Bonds for Redemption. Bonds subject to redemption shall be selected in such order of maturity as the Issuer may direct. If fewer than all of the Bonds of a single maturity are to be redeemed, Bonds to be redeemed will be selected by the Trustee by lot or other random method as the Trustee may deem appropriate and fair; provided, however, that the portion of any Bond of a denomination greater than the minimum Authorized Denomination to be redeemed shall be redeemed in part only in Authorized Denominations and that, in selecting portions of Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds of the minimum Authorized Denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by the minimum Authorized Denomination, and provided further, however, that if the Bonds are registered in a book entry system, the Securities Depository shall select the particular Bonds or portions of Bonds to be redeemed in accordance with its procedures.

Section 4.3. Notice of Redemption.

(a) The Issuer shall give the Trustee and the County written notice of its intention redeem the Bonds pursuant to Section 4.1(a) or (b) not less than forty-five (45) days in advance of the proposed redemption date (or such fewer number of days as shall be acceptable to the Trustee).

(b) The Trustee shall give notice of redemption to the Owners of the Bonds to be redeemed at least thirty (30) days before the date fixed for redemption; however, that neither the failure of any Owner to receive such notice nor any immaterial defect in any notice shall affect the sufficiency of the proceedings for the redemption of such Bonds. Such notice shall set forth (i) the CUSIP numbers and maturities of Bonds to be redeemed, (ii) the date fixed for redemption, (iii) the redemption price to be paid, (iv) the Designated Office of the Trustee at which such Bonds shall be redeemed, (v) in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed, (vi) any conditions to such redemption (which may include that such redemption is conditional upon the receipt by the Trustee of sufficient moneys on or prior to the date fixed for such redemption), and (vii) that on the date fixed for redemption, if all conditions, if any, to such redemption have been satisfied, there shall become due and payable upon all Bonds to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that, from and after such date, interest thereon shall cease to accrue.

Section 4.4. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Issuer shall execute, and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Issuer, a new Bond or Bonds of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered and of the same interest rate and the same maturity.

Section 4.5. Effect of Notice of Redemption. If, on such date fixed for redemption, moneys for the redemption of all the Bonds (or portions thereof) to be redeemed, together with interest to the date of redemption and any applicable redemption premium, shall be held by the Trustee so as to be available therefor on such date of redemption, and if any conditions to such redemption have been satisfied, then, from and after such date fixed for redemption, (i) the Bonds (or portions thereof to be redeemed) designated in such notice shall become due and payable on such date fixed for redemption, and, upon presentation and surrender thereof at the Designated Office of the Trustee, such Bonds shall be paid at the unpaid principal amount (or applicable portion thereof) with respect thereto, plus premium, if any, and interest thereon accrued and unpaid to such date of redemption and (ii) interest with respect to the Bonds (or portions thereof) designated for redemption shall cease to accrue or become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds (or portions thereof) so to be redeemed.

All Bonds (or portions thereof) paid at maturity or redeemed prior to maturity shall be cancelled upon surrender thereof.

Section 4.6. No Partial Redemption After Default. Anything in this Trust Agreement to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default, there shall be no redemption of fewer than all the Bonds at the time Outstanding.

## ARTICLE V

### LEASE PAYMENTS; LEASE PAYMENT FUND

Section 5.1. Assignment of Rights in Lease Agreement. The Issuer has, pursuant to Article XIV hereof, transferred, assigned, and set over to the Trustee its right under the Lease Agreement to receive and collect all of the Lease Payments and any and all other amounts required to be deposited in the Lease Payment Fund pursuant hereto. All Lease Payments to which the Issuer may at any time be entitled shall be paid directly to the Trustee, and any and all of the Lease Payments collected or received by the Issuer shall be deemed to be held and to have been collected or received by the Issuer as the agent of the Trustee, and if received by the Issuer at any time shall be deposited by the Issuer with the Trustee immediately upon receipt thereof, and all such Lease Payments shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund.

Section 5.2. Establishment of Lease Payment Fund. The Trustee shall establish a special fund designated as the "Lease Payment Fund". The Trustee shall establish separate principal and interest accounts within the Lease Payment Fund (the "Principal Account" and "Interest Account", respectively). All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Owners of the Bonds. So long as any Bonds are Outstanding, the Issuer and the County shall have no beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

Section 5.3. Deposits. There shall be deposited in the Lease Payment Fund all Lease Payments received by the Trustee as assignee of the Issuer under Article XIV hereof (subject to the provisions of Article XIII hereof) including any moneys received by the Trustee for deposit therein pursuant to Sections 2.7, 4.1, or 5.1 or Article VIII hereof, or Paragraph 4 of the Lease Agreement, and any other moneys required to be deposited therein pursuant to the Lease Agreement or pursuant to this Trust Agreement. The Trustee shall deposit such moneys as follows:

FIRST: to the 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 Bonds until the earlier of: (i) the immediately succeeding Payment Date and (ii) any redemption date; and

SECOND: to the Principal Account, the amount, if any, necessary to make the amount on deposit in the Principal Account equal to the principal amount or redemption price of the Bonds due on the earlier of (i) the immediately succeeding Payment Date and (ii) any redemption date.

Section 5.4. Application of Moneys. All amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of, interest on, and redemption premiums (if any) on the Bonds as the same shall become due and payable. All amounts remaining in the Lease Payment Fund on the Business Day immediately following each Payment Date, to the extent not required to pay the principal of, interest on, and redemption premiums (if any) then due and payable with respect to the Bonds, shall be promptly withdrawn from the Lease Payment Fund by the Trustee and remitted to the County; provided, however, that this sentence shall not apply to those amounts transferred by the Trustee to the Lease Payment Fund from the Project Account pursuant to Section 3.3 hereof.

Section 5.5. Final Surplus. Any surplus remaining in the Lease Payment Fund, after redemption and payment of all Bonds, including redemption premiums (if any) and accrued interest thereon, and payment of any fees and expenses to the Trustee applicable thereto, or provision for such redemption and/or payment having been made to the satisfaction of the Trustee, shall (to the extent not required to be deposited to the Rebate Fund or be rebated to the United States in accordance with the provisions of Article VII hereof at the written direction of the Issuer) be withdrawn by the Trustee and remitted to the County.

## ARTICLE VI

[reserved]

## ARTICLE VII

### MONEYS IN FUNDS; INVESTMENT

Section 7.1. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust under the terms of this Trust Agreement for the benefit of the Owners of the Bonds (except for moneys and investments in the Rebate Fund), and for the purposes herein specified. Such moneys and investments, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Issuer, the County, the Trustee, or any Owner of Bonds, except as provided herein.

Section 7.2. Investments Authorized. Moneys held by the Trustee in any fund or account hereunder shall be invested and reinvested by the Trustee, as the Issuer Representative shall from time to time direct in writing in Permitted Investments. Such investments, if registrable, shall be registered in the name of and held by the Trustee in its capacity as such. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section 7.2, so long as such purchase or sale does not result in a smaller profit or larger loss, as the case may be, than would have resulted from a sale at fair market value arrived at in an arm's length transaction. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Issuer hereby authorizes the Trustee to act as principal or agent (as the case may be) in the making or disposing of any investment. The Trustee may conclusively rely upon the Issuer Representative's written investment instructions as to both the suitability and legality of the directed investments and such written direction shall be deemed to be a certification to the Trustee that such directed investments constitute Permitted Investments and satisfy the requirements of this Article VII. In the absence of such written investment instructions, the Trustee shall hold moneys uninvested in cash, with no liability for interest thereon. The Trustee may elect to credit funds and accounts hereunder with moneys representing income or principal payments due on, or sales proceeds due in respect of, the investments therein, or to credit funds and accounts hereunder with the investments it is

directed to purchase with such moneys, in each case before actually receiving the requisite moneys from the payment source, provided the Trustee discloses to the Issuer that the credits are provisional at the time of such accounting for the credit. Any such crediting shall be provisional in nature, and the Trustee shall be authorized to reverse such crediting in the event that it does not receive good funds with respect thereto. Nothing in this Trust Agreement shall constitute a waiver of any of the Trustee's rights as a securities intermediary under Uniform Commercial Code § 9-206.

Section 7.3. Accounting. The Trustee shall furnish to the Issuer and the County, not less than semiannually, an accounting of all investments made by it as Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions of this Article VII.

Section 7.4. Allocation of Earnings. Any income, profit, or loss on such investments shall be deposited in or charged to the respective funds and accounts from which such investments were made. Any interest on any deposit of funds shall be deposited in the respective fund or account from which such deposit was made, except as otherwise provided herein.

Section 7.5. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund or account shall be valued at cost but including commission (exclusive of accrued interest). 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. The Trustee shall not be liable or responsible for any loss resulting from the sale or redemption of any such Permitted Investment.

Section 7.6. Restrictions on Investment. Notwithstanding any other provision of this Trust Agreement, investments of moneys held in the funds created by this Trust Agreement shall be subject to the following limitations:

(a) (1) for the Project Fund, investment in Permitted Investments maturing not later than, or otherwise available without penalty or risk of loss, on the dates on which such moneys will be needed to pay the Costs of Issuance and the Construction Costs, respectively; (2) any moneys remaining in the Project Fund on and after the third anniversary of the date of issuance of the Bonds shall be invested only in Permitted Investments at a Yield not Materially Higher than the Yield on the Bonds, calculated in accordance with the Regulations; and

(b) for the Insurance and Condemnation Fund, investment in Permitted Investments at a Yield not Materially Higher than the Yield on the Bonds and maturing not later than the dates on which such moneys will be needed to pay the principal of or interest and redemption premiums, if any, on the Bonds.

The Issuer hereby covenants that it will not direct the Trustee to make or cause to be made any investment of or other use of amounts in the Project Fund, or any other proceeds of the Bonds which would cause the Bonds to be considered "arbitrage bonds" within the meaning of Section 148(a) of the Code and the Regulations thereunder or otherwise cause the interest on the Bonds to become includible in gross income of the Owners of the Bonds for Federal income tax purposes. This covenant shall extend, throughout the term of the Bonds, to all funds created hereunder and all moneys on deposit to the credit of any such fund. The Trustee shall have no responsibility with respect to compliance by the Issuer with Section 148 of the Code or any covenant in this Trust Agreement or in the Lease Agreement regarding yields on investments. The Trustee has no duty or obligation to confirm that any written investment directions provided to it complies with any yield limitations contained herein.

Section 7.7. Maintenance of Rebate Fund. At any time during the term of this Trust Agreement and upon the advice of nationally-recognized bond counsel, the Issuer may direct the Trustee in writing to establish and maintain a fund to be known as the "Rebate Fund" and, upon such direction, the Trustee shall undertake and perform the requirements imposed on it by this Section 7.7.

Upon such establishment of the Rebate Fund, at the time and in the manner required by the pertinent provisions of the Regulations, the Issuer shall cause to be computed the amount of Required Rebate and shall promptly deliver its computation thereof to the Trustee. “Required Rebate” means the amount which must be rebated to the United States of America, pursuant to Section 148(f) of the Code and the pertinent provisions of the Regulations.

After receipt of the computation referred to in the preceding paragraph of this Section 7.7, the Trustee shall promptly withdraw from available funds or accounts as directed by the Issuer in writing, the amount of Required Rebate so determined by the Issuer and deposit the same into the Rebate Fund. The Trustee shall remit amounts on deposit in the Rebate Fund to the United States Treasury, as, when, in the manner and in the amount required by the pertinent provisions of the Regulations and as directed by the Issuer in writing. The Trustee shall retain records of all such calculations provided to it by the Issuer, of all accountings furnished by it pursuant to Section 7.3 of this Trust Agreement, and of all rebate payments required by this Section 7.7, in accordance with and for the period required by the pertinent provisions of the Regulations. . The Trustee shall not be responsible for any determination or calculation concerning arbitrage rebate with respect to the Bonds, or for determining whether the yield on any investments made in accordance with the Trust Agreement would cause, or whether any other facts exist which would cause, any of the Bonds to become arbitrage bonds under Section 148 of the Code.

Section 7.8. Prevention of Bonds From Becoming Arbitrage Bonds. If, at any time and from time to time, the Issuer shall determine that it is necessary to restrict the yield or limit the investment of moneys held by the Trustee hereunder in order to prevent the Bonds from becoming “arbitrage bonds” within the meaning of Section 148(a) of the Code, the Issuer shall so instruct the Trustee in writing, and the Trustee shall take and hereby agrees to take such action or actions as the Issuer may direct in order to so restrict or limit such investments.

Notwithstanding the foregoing, the Trustee shall not be required to take any action which in its judgment diminishes the security of the Owners of the Bonds if the Trustee obtains an opinion of nationally-recognized bond counsel to the effect that failing to take such action would not jeopardize the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 7.9. Arbitrage Covenant. The Issuer hereby agrees and covenants with the Owners of the Bonds that it will not make, or (to the extent it exercises control or direction) permit to be made, any use of the Bonds, or any moneys, securities or other obligations on deposit to the credit of any account of the Issuer which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code or the Regulations, which use would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code or the Regulations.

Section 7.10. Compliance with Applicable Laws and Regulations. The Trustee and the Issuer recognize and acknowledge that the provisions of this Article VII are intended to ensure compliance with the various requirements of applicable provisions of the Code and the Regulations. The Trustee and the Issuer agree that, in the event of any change in the Code or the Regulations subsequent to the execution hereof, which change is applicable with respect to the Bonds (including, without limitation, the manner of determining the Yield on the Bonds or on investments or the manner of computing and remitting any required rebate to the United States), the Trustee shall, notwithstanding any conflict with the provisions of this Article VII, take such actions as it is directed in writing by the Issuer to take in order to comply with such applicable provisions of the Code and the Regulations.

## ARTICLE VIII

### INSURANCE AND CONDEMNATION FUND; EMINENT DOMAIN

Section 8.1. Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award or Self-Insurance Proceeds. (A) Any Net Proceeds of insurance against damage to or destruction of any structure constituting any part of the Project collected by the Issuer in the event of any

such damage or destruction shall be paid to the Trustee by the Issuer pursuant to the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund". If the Issuer and the County determine and notify the Trustee in writing of their determination, within ninety (90) days following the date of such deposit, that such Net Proceeds will not be applied to the replacement, repair, restoration, modification, or improvement of the damaged or destroyed part of the Project, then such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund and applied to the prepayment of Lease Payments required of the County pursuant to Paragraph 26 of the Lease Agreement and applied to the redemption of the Bonds in the manner provided in Section 4.1(b) hereof; provided, however, that in the event of damage or destruction of the Project in full, such Net Proceeds may be transferred to the Lease Payment Fund only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Paragraph 26 of the Lease Agreement. All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification, or improvement of such damaged or destroyed portions of the Project by the Issuer, upon receipt of requisitions signed by the Issuer Representative which: (a) state with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm, or corporation to whom payment is due, (iii) the amount to be paid, (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, and has not been the basis of any previous withdrawal, and (v) that the Issuer estimates that sufficient funds will remain on deposit in the Insurance and Condemnation Fund following such payment for the purpose of completing such replacement, repair, restoration, modification, or improvement; (b) specifies in reasonable detail the nature of the obligation; and (c) is accompanied by a bill, statement of account, or other acceptable invoice for such obligation. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the County to reimburse the County for any Lease Payments not previously reimbursed under the Facility Agreement, and any amount in excess thereof shall be paid to the Issuer. The Trustee may rely exclusively upon the certifications set forth in the requisitions presented for such disbursements and shall not be responsible for verifying that the contents of such requisitions comply with this Section 8.1.

(B) If there occurs any damage or destruction to the Project or the Leased Premises, and if the Issuer determines and notifies the Trustee in writing of its determination, within ninety (90) days following such damage or destruction, that the replacement, repair, restoration, modification or improvement of the Project will not be undertaken, then the Issuer shall deposit any moneys available to the Issuer as part of the County's self-insurance program with the Trustee to be applied to the prepayment of Lease Payments as described in paragraph (A) above. Otherwise, the Issuer shall apply any moneys available to the Issuer as part of the County's self-insurance program to the replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Project.

Section 8.2. Application of Net Proceeds of Eminent Domain. If all or any part of the Project shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain), the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund and shall be applied and disbursed by the Trustee as follows:

(a) If the Issuer has given written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the operation of the Project or the ability of the County to meet any of its obligations under the Lease Agreement, and (ii) such Net Proceeds are not needed for repair or rehabilitation of the Project, then the Trustee shall transfer such Net Proceeds to the Lease Payment Fund to be credited towards the prepayments of the Lease Payments pursuant to Paragraph 26 of the Lease Agreement and applied to the redemption of the Bonds in the manner provided in Section 4.1(b) hereof.

(b) If the Issuer has given written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the operation of the Project or the ability of the County to meet any of its obligations under the Lease Agreement, and (ii) such Net Proceeds are needed for repair, rehabilitation, or replacement of the Project, then the Trustee shall pay to the Issuer, or to its order, from such Net Proceeds such amounts as the Issuer may expend for

such repair or rehabilitation, upon the filing of requisitions of the Issuer Representative in the form and containing the provisions set forth in Section 8.1 hereof.

(c) If (1) less than all of the Project shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the Issuer has given written notice to the Trustee of its determination that such eminent domain proceedings have materially affected the operation of the Project or the ability of the County to meet any of its obligations under the Lease Agreement or (2) all of the Project shall have been taken in such eminent domain proceedings, then the Trustee shall transfer such Net Proceeds to the Lease Payment Fund to be credited toward the prepayment of the Lease Payments required of the County pursuant to Paragraph 26 of the Lease Agreement and applied to the redemption of the Bonds in the manner provided in Section 4.1(b) hereof.

In making any such determination under this Section 8.2, the Issuer may obtain at its expense, but shall not be required to obtain, the report of an independent engineer or other independent professional consultant. A copy of any such report shall be filed with the Trustee. Any such determination by the Issuer shall be final. The Trustee shall have no duty or obligation to investigate or confirm any determination made by the Issuer hereunder or to review any report provided to it.

Section 8.3. Cooperation. The Issuer, the County and the Trustee shall cooperate fully at the expense of the Issuer in filing any proof of loss with respect to any insurance policy maintained pursuant to the Lease Agreement and the Facility Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any portion thereof and expenses of independent appraisers, accountants, consultants, counsel, agents, attorneys-at-law, and all other experts employed by the Issuer or the County in the exercise and performance of their powers and duties hereunder.

## ARTICLE IX

### THE TRUSTEE

#### Section 9.1. Duties of Trustee.

(a) The Trustee shall perform such duties and only such duties with respect to the Bonds as are specifically and expressly stated in this Trust Agreement and any supplemental Trust Agreement.

(b) In the absence of bad faith on its part, the Trustee shall not be liable:

(1) for any error of judgment made by the Trustee except to the extent it shall be proved that such error was caused by the negligence or willful misconduct of the Trustee in ascertaining the pertinent facts, or

(2) with respect to any action taken or omitted to be taken by it in accordance with the direction of the requisite percentage of Owners of Bonds which are at the time outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

(c) None of the provisions contained in this Trust Agreement or the Lease Agreement shall require the Trustee to expend or risk its own funds or otherwise incur individual financial or other liability or risk in the performance of any of its duties or in the exercise of any of its rights or powers.

(d) The Trustee makes no representations as to the validity or sufficiency of this Trust Agreement or of the Bonds. The Trustee shall not be accountable for the use or application by the County, the Issuer, or any person or entity other than the Trustee, of the proceeds of the Bonds. The Trustee shall not be responsible for the validity, genuineness, or performance of any leases, contracts, or other instruments at any time conveyed, mortgaged, hypothecated, pledged, assigned, or transferred to it hereunder.



(e) The Trustee shall not be liable for the failure of the County to make Lease Payments as required in the Lease Agreement or for any other payments to be made under the Bonds, this Trust Agreement, or the Lease Agreement, or any supplements thereto or any other documents relating to the Bonds, except (i) for the transfer of payments (A) to the Owners of the Bonds from the funds and accounts established under this Trust Agreement or any supplemental Trust Agreement or (B) to the persons identified in duly executed and submitted requisitions pertaining to the Project Fund, or (C) to the Rebate Fund upon written direction of the County and (ii) any acts or omissions in regard of such payments shall carry liability only to the degree of negligence or willful misconduct.

(f) As further described in Article XIV of this Trust Agreement, the Issuer has assigned its right to receive the Lease Payments under the Lease Agreement to the Trustee.

Section 9.2. Compensation of the Trustee. The Trustee shall receive reasonable compensation for its services as herein set forth or in any supplemental Trust Agreement and reimbursement for all its advances and expenditures, including but not limited to advances to, and fees and expenses of, independent appraisers, accountants, consultants, counsel, agents, attorneys-at-law, and all other experts employed by it in the exercise and performance of its powers and duties hereunder. The Trustee shall be entitled to compensation as more specifically provided and in accordance with the terms set forth in its proposal addressed to the Issuer.

Section 9.3. Removal or Resignation of Trustee. The owners of a majority in aggregate principal amount of all Bonds Outstanding may by written request remove the Trustee and any successor thereto for cause, including a material breach of its fiduciary duty to the Owners of the Bonds, and shall thereupon appoint a successor or successors thereto, but any such successor shall be a trust company, subsidiary trust company or bank having the powers of a trust company in good standing doing business in the State, duly authorized to exercise trust powers, having a combined capital (exclusive of borrowed capital) and surplus of at least One Hundred Million Dollars (\$100,000,000), and subject to supervision or examination by a federal or State authority. If such bank, trust company or subsidiary trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 9.3, the combined capital and surplus of such bank or trust company or subsidiary trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving ninety (90) days written notice to the Issuer and the County and by giving to the Bond Owners, at its own expense, notice by first-class mail, postage prepaid, at the addresses for such Owners of the Bonds on the Registration Books. Upon receiving such notice of resignation, the Issuer may, in its discretion, appoint a successor Trustee by an instrument in writing; provided, however, that, in the event that the Issuer does not appoint a successor Trustee who shall have accepted appointment within sixty (60) days following receipt of such notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee.

Section 9.4. Appointment of Agents. The Trustee may appoint agents to exercise any of the powers, rights, or remedies granted to the Trustee under this Trust Agreement and to hold title to property or to take any other action which may be necessary or desirable.

Section 9.5. Merger or Consolidation. Any company into which the Trustee may be merged or converted, or with which it may be consolidated, or any company resulting from any merger, conversion, or consolidation to which the Trustee shall be a party, or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (provided that such company shall be eligible under Section 9.3) shall be the successor to the Trustee and shall succeed to its rights and obligations hereunder without the execution or filing of any document or performance of any further act, anything herein to the contrary notwithstanding.

Section 9.6. Protection and Rights of the Trustee. In the absence of bad faith on the Trustee's part, the Trustee shall incur no liability in relying, acting, or proceeding upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition, or other paper or document which it shall believe to be genuine and to have been given, passed, or signed by the proper body or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement. The Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Bond or to take any action at his request unless such person shall appear as an Owner on the Registration Books. The Trustee may consult with counsel with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in good faith in accordance therewith.

Whenever, in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or permitting to be taken any action hereunder or thereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by a certificate of the Issuer Representative. Such certificate shall be full warranty to the Trustee for any action taken or permitted to be taken under this Trust Agreement upon the faith thereof, but in its sole discretion the Trustee may (but shall not be required to), in lieu thereof or in addition thereto, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable.

No provision of this Trust Agreement shall require, or shall be construed to require, that the Trustee post a bond or establish any surety of any kind as a condition precedent to the administration of its duties or the exercise of any of its rights or powers under this Trust Agreement or any other document executed in connection with the issuance of the Bonds.

The Trustee may become the Owner of Bonds with the same rights it would have as if it were not the Trustee, may acquire and dispose of other bonds or evidences of indebtedness of the Issuer with the same rights it would have as if it were not the Trustee, and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in principal amount of the Bonds then Outstanding.

The recitals, statements, and representations by the Issuer contained in this Trust Agreement or in the Bonds shall be taken and construed as made by and on the part of the Issuer and not by the Trustee. The Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any of such recitals, statements, and/or representations.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers and shall be entitled to obtain and rely upon advice of counsel concerning all matters of trust and its duty hereunder, provided that the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own negligence or willful misconduct.

Before being required to take any action, the Trustee may require a written opinion of Independent Counsel, which written opinion shall be made available to the Issuer upon its request, or require a verified certificate of the Issuer, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Trust Agreement or the Lease Agreement sent by Electronic Means; provided, however, that the Issuer and the County shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions ("Authorized Officers"), which

incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer or the County elects to give the Trustee instructions by Electronic Means and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding arrived at by careful consideration of the instructions and the facts available to the Trustee at that time of such instructions shall be deemed controlling. The Issuer and the County each agrees that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer and the County shall be responsible for ensuring that only their Authorized Officers transmit such instructions to the Trustee, and the Issuer and the County and their respective Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction delivered by other means. The Issuer and the County each agrees (i) to assume all risks arising out of its respective use of such Electronic Means to submit instructions and direction to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the use of Electronic Means; (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 9.7. Appointment of Co-Trustee. It is the purpose of this Trust Agreement that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of trust companies or banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Trust Agreement, and in particular in case of the enforcement of any such documents on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not properly exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 9.7 are adapted to these ends.

The Trustee may appoint a separate or co-trustee with the approval of the Issuer. In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest, and lien expressed or intended by this Trust Agreement to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Issuer reasonably be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties, and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee or separate or co-trustee until the appointment of a successor to such separate trustee or co-trustee.

Section 9.8. Non-Presentation of Bonds. If any Bond is not presented for payment when the principal thereof becomes due at maturity or upon prior redemption, and if moneys sufficient to pay such Bond shall have been made available to the Trustee for payment to the Owner thereof, it shall be the duty of the Trustee to hold such moneys, without liability to any person for interest thereon, for the benefit of the

Owner of the Bond, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on his part under this Trust Agreement or on, or with respect to, such Bond.

Anything in this Trust Agreement to the contrary notwithstanding, upon the written direction of an Issuer Representative, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date at which such Bonds have become 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 date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee after such date, shall be repaid by the Trustee to the Issuer 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 to the Issuer, the Trustee, at the expense of the Issuer, may give notice by publication that such moneys remain unclaimed at such time or times and in such manner as may be required to be given under the Maryland Uniform Abandonment of Property Act, as amended, if any, or as the Trustee deems fair and equitable. Any such moneys properly payable to the Issuer shall be paid by the Issuer to the County.

Section 9.9. Indemnification of Trustee in Certain Circumstances. In the event of an event of default or an event of nonappropriation by the County under the Lease Agreement or this Trust Agreement, the Issuer shall indemnify and hold harmless the Trustee, its officers and employees harmless for any and all liability, loss, expenses, damages, costs and legal fees which the Trustee may incur by reason of any claims, demands, actions, causes of action, or by reason of defending or prosecuting any suit, action or other proceeding (civil or criminal in nature) brought in connection with or arising under the contracts for the design, construction and equipping of the Project, or in obtaining or attempting to obtain a release from liability in respect thereof, whether arising prior to or after the execution and delivery of this Trust Agreement, except claims of liability made against the Trustee, its officers and employees, or losses, expenses, damages, costs and legal fees incurred by the Trustee as a result of the Trustee's, its officers and employees negligence or willful misconduct.

In addition, the Issuer shall indemnify and hold harmless the Trustee, its officers and employees against and from any and all liabilities, suits, actions, claims, demands, losses, expenses and costs of every kind and nature resulting from, connected with or growing out of the issuance, offering or sale of the Bonds or any act of commission or omission of the Issuer in connection therewith, except claims of liability made against the Trustee, its officers or employees, or losses, expenses, damages and costs incurred by the Trustee, its officers or employees as a result of the Trustee's, its officers' or employees' negligence or willful misconduct in connection therewith.

The Trustee, its officers and employees, and the Trustees shall give the Issuer immediate written notice of any claims, suits, or actions instituted against it or them which are covered by this Trust Agreement. The Trustee, its officers and employees, and the Trustees shall cooperate with the Issuer in the defense of any such claims, suits or actions.

## ARTICLE X

### MODIFICATION OR AMENDMENT OF AGREEMENTS

#### Section 10.1. Amendments Permitted.

(a) Amendment to Trust Agreement or Lease Agreement Without Consent of Owners. This Trust Agreement and the rights and obligations of the Owners of the Bonds, and the Lease Agreement and the rights and obligations of the respective parties thereto, may be modified or amended at any time by a supplemental agreement, without the consent of or notice to the Owners, but only to the extent permitted by law and only (1) to the extent permitted by the Lease Agreement, provided that such modification or amendment does not adversely affect the sufficiency of the Lease Payments to pay the principal of and interest on the Bonds when due, (2) to add to the covenants and agreements of any party, to add other covenants to be observed, or to surrender any right or power herein or therein reserved to the Issuer or the County, (3) to cure, correct, or supplement any ambiguous or defective provision contained herein or therein,

(4) in regard to questions arising hereunder or thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not adversely affect the interests of the Owners of the Bonds, (5) to modify the legal description of the Leased Premises to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcel intended to be included therein, (6) to amend or modify Exhibit C of the Lease Agreement to recalculate the Lease Payments as more particularly provided for and described in Paragraph 4 of the Lease Agreement and Section 4.1 hereof, (7) to insert the termination date of the Lease Agreement as more particularly provided for and described in Paragraph 3 of the Lease Agreement, or (8) conform to changes in law and regulations, including but not limited to changes in State and County law. Any such supplemental agreement shall become effective upon execution and delivery thereof by the parties hereto or thereto as the case may be.

(b) Amendment to Trust Agreement with Consent of Owners. Except to the extent permitted by subsection (a) above, this Trust Agreement, and the rights and obligations of the Owners of the Bonds, may not be modified or amended unless written consents with respect to such modification or amendment shall have been filed with the Trustee by or on behalf of the Owners of not less than sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 10.3. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Bond or reducing the interest rate with respect thereto or extending the time for payment of interest thereon, or reducing the amount of principal thereof or interest due thereon or reducing any premium payable upon the redemption thereof, without the express consent of the Owner of such Bond, or (2) reduce or have the effect of reducing the percentage of Bond owners required for the affirmative vote or written consent to an amendment or modification of this Trust Agreement, or (3) modify any of the rights or obligations of the Trustee without its written consent thereto. Any such supplemental agreement shall become effective as provided in Section 10.2 hereof.

(c) Amendment to Lease Agreement with Consent of Owners. Except to the extent permitted by subsection (a) above, the Issuer shall not modify or amend the Lease Agreement or the rights and obligations of the respective parties thereto unless written consents with respect to such modification or amendment shall have been filed with the Trustee by or on behalf of the Owners of not less than sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 10.3. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Bond or reducing the interest rate with respect thereto or extending the time for payment of interest thereon, or reducing the amount of principal thereof or interest due thereon or reducing any premium payable upon the redemption thereof, without the express consent of the Owner of such Bond, or (2) reduce or have the effect of reducing the percentage of Bond Owners required for the affirmative vote or written consent to an amendment or modification of the Lease Agreement or (3) modify any of the rights or obligations of the Trustee, as the assignee of the Issuer, without its written consent thereto. Any such supplemental agreement shall become effective as provided in Section 10.2 hereof.

(d) Before the Issuer and the Trustee enter into any amendment to this Trust Agreement or the Lease Agreement, there shall have been delivered to the Issuer, the Trustee and the County an opinion of Bond Counsel stating that such amendment is authorized or permitted by this Trust Agreement and the Lease Agreement, complies with its terms, will, upon the execution and delivery thereof, be valid and binding upon the Issuer in accordance with its terms and will not adversely affect the exclusion of the interest payable on the Bonds from the gross income of the Owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code.

Section 10.2. Procedure for Amendment with Written Consent of Bond Owners. In the event the consent of the Owners of the Bonds is required pursuant to Section 10.1 hereof, this Trust Agreement and the Lease Agreement may be amended by supplemental agreement as provided in this Section 10.2. A copy of such supplemental agreement, together with a request prepared by the Issuer to the Bond Owners for their consent thereto, shall be mailed by the Trustee to each Owner of a Bond at his address as set forth on the Registration Books, but failure to mail copies of such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as provided in this Section 10.2.

Such supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consents of the Owners of not less than sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 10.3 hereof). Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 2.11 hereof. Any such consent shall be binding upon the Owner of the Bond giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter provided for in this Section 10.2 has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to such supplemental agreement, the Trustee shall mail a notice to the Owners of the Bonds in the manner hereinbefore provided in this Section 10.2 for the mailing of such supplemental agreement or the notice of adoption thereof, stating in substance that such supplemental agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section 10.2 (but failure to mail copies of such notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section 10.2 to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental agreement shall become effective upon the receipt by the Trustee of the requisite consents from the Owners and the execution thereof by the Issuer and the Trustee and such supplemental agreement shall be deemed conclusively binding upon the parties hereto and, subject to the provisions of Section 10.1 hereof, upon the Owners of all Bonds, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose.

Section 10.3. Disqualified Bonds. Bonds owned or held by or for the account of the Issuer or the County, or by any person directly or indirectly controlled or controlled by, or under direct or indirect common control with the Issuer or the County (except any Bonds held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver, or other action or any calculation of Outstanding Bonds provided for in this Trust Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Trust Agreement. The Trustee may require each Bond Owner, before its consent provided for in this Article X shall be deemed effective, to certify that the Bonds as to which such consent is given are not disqualified under the provisions of this Section 10.3. Nothing in this Section 10.3 shall be construed to permit the County or any related person to acquire or become an Owner of the Bonds to the extent that the Lease Agreement prohibits it or them from doing so.

Section 10.4. Effect of Supplemental Agreement. From and after the time any supplemental agreement becomes effective pursuant to this Article X, (i) this Trust Agreement or the Lease Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, and (ii) the respective rights, duties, and obligations of the parties hereto or thereto and all Owners of Bonds Outstanding, as the case may be, shall thereafter be determined, exercised, and enforced hereunder or thereunder subject in all respects to such modification and amendment, and (iii) all terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Lease Agreement, as the case may be, for any and all purposes.

Section 10.5. Endorsement or Replacement of Bonds Delivered After Amendments. The Trustee may determine that Bonds delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand on the Owner of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the Designated Office of the Trustee, a suitable notation shall be made on such Bond. The Trustee may determine that the delivery of substitute Bonds, so modified as in the opinion of the Trustee is necessary or appropriate to conform the Bonds to reflect the action taken, is necessary or appropriate, in which event substitute Bonds shall thereupon be prepared, executed, and authenticated. In that case, upon demand by the Trustee of the Owner of any Bond then outstanding, such substitute Bond shall be exchanged at the Designated Office of the Trustee, without cost to such Owner, for a Bond of the same character then Outstanding, upon surrender of such Outstanding Bond.

Section 10.6. Amendatory Endorsement of Bonds. The provisions of this Article X shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by it, provided that proper notation thereof is made on such Bonds.

## ARTICLE XI

### COVENANTS; FURTHER ASSURANCES

Section 11.1. Compliance with and Enforcement of Lease Agreement. The Issuer covenants and agrees with the Owners of the Bonds to perform all its obligations and duties under the Lease Agreement. The Issuer will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease Agreement. The Issuer immediately upon receiving or giving any notice, communication, or other document in any way relating to or affecting its rights in and to the Project or the Leased Premises, will deliver the same, or a copy thereof, to the Trustee.

Section 11.2. Observance of Laws and Regulations. The Issuer will well and truly keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on them by contract, or prescribed by any law of the United States, or of the State, or by any officer, board, or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege, or franchise now owned or hereafter acquired by them, including their right to exist and carry on business as bodies corporate and politic to the end that such rights, privileges, and franchises shall be maintained and preserved, and shall not become abandoned, forfeited, or in any manner impaired.

Section 11.3. Prosecution and Defense of Suits. The Issuer shall promptly, upon request of the Trustee or any Bond Owner, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Project and the Leased Premises, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Bond Owner harmless from all loss, cost, damage, and expense, including attorney's fees, which they or any of them may incur by reason of any such defect, cloud, suit, action, or proceeding.

Section 11.4. Recordation and Filing. The Issuer shall record, and file and re-record and refile as needed, the Lease Agreement and all such documents as may be required by law, including financing statements (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times, and in such places as may be required by law in order fully to preserve, protect, and perfect the security of the Trustee and the Bond Owners.

Section 11.5. Further Assurances. The Issuer and the Trustee will make, execute, and deliver any and all such further resolutions, instruments, and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Lease Agreement, and for better assuring and confirming unto the Owners of the Bonds the rights and benefits provided herein.

## ARTICLE XII

### LIMITATION OF LIABILITY

Section 12.1. Limited Liability of Issuer and County. The Bonds constitute a limited, non-recourse obligation of the Issuer and are payable solely from the proceeds of the Lease Payments required to be made by the County to the Issuer pursuant to the Lease Agreement and from other assets pledged as security for the payment thereof. The County shall have no pecuniary obligation or liability to any party or to the Owners of the Bonds with respect to this Trust Agreement or the terms, execution, delivery, or transfer of the Bonds, or the distribution of Lease Payments to the Owners by the Trustee. The Bonds shall not be deemed to constitute a debt of the County or a pledge of the faith and credit of the County or of the State or any political subdivision thereof. The County's obligation to make Lease payments is an obligation to the Issuer, and the County has agreed upon the request of the Issuer to send such payments directly to the Trustee.

Section 12.2. No Liability of Issuer or County for Trustee Performance, No Liability of Trustee for County or Issuer Performance. Neither the Issuer nor the County shall have any obligation or liability to any party or to the Owners of the Bonds with respect to the performance by the Trustee of any duty imposed upon the Trustee under this Trust Agreement.

The Trustee shall have no obligation or liability to any party with respect to the performance by the County or the Issuer of any duty imposed on the County and or the Issuer under this Trust Agreement, the Lease Agreement (except with respect to the rights and duties of the Issuer thereunder which are assigned to the Trustee under this Trust Agreement), or any other document executed and delivered which respect of the Bonds.

Section 12.3. Opinion of Counsel. Before being required to take any action, the Trustee may require a written opinion of Independent Counsel, which written opinion shall be made available to the Issuer upon its request, or require a verified certificate of the Issuer, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

Section 12.4. Limitation of Rights to Parties and Bond Owners. Nothing in this Trust Agreement or in the Bonds expressed or implied is intended or shall be construed to give any person other than the Issuer, the Trustee, and the Owners of the Bonds, any legal or equitable right, remedy, or claim under or in respect of this Trust Agreement, or any covenant, condition, or provision hereof, and all such covenants, conditions, and provisions are and shall be for the sole and exclusive benefit of the Issuer, the Trustee, and the Bond Owners.

## ARTICLE XIII

### EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 13.1. Assignment of Rights. Pursuant to Article XIV hereof, the Issuer has transferred, assigned, and set over to the Trustee all of the Issuer's rights to receive the Lease Payments under the Lease Agreement.

Section 13.2. Remedies. If an Event of Default shall occur, then and in each and every such case during the continuance of such Event of Default, the Trustee may, in its own discretion, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then outstanding shall, exercise any and all remedies available pursuant to law (including, but not limited to, Chapter 42 of the Montgomery County Code, as amended, modified or supplemented) or granted pursuant to the Lease Agreement and/or this Trust Agreement.

Section 13.3. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XIII or Paragraph 13 of the Lease Agreement shall be applied by the Trustee in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Bond Owners in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys, and counsel, and to the payment of the costs and expenses of the Trustee, including reasonable compensation to its agents, attorneys, and counsel and including any amounts due the Trustee under Section 9.2 of this Trust Agreement; and

Second, to the payment of the whole amount owing and unpaid of the principal of and interest on the Bonds then outstanding, with interest on the overdue principal and on overdue installments of interest at the rate of interest represented by the Outstanding Bonds (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal, interest and interest on overdue principal, as aforesaid), unless such



moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Bonds, in which event such moneys shall be applied to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 13.4. Institution of Legal Proceedings. If one or more Events of Default shall occur and be continuing, the Trustee in its discretion may, and upon the written request of the owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding (and upon being indemnified to its satisfaction therefor) shall, proceed to protect or enforce its rights or the rights of the Owners of the Bonds by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

Section 13.5. Non-waiver. Nothing in this Article XIII or in any other provision of this Trust Agreement or in the Bonds, shall affect or impair the obligation of the County to pay or prepay the Lease Payments as provided in the Lease Agreement or, subject to Section 13.8 hereof, affect or impair the right of the Bond Owners to institute suit to enforce and collect such payment. No delay or omission of the Trustee or of any Owner of any of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or be construed to be a waiver of any such Event of Default or an acquiescence therein in the absence of an express writing to such effect signed by the party to be charged with such waiver or acquiescence, and every power and remedy given by this Article XIII to the Trustee or to the Owners of Bonds may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bond Owners.

Section 13.6. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Bond Owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, including those provided under Chapter 42 of the Montgomery County Code.

Section 13.7. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the occurrence of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, to make decisions regarding the continuance, discontinuance, withdrawal, compromise, settlement, or other disposal of such action.

Section 13.8. Limitation on Suits by Bond Owners. No Owner of any Bond issued hereunder shall have the right to institute any suit, action, or proceeding, at law or in equity, for any remedy under or upon this Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (b) the Owners of at least twenty-five percent (25%) in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, which request shall specify the action which such Owners request the Trustee to take; (c) such Owners shall have tendered to the Trustee satisfactory indemnity against the costs, expenses, and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and such tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity, and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder, it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided,

and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payments of principal and interest under such Bond as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section 13.8 or any other provision of this Trust Agreement.

#### ARTICLE XIV

##### ASSIGNMENT OF LEASE PAYMENTS

Section 14.1. Assignment. The Issuer hereby transfers, assigns, and sets over to the Trustee, in its capacity as Trustee, for the benefit of the Owners of the Bonds executed and delivered hereunder and not in its individual capacity, all of the Issuer's rights to receive the Lease Payments under the Lease Agreement. All rights assigned by the Issuer shall be administered by the Trustee in accordance with the provisions hereof and of the Lease Agreement, and for the equal and proportionate benefit of the Owners of the Bonds. This Section 14.1 shall remain in effect only so long as any of the Bonds shall remain Outstanding and unpaid without provision for payment therefor having been made pursuant to Section 15.1(b) hereof.

Section 14.2. Acceptance. The Trustee hereby accepts the assignments made in this Article XIV for the purpose of securing, equally and proportionately, the payments due pursuant to the Lease Agreement and this Trust Agreement to, and the rights under the Lease Agreement and this Trust Agreement of, the Owners of the Bonds delivered pursuant hereto, all subject to the provisions hereof.

Section 14.3. Condition on Assignment. The assignment in this Article XIV shall confer no rights or impose no duties upon the Trustee beyond those expressly provided for in this Article XIV and in the Lease Agreement and elsewhere herein.

#### ARTICLE XV

##### MISCELLANEOUS

Section 15.1. Defeasance. (a) If the Issuer shall pay or cause to be paid the principal or redemption price of and interest on all of the Bonds at the times and in the manner stipulated therein and in this Trust Agreement and pays or causes to be paid all other sums payable hereunder, then the pledge of the property hereby pledged to the Bonds and all other rights granted hereby to the Bonds shall be discharged and satisfied. In such event, upon the request of the Issuer, the Trustee shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay or deliver to the Issuer all property held by it pursuant to this Trust Agreement (other than any moneys and securities required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption).

(b) A Bond shall be deemed to be paid within the meaning of this Article XV and for all purposes of this Trust Agreement when:

(i) payment of the principal of and redemption price (if any) on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) shall have been either:

(A) made or caused to be made in accordance with the terms thereof, or

(B) provided for by irrevocably depositing with the Trustee in trust and irrevocably setting aside exclusively for such payment the following:

(1) moneys sufficient, without reinvestment, to make such payment, and/or

(2) noncallable Government Obligations which shall mature as to principal and interest in such amounts and at such times as will insure the availability of sufficient moneys to make such payment; and

(ii) all necessary and proper fees, compensation and expenses of the Issuer and the Trustee with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee in case of payments due the Trustee and in all other cases as evidenced by a certificate from the person to whom payment is due. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Trust Agreement, except for the purposes of any such payment from such moneys or noncallable Government Obligations, as the case may be.

Notwithstanding the foregoing paragraph, no deposit under clause (i)(B) of this paragraph (b) shall be deemed a payment of such Bond as aforesaid until:

(x)(1) if such Bond is to be redeemed, proper notice of redemption of such Bond shall have been previously given in accordance with Section 4.3 hereof or provision satisfactory to the Trustee shall have been made for the giving of such notice, (2) if noncallable Government Obligations are to be deposited with the Trustee pursuant to clause (B)(1) above, there shall have been delivered to the Trustee a report of a nationally recognized verification agent acceptable in form and substance to the Trustee verifying that the money and the principal of, and interest on, the noncallable Government Obligations so deposited are sufficient to pay the principal and redemption price of, and interest on, the Bond through the applicable redemption date or maturity date, as the case may be, (3) to the extent applicable, the Trustee shall have received written notice from each of the Rating Agencies that maintains a rating on the Bonds that such rating will not be downgraded or withdrawn, (4) there shall have been delivered to the Trustee an opinion of Bond Counsel to the effect that all of the requirements for defeasance of such Bond have been complied with, and (5) in the event such Bond is not to be paid or redeemed within the next succeeding 60 days, until the Issuer shall have given the Trustee, on behalf of the Issuer, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Owner of such Bond in accordance with Section 4.3 hereof, that the deposit required by (i)(B) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with this Section 15.1 and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and the applicable redemption premium (if any) on such Bond, plus interest thereon to the due date thereof; or

(y) the redemption or maturity of such Bond.

In the event that any funds held by the Trustee, at the time of the occurrence of either of the events described in Section 15.1(a) or Section 15.1(b), are not required (i) for the payments to be made to Owners of Bonds or (ii) upon written request from the Issuer to be deposited to the Rebate Fund or be rebated to the United States in accordance with Article VII hereof, then such funds shall be paid to the Issuer.

Section 15.2. Records. In addition to those records required to be kept by it pursuant to Section 7.7, the Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which records shall be available for inspection at the Designated Office of the Trustee by the County, the Issuer, and any Owner, or the agent of any of them, at any time during regular business hours.

Section 15.3. Notices. Unless otherwise expressly provided herein, all written notices to be given under this Trust Agreement shall be in writing and shall be deemed to have been received when (i) personally delivered, with signed receipt, (ii) sent by commercial overnight courier which requires a signed receipt upon delivery, (iii) mailed by certified mail, return receipt requested, to the party entitled thereto as set forth below:

If to the Issuer:	Montgomery County Revenue Authority Executive Office Building 101 Monroe Street, 4 <sup>th</sup> Floor Rockville, Maryland 20850 <u>Attn:</u> Chief Executive Officer Fax: 301-309-0652
If to the County:	Montgomery County, Maryland Department of Finance Executive Office Building 101 Monroe Street, 15 <sup>th</sup> Floor Rockville, Maryland 20850 <u>Attn:</u> Director of Finance Fax: 240-777-8857
If to the Trustee:	U.S. Bank National Association James Center III 1051 East Cary Street, Suite 600 Richmond, Virginia 23219 <u>Attn:</u> Corporate Trust Department Email: <a href="mailto:stephanie.haysley@usbank.com">stephanie.haysley@usbank.com</a> Fax: 804-343-1572

Any such notice may also be transmitted to the appropriate party by facsimile transmission and shall be deemed to be properly given or made at the time of such transmission if, and only if, such transmission of notice shall be confirmed in writing and sent as specified above.

Any of such addresses may be changed at any time upon written notice of such change given to the other party by the party effecting the change.

All notices, approvals, consents, requests and any communications to the Trustee hereunder must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider acceptable to the Trustee). Electronic signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall be deemed original signatures for all purposes. If the Authority chooses to use electronic signatures to sign documents delivered to the Trustee, the Authority agrees to assume all risks arising out of its use of electronic signatures, including without limitation the risk of the Trustee acting on an unauthorized document and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

Section 15.4. Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State.

Section 15.5. Binding Effect; Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever in this Trust Agreement either the Issuer, the County, or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof. All covenants and agreements contained in this Trust Agreement by or on behalf of the Issuer, the County, or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 15.6. Execution in Counterparts. This Trust Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 15.7. Cancellation of Bonds. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee of any Bonds, the Trustee shall cancel such Bonds and deliver a certificate of destruction to the Issuer.

Section 15.8. Headings. The headings or titles of the several Articles and Sections hereof, and the table of contents hereto, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Trust Agreement. All references herein to “Articles”, “Sections”, and other subdivisions are to the corresponding Articles, Sections, or subdivisions of this Trust Agreement. The words “herein”, “hereof”, “hereunder”, and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section, or subdivision hereof.

Section 15.9. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 15.10. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Bonds shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such invalidity, illegality, or unenforceability shall not affect any other provision of this Trust Agreement or of the Bonds, and this Trust Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein or therein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause, or phrase hereof and authorized the delivery of the Bonds pursuant hereto and thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Trust Agreement may be held illegal, invalid, or unenforceable.

Section 15.11. Days other than Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Trust Agreement, shall not be a Business Day, such payment may, unless otherwise provided in this Trust Agreement, be made, or such act performed or right exercised, on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Trust Agreement, and no interest shall accrue for the period after such nominal date.

Section 15.12. Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will request documentation to verify its formation and existence as a legal entity. The Trustee may also request financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 15.13. Electronic Signatures. This Trust Agreement and any other documents or instruments executed in connection herewith or (collectively the “Related Documents”), may be executed and delivered by facsimile signature or other electronic or digital means (including, without limitation, Adobe’s Portable Document Format (“PDF”)). Any such signature shall be of the same force and effect as an original signature, it being the express intent of the parties to create a valid and legally enforceable contract between them. The exchange and delivery of the Related Documents and the related signature pages via facsimile or as an attachment to electronic mail (including in PDF) shall constitute effective execution and delivery by the parties and may be used by the parties for all purposes. Notwithstanding the foregoing, at the request of any party, the parties hereto agree to exchange inked original replacement signature pages as soon thereafter as reasonably practicable.

[signatures appear on following page]

IN WITNESS WHEREOF, the Issuer has caused this Trust Agreement to be executed in its name and on its behalf by its Chief Executive Officer and its corporate seal to be impressed hereon and attested by its Secretary-Treasurer; and the Trustee has caused this Trust Agreement to be executed in its name and on its behalf by its duly authorized officer, all as of the date first above written.

MONTGOMERY COUNTY REVENUE  
AUTHORITY

By: \_\_\_\_\_  
Keith Miller, Chief Executive Officer

(SEAL)

ATTEST:

\_\_\_\_\_  
Herbert L. Tyson, Secretary-Treasurer

WITNESS:

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

\_\_\_\_\_  
Authorized Officer

By: \_\_\_\_\_(SEAL)  
Authorized Officer

## APPENDIX I

### PROJECT DESCRIPTION

The Project consists of (i) an approximately 7,300 square foot custom winery, including a wine production area, barrel and case storage and outdoor receiving and production space, (ii) an education/events center containing approximately 16,500 square feet, including a banquet area, pre-event space, a multi-purpose room, an à la carte eating area and commercial kitchens, (iii) a vineyard, (iv) a surface parking lot and (v) related facilities. The Project will be located on approximately 35 acres of surplus land adjacent to the Poolesville Golf Course, which is owned and operated by the Issuer.

EXHIBIT A

(FORM OF BOND]

MONTGOMERY COUNTY REVENUE AUTHORITY  
LEASE REVENUE BOND  
(CROSSVINES PROJECT), SERIES 2021

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

Interest Rate

Maturity Date

Dated Date

CUSIP

\_\_\_\_\_%

October 1, 20\_\_

December \_\_, 2021

\_\_\_\_\_

REGISTERED OWNER:

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

MONTGOMERY COUNTY REVENUE AUTHORITY, a public body corporate and politic and an instrumentality of Montgomery County, Maryland, duly existing under and by virtue of the laws of the State of Maryland and of Montgomery County, Maryland (the "Issuer"), for value received, hereby promises to pay, but solely from the Lease Payments (defined herein) and other amounts pledged as security therefor under the Trust Agreement, to the registered owner shown above, or his registered assigns, upon presentation and surrender hereof at the corporate trust office of U.S. Bank National Association (such entity and any successor in such capacity being referred to herein as the "Trustee") in Richmond, Virginia (the "Office of the Trustee"), the principal sum shown above on the maturity date shown above (or earlier as hereinafter referred to), with interest thereon from the most recent date to which interest has been paid, or if the date of authentication shown below is prior to the first Payment Date (defined herein), from the Dated Date set forth above, at the interest rate shown above until said Principal Sum is paid, payable on each April 1 and October 1 of each year (each, a "Payment Date"). The principal or redemption price of and interest on this bond are payable in lawful money of the United States of America.

All interest due on this bond shall be payable to the person in whose name this bond is registered on the bond registration books (the "Registration Books") maintained by the Trustee as of the close of business on the fifteenth day of the calendar month immediately preceding the Payment Date on which such interest is due and payable (the "Record Date") and shall be made by (i) check mailed to the address of such owner as it appears on the Registration Books or (ii) wire transfer to any Owner who has provided the Trustee at least five (5) Business Days prior to the applicable Record Date written wire instructions. If any payment of the principal or redemption price of and interest on this bond shall be due on any day other than a Business Day (defined herein), such payment shall be made on the next succeeding Business Day with the same force and effect as if made on the originally scheduled date. A "Business Day" is any day other than (i) a Saturday, Sunday, or legal holiday in the State of Maryland, or (ii) any other day on which banking institutions are authorized or required by law to be closed in the State of Maryland.

THIS BOND CONSTITUTES A LIMITED OBLIGATION OF THE ISSUER AND IS PAYABLE SOLELY FROM THE PAYMENTS MADE BY THE COUNTY PURSUANT TO THE LEASE AGREEMENT AND FROM THE OTHER ASSETS PLEDGED UNDER THE TRUST AGREEMENT AS SECURITY FOR THE PAYMENT THEREOF. THIS BOND DOES NOT CONSTITUTE A DEBT OF THE ISSUER, THE COUNTY, THE STATE OF MARYLAND OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION. THE ISSUANCE OF THE BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE COUNTY TO LEVY OR PLEDGE ANY FORM OF TAXATION WHATSOEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COUNTY, THE STATE



OF MARYLAND OR ANY OF ITS POLITICAL SUBDIVISIONS IS PLEDGED TO THE PAYMENT OF THIS BOND OR THE INTEREST HEREON. THE ISSUER HAS NO TAXING POWER.

All acts, conditions and things required by the Constitution and laws of the State of Maryland and the rules and regulations of the Issuer to happen, exist and be performed precedent to and in the issuance of this bond, and the execution and delivery of the Lease Agreement and Trust Agreement and the other documents contemplated therein, have happened, exist and have been performed as so required.

No recourse shall be had for the payment of the principal or redemption price of or interest on this bond or for any claims based thereon or on the Trust Agreement against any member or other officer of the Issuer or any person executing this bond, all such liability, if any, being expressly waived and released by the registered owner of this bond by the acceptance of this bond.

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Trust Agreement until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

1. Trust Agreement; Lease Agreement. This bond is one of a duly authorized series of bonds designated "MONTGOMERY COUNTY REVENUE AUTHORITY LEASE REVENUE BONDS (CROSSVINES PROJECT), SERIES 2021" aggregating FIFTEEN MILLION NINE HUNDRED FORTY THOUSAND DOLLARS (\$15,940,000) in principal amount (the "Bonds") issued pursuant to the terms of a Trust Agreement dated as of December 1, 2021 (including all Exhibits thereto, and all amendments, modifications or supplements thereto, the "Trust Agreement"), by and between the Trustee and the Issuer. The terms of the Bonds include those stated in the Trust Agreement, and the Bonds are subject to all such terms. Reference is hereby made to the Trust Agreement (copies of which are on file at the Office of the Trustee) for a description of the terms on which the Bonds are delivered, the funds and amounts pledged thereunder, the nature and extent of the security created or to be created, the rights thereunder of the Owners of the Bonds, and the rights, duties, and immunities of the Trustee, to all of the provisions of which Trust Agreement the owner of this Bond, by acceptance hereof, assents and agrees. Terms used herein that are defined in the Trust Agreement have the meanings specified in the Trust Agreement.

The Bonds are being issued to provide funds (i) for the costs of constructing and equipping a custom crush wine facility, education and events center and related facilities (the "Project") and (ii) to pay the costs of issuing the Bonds.

The Issuer and the County have entered into a Ground Lease dated as of December 1, 2021 (including all Exhibits thereto, and all amendments, modifications or supplements thereto, the "Lease Agreement"), pursuant to which the Issuer has leased the parcel of land on which a portion of the Project will be located (the "Leased Premises") to the County. Pursuant to the Lease Agreement, the County is obligated to make lease payments to the Issuer (the "Lease Payments") in an amount equal to the principal of and interest on the Bonds when due. The County's obligation to make the Lease Payments is subject to annual appropriation of sufficient funds for such purpose by the County Council of Montgomery County (the "County Council"). The County is under no obligation to make any appropriations with respect to the Lease Agreement. See Section 5 (Nonappropriation) below.

Pursuant to the Trust Agreement, the Issuer has assigned its right to receive the Lease Payments under the Lease Agreement to the Trustee for the benefit of the Owners of the Bonds.

2. The Bonds. All of the Bonds are of like tenor, except as to numbers, maturities, interest rates and principal amounts. The Bonds are issuable only in registered form without coupons in denominations of \$5,000 and any integral multiple thereof.

3. Redemption. (a) The Bonds are subject to redemption at the times and in the amounts set forth in the Trust Agreement.

(b) Selection of Bonds for Redemption. The Trustee shall select Bonds (or portions thereof) for redemption by lot or in any other manner which the Trustee shall in its sole discretion deem appropriate and fair, and in the order of maturity directed by the Issuer in the event of a partial redemption. For the purposes of such selection, Bonds shall be deemed to be composed of \$5,000 portions and any such portion may be separately redeemed. Upon surrender of any Bond redeemed in part only, the Trustee shall authenticate and deliver to the Owner thereof a new Bond or Bonds of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered and of the same interest rate and same maturity.

(c) Notice of Redemption. The Trustee shall give notice of any redemption of the Bonds to the Owners of the Bonds to be redeemed in accordance with the provisions of the Trust Agreement. The failure so to give any such notice to any of such Owners shall not affect the validity of the proceedings for the redemption of any Bonds.

(d) Effect of Notice of Redemption. If, on the date fixed for redemption, moneys for the redemption of all the Bonds (or portions thereof) to be redeemed, together with interest to the date fixed for redemption and any applicable redemption premium, shall be held by the Trustee so as to be available therefor on such date fixed for redemption, and any other conditions to such redemption have been satisfied, then from and after said date fixed for redemption, interest with respect to the Bonds designated for redemption shall cease to accrue or become payable.

(e) Provisions Applicable to Book-Entry Bonds. So long as all of the Bonds are maintained in book-entry form in accordance with the Trust Agreement, in the event that part, but not all, of this bond shall be called for redemption, the holder of this bond may elect not to surrender this bond in exchange for a new bond in accordance with paragraph (b) above and in such event shall make a notation indicating the principal amount of such redemption and the date thereof on the Payment Grid attached hereto. For all purposes, the principal amount of this bond outstanding at any time shall be equal to the Principal Sum shown on the face hereof reduced by the principal amount of any partial redemption of this bond following which the holder of this bond has elected not to surrender this bond in accordance with paragraph (c) above. The failure of the holder hereof to note the principal amount of any partial redemption on the Payment Grid attached hereto, or any inaccuracy therein, shall not affect the payment obligation of the Authority hereunder. THEREFORE, IT CANNOT BE DETERMINED FROM THE FACE OF THIS BOND WHETHER A PART OF THE PRINCIPAL OF THIS BOND HAS BEEN PAID.

4. Acceleration; Defeasance. In certain events, on the conditions, in the manner and with the effect set forth in the Trust Agreement, the principal of all the Bonds then outstanding under the Trust Agreement may become or may be declared due and payable before the stated maturities thereof, together with the interest accrued thereon. The Trust Agreement prescribes the manner in which it may be discharged and provides that Bonds shall be deemed to be paid if moneys or certain Government Obligations, the principal of and interest on which, when due, without reinvestment, will be sufficient to pay the principal or redemption price of and interest on the applicable Bonds to the dates of maturity or redemption thereof, shall have been deposited with the Trustee.

5. Nonappropriation. In the event sufficient funds are not appropriated or otherwise legally available for the payment of Lease Payments due under the Lease Agreement, the Lease Agreement will terminate at the end of the last fiscal year or earlier date for which an appropriation, or other such funds, as the case may be, are available for the payment of Lease Payments due under the Lease Agreement. The Trustee will thereupon apply any available funds to the payment of the interest on and principal of the Bonds in accordance with the Trust Agreement.

6. Transfer and Exchange. This Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the Designated Office of the Trustee, but only in the manner, subject to the limitations, and upon payment of any charges provided in the Trust Agreement and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of Authorized Denomination or Denominations, for the same aggregate principal amount, will be delivered to the transferee in exchange herefor. The Trustee may treat the registered owner hereof as the absolute owner hereof for all

purposes, whether or not the payments represented by this Bond shall be overdue, and the Trustee shall not be affected by any notice to the contrary.

7. Negotiability. This Bond is declared to have all the qualities and incidents of negotiable instruments under the laws of the State of Maryland.

8. Modifications. Modifications or alterations of the Trust Agreement or the Lease Agreement may be made only to the extent and in the circumstances permitted by the Trust Agreement and the Lease Agreement.

9. Governing Law. This Bond shall be governed by and construed in accordance with the laws of the State of Maryland.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Montgomery County Revenue Authority has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chairperson and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary-Treasurer, all as of the date first above written.

ATTEST:

MONTGOMERY COUNTY REVENUE  
AUTHORITY

\_\_\_\_\_  
Secretary-Treasurer

By: \_\_\_\_\_  
Chairperson

(SEAL)

CERTIFICATE OF AUTHENTICATION

The undersigned does hereby certify that this is one of the registered bonds referred to in and issued under the provisions of the within-mentioned Trust Agreement.

U.S. Bank National Association, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: December \_\_, 2021

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Tax Identification or Social Security No. \_\_\_\_\_)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_

attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever

SIGNATURE GUARANTEED:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by a member of The New York Stock Exchange or a commercial bank or trust company.

### PAYMENT GRID

[illegible]

EXHIBIT B

\$15,940,000  
MONTGOMERY COUNTY REVENUE AUTHORITY  
LEASE REVENUE BONDS  
(CROSSVINES PROJECT)  
SERIES 2021

FORM OF REQUISITION  
(COSTS OF ISSUANCE ACCOUNT)

U.S. Bank National Association, as Trustee (the "Trustee")  
James Center III  
1051 East Cary Street, Suite 600  
Richmond, Virginia 23219

Ladies and Gentlemen:

This requisition of payment is delivered to the Trustee in accordance with Section 3.2(a)(i) of the Trust Agreement dated as of December 1, 2021 (the "Trust Agreement") by and between the Montgomery County Revenue Authority, a body corporate and politic and an instrumentality of Montgomery County, Maryland (the "Issuer") and the Trustee. Payment shall be made from the Costs of Issuance Account established in accordance with Section 3.1 of the Trust Agreement. All terms used herein which are not otherwise defined herein shall have the meaning given such terms in the Trust Agreement.

The undersigned hereby requests that the amount of \$\_\_\_\_\_ be paid to the payees whose names are stated on Schedule I attached hereto for the payment or reimbursement of Costs of Issuance.

The undersigned hereby states and certifies that the amounts requested are or were necessary and appropriate Costs of Issuance, have been properly incurred and are proper charges against the Costs of Issuance Account, and have been paid, or are justly due to the persons whose names are stated in Schedule I attached hereto, and have not been the basis of any previous requisition from the Costs of Issuance Account.

MONTGOMERY COUNTY REVENUE AUTHORITY

By: \_\_\_\_\_  
Issuer Representative

Date: \_\_\_\_\_, 2021



SCHEDULE I  
COSTS OF ISSUANCE

<u>Name</u>	<u>Amount</u>
TOTAL	\$ _____

EXHIBIT C

\$15,940,000  
MONTGOMERY COUNTY REVENUE AUTHORITY  
LEASE REVENUE BONDS  
(CROSSVINES PROJECT)  
SERIES 2021

FORM OF REQUISITION  
(PROJECT ACCOUNT)

Requisition Number: \_\_\_\_\_

Date: \_\_\_\_\_, 202\_\_

U.S. Bank National Association, as Trustee (the "Trustee")  
James Center III  
1051 East Cary Street, Suite 600  
Richmond, Virginia 23219  
Ladies and Gentlemen:

Pursuant to the Trust Agreement dated as of December 1, 2021 (the "Trust Agreement") by and between Montgomery County Revenue Authority, a body corporate and politic and an instrumentality of Montgomery County, Maryland (the "Issuer") and the Trustee, we request that you, make disbursement of funds from the Project Account (all capitalized terms used herein have the meaning given such terms in the Trust Agreement, unless otherwise indicated) held by you as Trustee under the Trust Agreement to the following payee in the following amount:

Payee: \_\_\_\_\_

Payee's Address: \_\_

\_\_\_\_\_  
\_\_\_\_\_

Amount: \_\_\_\_\_

Purpose of Requisition: \_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

We hereby certify that (a) none of the items for which funds are being requisitioned has formed the basis for any disbursement heretofore made from the Project Account, (b) each item for which funds are being requisitioned is a proper item to be paid from the Project Account and is necessary in connection with the acquisition of the Project, (c) none of such funds are being used for purposes or in such manner that the Bonds (or any portion thereof) will be "private activity bonds" under Section 141(a) of the Code, (d) no written notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under this requisition to any of the persons named herein has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been

released or discharged, or will be released or discharged upon the payment of this requisition, (e) this requisition contains no items representing payment on account of any retained percentages which are entitled to be retained as of the date hereof, (f) with respect to each item for payment for labor or materials and equipment, the labor for which payment is requested was actually performed and/or the materials and equipment were actually furnished to or installed in or about the Project, (g) such materials and equipment are not subject to any lien or security interest, or the funds requested by this requisition are to be used to satisfy any such lien or security interest, (h) this requisition, if for direct costs of construction of the Project, meaning all costs included in the applicable construction contract, when added to the total of prior requisitions for such direct costs of construction does not in amount exceed one hundred percent (100%) of the cost of work performed and material in place, (i) all construction work which has been completed on the Project is substantially in conformity with the applicable plans and specifications, and (j) the moneys now on deposit in the Project Account are sufficient to complete the acquisition of the Project undertaken by the Authority, or the Project has been completed.

We further hereby certify that this requisition is for materials which are, as of the date hereof, physically incorporated into the Project or are stored in a secure facility.

We further hereby certify that no Event of Default (as defined in the Trust Agreement) has occurred and is continuing as of the date hereof.

If this requisition is for direct costs of construction, attached hereto is the AIA approved progress payment form, signed by the applicable contractor.

If this requisition is for the final disbursement for direct costs of construction of the Project, delivered to the Trustee herewith are (a) a copy of the Completion Certificate, (b) final waivers of liens from the applicable contractors, and (c) , if applicable, a copy of the permanent use and occupancy certificate authorizing use and occupancy of the Project, as completed, in such form as those governmental agencies having jurisdiction customarily issue upon completion of improvements and readiness thereof for use and occupancy in Montgomery County, Maryland.

#### MONTGOMERY COUNTY REVENUE AUTHORITY

By: \_\_\_\_\_  
Issuer Representative

Total prior requisitions        \$ \_\_\_\_\_

Amount of this requisition        \$ \_\_\_\_\_

Total    \$ \_\_\_\_\_

Note:    All purchase orders, invoices and other appropriate documentation supporting the payments or reimbursements herein requested must be attached to this requisition.

EXHIBIT D

\$15,940,000  
MONTGOMERY COUNTY REVENUE AUTHORITY  
LEASE REVENUE BONDS  
(CROSSVINES PROJECT)  
SERIES 2021

FORM OF COMPLETION CERTIFICATE

U.S. Bank National Association, as Trustee (the "Trustee")  
James Center III  
1051 East Cary Street, Suite 600  
Richmond, Virginia 23219  
Ladies and Gentlemen:

This Completion Certificate is being executed and delivered pursuant to the Trust Agreement dated as of December 1, 2021 (the "Trust Agreement") by and between Montgomery County Revenue Authority, a body corporate and politic and an instrumentality of Montgomery County, Maryland (the "Issuer") and the Trustee, executed and delivered in connection with the, issuance and sale of the above-referenced Bonds. Unless the context clearly indicates a contrary meaning, all terms used herein and defined in the Trust Agreement shall have the meanings set forth in the Trust Agreement.

This Completion Certificate is being delivered to establish the Completion Date of the Project.

The Completion Date is \_\_\_\_\_.

This Completion Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being.

WITNESS the signature of the Issuer this \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

MONTGOMERY COUNTY REVENUE  
AUTHORITY

By: \_\_\_\_\_  
Issuer Representative

**APPENDIX B**  
**FORM OF LEASE AGREEMENT**

[ THIS PAGE INTENTIONALLY LEFT BLANK ]

GROUND LEASE

between

MONTGOMERY COUNTY, MARYLAND,

As Lessee

and

MONTGOMERY COUNTY REVENUE AUTHORITY,

As Lessor

Dated as of December 1, 2021

Exhibit A = legal description and pictorial description of the Leased Premises

Exhibit B = description of the Project

Exhibit C = Permitted Encumbrances

Appendix = Lease Payments

THIS GROUND LEASE (as amended and supplemented, the “**Ground Lease**”) is by and between and the MONTGOMERY COUNTY REVENUE AUTHORITY, a public body corporate and politic and an instrumentality of Montgomery County, Maryland (“**Authority**”), as Lessor, and MONTGOMERY COUNTY, MARYLAND, a body corporate and politic and a political subdivision of the State of Maryland (“**County**”), as Lessee.

## RECITALS

WHEREAS, the Authority owns approximately 389 acres of land located at 16601 W. Willard Road, Poolesville, Maryland 20837 (“**Property**”);

WHEREAS, the County and the Authority have determined that there is demand in the County for a custom winery, an education/events center, a vineyard and related surface parking to facilitate local wine production and provide space for large corporate, public social events and educational facilities (as more particularly described in **Exhibit B** hereto, the “**Project**”);

WHEREAS, the Poolesville Golf Course is located on a portion of the Property and there are approximately 3.6 unused acres at the Property that can accommodate the portion of the Project consisting of the custom winery and education/events center (the “**Facilities**”), which acreage is more particularly described in **Exhibit A** attached hereto (“**Leased Premises**”);

WHEREAS, the Authority agrees to lease to the County the Leased Premises, which is the land upon which the Facilities will be constructed;

WHEREAS, the Authority agrees to design, construct, and operate the Project, and to finance and pay the costs thereof, in accordance with the processes set forth in the Crossvines Project and Facility Operation Agreement by and between the County and the Authority of even date herewith (the “**Facility Agreement**”);

WHEREAS, in order to finance the cost of constructing and equipping the Project for the benefit of the County and its residents, the Authority secured \$3,000,000 of grants from the State of Maryland pursuant to Capital Projects Grant Agreements dated September 26, 2018 and January 29, 2020 (collectively, the “**State Grants**”) as an equity contribution to the Project and will also issue lease revenue bonds (“**Bonds**”) and use and apply the proceeds thereof for the costs of constructing and equipping the Project, in exchange for the County’s entering into and performing its obligations under this Ground Lease; and

WHEREAS, the County desires to enter into this Ground Lease with the Authority for the use and enjoyment of the Leased Premises and the Facilities.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged and agreed to by the parties, the parties agree as follows:

1. RECITALS. The recitals set forth above are incorporated by reference into this Ground Lease.
2. LEASED PREMISES. The Authority leases the Leased Premises to the County, and the County enters into this Ground Lease with the Authority, for the exclusive use of the Leased Premises and the Facilities, together with all easements, rights, provisions, advantages, or appurtenances pertaining to the Leased Premises, subject to the terms of the Facility Agreement.



3. TERM. Subject to the provisions of Paragraphs 6 and 11, below and the provisions of the Facility Agreement, the term of this Ground Lease shall commence on the Effective Date (as defined in Paragraph 28 below) and terminate on the twenty-fifth (25th) anniversary date of Final Completion, as defined in the Facility Agreement (the “**Term**”). This Ground Lease shall be amended by the parties upon Final Completion to insert the Term’s termination date into this Ground Lease.

4. RENT/RESERVATION OF RIGHTS UPON REPAYMENT OF BONDS.

(a) The County shall pay rent semiannually, subject to annual appropriation for such payment, in each fiscal year in the amount provided in the Appendix hereto (“**Lease Payment**” for each semiannual payment or “**Lease Payments**” when referring to all payments collectively). The Lease Payments shall be payable at such times and in such amounts as is required to pay the principal of, and interest on, the Bonds. Any amendments or changes to the Appendix must be in writing and agreed to by the parties. The County has no obligation to agree to any changes to the Appendix to account for changes in debt service payments for the Bonds as a result of, but not limited to, an acceleration, redemption or prepayment of the Bonds, and no assurance is given that the County will agree to any increases in the Lease Payments.

(b) If the Bonds are repaid or defeased in full prior to their final maturity date and the expiration of the Term of this Lease, and the County is reimbursed in full for the amount of Lease Payments paid hereunder, either party may, upon written notice to the other, terminate this Ground Lease. However, following termination by either party, the use of the Project must continue to comply with the tax regulations governing the use, management and operation of facilities financed with tax-exempt bonds and the requirements of the agreements relating to the State Grants, if any, until the expiration of such requirements. Thereafter, any change in use must meet the requirements of Chapter 42.

(c) The parties hereto recognize and agree that under the Trust Agreement dated as of December 1, 2021 (including all Exhibits thereto, and all amendments, modifications or supplements thereto, the “**Trust Agreement**”), by and between the Authority and U.S. Bank, National Association (the “**Trustee**”), the Authority will assign its rights to receive the Lease Payments under this Ground Lease to the Trustee for the benefit of the owners of the Bonds. The parties agree that so long as the Bonds remain outstanding and unpaid, all Lease Payments due to the Authority under subparagraph (a) of this Paragraph 4 shall be paid by the County to the Trustee, as assignee of the Authority, at least two (2) days prior to each April 1 and October 1, for deposit into the Lease Payment Fund created under the Trust Agreement (the “**Lease Payment Fund**”) and for disbursement to the owners of the Bonds, all as provided in the Trust Agreement. The parties further agree that any amounts transferred by the Trustee to the Lease Payment Fund pursuant to Sections 3.3 of the Trust Agreement shall be treated, pro tanto, as a payment of rent by the County pursuant to subparagraph (a) of this Paragraph 4. The County shall have no responsibility for the Trustee performing in accordance with the Trust Agreement; however, if the Lease Payments are not used for debt service on the Bonds, the County will have the right to take steps to direct the Lease Payments for such use.

(d) In the event of a partial redemption of the Bonds, the Lease Payments set forth in the Appendix shall be recalculated so that they will be sufficient to meet the remaining principal and interest payments due on the Bonds.

(e) Except for any prepayment of the Lease Payments required by Paragraph 26 below, the County shall not be obligated to accelerate the Lease Payments or to make payments greater than the amounts and times of such payments as set forth in the Appendix attached hereto and agreed upon by the County and the Authority.

5. NO SET-OFF OR REDUCTION IN RENT. Subject to Paragraph 6 (Nonappropriation), the County shall pay the Lease Payments owing hereunder in the amount, manner and time such payments are due and owing; and, such amounts shall not be decreased, abated, set-off, reduced or otherwise modified in any manner or to any extent whatsoever regardless of any right of set-off, recoupment or counterclaim that the County may otherwise have against the Authority, regardless of any contingency, Act of God, event or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during, or after the completion of constructing and equipping the Project, including but without in any way limiting the generality of the foregoing:

(a) any damage to or destruction of any part or all of the Project;

(b) the taking or damaging of any part or all of the Project or the Leased Premises by any public authority or agency in the exercise of the power of eminent domain or otherwise, except as otherwise provided in this Ground Lease;

(c) any change or delay in the time of availability to the County or the Authority for use of the Project or delays in constructing or equipping the Project; and

(d) the failure to complete or to maintain satisfactory progress in the construction of the Project, whether due to the fault or negligence of the Authority or any other cause or reason;

provided, however, that nothing in this Paragraph 5 precludes the County from filing a separate action against the Authority for any claim the County has against the Authority.

6. NONAPPROPRIATION. If, at any time during the Term of this Ground Lease, funds sufficient to pay the Lease Payments, or any other monies that are owed by the County under this Ground Lease, are not appropriated by the County, the County may terminate this Ground Lease at the end of the last fiscal year or earlier date for which an appropriation is available, and the County shall not be obligated to make payment of the Lease Payments beyond the last date for which an appropriation is available. Upon termination of this Ground Lease for nonappropriation, the obligations of the County requiring the expenditure of money under this Ground Lease will cease so long as all payments previously approved or appropriated have been made. An event of nonappropriation shall not be a default under this Ground Lease or any other agreement and shall not give rise to any action against the County or create any obligations of the County, except the County and the Authority will work cooperatively to transfer and convey all interests of the County in the Leased Premises and the Facilities to the Authority. The Authority may then take possession of the Leased Premises and the Facilities. The County agrees, to the extent permitted by law and subject to applicable public policy, not to terminate the Ground Lease if sufficient funds are appropriated for a particular fiscal year which are designated for the payment of the Lease Payments due in that fiscal year.

7. USE OF THE LEASED PREMISES. The Leased Premises must be used by the County solely for the design, construction, operation and maintenance of the Facilities in accordance with this Ground Lease. The patrons of the Project (including the Facilities) and the Poolesville Golf Course will have access to use the portion of the Project consisting of the surface parking lot.

8. HAZARDOUS WASTE.

(a) The County covenants not to place, manufacture, store, use or permit to be placed, manufactured, stored or used on the Leased Premises Hazardous Waste, except such Hazardous Waste materials of the types and in the quantities that are legally and customarily used in the construction, operation and maintenance of facilities such as the Project.

(b) The Authority warrants and represents that, to its knowledge, there is no pending or threatened litigation, order, ruling, notice, permit or investigation regarding any Hazardous Waste or Toxic Substances on or affecting any of the Leased Premises.

(c) As used in this Ground Lease: (i) “**Hazardous Waste**” means all waste materials subject to regulation under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Sections 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 et seq., or applicable state law and any other applicable federal, state or local laws and their regulations now in force or hereafter enacted relating to hazardous waste disposal; and (ii) “**Toxic Substances**” means and includes any materials present on the Leased Premises which have been shown to have significant adverse effects on human health or which are subject to regulation under the Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq., applicable state law, or any other applicable federal, state or local laws now in force or hereafter enacted relating to toxic substances. “Toxic Substances” includes, but is not limited to, asbestos, polychlorinated biphenyls (PCBs), petroleum products, and lead based paints. All such laws relating to hazardous waste disposal and toxic substances are collectively referred to herein as “**Environmental Laws.**”

9. DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE. The Project will be designed, constructed, equipped, operated and maintained by the Authority under the provisions of the Facility Agreement and within the Construction Timeline attached to the Facility Agreement as Exhibit E.

10. INSURANCE.

The County shall have the right to self-insure through the Montgomery County Self-Insurance Program established and regulated pursuant to Article 20-37 of the Montgomery County Code. The following coverage shall be maintained by the County:

(a) General Liability Coverage in the amounts of \$800,000 per total claims that arise from the same occurrence and \$400,000 per an individual claim; and

(b) Workers Compensation—State of Maryland statutory limits.

The coverages set forth in Section 10(a) are the maximum limits of liability for which the Montgomery County Self-Insurance Program is responsible, as determined by the Local Government Tort Claims Act. These insurance coverages must be maintained continuously by the County during the Term and any extension thereof.

The Authority shall have the right to self-insure through the Montgomery County Self-Insurance Program established and regulated pursuant to Article 20-37 of the Montgomery County Code. The following coverage shall be maintained by the Authority:

(a) General Liability Coverage in the amounts of \$800,000 per total claims that arise from the same occurrence and \$400,000 per an individual claim.

If either party leaves the Self-Insurance Program for any reason, the insurance requirements above will be reviewed and subject to change; provided that the level of insurance shall not be reduced below what is set forth in this Section 10 without the consent of the other party, which shall not be unreasonably withheld. Any such change will be communicated between the parties and the affected (leaving) party shall obtain insurance coverage of the types and in the amounts reasonably required by the agreement between the parties.

11. EMINENT DOMAIN.

(a) If all of the Leased Premises and the Project are taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, then the Term of this Ground Lease shall cease as of the date on which possession of the Leased Premises is taken under eminent domain. If less than all of the Leased Premises and the Project are taken permanently, or if all of the Leased Premises and the Project, or any part thereof, is taken under the power of eminent domain only temporarily such that the operation and use of the Leased Premises and the Project can continue, then this Ground Lease shall remain in full force and effect and shall not be terminated by such taking.

(b) The net proceeds of any eminent domain award resulting from the events described in Paragraph 11(a) shall be paid by the County or the Authority, as the case may be, to the Trustee, as assignee of the Authority under the Trust Agreement, and deposited in the Insurance and Condemnation Fund (as created under and defined in the Trust Agreement) by the Trustee and applied as set forth in Article VIII of the Trust Agreement. Any funds remaining after paying the Bonds in full shall be split equally by the County and the Authority; provided, however, if the County has not been repaid for any Outstanding Balance (as defined in the Facility Agreement), the County will receive all of the remaining net proceeds equal to the Outstanding Balance and, thereafter, any remaining net proceeds will be paid to the Authority.

12. DESTRUCTION OF PROJECT.

(a) If a substantial portion, or all, of the Project is destroyed so that the operation and use of the Leased Premises and the Project, as required under this Ground Lease and the Facility Agreement, cannot continue, and sufficient funds are available from insurance proceeds and other funding sources to reconstruct the Project, then this Ground Lease shall not terminate but shall continue in full force and effect, and the Project shall be reconstructed within twenty-four (24) months from the date of destruction, unless otherwise agreed to by the parties. Provided, however, that nothing in this Paragraph 12 shall obligate either the County or the Authority to provide any funds, other than insurance proceeds, for reconstruction purposes. In the event the County provides additional funds for reconstruction purposes, the Authority will be obligated to reimburse the County in the same manner as it reimburses the County's Lease Payments under the Facility Agreement. Notwithstanding the parties' decision about whether to reconstruct the Project and subject to the provisions of Paragraph 6, the County's obligation to pay Lease Payments

to the Authority as required under this Ground Lease shall continue in full force and effect. As long as the County is making such Lease Payments, the County may use the Leased Premises for an alternative use, provided such use does not compete with or is not detrimental to the other operations of the Authority on the Property at the time of the County's proposed alternative use.

(b) The net proceeds of any insurance award resulting from any event described in subparagraph (a) of this Paragraph 12 shall be paid by the County or the Authority, as the case may be, to the Trustee, as assignee of the Authority under the Trust Agreement, and deposited in the Insurance and Condemnation Fund (as created under and defined in the Trust Agreement) and applied as set forth in Article VIII of the Trust Agreement.

13. DEFAULT and WAIVER.

(a) Subject to the provisions of Paragraph 6 (Nonappropriation), each of the following events shall constitute an "Event of Default" under this Ground Lease :

(i) the County shall fail to perform any County obligation under this Ground Lease (other than a failure described in clause (ii) below) and such failure continues for sixty (60) days after written notice from the Authority specifying the failure; and

(ii) the County fails to pay one or more Lease Payments when due, and such failure continues for ten (10) days after the due date, irrespective of whether the Authority has provided written notice to the County concerning the County's failure to pay.

(b) A waiver of a breach of any covenant, condition or agreement under this Ground Lease must be in writing. Further, a written waiver of any breach, covenant or condition under this Ground Lease shall not operate as a waiver of any subsequent breach.

(c) Subject to the provisions of Paragraph 6, if an Event of Default occurs, the Authority shall have the right to pursue any or all of the following remedies:

(i) the right to cure any such Event of Default, at the Authority's cost and expense;

(ii) the right to seek a writ of mandamus, injunction, or other similar relief as may be available under Maryland law, against the County; or

(iii) the right to maintain any and all actions at law or suits in equity or other proceedings to enforce the curing or remedying of such Event of Default or for damages resulting from such Event of Default.

The County recognizes and agrees that an Event of Default under this Ground Lease would cause irreparable harm to the Authority and that there would be no adequate remedy at law for such Event of Default and, accordingly, the Authority would have the right to enjoin the County, to the fullest extent permitted by law, for defaulting under this Ground Lease; provided, however, that in such case, the Authority shall not pursue any remedies until the sixty (60) day or ten (10) day cure period, as applicable, shall run and any such injunction would be limited to thirty (30) days.

No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

14. ASSIGNMENT AND SUBLETTING.

(a) The obligations of the parties under this Ground Lease may not be assigned without the prior written consent of both parties and a fully executed amendment to this Ground Lease. Notwithstanding the foregoing, without the prior written consent of the County, the Authority may assign its rights to receive the Lease Payments under this Ground Lease to a bond trustee for the benefit of the owners of the Bonds or directly to the owners of the Bonds.

(b) Subletting. The County shall have no right to sublet any portion of the Leased Premises without the Authority's prior written consent.

15. LIENS AND ENCUMBRANCES. Except for the encumbrances listed in **Exhibit C** attached hereto ("**Permitted Encumbrances**"), the parties acknowledge and agree that neither party shall permit any liens or encumbrances to be filed against the Authority's fee simple ownership of the Leased Premises or the County's leasehold interest in the Leased Premises without the prior written consent of the other party. If any lien, not mutually agreed to by the parties, is recorded against the fee or leasehold interests in the Leased Premises, the responsible party shall cause the lien to be discharged of record or bonded at the responsible party's sole cost and expense within thirty (30) days after the filing of the lien.

16. QUIET POSSESSION. The Authority covenants and agrees that if the County performs and observes all of the covenants, conditions and agreements in this Ground Lease, the County, during the Term shall have peaceable and quiet enjoyment and possession of the Leased Premises and the Facilities.

17. SEVERABILITY. If any provision of this Ground Lease is deemed invalid, illegal or unenforceable, such provision shall be severed from the Ground Lease and the balance of the Ground Lease shall remain in full force and effect.

18. FURTHER ASSURANCES. The parties agree that they will take such further action and execute and deliver such further documents as may be reasonably required to carry out the intentions of the parties under this Ground Lease or to facilitate the performance of the parties' obligations under this Ground Lease.

19. NOTICES. All notices under this Ground Lease shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when hand-delivered, sent by overnight delivery, or sent by certified or registered mail postage prepaid, and addressed as follows:

If to the Authority:       Montgomery County Revenue Authority  
                                  101 Monroe Street, 4<sup>th</sup> Floor  
                                  Rockville, MD 20850  
                                  Attn: Chief Executive Officer

If to the County:         Montgomery County, Maryland  
                                  101 Monroe Street, 2<sup>nd</sup> Floor  
                                  Rockville, MD 20850  
                                  Attn: Chief Administrative Officer

and

Montgomery County, Maryland  
101 Monroe Street, 15<sup>th</sup> Floor  
Rockville, MD 20850  
Attn: Director of Finance

20. COUNTERPARTS. Multiple counterparts of this Ground Lease may be executed, each of which shall be an original and all of which shall constitute but one and the same agreement.

21. RECORDATION. This Ground Lease shall be recorded among the land records of Montgomery County, Maryland.

22. COUNTY'S ACQUISITION OF BONDS PROHIBITED. The County agrees and covenants that it shall not, pursuant to any arrangement, whether formal or informal, purchase any of the Bonds at any time such Bonds are outstanding.

23. AMENDMENTS. This Ground Lease may be amended by an instrument in writing signed by the parties hereto. The County agrees to cooperate with the Authority and to agree to any amendments to this Ground Lease that are reasonably necessary in order to secure the financing of the Project and the issuance of the Bonds in accordance with the Trust Agreement.

24. GOVERNING LAW. This Ground Lease shall be governed by and construed in accordance with the laws of the State of Maryland.

25. [RESERVED]

26. PREPAYMENT. The County shall be obligated to prepay the Lease Payments, in whole or in part, on any Lease Payment Date, from and to the extent of any net proceeds (net of any expenses of collection) of any insurance award or condemnation award or from any moneys available from self-insurance not used for reconstruction in accordance with Paragraph 12 and theretofore deposited in the Lease Payment Fund (as created under and defined in the Trust Agreement) for such purpose pursuant hereto and Article VIII of the Trust Agreement. The County and the Authority hereby agree that such net proceeds or such moneys available from self-insurance so deposited, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the County's obligations under this Paragraph 26.

27. ESSENTIAL USE. The County represents that the Project will be essential for economic development in the County's agricultural reserve and the Project will facilitate the County's ability to meet such economic development goals. The County further covenants and agrees that the County will use the Project only for the purpose of performing such economic development functions of the County consistent with the permissible scope of the County's authority and within the scope of authorized public purposes.

28. EFFECTIVE DATE. This Ground Lease has been dated as of the date first above written solely for the purpose of convenience of reference and shall become effective on the date of delivery of the Bonds (the "Effective Date").

[signatures appear on next page]

WITNESS

---

Date: \_\_\_\_\_

---

Date: \_\_\_\_\_

B-10



STATE OF MARYLAND )  
 )  
 ) SS  
COUNTY OF MONTGOMERY )

I HEREBY CERTIFY that on this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before the subscriber in and for the aforementioned jurisdiction, personally appeared Keith Miller, Chief Executive Officer of the Montgomery County Revenue Authority, satisfactorily proven to be the person whose name is subscribed to the Ground Lease and did acknowledge the foregoing to be his act and deed on behalf of the Montgomery County Revenue Authority.

Notary Public

My Commission Expires: \_\_\_\_\_

STATE OF MARYLAND )  
 )  
 ) SS  
COUNTY OF MONTGOMERY )

I HEREBY CERTIFY that on this \_\_\_\_\_ day of \_\_\_\_\_, 2021, before the subscriber in and for the aforementioned jurisdiction, personally appeared Richard Madaleno, Chief Administrative Officer of Montgomery County, Maryland, satisfactorily proven to be the person whose name is subscribed to the Ground Lease and did acknowledge the foregoing to be his act and deed on behalf of the Montgomery County, Maryland.

Notary Public

My Commission Expires: \_\_\_\_\_

**AFTER RECORDING, PLEASE RETURN TO:**

**McGuireWoods LLP**  
**500 East Pratt Street, Suite 1000**  
**Baltimore, Maryland 21202**  
**Attention: Cheryl O'Donnell Guth**

**EXHIBIT A**

(Legal Description of the Leased Premises)

## **EXHIBIT A**

### **DESCRIPTION OF A LEASE AREA**

#### **PART OF MONTGOMERY COUNTY REVENUE AUTHORITY PROPERTY LIBER 6060 FOLIO 597**

**Being** a parcel of land located in the Third (3rd) Election District in Montgomery County, Maryland, hereinafter described in, through, over and across the property conveyed by John S. Yodice, Jack A. Reid, Jr., James M. Metcalf, Luis S. Ortega, and Jeffrey O. Zellmer, Directors-Trustees, to the Montgomery County Revenue Authority, a body corporate and politic established and existing under the laws of the State of Maryland, by a Confirmatory Deed in Dissolution of a Corporation dated November 30, 1982 and recorded among the Land Records of Montgomery County, Maryland in Liber 6060 at Folio 597, and being more particularly described by MHG, P. A. on May 25, 2021 in the Maryland Coordinate System NAD 83/2011 datum as follows:

**Beginning** for said parcel of land at a point South 64°34'39" West, 432.10 feet from the northeasterly end of the fifth (5<sup>th</sup>) or North 69°25'38" East, 1561.93 foot deed line of Tract A, Part II, (South 69°26'59" West as now surveyed) as described in the aforesaid deed recorded in Liber 6060 at Folio 597, and running then through said Tract A, Part II the following two (2) courses and distances:

1. South 21°15'44" East, 152.97 feet to a point, then
2. South 69°21'42" West, 220.05 feet to a point, then continuing through said Tract A, Part II, crossing briefly into and across Tract A, Part I of said deed and returning into Tract A, Part II

3. South 31°14'35" West, 445.33 feet to a point, then continuing in,  
through, over and across said Tract A, Part II the  
following seven (7) courses and distances
4. South 59°56'41" West, 108.52 feet to a point, then
5. North 27°41'36" West, 36.98 feet to a point, then
6. North 05°21'53" East, 141.00 feet to a point, then
7. North 19°30'05" West, 243.60 feet to a point, then
8. North 69°23'16" East, 145.03 feet to a point, then
9. North 20°04'11" West, 38.71 feet to a point, then
10. North 69°21'42" East, 468.28 feet to the point of beginning;  
containing an area of 156,223 square feet or,  
3.58639 acres of land and as delineated on Exhibit B,  
attached hereto and made a part hereof by this  
reference.

Certified correct to the best of my professional knowledge,  
information and belief and this description was prepared  
by me and is in conformance with Title 9, Subtitle 13,  
Chapter 6, Section .12 of the Minimum Standards of Practice  
for Land Surveyors.



---

MHG, P.A.  
Wayne F. Aubertin, Professional Land Surveyor  
Maryland Registration No. 21330  
License Expires: Jan. 7, 2023



**AFTER RECORDATION PLEASE RETURN TO:**

MHG, P.A.  
9220 Wightman Rd., Suite 120  
Montgomery Village, MD 20086  
Attn: Wayne Aubertin

F:\Projects\19244\19244.11\WP\SA\_RLB\_LEASE\_AREA\_2021\_05\_25.docx

For sketch see: I:\19244\Dwg\EP\_11\_08.dwg

LINE	BEARING	DISTANCE
L1	S 21°15'44" E	152.97'
L2	S 69°21'42" W	220.05'
L3	S 31°14'35" W	445.33'
L4	S 59°56'41" W	108.52'
L5	N 27°41'36" W	36.98'
L6	N 05°21'53" E	141.00'
L7	N 19°30'05" W	243.60'
L8	N 69°23'16" E	145.03'
L9	N 20°04'11" W	38.71'
L10	N 69°21'42" E	468.28'

N

MCS DATUM  
(NAD 83/2011)

MONTGOMERY COUNTY  
REVENUE AUTHORITY  
TRACT B, PART I  
L. 6060 F. 597

LEASE  
AREA

156,223 S.F. OR  
3.58639 AC.

S 64°34'39" W  
432.10' (TIE LINE)  
FROM THE  
NORTHEASTERLY END  
OF THE FIFTH (5TH)  
OR N 69°25'38" E,\*  
1,561.93 FOOT DEED  
LINE  
OF TRACT A, PART II,  
L. 6060 F.597

THE NINTH (9TH) OR S 69°25'38" W,\*  
1,584.13 FOOT DEED LINE OF  
TRACT B, PART I, L. 6060 F.597  
THE FIFTH (5TH) OR N 69°25'38" E,\*  
1,561.93 FOOT DEED LINE  
OF TRACT A, PART II,  
L. 6060 F.597

\* = S 69°26'59" W  
AS NOW SURVEYED

THE SEVENTH (7TH) OR S 70°06'53" W,\*  
907.53 FOOT DEED LINE OF  
TRACT A, PART II, L. 6060 F.597  
THE SECOND (2ND) OR N 70°06'53" E,\*  
907.53 FOOT DEED LINE OF  
TRACT A, PART I, L. 6060 F.597  
\* = N 70°08'14" E  
AS NOW SURVEYED

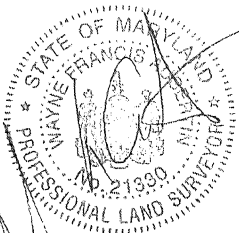
MONTGOMERY COUNTY  
REVENUE AUTHORITY  
TRACT A, PART II  
L. 6060 F. 597

MONTGOMERY COUNTY  
REVENUE AUTHORITY  
TRACT A, PART I  
L. 6060 F. 597

THE FIRST (1ST) OR N 07°32'03" E,\*  
776.38 FOOT DEED LINE OF  
TRACT A, PART I, L. 6060 F.597

THE EIGHTH (8TH) OR S 07°32'03" W,\*  
776.38 FOOT DEED LINE OF  
TRACT A, PART I, L. 6060 F.597

\* = N 07°33'24" E  
AS NOW SURVEYED



**MHG**

Civil Engineers  
Land Planners  
Landscape Architects  
Land Surveyors  
www.mhga.com

EXHIBIT B

LEASE AREA

POOLESVILLE GOLF COURSE  
MONTGOMERY COUNTY, MARYLAND

DEED L. 6060 F. 597  
SCALE 1" = 200'  
DATE 05/20/2021  
JOB NO. 2019.244.21.01

## **EXHIBIT B**

(Description of the Project)

The Project consists of (i) an approximately 7,300 square foot custom winery, including a wine production area, barrel and case storage and outdoor receiving and production space, (ii) an education/events center containing approximately 16,500 square feet, including a banquet area, pre-event space, a multi-purpose room, an á la carte eating area and commercial kitchens, (iii) a vineyard, (iv) a surface parking lot and (v) related facilities. The Project will be located on approximately 35 acres of surplus land adjacent to the Poolesville Golf Course, which is owned and operated by the Lessor.

## **EXHIBIT C**

(Permitted Encumbrances)

Permitted Encumbrances for 03-00038057 and 03-01807863

- 1) Right of Way Agreement for The Potomac Edison Company, dated May 4, 1988 and recorded among the land records in Book 8952 at Page 571.
- 2) Right of Way Agreement for The Potomac Edison Company, dated June 29, 1992 and recorded among the land records in Book 10690 at Page 109.
- 3) Right of Way Agreement for The Potomac Edison Company, dated June 14, 2001 and recorded among the land records in Book 29125 at Page 657.

## APPENDIX

(Lease Payments)

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
4/1/2022	-	\$139,959.90	\$139,959.90
10/1/2022	\$390,000	239,931.25	629,931.25
4/1/2023	-	230,181.25	230,181.25
10/1/2023	410,000	230,181.25	640,181.25
4/1/2024	-	219,931.25	219,931.25
10/1/2024	430,000	219,931.25	649,931.25
4/1/2025	-	209,181.25	209,181.25
10/1/2025	455,000	209,181.25	664,181.25
4/1/2026	-	197,806.25	197,806.25
10/1/2026	475,000	197,806.25	672,806.25
4/1/2027	-	185,931.25	185,931.25
10/1/2027	500,000	185,931.25	685,931.25
4/1/2028	-	173,431.25	173,431.25
10/1/2028	525,000	173,431.25	698,431.25
4/1/2029	-	160,306.25	160,306.25
10/1/2029	555,000	160,306.25	715,306.25
4/1/2030	-	146,431.25	146,431.25
10/1/2030	580,000	146,431.25	726,431.25
4/1/2031	-	131,931.25	131,931.25
10/1/2031	610,000	131,931.25	741,931.25
4/1/2032	-	116,681.25	116,681.25
10/1/2032	635,000	116,681.25	751,681.25
4/1/2033	-	110,331.25	110,331.25
10/1/2033	645,000	110,331.25	755,331.25
4/1/2034	-	103,881.25	103,881.25
10/1/2034	660,000	103,881.25	763,881.25
4/1/2035	-	97,281.25	97,281.25
10/1/2035	675,000	97,281.25	772,281.25
4/1/2036	-	90,531.25	90,531.25
10/1/2036	685,000	90,531.25	775,531.25
4/1/2037	-	83,681.25	83,681.25
10/1/2037	700,000	83,681.25	783,681.25
4/1/2038	-	76,681.25	76,681.25
10/1/2038	715,000	76,681.25	791,681.25
4/1/2039	-	69,531.25	69,531.25
10/1/2039	730,000	69,531.25	799,531.25
4/1/2040	-	62,231.25	62,231.25
10/1/2040	745,000	62,231.25	807,231.25



4/1/2041	-	54,315.63	54,315.63
10/1/2041	760,000	54,315.63	814,315.63
4/1/2042	-	46,240.63	46,240.63
10/1/2042	775,000	46,240.63	821,240.63
4/1/2043	-	38,006.25	38,006.25
10/1/2043	795,000	38,006.25	833,006.25
4/1/2044	-	29,062.50	29,062.50
10/1/2044	810,000	29,062.50	839,062.50
4/1/2045	-	19,950.00	19,950.00
10/1/2045	830,000	19,950.00	849,950.00
4/1/2046	-	10,093.75	10,093.75
10/1/2046	850,000	10,093.75	860,093.75

[ THIS PAGE INTENTIONALLY LEFT BLANK ]

**APPENDIX C**

**FORM OF APPROVING OPINION OF BOND COUNSEL**

[ THIS PAGE INTENTIONALLY LEFT BLANK ]

[Letterhead of McGuireWoods LLP]

[Closing Date]

Montgomery County Revenue Authority  
Rockville, Maryland

County Executive and County Council of  
Montgomery County, Maryland

Ladies and Gentlemen:

We have acted as bond counsel to the Montgomery County Revenue Authority (the “Authority”) in connection with the issuance of \$15,940,000 Montgomery County Revenue Authority Lease Revenue Bonds (“Crossvines Project) Series 2021, dated the date hereof (the “Series 2021 Bonds”). In such capacity, we have examined:

- (i) Chapter 42 of the Montgomery County Code, as amended (the “Act”);
- (ii) Resolution No. 44-0928-2021 adopted by the Authority on September 28, 2021 (the “Resolution”), authorizing the issuance, sale and delivery of the Series 2021 Bonds;
- (iii) a Trust Agreement dated as of December 1, 2021 (the “Trust Agreement”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”);
- (iv) an executed and authenticated Series 2021 Bond;
- (v) a Ground Lease dated as of December 1, 2021 (the “Lease Agreement,” and together with the Trust Agreement, the “Documents”), by and between the Authority and Montgomery County, Maryland (the “County”);
- (vi) relevant provisions of the Constitution and laws of the State of Maryland; and
- (vii) such other proofs and opinions relative to the issuance of the Series 2021 Bonds submitted to us as we have deemed necessary to enable us to render the opinions set forth herein.

The Series 2021 Bonds are issued as fully-registered bonds in denominations of \$5,000 and any integral multiple thereof. The Series 2021 Bonds bear interest, mature and are subject to redemption prior to maturity as set forth in the Series 2021 Bonds and the Trust Agreement. Capitalized terms used in this opinion and not defined herein shall have the meaning given such terms in the Trust Agreement.

Reference is made to the opinion of McKennon Shelton & Henn LLP of even date herewith as counsel to the County with respect to the power of the County to enter into and perform its obligations under the Lease, the authorization, execution and delivery of the Lease by the County and the enforceability of the Lease against the County.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering the opinions specifically expressed herein.

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

We have assumed the accuracy and truthfulness of all public records and of all certifications, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities, and we have not independently verified the accuracy or truthfulness thereof. We have also assumed the genuineness of the signatures appearing upon such public records, certifications, documents and proceedings.

We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

We are qualified to practice law in the State of Maryland, and we do not purport to be experts on, or to express any opinion herein concerning, any law other than the law of the State of Maryland and the federal law of the United States of America.

We express no opinion as to the existence of or title to real or personal property, and we express no opinion as to the perfection, attachment, creation, validity or priority of any lien upon, assignment of, pledge of or security interest in any real or personal property.

We have not reviewed or examined any financial information or other information with respect to the Authority, the County or the Project, and we express no opinion relating thereto. This opinion does not constitute or imply a recommendation of the market or financial value of the Series 2021 Bonds or an assessment of the strength or appropriateness of the covenants by any of the parties to any of the Documents, the possibility of default (other than on account of the invalidity of the Series 2021 Bonds), the eligibility or suitability of the Series 2021 Bonds as an investment, or any other legal or financial aspect of the Series 2021 Bonds not expressly addressed herein.

Based upon, and subject to, the foregoing, and on the basis of existing law, it is our opinion as of the date hereof, that:

(a) The Authority is a validly existing body corporate and politic, an instrumentality of the County and a public corporation, possessing the authority under the Act to issue the Series 2021 Bonds and enter into the Documents.

(b) The Trust Agreement has been duly authorized, executed and delivered by the Authority and, assuming the due authorization, execution and delivery thereof by the Trustee, constitutes the valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms.

(c) The Lease Agreement has been duly authorized, executed and delivered by the Authority and the County and constitutes the valid and binding obligation of the Authority and the County, enforceable against the Authority and the County in accordance with its terms.

(d) The Series 2021 Bonds have been duly and validly authorized, executed and delivered by the Authority and constitute the valid and binding limited obligations of the Authority, enforceable against the Authority in accordance with their terms, payable solely from the moneys and property pledged to their payment under the Trust Agreement, including the Lease Payments to be made by the County under the Lease Agreement.

(e) The Series 2021 Bonds do not constitute a debt of the Authority, the County, the State or any political subdivision thereof within the meaning of any constitutional or statutory limitation. Neither the full faith and credit nor the taxing power of the County, the State or any of its political subdivisions is pledged to the payment of the Series 2021 Bonds or the interest thereon. The Authority has no taxing power.

(f) The obligation of the County to make Lease Payments under the Lease Agreement is subject to appropriation as provided in the Lease Agreement. The County is under no obligation to make appropriation with respect to the Lease Agreement. The Lease Agreement is not a general obligation of the County and does not constitute a debt 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 issuance of the Series 2021 Bonds does not directly, or indirectly, or contingently obligate, morally or otherwise, the County to levy or pledge any form of taxation whatsoever therefor or to make any appropriation for their payment.

(g) By the terms of the Act, the Series 2021 Bonds, the interest thereon, and any gain realized from the sale or exchange thereof, are exempt from all State, municipal and local taxation of any kind or nature in the State, but no opinion is expressed as to estate or inheritance taxes or any other taxes not levied or assessed directly on the Series 2021 Bonds or the interest thereon.

(h) Under current law, interest on the Series 2021 Bonds (i) is excludable from the gross income of the owners of the Series 2021 Bonds for purposes of Federal income taxation under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) is not a specific item of tax preference for purposes of the Federal alternative minimum tax. We express no opinion regarding other Federal tax consequences arising with respect to the Series 2021 Bonds.

In providing the opinions set forth in this paragraph (h), we are assuming continuing compliance with the Covenants (as hereinafter defined) by the Authority and the County. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Series 2021 Bonds in order for interest on the Series 2021 Bonds to be and remain excludable from gross income for purposes of Federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Series 2021 Bonds and the use of the property financed or refinanced by the Series 2021 Bonds, limitations on the source of the payment of and the security for the Series 2021 Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Series 2021 Bonds to the United States Treasury. The certificates of even date herewith executed and delivered by the Authority and the County (collectively, the "Certificates") contain covenants (the "Covenants") under which the Authority and the County have agreed to comply with such requirements. Failure by the Authority or the County to comply with the Covenants could cause interest on the Series 2021 Bonds to become includable in gross income for Federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2021 Bonds from becoming includable in gross income for Federal income tax purposes. We have no responsibility to monitor compliance with the Covenants after the date of issue of the Series 2021 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Certificates, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in the Certificates. We express no opinion concerning any effect on the excludability of interest on the Series 2021 Bonds from gross income for Federal income tax purposes under Section 103 of the Code of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

Our services as Bond Counsel to the County have been limited to rendering the foregoing opinions based on our review of such legal proceedings and other documents as we deem necessary to approve the validity of the Series 2021 Bonds and tax-exempt status of the interest on them. We express no opinion as to the accuracy, completeness or sufficiency of any offering material or information that may have been relied upon by any owner of the Series 2021 Bonds in making a decision to purchase the Series 2021 Bonds. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

The rights of any holder of the Series 2021 Bonds and the enforceability of the Series 2021 Bonds and the Documents are subject to: (i) the exercise of judicial discretion in accordance with general principals of equity (whether applied by a court of law or a court of equity); (ii) the exercise in the future of the sovereign police and taxing powers of the State of Maryland the United States of America; and (iii) bankruptcy, insolvency, reorganization, moratorium or other laws heretofore or hereafter in effect affecting creditors' rights, to the extent constitutionally applicable. Certain indemnity provisions may be unenforceable pursuant to court decisions invalidating such indemnity agreements on grounds of public policy.

Very truly yours,

McGuireWoods LLP



## APPENDIX D

### OFFICIAL NOTICE OF SALE

**\$15,215,000\***

**MONTGOMERY COUNTY REVENUE AUTHORITY**

**Lease Revenue Bonds (Crossvines Project), Series 2021**

**NOTICE IS HEREBY GIVEN** that electronic bids will be received on the date and up to the time specified below:

**SALE DATE:** Thursday, December 2, 2021

**SALE TIME:** 11:00 a.m. Prevailing Eastern Time

**ELECTRONIC BIDS:** Must be submitted through **PARITY®** as described below.

**No other form of bid or provider of electronic bidding services will be accepted.**

Bids will be received for the purchase of all, but not less than all, of the Montgomery County Revenue Authority Lease Revenue Bonds (Crossvines Project), Series 2021 (the “Series 2021 Bonds”) to be issued by the Montgomery County Revenue Authority (the “Authority”). The Series 2021 Bonds are more particularly described in the Preliminary Official Statement dated November 23, 2021, relating to the Series 2021 Bonds (the “Preliminary Official Statement”) available at the County’s website (<http://bonds.montgomerycountymd.gov>), the Authority’s website ([www.mcra-md.com](http://www.mcra-md.com)), or via the internet at <https://www.i-dealprospectus.com/Public>. Prior to accepting bids, the Authority reserves the right to adjust the aggregate principal amount and principal amounts of each maturity of the Series 2021 Bonds being offered, to change the terms of the Series 2021 Bonds, to postpone the sale of the Series 2021 Bonds to a later date, or to cancel the sale of the Series 2021 Bonds based on market conditions.

Consideration of the bids and the award will be made by the Authority on the Sale Date (as set forth above and in the Bidding Parameters Table herein). The Authority also reserves the right to adjust the principal amount of the Series 2021 Bonds offered, to eliminate maturities, or to cancel the sale of the Series 2021 Bonds after the bids are opened as further described herein. See “Adjustment of Amounts and Maturities” and “Change or Cancellation of Sale Date and/or Date of Delivery.”

---

\* Preliminary, subject to change.

## CONTACT INFORMATION

### **MONTGOMERY COUNTY REVENUE AUTHORITY (ISSUER)**

---

101 Monroe Street, Suite 410  
Rockville, Maryland 20850  
Fax: (301) 309-0652

**Keith Miller**, *Chief Executive Officer*

Phone: (301) 762-9080, ext. 101

Email: [kmiller@mcra-md.com](mailto:kmiller@mcra-md.com)

**Michael Boone**, *Chief Financial Officer*

Phone: (301) 762-9080, ext. 103

Email: [mboone@mcra-md.com](mailto:mboone@mcra-md.com)

### **PFM FINANCIAL ADVISORS LLC (FINANCIAL ADVISOR)**

---

1735 Market Street  
Floor 42  
Philadelphia, PA 19103  
Phone: (215) 567-6100  
Fax: (215) 567-4180

**Geoff Stewart**, *Managing Director*

Email: [stewartg@pfm.com](mailto:stewartg@pfm.com)

**Cailin Nappi**, *Senior Analyst*

Email: [nappic@pfm.com](mailto:nappic@pfm.com)

### **MCGUIRE WOODS LLP (BOND COUNSEL)**

---

500 E. Pratt Street, Suite 1000  
Baltimore, MD 21202  
Fax: (410) 659-4599

**Cheryl O'Donnell Guth**

Phone: (410) 659-4420

Email: [cguth@mcguirewoods.com](mailto:cguth@mcguirewoods.com)

### **I-DEAL/PARITY® (ELECTRONIC BIDDING PLATFORM)**

---

**Client Services**

Phone: (212) 849-5024

Email: [parity@i-deal.com](mailto:parity@i-deal.com)

### BIDDING PARAMETERS TABLE\*

INTEREST		PRICING	
Dated Date:	Date of Delivery	Max. Aggregate Bid Price:	115%
Anticipated Date of Delivery**:	December 16, 2021	Min. Aggregate Bid Price:	100%
Interest Payment Dates:	April 1 and October 1		
First Interest Payment Date:	April 1, 2022	Max. Reoffering Price (each maturity):	Unlimited
Coupon Multiples:	1/8 or 1/20 of 1%	Min. Reoffering Price (each maturity):	98.5%
Maximum Coupon:	N/A		
Minimum Coupon:	N/A		
Maximum TIC:	N/A		
Maximum Difference Between Coupons:	3%		
No Zero Coupon may be specified			
PRINCIPAL		PROCEDURAL	
Optional Redemption:	The Series 2021 Bonds maturing on and after October 1, 2032 are subject to redemption prior to maturity at the option of the Authority in whole or in part at any time on or after October 1, 2031 at a redemption price of 100% of the principal amount thereof.	Sale Date: Sale Time:	December 2, 2021 11:00 a.m. Prevailing Eastern Time
Redemption from Net Proceeds of Insurance and Condemnation	Described herein	Bid Submission:	Electronic bids through PARITY® only
Post-bid Principal Increase		All or None?	Yes
Each Maturity:	N/A		
Aggregate:	15%		
Post-bid Principal Reduction		Bid Award Method:	Lowest True Interest Cost (as defined herein)
Each Maturity:	N/A		
Aggregate:	15%		
Term Bonds:	Two or more consecutive annual principal maturities may be designated as a term bond that matures on the maturity date of the last annual principal payment of the sequence.	Confirmation	Fax or PDF via e-mail of signed PARITY® screen
		Awarding of Bid:	On the Sale Date by the Authority
		Good Faith Deposit**:	\$152,150; as more fully described herein. See “Good Faith Deposit.”

\* If numerical or date references contained in the body of this Official Notice of Sale conflict with the Bidding Parameters Table, the Bidding Parameters Table of this Official Notice of Sale shall control. Consult the body of this Official Notice of Sale for a detailed explanation of the items contained in the Bidding Parameters Table, including interpretation of such items and methodologies used to determine such items.

\*\* Preliminary, subject to change.

## BOND AMORTIZATION SCHEDULE

The Series 2021 Bonds will be issued in serial or term bond form as designated by the successful bidder for the Series 2021 Bonds in its proposal, as described below. The principal of the Series 2021 Bonds shall be payable in installments on the dates in the following years and in the following amounts:

### **\$15,215,000\* Lease Revenue Bonds (Crossvines Project), Series 2021**

<b><u>Maturing October 1</u></b>	<b><u>Principal Amount*</u></b>
2022	\$355,000
2023	370,000
2024	390,000
2025	410,000
2026	430,000
2027	455,000
2028	475,000
2029	500,000
2030	525,000
2031	555,000
2032	575,000
2033	595,000
2034	610,000
2035	630,000
2036	650,000
2037	670,000
2038	690,000
2039	710,000
2040	735,000
2041	755,000
2042	780,000
2043	800,000
2044	825,000
2045	850,000
2046	875,000

\*Preliminary, subject to change.

### **THE SERIES 2021 BONDS**

#### **Security**

The Series 2021 Bonds constitute limited obligations of the Authority and are payable solely from the payments made by Montgomery County (the "County") pursuant to a Ground Lease dated as of December 1, 2021 (the "Lease Agreement") and from the other assets pledged under a Trust Agreement as security for the payment thereof. All amounts payable by the County under the Lease Agreement, including the Lease Payments, are subject in each year to appropriation by the County.

#### **Use of Proceeds**

The proceeds of the Series 2021 Bonds will be used to finance and refinance (i) an approximately 7,300 square foot custom winery, including a wine production area, barrel and case storage and outdoor receiving and production space, (ii) an education/events center containing approximately 16,500 square feet, including a banquet area, pre-event space, a multi-purpose room, an á la carte eating area and commercial kitchens (iii) a vineyard, (iv) a surface parking lot, (v) related facilities, and (vi) the costs of issuing the Series 2021 Bonds.

## **Description of the Series 2021 Bonds**

*General.* The Series 2021 Bonds will be dated as of the Date of Delivery (“Dated Date”), expected to be on or about December 16, 2021, and will be in fully registered form in denominations of \$5,000 each and any integral multiple thereof.

Interest on the Series 2021 Bonds will accrue from the Dated Date, and will be payable semiannually on each April 1 and October 1, beginning April 1, 2022, until paid or duly called for redemption at the annual rate or rates specified by the successful bidder, subject to the limitations specified below. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board (“MSRB”). The Series 2021 Bonds will mature on the month and day, in the years and principal amounts shown in the Principal Amortization Schedule, subject in each case to adjustment to the extent permitted in this Official Notice of Sale. See “Adjustments of Amounts and Maturities.”

*Term Bond Option.* Bidders may designate in their proposal two or more consecutive annual principal maturities as a term bond that matures on the maturity date of the last annual principal payment of the sequence. Any term bond so designated shall be subject to mandatory sinking fund redemption in each year on the principal payment date and in the entire principal amount for each annual principal maturity designated for inclusion in such term bond. There is no limitation on the number of term bonds in the Series 2021 Bonds.

*Form of Bonds.* The Series 2021 Bonds shall be issued only in fully registered form without coupons. One bond representing each maturity of the Series 2021 Bonds in principal amount equal to the aggregate principal amount of such maturity will be issued to and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), as registered owner of the Series 2021 Bonds and each such bond shall be immobilized in the custody of DTC. DTC will act as securities depository for the Series 2021 Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the bonds purchased. The winning bidder, as a condition to delivery of the Series 2021 Bonds, must consent that the bond certificates representing each maturity will be deposited with DTC.

So long as the Series 2021 Bonds are maintained under a book-entry only system, the Bond Registrar and Paying Agent for the Series 2021 Bonds will be the U.S. Bank National Association (the “Trustee”) or any other Bond Registrar and Paying Agent designated by the Authority. All payments of the principal of and interest on the Series 2021 Bonds shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

## **Optional Redemption**

The Series 2021 Bonds maturing on or after October 1, 2032 shall be subject to redemption prior to their respective maturities, at the option of the Authority, at any time on or after October 1, 2031, either as a whole or in part, but only upon payment of a redemption price equal to 100% of the principal amount thereof, together with accrued interest thereon to the date fixed for redemption.

## **Redemption From Net Proceeds of Insurance and Condemnation Awards**

The Series 2021 Bonds are also subject to redemption on any Payment Date, in whole or in part, from any insurance proceeds or condemnation award, to the extent remaining after payment therefrom of all expenses incurred in collection thereof with respect to the Project (the “Net Proceeds”), which Net Proceeds are deposited in the Lease Payment Fund and credited towards the prepayment of the Lease Payments made by the County in accordance with the Lease Agreement, at a redemption price equal to the principal amount of the Series 2021 Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium. Nothing in the Lease Agreement, the Trust Agreement or any other document relating to the Project purports to prevent the County from exercising its power of eminent domain with respect to the Project, and such an exercise could result in the redemption of the Series 2021 Bonds without premium at any time.

## **Redemption from Unexpended Proceeds**

The Series 2021 Bonds are subject to redemption prior to maturity in authorized denominations at any time at a redemption price equal to the principal amount thereof plus accrued interest thereon to the date set for redemption, without premium, from unexpended proceeds of the Series 2021 Bonds in accordance with the Trust Agreement.

## **Mandatory Sinking Fund Redemption**

The successful bidder for the Series 2021 Bonds may designate two or more consecutive annual principal maturities as a term bond ("Term Bonds"), in accordance with the section of this Notice of Sale captioned "Term Bond Option" above. Term Bonds shall be subject to mandatory sinking fund redemption by the Authority at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption at the rate stated in the Term Bonds to be redeemed. Each such mandatory sinking fund redemption shall be made on the date on which a sequential maturity included as part of a Term Bond would otherwise have been payable and in the amount of the maturing principal amount of the Series 2021 Bonds of such maturity, determined as described in this Notice of Sale, due on such principal payment date.

## **ADJUSTMENT OF AMOUNT AND MATURITY**

Prior to the Sale Date, the Authority may adjust the preliminary principal amount and/or the maturity of the Series 2021 Bonds as set forth in this Official Notice of Sale (the "Preliminary Amount"). **ANY SUCH REVISIONS MADE PRIOR TO THE OPENING OF THE BIDS** (the "Revised Amount") **WILL BE PUBLISHED ON THOMPSON MUNICIPAL MARKET MONITOR ("TM3") ([www.tm3.com](http://www.tm3.com)) NOT LATER THAN 4:00 P.M., PREVAILING EASTERN TIME, ON THE BUSINESS DAY IMMEDIATELY PRIOR TO THE SALE DATE FOR THE SERIES 2021 BONDS.**

In the event that no such revisions are made prior to the opening of the bids, the Preliminary Amount will constitute the Revised Amount. Bidders shall submit bids based on the Revised Amount, and the Revised Amount will be used to compare bids and select a winning bidder.

After the opening of the bids, the Authority may further adjust the Revised Amount of the Series 2021 Bonds. Changes to be made will be communicated to the successful bidder not later than three (3) hours after the bids have been received and opened and in no case will such changes increase or reduce the Revised Amount of the Series 2021 Bonds by more than 15 percent. It is possible that one or more maturities may be eliminated. The dollar amount bid for principal by the successful bidder will be adjusted proportionally to reflect any increase or reduction in the Revised Amount of the Series 2021 Bonds, but the interest rates specified by the successful bidder will not change. The successful bidder may not withdraw its bid as a result of any changes within these limits. The "Underwriter's Discount" shall be defined as the difference between the purchase price of the Series 2021 Bonds submitted by the bidder and the price at which the Series 2021 Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Series 2021 Bonds bid. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the principal amount of the Series 2021 Bonds. Such adjusted bid price will reflect changes in the dollar amount of the Underwriter's Discount and original issue discount/premium, if any, but will not change the Underwriter's Discount, per \$1,000 of par amount of the Series 2021 Bonds from the Underwriter's Discount that would have been received based on the purchase price in the winning bid and the initial public offering prices.

## **CHANGE OR CANCELLATION OF SALE DATE AND/OR DATE OF DELIVERY AND/OR OTHER REVISED TERMS**

The Authority may cancel or postpone the sale of the Series 2021 Bonds prior to the Sale Date. Notice of a cancellation or postponement will be announced via the TM3wire at [www.tm3.com](http://www.tm3.com). Any new date and time of sale will be announced at least 24 hours prior to the time bids are to be submitted. Such notice will specify the revised principal amount or other revised features, if any.

The Authority may change the scheduled delivery date, or the dates of the semiannual interest payments and principal payment, or revise any other term for the Series 2021 Bonds by notice given in the same manner as that set forth above.

## **PRELIMINARY OFFICIAL STATEMENT; CONTINUING DISCLOSURE**

The Authority has deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC"), except for the omission of certain information permitted to be omitted by said Rule. As soon as practicable after the Sale Date, the Authority will publish a complete final Official Statement (the "Official Statement") that will contain this information. The Authority agrees to deliver to the successful bidder for its receipt no later than seven business days after the Sale Date such quantities of the Official Statement as the successful bidder shall request, provided, that the Authority shall deliver up to 100 copies of such Official Statement without charge to the successful bidder.

The Authority and the County have made certain covenants for the benefit of the holders from time to time of the Series 2021 Bonds to provide certain continuing disclosure, in order to assist bidders for the Series 2021 Bonds in complying with Rule 15c2-12(b)(5) of the SEC. Such covenants are described in the Preliminary Official Statement.

## **ELECTRONIC BIDDING**

### **Bidders may only submit bids via PARITY®**

A prospective bidder may only bid electronically for the Series 2021 Bonds via PARITY® pursuant to this Official Notice of Sale. By submitting its bid for the Series 2021 Bonds, a prospective bidder represents and warrants to the Authority that such bidder's bid for the purchase of the Series 2021 Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase of the Series 2021 Bonds.

Additional information concerning bidding through the system may be directed to the PARITY® Help Desk at (212) 849-5021.

*Disclaimer.* Each prospective electronic bidder shall be solely responsible to register to bid via PARITY as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Authority nor PARITY® shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Authority nor PARITY® shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY®. The Authority is using PARITY® as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Series 2021 Bonds. The Authority is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Official Notice of Sale and in particular the "Bid Submissions" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via PARITY® are the sole responsibility of the bidders; and the Authority is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in registering to bid or submitting, modifying or withdrawing a bid for the Series 2021 Bonds, such bidder should telephone PARITY® New Issues Desk at (212) 849-5021 and notify the Authority's Financial Advisor, Geoff Stewart or Cailin Nappi at [stewartg@pfm.com](mailto:stewartg@pfm.com) or [nappic@pfm.com](mailto:nappic@pfm.com), respectively, or at (215) 567-6100.

### **Electronic Bidding Procedures**

Electronic bids must be submitted for the purchase of the Series 2021 Bonds (all or none) via PARITY®. Bids will be communicated electronically to the Authority at **11:00 a.m.** Prevailing Eastern Time, on Thursday, December 2, 2021. Prior to that time, an eligible prospective bidder may (1) input the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Series 2021 Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the Authority, each bid will constitute an irrevocable offer to purchase the Series 2021 Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their bids the true interest cost to the Authority, as described under "AWARD OF BID" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

### **Bid Submissions**

Each bid must be in conformity with this Official Notice of Sale.

All bids must be delivered to the Authority via PARITY®, before **11:00 a.m.**, Prevailing Eastern Time, on December 2, 2021, at which time they will be received by the Authority. As described below, the Authority reserves the right to postpone the date for receipt of bids.

### **Right of Rejection**

The Authority expressly reserves the right (i) to waive any informalities, (ii) to reject all bids, any incomplete bid or any bid not fully complying with all of the requirements set forth herein, and (iii) to solicit new bids or proposals for the sale of the Series 2021 Bonds or otherwise provide for the public sale of the Series 2021 Bonds if all bids are rejected or the winning bidder defaults, including, without limitation, sale of the Series 2021 Bonds to one or more of the losing or rejected bidders without regard to their original bid or its relationship to any other bid.

## PRELIMINARY AWARD; REOFFERING PRICE AND CERTIFICATE

As promptly as reasonably practicable after the bids are received and reviewed, but not later than **12:30 p.m.** Prevailing Eastern Time on the Sale Date (unless bids have been postponed), the Authority will notify the apparently successful bidder of the Preliminary Award of the Series 2021 Bonds. The successful bidder shall make a bona fide public offering of all of the Series 2021 Bonds and shall represent to the Authority that such offering is in compliance with all applicable securities laws of the jurisdictions in which such Series 2021 Bonds are offered. **Within 30 minutes after being notified of the Preliminary Award of the Series 2021 Bonds, the successful bidder shall advise the Authority in writing (via facsimile or e-mail transmission) to Geoff Stewart or Cailin Nappi at [stewartg@pfm.com](mailto:stewartg@pfm.com) or [nappic@pfm.com](mailto:nappic@pfm.com), respectively, of such reoffering price of the Series 2021 Bonds (the “Reoffering Price”). The Authority will review the Reoffering Price for compliance with applicable securities laws prior to final confirmation of the award.**

The apparent successful bidder will also be required to wire to the Authority a Good Faith Deposit as further described herein. Timely notification of the Final Award is subject to the Authority’s receipt of the Good Faith Deposit.

### Establishment of Issue Price

The successful bidder shall assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A-1 or Exhibit A-2, as applicable, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the Authority and Bond Counsel. All actions to be taken by the Authority under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority’s financial advisor identified herein and any notice or report to be provided to the Authority may be provided to the Authority’s financial advisor.

The Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the Authority shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Authority may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Authority anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

By submitting a bid, each bidder (i) confirms that its bid is a firm offer for the purchase of the Bonds identified in this Notice of Sale, on the terms set forth in its bid and this Notice of Sale, except as permitted by this Notice of Sale and (ii) represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

In the event that the competitive sale requirements are not satisfied, the Authority shall so advise the successful bidder. The Authority may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The successful bidder shall advise the Authority if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Authority shall promptly advise the successful bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Authority determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.



By submitting a bid, the successful bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the successful bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The successful bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds, the successful bidder agrees to promptly report to the Authority the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

The Authority acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to

participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Bonds are awarded by the Authority to the successful bidder.

### **AWARD OF BID**

The Authority expects to make its award of the Series 2021 Bonds to the winning bidder on the Sale Date. It is anticipated that all bids will be reviewed by the Authority at the time stated above and will be acted on following the opening, tabulation and verification of the bids received. The decision by the Authority as to the award of the Series 2021 Bonds will be final. Bids may not be withdrawn prior to the award.

All bids shall be for cash on delivery and shall be based on an offering to pay not less than 100% of the par value of the Series 2021 Bonds. Each bidder shall indicate in its bid the rate of interest to be paid on the Series 2021 Bonds. The rate of interest shall be a multiple of 1/8 or 1/20 of one percent. A zero rate may not be named.

The Series 2021 Bonds will be awarded by the Authority on the Sale Date to the bidder whose bid complies with this Official Notice of Sale and results in the lowest true interest cost (“TIC”) to the Authority. The lowest TIC will be determined by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments from the payment dates to the Dated Date of the Series 2021 Bonds and to the amount bid for the Series 2021 Bonds. If two or more responsible bidders have made bids resulting in the same lowest TIC to the Authority, the Series 2021 Bonds shall be awarded by lot to one of these bidders.

### **GOOD FAITH DEPOSIT**

A Good Faith Deposit in the amount of \$152,150 is required only of the winning bidder for the Series 2021 Bonds. The winning bidder for the Series 2021 Bonds is required to submit such Good Faith Deposit payable to the order of the Authority in the form of a wire transfer in federal funds as instructed by the Authority’s Financial Advisor, PFM Financial Advisors LLC. The winning bidder shall submit the Good Faith Deposit not later than 2:00 p.m., Prevailing Eastern Time on the Sale Date. The winning bidder should provide as quickly as it is available, evidence of wire transfer by providing the Authority the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the winning bidder may be rejected and the Authority may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Series 2021 Bonds to the same. If the winning bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the Authority the sum of \$152,150 as liquidated damages due to the failure of the winning bidder to timely deposit the Good Faith Deposit.

### **Submission of a bid to purchase the Series 2021 Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.**

The Good Faith Deposit so wired will be retained by the Authority until the delivery of the Series 2021 Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Series 2021 Bonds or the Good Faith Deposit will be retained by the Authority as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Series 2021 Bonds in compliance with the terms of this Official Notice of Sale and of its bid. No interest on the Good Faith Deposit will be paid by the Authority. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum simultaneously with delivery of the Series 2021 Bonds.

## **DELIVERY AND PAYMENT**

Delivery of the Series 2021 Bonds will be made by the Authority to DTC in book-entry only form, in New York, New York on or about the anticipated Date of Delivery, or on or about such other date as may be agreed on by the Chief Financial Officer and the successful bidder.

At the time of delivery of the Series 2021 Bonds, payment of the amount due for the Series 2021 Bonds must be made by the successful bidder to the order of the Authority immediately available in federal funds or other funds immediately available to the Authority, or by such other means as may be acceptable to the Chief Financial Officer. Any expense incurred in providing immediately available funds, whether by transfer of federal funds or otherwise, shall be borne by the successful bidder.

### **CUSIP Numbers; Expenses of the Bidder**

It is anticipated that CUSIP identification numbers will be applied for by the County's Financial Advisor, PFM Financial Advisors LLC and assigned to the Series 2021 Bonds, but neither the failure to type or print such number on any of the Series 2021 Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2021 Bonds. The policies of the CUSIP Service Bureau will govern the assignment of a specific number to the Series 2021 Bonds. All expenses of typing or printing CUSIP numbers for the Series 2021 Bonds will be paid for by the Authority; provided the CUSIP Service Bureau charges for the assignment of the numbers shall be the responsibility of and shall be paid for by the successful bidder.

All charges of DTC and all other expenses of the successful bidder will be the responsibility of the successful bidder for the Series 2021 Bonds.

## **TAX STATUS, LEGAL OPINIONS, CLOSING DOCUMENTS AND NO LITIGATION**

The approving legal opinion of McGuireWoods LLP, Baltimore, Maryland, Bond Counsel, will be furnished without cost to purchasers of the Series 2021 Bonds. A summary description of the tax treatment of the Series 2021 Bonds is contained in the Preliminary Official Statement under the heading "TAX MATTERS." The proposed form of legal opinion of bond counsel is attached as Appendix C to the Preliminary Official Statement.

## **ADDITIONAL INFORMATION**

This Official Notice of Sale is not a summary of the terms of the Series 2021 Bonds. Reference is made to the Preliminary Official Statement for a further description of the Series 2021 Bonds and the Authority. Prospective investors or bidders for the Series 2021 Bonds must read the entire Preliminary Official Statement to obtain information essential to making an informed investment decision. The Preliminary Official Statement is deemed final by the Authority as of its date for purposes of the Rule but is subject to revision, amendment and completion in a final Official Statement. Additional information concerning the matters discussed in this Official Notice of Sale and copies of the Preliminary Official Statement may be obtained online or by request from Michael Boone, the Authority's Chief Financial Officer, at (301) 762-9080, ext. 103 or from Geoff Stewart or Cailin Nappi at [stewartg@pfm.com](mailto:stewartg@pfm.com) or [nappic@pfm.com](mailto:nappic@pfm.com), respectively, or at (215) 567-6100.

KEITH MILLER  
*Chief Executive Officer*

MICHAEL BOONE  
*Chief Financial Officer*

**\$15,215,000\***  
**Montgomery County Revenue Authority**  
**Lease Revenue Bonds (Crossvines Project), Series 2021**

**ISSUE PRICE CERTIFICATE**  
**(Qualified Competitive Bid)**

The undersigned, on behalf of [NAME OF PURCHASER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Issuer* means Montgomery County Revenue Authority.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is December 2, 2021.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the Federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for Federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other Federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as Purchaser

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2021

---

\* Preliminary, subject to change.

## SCHEDULE A

### Expected Offering Prices of the Bonds

SCHEDULE B

Copy of Bid

**\$15,215,000\***  
**Montgomery County Revenue Authority**  
**Lease Revenue Bonds (Crossvines Project), Series 2021**

**ISSUE PRICE CERTIFICATE**  
**(Nonqualified Competitive Bid)**

The undersigned, on behalf of [NAME OF PURCHASER] (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the 10% Maturities.*** As of the date of this Certificate, for each Maturity of the 10% Maturities Bonds, the first price at which a Substantial Amount of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Undersold Maturities.***

(a) Each Underwriter offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule B (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule C.

(b) As set forth in the Notice of Sale and bid award, each Underwriter has agreed in writing that, (i) for each Maturity of the Undersold Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so (the “hold the price rule”) and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker dealer who is a party to the retail distribution agreement, to comply with the hold the price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms.***

(a) *10% Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the “10% Maturities.”

(b) *Issuer* means Montgomery County Revenue Authority.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2021), or (ii) the date on which the Purchaser has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related

---

\* Preliminary, subject to change.

party” for purposes of this Certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is December 2, 2021.

(g) *Substantial Amount* means ten percent (10%).

(h) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule B hereto as the “Undersold Maturities.”

(i) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage Certificate and Tax Covenants and with respect to compliance with the Federal income tax rules affecting the Bonds, and by McGuireWoods LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for Federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other Federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

[NAME OF PURCHASER], as  
Purchaser

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2021



SCHEDULE A

Sale Prices of the 10% Maturities

## SCHEDULE B

### Initial Offering Prices of the Undersold Maturities

## SCHEDULE C

### Pricing Wire

[ THIS PAGE INTENTIONALLY LEFT BLANK ]

**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

[ THIS PAGE INTENTIONALLY LEFT BLANK ]

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “*Disclosure Agreement*”) is executed and delivered by the Montgomery County Revenue Authority (the “*Authority*”), Montgomery County, Maryland (the “*County*”) and U.S. Bank National Association, solely as dissemination agent for the Authority (in such capacity, the “*Dissemination Agent*”), in connection with the issuance of \$15,940,000 Lease Revenue Bonds (Crossvines Project), Series 2021 (the “*Bonds*”). The Authority, the County and the Dissemination Agent covenant and agree as follows:

*Section 1. Purpose of the Disclosure Agreement.* This Disclosure Agreement is being executed and delivered by the Authority, the County and the Dissemination Agent for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters of the Bonds in complying with the Rule.

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

“*ACFR*” shall mean the County’s Annual Comprehensive Financial Report.

“*Beneficial Owner*” shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or dispose of ownership of, any Bond including persons holding Bonds through nominees or depositories.

“*Disclosure Representative*” shall mean (i) in the case of the Authority, the Chief Executive Officer of the Authority or his or her designee, or such other officer or employee as the Authority shall designate in writing to the Dissemination Agent from time to time and (ii) in the case of the County, the Director of Finance of the County or his or her designee, or such other officer or employee as the County shall designate in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” shall mean U.S. Bank National Association, acting in such capacity on behalf of the Authority and the County or such successor dissemination agent as the Authority or the County, as applicable, may appoint.

“*Financial Obligation*” shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. If the definition of “financial obligation” in the Rule is amended, the same amendment shall be deemed to be made to the definition of Financial Obligation in this Disclosure Agreement, without further action by the parties.

“*Listed Events*” shall mean any of the events listed in Section 5(a) or (b) or Section 6(a) of this Disclosure Agreement.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Authority to receive reports pursuant the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“*Official Statement*” shall mean the Authority’s Official Statement dated December 2, 2021, relating to the Bonds.

“*Participating Underwriter*” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, any successor provisions of similar

import promulgated by the Securities and Exchange Commission in the future, and any applicable no-action letters and other authoritative interpretations of Rule 15c2-12 released by the Securities and Exchange Commission.

“*Trust Agreement*” means the Trust Agreement dated as of December 1, 2021, by and between the Authority and U.S. Bank National Association, as trustee, as amended and supplemented from time to time.

*Section 3. County’s Provision of Annual Financial Information, Operating Data and Audited Information.*

(a) The County shall provide its ACFR to the Authority within 275 days after the end of the County’s fiscal year, commencing with the fiscal year ended June 30, 2021, for inclusion in the Authority’s annual filing with the Dissemination Agent and the MSRB pursuant to Section 4 hereof. The annual filing of financial information and operating data shall identify the Bonds by name and CUSIP numbers.

(b) In the event the County’s ACFR is not available within 275 days after the end of the County’s fiscal year, commencing with the fiscal year ended June 30, 2021, the ACFR will be provided promptly when and if available. In the event that the ACFR is not available within 275 days after the end of the County’s fiscal year (commencing with the fiscal year ended June 30, 2021), the County will provide the Authority with unaudited financial statements within such time period.

(c) The presentation of the financial information referred to in subsections (a) and (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 Official Statement.

(d) If the County is unable to provide the annual financial information and operating data with the applicable periods specified in subsections (a) and (b) above, the County shall send in a timely manner a notice of such failure to the MSRB and a copy of such notice to the Authority and the Authority will provide a copy of such notice to the Dissemination Agent.

*Section 4. Authority’s Provision of Annual Financial Information.*

(a) Not later than five (5) Business Days after receipt of the County’s financial information and operating data specified in Section 3(a) or (b), the Authority shall deliver to the Dissemination Agent the County’s information so received. The Dissemination Agent shall have no obligation to file a notice with the MSRB if the Authority fails to provide the Dissemination Agent with the documents described in Section 4(a).

(b) Not later than five (5) Business Days after each delivery by the Authority specified in subsection (a) above, the Dissemination Agent shall deliver to the MSRB the information so delivered.

(c) The Dissemination Agent shall have no obligation to examine the content of any information delivered to it pursuant to this Section 4 except to determine that each such information appears on its face to be what it purports to be.

*Section 5. Authority’s Reporting of Listed Events.*

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, not later than ten Business Days after the occurrence of the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;



4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions or issuance by the Internal Revenue Service of a proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Bonds;
6. tender offers;
7. defeasances;
8. rating changes;
9. bankruptcy, insolvency, receivership or similar event of the Authority; or
10. default, event of acceleration, termination event, modification of terms or other similar events under the terms of any Financial Obligation of the Authority, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events, not later than ten Business Days after the occurrence of the event, if material:

1. non-payment related defaults;
2. other notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax-exempt status of the Bonds;
3. modifications to rights of the holders and Beneficial Owners of the Bonds;
4. Bond calls (other than sinking fund redemptions);
5. release, substitution or sale of property securing repayment of the Bonds;
6. appointment of a successor or additional trustee or change in the name of the trustee for the Bonds; or
7. incurrence of a Financial Obligation of the Authority or agreement by the Authority to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect the holders and Beneficial Owners of the Bonds.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event specified in subsection (b), the Authority shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Authority has determined that the occurrence of a Listed Event specified in subsection (b) would be material under applicable federal securities laws, the Authority shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (e).

(e) If the Dissemination Agent has been instructed by the Authority to report the occurrence of a Listed Event specified in subsection (b) of this Section 5, the Dissemination Agent shall file a notice of such occurrence in electronic format with the MSRB, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of a Listed Event relating to Bond calls or tender offers need not be given under this subsection any earlier than is required in the Trust Agreement.

*Section 6. County's Reporting of Listed Events.*

(a) Pursuant to the provisions of this Section 6, the County shall give, or cause to be given, notice of the occurrence of any of the following events:

1. bankruptcy, insolvency, receivership or similar event of the County;
2. 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;
3. incurrence of a Financial Obligation of the County or agreement by the County to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which has a material adverse effect on the holders and Beneficial Owners of the Bonds; or
4. default, event of acceleration, termination event, modification of terms or other similar events under the terms of any Financial Obligation of the County, any of which reflect financial difficulties.

(b) Whenever the County obtains knowledge of the occurrence of a Listed Event specified in subsection (a) of this Section 6, the County shall promptly notify the Authority in writing. The Authority will provide notice and instructions to the Dissemination Agent to report the occurrence pursuant to subsection (c).

(c) If the Dissemination Agent has been instructed by the Authority to report the occurrence of a Listed Event specified in subsection (b), the Dissemination Agent shall file a notice of such occurrence in electronic format with the MSRB, accompanied by such identifying information as is prescribed by the MSRB.

*Section 7. Disclosure Representation.* Each of the Authority and the County represents and warrants that, except as disclosed in the Official Statement, it is in material compliance with its undertakings in the continuing disclosure agreements previously entered into by it in connection with its bond financing programs.

*Section 8. Termination of Reporting Obligation.* The obligations of the Authority and the County under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority and the Dissemination Agent shall give notices of such termination in the same manner as for a Listed Event under Section 4. 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 Bonds within the meaning of the Rule.

*Section 9. Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Agreement, the Authority, the County and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment which does not adversely affect the Dissemination Agent), and any provision of this Disclosure Agreement may be waived as follows:

(a) if the amendment or waiver relates to the provisions of Section 3, 4, 5 or 6, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, as set forth in a written opinion of nationally recognized bond counsel;

(b) if this Disclosure Agreement, as amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance

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

(c) if the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders and Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Authority shall describe such amendment in a Listed Events filing, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver. In the event any amendment of this Disclosure Agreement relates to a change in the annual financial information being provided by the County pursuant to Section 3, the County shall describe such amendment in its next annual report, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County.

*Section 10. Additional Information.* Nothing in this Disclosure Agreement shall be deemed to prevent the Authority or 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 (b) or Section 4 hereof or notice of a Listed Event pursuant to Section 5 or Section 6 hereof, in addition to that which is required by this Disclosure Agreement. If the Authority or the County chooses to include any information in any disclosure made pursuant to Section 3(a) or (b) or Section 4 or notice of the occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, neither the Authority nor the County, as applicable, shall have any obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3(a) or (b) or Section 4 hereof or notice of the occurrence of a Listed Event.

*Section 11. Default.* In the event of a failure of the Authority or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee or any holder or Beneficial Owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Authority or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. Notwithstanding the foregoing, the Trustee shall be required to take any such action if so requested by the holders or Beneficial Owners of at least 25% aggregate principal amount of Outstanding Bonds. In the event of a failure by the County to comply with any provision of this Disclosure Agreement, the Authority may take actions as may be permitted by law and the authority deems are necessary and appropriate to cause the County to comply with its obligations under this Disclosure Agreement.

A default under this Disclosure Agreement shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority, the County or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

*Section 12. Limitation on Remedies and Forum.*

(a) The Authority shall be given written notice at the address set forth below of any claimed failure by the Authority to perform its obligations under this Disclosure Agreement and the Authority shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to an such claimed failure by the Authority shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Any such proceeding seeking redress with regard to any claimed failure by the Authority to perform its obligations under this Disclosure Agreement must be filed in the Circuit Court for Montgomery County, Maryland.

(b) 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 an such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Any such 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 13. Relationship to Bonds.* This Disclosure Agreement constitutes an undertaking by the County that is independent of the County's obligations with respect to making the Lease Payments used to pay the Bonds.

*Section 14. Scope of Agreement.*

(a) The disclosure obligations under this Disclosure Agreement relate solely to the Bonds. Such disclosure obligations are not applicable to any other securities issued or to be issued by the Authority or the County.

(b) The Dissemination Agent shall have no obligation to make disclosure about the Bonds or any other matter except as expressly provided herein. The fact that U.S. Bank National Association, acting in a separate capacity, or any affiliate of the Dissemination Agent may have any fiduciary, banking or other relationship with the Authority or the County or any person with whom the Authority or the County contracts in connection with the Bonds, apart from the relationship created by this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except in its capacity as Dissemination Agent hereunder or except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement.

(c) Neither this Disclosure Agreement nor the performance by the Dissemination Agent, the Authority or the County of its obligations hereunder, creates any third party beneficiary rights other than the rights of the holders or Beneficial Owners from time to time of the Bonds. This Disclosure Agreement may not be enforced by any third party other than the holders or Beneficial Owners from time to time of the Bonds and the Trustee and shall not constitute a basis for a claim by any person except as expressly provided herein.

(d) Nothing in this Disclosure Agreement shall be construed to mean or imply that the Dissemination Agent is an "obligated person" with respect to the Bonds pursuant to the provisions of the Rule.

*Section 15. Dissemination Agent.* Each of the Authority and the County may, from time to time, appoint or engage another 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, or any successor thereof, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Authority and the County and the holders of the Bonds, specifying the date when such resignation shall take effect. Such resignation shall take effect upon the date a successor shall have been appointed by the Authority and the County or, if no successor shall have been appointed, the date that is sixty (60) days after the date of the notice of resignation. Any company into which the Dissemination Agent may be merged or with which it may be consolidated or any company resulting from any merger or consolidation to which it shall be a party or any company to which such Dissemination Agent may sell or transfer all or substantially all of its municipal corporate trust business, shall be the successor to such Dissemination Agent, without any further act or deed.

*Section 16. Duties, Immunities and Liabilities of Dissemination Agent; Disclaimer.*

(a) The provisions of Article IX of the Trust Agreement is hereby made applicable to the duties, immunities and liabilities of the Dissemination Agent under this Disclosure Agreement.

(b) The Dissemination Agent shall be entitled to add to, or include in, any reports or notices made public by it under this Disclosure Agreement, a disclaimer with respect to the source of the information contained in, the identity of the party responsible for compiling or preparing, such reports or notices and that the Dissemination Agent, has made no investigation and makes no representation as to the accuracy, completeness or need to disclose this information.

(c) The Dissemination Agent has no power to enforce performance or nonperformance on the part of the Authority or the County. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority or the County pursuant to this Disclosure Agreement.

(d) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent that the Dissemination Agent is required under the terms of this Disclosure Agreement to report any information, it is only required to report information that it receives from the Authority or the County in the form in which it is received, and the Dissemination Agent shall be under no responsibility or duty with respect to the accuracy and content of the information which it receives. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Authority, the County, the Beneficial Owners or any other party. Nothing in this Disclosure Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning any information made public. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the Authority or the County, as applicable for response. The Dissemination Agent shall have no responsibility for the Authority's or the County's failure to deliver notice of a Listed Event to the Dissemination Agent and shall have no duty to determine whether a Listed Event has occurred or to determine the materiality of any event. The Dissemination Agent may conclusively rely upon certifications of the Authority or the County at all times. Receipt by the Dissemination Agent of the information required to be disclosed hereunder shall not, in and of itself, constitute constructive or actual notice on the part of the Dissemination Agent or the Bond Trustee of any information contained therein or determinable from information contained therein. The Authority and the County agree to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its duties hereunder, including the costs and expenses (including reasonable attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence, misconduct or default. The obligations of the Authority and the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

*Section 17. Compensation of Dissemination Agent.* The Dissemination Agent shall be compensated for services rendered and expenses incurred by it in accordance with this Disclosure Agreement as determined between the Authority and the Dissemination Agent.

*Section 18. Severability.* In case any section or provision of this Disclosure Agreement or any covenant, stipulation, obligation, agreement, or actions, 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 actions, 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 herein.

*Section 19. Entire Agreement.* This Disclosure Agreement contains the entire agreement of the Authority, the County and the Dissemination Agent with respect to the subject matter hereof and supersedes all prior arrangements and understanding 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 20. Notices.* Any notices or communications to or between any of the parties to this Disclosure Agreement may be given as follows:

To the Authority:           Montgomery County Revenue Authority  
Executive Office Building  
101 Monroe Street, 4<sup>th</sup> Floor  
Rockville, MD 20850  
Attention: Chief Executive Officer

To the County:           Montgomery County, Maryland  
15th Floor, Executive Office Building  
101 Monroe Street  
Rockville, MD 20850  
Attention: Director of Finance

To the Dissemination Agent:   U.S. Bank National Association  
James Center III  
1051 East Cary Street, Suite 600  
Richmond, Virginia 23219  
Attention: Global Corporate Trust

*Section 21.       Governing Law.* This Disclosure Agreement and any claim made with respect to the Authority, the County or the Dissemination Agent of their respective obligations hereunder shall be governed by, and subject to and construed in accordance with the federal securities laws, where applicable, and the laws of the State of Maryland, without further reference to the choice of law principles thereof.

*Section 22.       Binding Effect; Beneficiaries.* This Disclosure Agreement shall be binding upon the Authority, the County and the Dissemination Agent and their respective successors and assigns and shall inure solely to the benefit of the Authority, the Dissemination Agent and the holders and the Beneficial Owners from time to time of the Bonds and their respective successors and assigns, and shall create no rights in any other person or entity.

*Section 23.       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 24.       Counterparts.* This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: December \_\_, 2021

MONTGOMERY COUNTY REVENUE AUTHORITY

By: \_\_\_\_\_  
Chief Executive Officer

MONTGOMERY COUNTY, MARYLAND

By: \_\_\_\_\_  
Director of Finance

U.S. BANK NATIONAL ASSOCIATION,  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer