

OFFICIAL STATEMENT DATED MAY 1, 2012

In the opinion of McKennon Shelton & Henn LLP, Bond Counsel, under existing law, interest on the Series 2012 Bonds and profit realized from their sale or exchange will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Series 2012 Bonds, their transfer or the interest therefrom. Assuming compliance with certain covenants described herein, under existing statutes, regulations and decisions, interest on the Series 2012 Bonds will be excludable from gross income for federal income tax purposes. Interest on the Series 2012 Bonds for federal income tax purposes will not be includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment; however, interest on the Series 2012 Bonds will be taken into account in determining "adjusted current earnings" for purposes of computing the alternative minimum tax for corporations, and interest on the Series 2012 Bonds will be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States of America. See "Tax Matters."

**NEW ISSUE
Book-Entry Only**

RATINGS: Fitch AA
Moody's Aa2
(See "RATINGS")

\$24,190,000
MONTGOMERY COUNTY, MARYLAND
Parking System Project Revenue Bonds
(Bethesda Parking Lot District)
Series 2012A

\$13,750,000
MONTGOMERY COUNTY, MARYLAND
Parking System Refunding Revenue Bonds
(Bethesda Parking Lot District)
Series 2012B

Dated: Date of Initial Delivery

Due: As shown on inside front cover

The Parking System Project Revenue Bonds (Bethesda Parking Lot District) Series 2012A (the "Series 2012A Bonds") and the Parking System Refunding Revenue Bonds (Bethesda Parking Lot District) Series 2012B (the "Series 2012B Bonds" and together with the Series 2012A Bonds, the "Series 2012 Bonds") are being issued by Montgomery County, Maryland (the "County") in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Series 2012 Bonds initially will be maintained under a book-entry system under which The Depository Trust Company, New York, New York ("DTC"), will act as securities depository. Purchases of the Series 2012 Bonds will be in book-entry form only. Interest on the Series 2012 Bonds from the date of delivery is payable on December 1, 2012 (approximately six and one-half months), and semiannually thereafter on each June 1 and December 1.

The Series 2012A Bonds are being issued to finance and refinance the costs of a parking garage in the County located in Bethesda, Maryland (the "Bethesda Parking Lot District"). The Series 2012B Bonds are being issued to refund all of the County's outstanding Parking Revenue Bonds (Bethesda Parking Lot District), Series 2002A maturing on and after June 1, 2013. The Series 2012 Bonds will be limited obligations of the County payable solely from the revenues of the Bethesda Parking Lot District. The Series 2012 Bonds are secured equally and ratably with certain parking revenue bonds previously issued by the County that are secured by the revenues of the Bethesda Parking Lot District. See "Security and Sources of Payment for the Series 2012 Bonds" and "The Bethesda Parking Lot District."

The Series 2012 Bonds are not a debt of the State of Maryland or any political subdivision thereof, including the County within the meaning of any constitutional, charter or statutory debt limit or restriction. Neither the full faith and credit nor the taxing power of the State of Maryland or any political subdivision thereof, including the County, is pledged to the payment of the Series 2012 Bonds.

The Series 2012A Bonds are subject to optional redemption prior to their respective maturities. The Series 2012B Bonds are not subject to optional redemption prior to their respective maturities. See "The Series 2012 Bonds -- Optional Redemption."

FOR MATURITY SCHEDULE SEE INSIDE FRONT COVER

The Series 2012 Bonds are offered for delivery when, as and if issued, subject to the approving legal opinion of McKennon Shelton & Henn LLP, Bond Counsel, and other conditions specified in the official Notice of Sale for the Series 2012 Bonds. It is expected that the Series 2012 Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about May 16, 2012.

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.

\$24,190,000
MONTGOMERY COUNTY, MARYLAND
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(Bethesda Parking Lot District)
Series 2012A

\$13,750,000
MONTGOMERY COUNTY, MARYLAND
Parking System Refunding Revenue Bonds
(Bethesda Parking Lot District)
Series 2012B

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIPS

\$24,190,000 Parking System Project Revenue Bonds (Bethesda Parking Lot District) Series 2012A

<u>Maturing June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturing June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2015	\$ 950,000	4.00%	0.69%	613361GW8	2024	\$1,375,000	3.00%	2.56%*	613361HF4
2016	990,000	4.00	0.87	613361GX6	2025	1,420,000	3.00	2.80*	613361HG2
2017	1,025,000	4.00	1.05	613361GY4	2026	1,460,000	3.00	2.92*	613361HH0
2018	1,070,000	5.00	1.25	613361GZ1	2027	1,505,000	3.00	3.00	613361HJ6
2019	1,120,000	5.00	1.47	613361HA5	2028	1,550,000	3.00	3.05	613361HK3
2020	1,175,000	5.00	1.70	613361HB3	2029	1,595,000	3.00	3.13	613361HL1
2021	1,235,000	5.00	1.93*	613361HC1	2030	1,645,000	3.00	3.19	613361HM9
2022	1,300,000	3.00	2.18*	613361HD9	2031	1,695,000	3.125	3.25	613361HN7
2023	1,335,000	3.00	2.42*	613361HE7	2032	1,745,000	3.250	3.31	613361HP2

\$13,750,000 Parking System Project Refunding Revenue Bonds (Bethesda Parking Lot District) Series 2012B

<u>Maturing June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>	<u>Maturing June 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
2013	\$1,295,000	2.00%	0.40%	613361HQ0	2018	\$1,575,000	5.00%	1.25%	613361HV9
2014	1,345,000	3.00	0.50	613361HR8	2019	1,655,000	5.00	1.47	613361HW7
2015	1,385,000	4.00	0.69	613361HS6	2020	1,735,000	5.00	1.70	613361HX5
2016	1,440,000	4.00	0.87	613361HT4	2021	1,820,000	5.00	1.93	613361HY3
2017	1,500,000	5.00	1.05	613361HU1					

The rates shown above are the interest rates payable by the County resulting from the successful bid for the Series 2012 Bonds by Janney Montgomery Scott LLC (the "Successful Bidder") at public sale on May 1, 2012. The yields or prices shown above were furnished by the Successful Bidder. Any additional information concerning the reoffering of the Series 2012 Bonds should be obtained from the Successful Bidder and not from the County.

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

* Yield to June 1, 2020, the first optional call date on the Series 2012A Bonds.

TABLE OF CONTENTS

INTRODUCTION	1
ESTIMATED SOURCES AND USES OF FUNDS	3
THE SERIES 2012 BONDS.....	3
General.....	3
Book-Entry Only System.....	3
Optional Redemption	6
Selection of Series 2012A Bonds for Redemption	6
Notice of Redemption.....	6
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 BONDS.....	7
General.....	7
Pledge of Net Revenues	7
Rate Covenant.....	8
Reserve Account.....	10
Additional Bonds.....	10
Amendments to Order.....	10
THE COUNTY	11
Montgomery County Department of Transportation	11
Montgomery County Parking Lot Districts	11
THE BETHESDA PARKING LOT DISTRICT	12
General.....	12
The 2012 Project	12
Map of Bethesda Parking District.....	12
Physical Condition of the Bethesda Parking Lot District	14
Management of the Bethesda Parking Lot District.....	14
Bethesda Central Business District	15
Parking Capital Improvements Program	16
Competition	16
REVENUE SOURCES OF THE BETHESDA PARKING LOT DISTRICT	17
General.....	17
Outstanding Bethesda Parity Bonds.....	25
TAX MATTERS	27
Maryland Income Taxation.....	27
Federal Income Taxation	27
Certain Other Federal Tax Consequences.....	28
Tax Accounting Treatment of Discount Bonds	28
Purchase, Sale and Retirement of Series 2012 Bonds	29
Market Discount	29
Amortizable Bond Premium	30
Legislative Developments.....	30
CERTAIN LEGAL MATTERS	30
LITIGATION	31
LEGALITY FOR INVESTMENT	31
RATINGS	31
FINANCIAL ADVISOR	32
CERTIFICATE OF COUNTY OFFICIALS	32
CONTINUING DISCLOSURE.....	32
MISCELLANEOUS.....	32
AUTHORIZATION OF OFFICIAL STATEMENT.....	33
Appendix A -- Definitions of Certain Terms and Summaries of Legal Documents	
Appendix B -- Proposed Form of Continuing Disclosure Agreement	
Appendix C -- Proposed Form of Opinion of Bond Counsel	
Appendix D -- Information Regarding Refunded Bonds	

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Series 2012B



No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representation other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2012 Bonds by any person in any jurisdiction in which it is not lawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the County and other sources which are deemed to be reliable but is not guaranteed as to accuracy or completeness.

No quotations from or summaries or explanations of provisions of laws or documents herein purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or owners of any of the Series 2012 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, the inside front cover and the appendices attached hereto are part of this Official Statement.

THE SERIES 2012 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE ORDER (AS DEFINED HEREIN) BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE SERIES 2012 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Official Statement contains statements relating to future events that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect,” “project” and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

**MONTGOMERY COUNTY, MARYLAND
OFFICIAL ROSTER OF COUNTY OFFICIALS**

COUNTY EXECUTIVE

Isiah Leggett

COUNTY COUNCIL

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

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

APPOINTED OFFICIALS

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

BOND COUNSEL

McKennon Shelton & Henn LLP
Baltimore, Maryland

INDEPENDENT PUBLIC ACCOUNTANTS

CliftonLarsonAllen LLP
Timonium, Maryland

FINANCIAL ADVISOR

Public Resources Advisory Group
Media, Pennsylvania

DEBT MANAGEMENT AND DISCLOSURE INFORMATION

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

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Series 2012B

INTRODUCTION

The purpose of this Official Statement, which includes the attached Appendices, is to provide certain information concerning the sale and delivery by Montgomery County, Maryland (the "County") of its \$24,190,000 Parking System Project Revenue Bonds (Bethesda Parking Lot District) Series 2012A (the "Series 2012A Bonds") and its \$13,750,000 Parking System Refunding Revenue Bonds (Bethesda Parking Lot District) Series 2012B (the "Series 2012B Bonds" and together with the Series 2012A Bonds, the "Series 2012 Bonds"). For the definitions of certain words and terms used in this Official Statement, see "Definitions of Certain Terms and Summaries of Legal Documents" in Appendix A.

The proceeds of the Series 2012A Bonds will be used to (i) finance a portion of the costs of constructing a public parking garage (the "2012 Project") in the County's parking district located Bethesda, Maryland (the "Bethesda Parking Lot District"), (ii) fund a portion of the Reserve Account (as defined below) for the Bethesda Bonds (as defined below) and (iii) pay a portion of the costs of issuing the Series 2012 Bonds. See "Estimated Sources and Uses of Funds" and "The Bethesda Parking Lot District -- The 2012 Project." The proceeds of the Series 2012B Bonds will be used to (i) refund the County's Parking System Revenue Bonds (Bethesda Parking Lot District), Series 2002A (the "Series 2002A Bonds") maturing on and after June 1, 2013, (ii) fund a portion of the Reserve Account for the Bethesda Bonds and (iii) pay a portion of the costs of issuing the Series 2012 Bonds. See "Estimated Sources and Uses of Funds." The Series 2002A Bonds maturing June 1, 2012 and accrued interest thereon will be paid with funds deposited by the County to the Debt Service Account. The Series 2002A Bonds maturing June 1, 2012 being paid with County funds deposited to the Debt Service Account and the Series 2002A Bonds maturing on and after June 1, 2013 being refunded with a portion of the proceeds of the Series 2012B Bonds shall be referred to herein as the "Refunded Bonds."

A portion of the proceeds of the Series 2012B Bonds will be deposited by the Director of Finance of the County with U.S. Bank National Association (the "Escrow Agent") in a trust fund (the "Escrow Deposit Account"), to be established under an Escrow Letter Agreement to be entered into by and between the County and the Escrow Agent with respect to the Refunded Bonds (the "Escrow Letter"). The Escrow Agent will apply all of the funds so deposited in the Escrow Deposit Account to pay the redemption price of the Refunded Bonds on June 1, 2012. See Appendix D for a list of the Refunded Bonds and their respective dates of redemption and redemption prices. Amounts on deposit in the Escrow Deposit Account will be pledged only to the payment of the principal of and interest on the Refunded Bonds, and are not available for the payment of principal, redemption premium, if any, or interest on the Series 2012 Bonds.

The Series 2012 Bonds are special obligations of the County, the principal of, interest on and redemption premium (if any) on which will be payable solely from the revenues of the Bethesda Parking Lot District, on a parity basis with the County's Parking System Revenue Bonds (Bethesda Parking Lot District) Series 2005 of which \$13,310,000 in principal amount remains outstanding (the "Series 2005 Bonds") and any additional bonds that may be issued from time to time under the Order (as defined below). The Series 2012 Bonds, the Series 2005 Bonds and any additional bonds are sometimes referred to collectively herein as the "Bethesda Bonds."

The Series 2012 Bonds are not general obligations of the County and do not constitute a pledge of the full faith and credit or the taxing powers of the County. The Series 2012 Bonds are payable solely from the revenues of the Bethesda Parking Lot District.

The Series 2012 Bonds are authorized to be issued pursuant to the Constitution and the laws of the State of Maryland, including Sections 5(P)(2) and 5(P)(3) of Article 25A of the Annotated Code of Maryland (2011 Replacement Volume), Section 24 of Article 31 of the Annotated Code of Maryland (2010 Replacement Volume and 2011 Supplement), Sections 20-47 through 20-54 of Chapter 20 of the Montgomery County Code, as amended (collectively, the “Authorizing Legislation”), a Resolution adopted by the County Council of the County on April 24, 2012 (the “Resolution”), and Order No. B-160- 92 of the County Executive of the County passed on February 28, 1992, as supplemented by orders passed on April 16, 1992, April 29, 2002, June 4, 2002, August 10, 2005 and May 1, 2012 (as supplemented, the “Order”).

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ESTIMATED SOURCES AND USES OF FUNDS

The County estimates that the costs of the 2012 Project funded with a portion of the Series 2012A Bonds and the refunding of the Refunded Bonds funded with a portion of the Series 2012B Bonds and the sources of funds available therefor are as follows:

	Series 2012A Bonds	Series 2012B Bonds	Total
Sources of Funds:			
Series 2012 Bond Proceeds	\$24,190,000	\$13,750,000	\$37,940,000
Amounts on deposit in Debt Service Account pledged for the Refunded Bonds....	--	1,666,700	1,666,700
Net Original Issue Premium	<u>1,515,000</u>	<u>2,318,500</u>	<u>3,833,500</u>
Total Sources of Funds	<u>\$25,705,000</u>	<u>\$17,735,200</u>	<u>\$43,440,200</u>
Uses of Funds:			
2012 Project Deposit ⁽¹⁾	\$23,424,000	--	\$23,424,000
Amount required to refund Refunded Bonds	--	\$16,526,700	16,526,700
Deposit to Reserve Account ⁽²⁾	1,892,900	1,076,000	2,968,900
Financing and miscellaneous expenses ⁽³⁾	109,400	62,000	171,400
Underwriter's Discount	<u>278,700</u>	<u>70,500</u>	<u>349,200</u>
Total Uses of Funds.....	<u>\$25,705,000</u>	<u>\$17,735,200</u>	<u>\$43,440,200</u>

(1) See "The Bethesda Parking Lot District -- The 2012 Project"

(2) Amount required to make the amount on deposit in the Reserve Account upon the issuance of the Series 2012 Bonds equal to 125% of the average annual debt services requirements of the Series 2005 Bonds and the Series 2012 Bonds.

(3) Includes rating fees, legal and professional fees and other miscellaneous fees and expenses.

THE SERIES 2012 BONDS

General

The Series 2012 Bonds will be dated the date of their delivery and will mature and bear interest on the dates and at the rates set forth on the inside front cover page of this Official Statement. Interest on the Series 2012 Bonds will be payable semiannually on each June 1 and December 1 of each year (each a "Payment Date"), commencing December 1, 2012 (approximately 6 and one-half months), subject to the redemption provisions set forth below.

Book-Entry Only System

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

The Depository Trust Company

The Depository Trust Company, New York, New York ("DTC" or, together with any successor securities depository for the Series 2012 Bonds, the "Securities Depository"), will act as securities depository for the Series 2012 Bonds. The Series 2012 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 certificate of the Series 2012 Bonds will be

issued for each maturity of the Series 2012 Bonds in principal amount equal to the aggregate principal amount of the Series 2012 Bonds of such maturity and will be deposited with DTC or its agent.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of United States and non-United States equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both United States and non-United States 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 (the "Indirect Participants"). The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission (the "SEC"). More information about DTC can be found at www.dtcc.com and www.dtc.org.

Ownership of Series 2012 Bonds

Purchases of the Series 2012 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2012 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2012 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 purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transaction. Transfers of ownership interests in the Series 2012 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 interests in the Series 2012 Bonds except in the event that use of the book-entry only system for the Series 2012 Bonds is discontinued under the circumstances described below under "Discontinuance of Book-Entry Only System."*

To facilitate subsequent transfers, all Series 2012 Bonds deposited by Direct and Indirect Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2012 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2012 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2012 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2012 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2012 Bonds, such as redemptions, tenders, defaults and proposed amendments to the security documents. For example, Beneficial Owners of Series 2012 Bonds may wish to ascertain that the nominee holding the Series 2012 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

So long as a nominee of DTC is the registered owner of the Series 2012 Bonds, references herein to the Bondholders or the holders or owners of the Series 2012 Bonds shall mean DTC and shall not mean the Beneficial Owners of the Series 2012 Bonds. The County will recognize DTC or its nominee as the holder of all of the Series 2012 Bonds for all purposes, including the payment of the principal or redemption price of (in the case of the Series 2012A Bonds) and interest on the Series 2012 Bonds, as well as the giving of notices and any consent or direction required or permitted to be given to or on behalf of the Bondholders. The County will not have any responsibility or obligation to Direct or Indirect Participants or Beneficial Owners with respect to payments or notices to Direct or Indirect Participants or Beneficial Owners.

Payments on and Redemption of Series 2012 Bonds

So long as the Series 2012 Bonds are held by DTC under a book-entry system, principal and interest payments on the Series 2012 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 information from the County on the applicable payment 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 Participants and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the County, disbursement of such payments to Direct Participants shall be the responsibility of DTC and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

So long as the Series 2012A Bonds are held by DTC under a book-entry only system, the County will send any notice of redemption with respect to the Series 2012A Bonds only to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. Any failure of DTC to advise any Direct Participant, or of any Direct Participant to notify any Indirect Participant or of any Direct or Indirect Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity of the proceedings for the redemption of the Series 2012A Bonds or of any other action premised on such notice. If fewer than all of the Series 2012A Bonds of any one maturity are selected for redemption, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed, except as otherwise directed by the County.

The County cannot give any assurances that DTC or the Direct or Indirect Participants will distribute payments of the principal or Redemption Price (in the case of the Series 2012A Bonds) of and interest on, the Series 2012 Bonds paid to DTC or its nominee, as the registered owner of the Series 2012 Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

Discontinuance of Book-Entry Only System

DTC may discontinue its services as a securities depository for the Series 2012 Bonds at any time by giving reasonable notice to the County, or the County may discontinue use of the system of book-entry transfers through DTC. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2012 Bonds are required to be printed and delivered in fully certificated form to the Participants shown on the records of DTC provided to the County or, to the extent requested by any Participant, to the Beneficial Owners of the Series 2012 Bonds shown on the records of such Participant provided to the County.

Optional Redemption

The Series 2012A Bonds which mature on or before June 1, 2020, are not subject to redemption prior to their respective maturities. The Series 2012A Bonds which mature on or after June 1, 2021, are subject to redemption beginning June 1, 2020, as a whole or in part at any time thereafter, in any order of their maturities, at the option of the County, at a redemption price equal to the principal amount of the Series 2012A Bonds to be redeemed, together with interest accrued to the date fixed for redemption, without premium.

The Series 2012B Bonds are not subject to optional redemption prior to their respective maturities.

Selection of Series 2012A Bonds for Redemption

So long as the Series 2012A Bonds are maintained under a book-entry system, the selection of individual ownership interests in the Series 2012A Bonds of any one maturity to be credited with any partial redemption shall be made as described above under "Book-Entry Only System" except as otherwise directed by the County.

If fewer than all of the Series 2012A Bonds of any one maturity shall be called for redemption during any other period, the County shall select or cause to be selected the particular Series 2012A Bonds or portions of Series 2012A Bonds to be redeemed from such maturity as shall be elected by the County or, in the absence of any such election, by lot or in such other manner as the County in its discretion may deem proper.

Notice of Redemption

Each notice of redemption of Series 2012A Bonds shall be given at least 20 days before the redemption date and shall set forth (i) whether the Series 2012A Bonds are redeemed in whole or in part and, if in part, the maturities and numbers of the Series 2012A Bonds to be redeemed, (ii) that the interest on the Series 2012A Bonds to be redeemed shall cease on the date fixed for redemption, (iii) the date fixed for redemption and the redemption price and (iv) that the Series 2012A Bonds to be redeemed shall be presented for redemption and payment on the date fixed for redemption at the office of the Paying Agent. The redemption of Series 2012A Bonds is conditioned upon the deposit of sufficient money for the payment of the redemption price and accrued interest on the Series 2012A Bonds to be redeemed with the Paying Agent on the date designated for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012 BONDS

General

The Series 2012 Bonds will be payable from the revenues of the Bethesda Parking Lot District, on a parity basis with the Series 2005 Bonds and any Additional Bonds that may be issued from time to time under the Order. The Series 2012 Bonds are obligations of the Bethesda Parking Lot District, issued pursuant to the Authorizing Legislation, the Resolution and the Order. See "Revenue Sources of the Bethesda Parking Lot District -- Outstanding Bethesda Parity Bonds."

Pledge of Net Revenues

So long as any Bethesda Bonds are outstanding, the County has covenanted in the Resolution and the Order to levy special taxes and to assess parking meter and other fees, respectively, which are payable pursuant to the Montgomery County Code, as amended (the "County Code"), within the Bethesda Parking Lot District in rate and amount which shall be sufficient in each Fiscal Year to maintain Net Revenues of not less than the sum of 1.25 times the amount required for making lease payments on irrevocable or long-term leases relating to Facilities and paying the maximum principal of and interest (except for capitalized interest) on all Bethesda Bonds (including the Series 2012 Bonds) issued for the financing or refinancing of Facilities within or operated by the Bethesda Parking Lot District in such Fiscal Year or any succeeding Fiscal Year. Net Revenues of the Bethesda Parking Lot District are irrevocably pledged to the timely payment of the principal of, premium, if any, and interest on the Bethesda Bonds of the County (including the Series 2012 Bonds) issued for the financing or refinancing of Facilities within or operated by the Bethesda Parking Lot District. The Facilities, as defined in the Order, includes the public parking facilities within or operated by the District, including (without limitation) parking garages and lots, on-street spaces, parking meters, any additions, enlargements, improvements, extensions, alterations, repairs and replacements thereof, and any fixtures, equipment, personal property, appurtenances and land or other interests in real property relating to such parking facilities.

Revenues of the Bethesda Parking Lot District include Parking Fee Revenues, Parking Fine Revenues, Parking Tax Revenues, lease payments, if any, and certain interest income. Upon issuance of the Series 2012 Bonds, the definition of Revenues will be amended to include proceeds from the sale of air rights associated with any of the Facilities in the Bethesda Parking Lot District. See "Amendments to Order" herein. The pledge of Revenues is subject to the payment of Current Expenses. The Revenues of the Bethesda Parking Lot District must be applied to pay the debt service on the Bethesda Bonds which are issued to finance Facilities within the Bethesda Parking Lot District.

The County Executive has the authority pursuant to Chapters 31 and 60 of the County Code to prescribe parking fees, from time to time and at any time, without limitation, for parking on or in Facilities in the Bethesda Parking Lot District. The County Executive also establishes fines for parking violations.

The Montgomery County Council has the authority pursuant to Chapter 60 of the County Code to levy a special tax relating to parking within the Bethesda Parking Lot District. The revenues from the special taxes, parking fees and fines collected from the Bethesda Parking Lot District must be used first to pay the principal of and interest on, when due, any outstanding Bethesda Bonds, the proceeds of which are used to acquire, construct, maintain or operate Facilities in the Bethesda Parking Lot District.

The special tax is levied within the Bethesda Parking Lot District on certain property used for commercial, industrial and general business purposes, including land and improvements, and tangible personal property located on such land or within such improvements (collectively, "commercial/industrial property"). The special tax is also levied on certain property not so used, but zoned or otherwise

classified for such use (“unimproved property”). Certain nontransient residences are not subject to the special tax. Railroad yards and rights-of-way, other than passenger stations, are exempt from the special tax. If an owner or lessee of property in the Bethesda Parking Lot District provides off-street parking facilities, such property may be exempt from the special tax or the applicable special tax may be reduced. The County Code specifies levy limits for improved commercial/industrial property of \$0.40 per hundred dollars of assessed valuation for real property and \$1.00 per hundred dollars of assessed valuation for personal property, and for unimproved property of \$0.20 per hundred dollars of assessed valuation for real property and \$0.50 per hundred dollars of assessed valuation for personal property. The County Council may raise the current levies up to the levy limit without amending the County Code. The County has the authority to amend Chapter 60 of the County Code, including the authority to broaden the special tax base and to raise the levy limit. Such amendment may be subject to a petition for referendum.

Rate Covenant

So long as the Series 2012 Bonds and any other Bethesda Bonds issued to finance Facilities within the Bethesda Parking Lot District are outstanding and unpaid, the County has covenanted to prescribe and levy, as applicable, within the Bethesda Parking Lot District, the parking meter or other fees payable pursuant to Chapters 31 and 60 of the County Code and special taxes payable pursuant to Chapter 60 of the County Code in rate and amount which shall be sufficient in each Fiscal Year to maintain Net Revenues of not less than the sum of 1.25 times the amount required for making lease payments on irrevocable or long-term leases relating to Facilities within or operated by the Bethesda Parking Lot District in such Fiscal Year, and paying the maximum principal of and interest (except for capitalized interest) on the Series 2012 Bonds and any other Bethesda Bonds of the County issued to finance Facilities within the Bethesda Parking Lot District in such Fiscal Year or any succeeding Fiscal Year. Currently, there are no irrevocable long-term leases outstanding relating to Facilities within or operated by the Bethesda Parking District on which the County is required to make lease payments.

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Set forth below as Table 1 is the projected debt service coverage for the Series 2005 Bonds and the Series 2012 Bonds after giving effect to the redemption of the Refunded Bonds.

Table 1: Projected Debt Service Coverage

Fiscal Year	Net Revenues ⁽¹⁾	Outstanding Parity Bonds ⁽²⁾	Series 2012 Bonds	Total Debt Service	Coverage Ratio ⁽³⁾
2011	11,216,698				
2012	11,216,698	3,273,136		3,273,136	3.43x
2013	11,216,698	1,247,733	2,802,637	4,050,369	2.77x
2014	11,216,698	1,244,508	2,766,431	4,010,939	2.80x
2015	11,216,698	1,243,708	3,716,081	4,959,789	2.26x
2016	11,216,698	1,243,236	3,717,681	4,960,917	2.26x
2017	11,216,698	1,247,526	3,715,481	4,963,008	2.26x
2018	11,216,698	1,243,989	3,719,481	4,963,470	2.26x
2019	11,216,698	1,247,989	3,717,231	4,965,220	2.26x
2020	11,216,698	1,245,489	3,713,481	4,958,970	2.26x
2021	11,216,698	1,246,489	3,712,981	4,959,470	2.26x
2022	11,216,698	1,245,889	1,805,231	3,051,120	3.68x
2023	11,216,698	1,248,049	1,801,231	3,049,280	3.68x
2024	11,216,698	1,247,706	1,801,181	3,048,887	3.68x
2025	11,216,698	1,245,371	1,804,931	3,050,303	3.68x
2026	11,216,698	1,245,620	1,802,331	3,047,951	3.68x
2027	11,216,698		1,803,531	1,803,531	6.22x
2028	11,216,698		1,803,381	1,803,381	6.22x
2029	11,216,698		1,801,881	1,801,881	6.22x
2030	11,216,698		1,804,031	1,804,031	6.22x
2031	11,216,698		1,804,681	1,804,681	6.22x
2032	11,216,698		1,801,713	1,801,713	6.23x

⁽¹⁾ Net revenues from the audited financial statements for the period ended June 30, 2011.

⁽²⁾ Includes the June 1, 2012 payment of the Series 2002A Bonds and the outstanding Series 2005 Bonds.

⁽³⁾ Projected debt service coverage based on Net Revenues included in the audited financial statements for the fiscal year ended June 30, 2011.

Source: The County.

Reserve Account

The Order establishes a Debt Service Reserve Account (the “Reserve Account”) for the Bethesda Bonds. The Reserve Account is funded from surplus cash or bond proceeds on the date of issuance of any Bethesda Bonds in an amount equal to the lesser of (1) 125% of the average annual debt service on the Bethesda Bonds; (2) the maximum annual debt service of the Bethesda Bonds; or (3) 10% of the proceeds of the sale of the Bethesda Bonds. In lieu of maintaining and depositing money in the Reserve Account, the County may deposit with a bank or trust company designated by the County, as custodian, a letter of credit, surety bond or bond insurance policy in an amount equal to all or a portion of the reserve requirement described above. See “DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF LEGAL DOCUMENTS -- RESERVE ACCOUNT” in Appendix A.

Money in the Reserve Account may be used solely for the purpose of paying principal at maturity of, or interest on, the Bethesda Bonds, for the payment of which insufficient money shall be available in the Debt Service Account. Whenever it shall become necessary to so use money in the Reserve Account, the County must make monthly payments from Revenues of the Bethesda Parking Lot District into the Reserve Account until it shall have been restored to the required minimum amount.

Additional Bonds

Pursuant to the terms of the Resolution and the Order, the County may from time to time issue Additional Bonds of the Bethesda Parking Lot District, on parity with the Series 2012 Bonds and the Series 2005 Bonds. As a condition to the delivery of any such Additional Bonds, the County must procure a statement of an independent parking consultant, financial consultant, or a certified public accountant, not a regular employee of the County, expressing the opinion based upon necessary investigations that the Net Revenues for the preceding Fiscal Year for which an audit is available (with allowable adjustments as herein described) of the Bethesda Parking Lot District were equal to at least 1.25 times the maximum amount that will be required in any future Fiscal Year for making lease payments on irrevocable or long-term leases and paying the principal of and interest (except for capitalized interest) on the then-outstanding Bonds of the Bethesda Parking Lot District and such Additional Bonds. For the purpose of determining the Net Revenues of the Bethesda Parking Lot District for the preceding Fiscal Year, the amount of the gross revenues of such year may be adjusted so as to reflect (i) any changes in the amount of such revenues that would have resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the delivery of such Additional Bonds been in effect during all of such preceding Fiscal Year and (ii) fifty percent of the net change in available parking spaces in the Bethesda Parking Lot District resulting or to result from the expenditure of the proceeds of such Additional Bonds.

Amendments to Order

Concurrently with the issuance of the Series 2012 Bonds, the Order as theretofore in effect will be amended. By their acceptance of the Series 2012 Bonds, the holders will be deemed to have consented to such amendments. Reference is made to “DEFINITIONS OF CERTAIN TERMS AND SUMMARIES OF LEGAL DOCUMENTS” in Appendix A for a complete statement of the terms of the Order as so amended. A copy of the Order is on file with the County and may be obtained upon request written request made to the Director of Finance of the County.

THE COUNTY

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 AIS, which is hereby incorporated by reference and can be found at http://bonds.montgomerycountymd.gov/data/AIS_Apr12.pdf.

Montgomery County Department of Transportation

The Montgomery County Department of Transportation (the "Department"), through its Division of Operations, is responsible for providing, operating and maintaining an economically self-sufficient system of public parking which promotes the economic growth and welfare of the County's Central Business Districts ("CBDs") in Bethesda, Silver Spring and Wheaton. The Department is also responsible for providing public parking in Montgomery Hills. Comprehensive planning is a vital component of overall transportation management in the CBDs and, in particular, is critical to supplying a sufficient number of parking spaces to accommodate that segment of the public demand that is not provided for by the private sector nor served by alternative travel modes.

The public parking system is designed to complement other modes of travel and support a balanced total transportation system serving the needs of the CBDs in accordance with County transportation and development policies and goals. Mixed-use garages and utilization of air rights development are two of the strategies employed to maximize revenue potential and to provide public parking facilities in accordance with the urban design goals of the County.

The County's policy is not to construct new parking facilities until development is committed. This assures that market demand for Facilities is present and avoids the construction of speculative projects.

Montgomery County Parking Lot Districts

There are four parking lot districts in the major urbanized areas of the County. Prior to 1987, general obligation bonds were issued by the County to finance the construction of the parking facilities in these areas. In 1987, the County began issuing parking revenue bonds secured by (i) ad valorem tax revenues levied on commercial and residential property located within each parking district and (ii) revenues from parking fines, meter collections, and fees from off-street lots and parking garages. The four parking districts collectively have 19 garages, 21 surface lots, and 2,388 on-street metered parking spaces with a total inventory of 20,758 parking spaces. The Bethesda Parking Lot District was established in 1947 pursuant to Chapter 60 of the Montgomery County Code and the other three parking lot districts and their respective dates of establishment are as follows:

Table 2: Montgomery County, Maryland Parking Districts

<u>Parking Lot District</u>	<u>Date of Establishment</u>	<u>Number of Spaces</u>
Silver Spring	1943	11,648
Bethesda	1947	7,511
Wheaton	1951	1,470
Montgomery Hills	1951	<u>129</u>
Total:		<u>20,758</u>

THE BETHESDA PARKING LOT DISTRICT

General

The Bethesda Parking Lot District includes 17 separate Facilities, providing 867 surface parking spaces, 5,809 multi-level garage spaces and 835 metered curb spaces. The following schedule reflects the existing parking structures, surface lots and metered curb spaces which are part of the Bethesda Parking District and the total number of parking spaces associated with each:

<u>Garage Structures:</u>	<u>Total Spaces</u>	<u>Surface Lots:</u>	<u>Total Spaces</u>
Woodmont Corner Garage	1,108	3845 St. Elmo Street	11
Woodmont – Rugby Garage	496	4600 Leland Street	99
Auburn – Del Ray Garage	742	4601 Leland Street	217
Cordell – St. Elmo Garage	326	4707 Highland Avenue	129
Cheltenham Garage	345	4854 Cordell Avenue	20
Waverly Garage	874	4712 Bethesda Avenue*	279
Metropolitan Garage	999	4538 Middletown Lane	19
Bethesda – Elm Garage	<u>919</u>	8009 Woodmont Avenue	39
		4704 West Virginia Avenue	<u>54</u>
SUB-TOTAL	<u>5,809</u>	SUB-TOTAL	<u>867</u>
Metered Curb Spaces:	<u>835</u>		
GRAND TOTAL	<u>7,511</u>		

*Closed as of April 9, 2012.

The 2012 Project

The 2012 Project provides for the construction of a new underground public parking garage in the Bethesda Parking Lot District to be located on Woodmont Avenue which will contain approximately 940 County owned and operated parking spaces. An additional approximately 295 will be built, financed and owned by a private developer together with a mixed use development that is expected to be constructed above the garage including two residential towers and retail space at the street level (the “Private Development”). The residential component of the Private Development is expected to include 250 units and the commercial component is expected to encompass approximately 40,000 square feet of retail space. The total development cost for the Private Development is expected to be approximately \$157 million. *The Private Development does not constitute part of the Bethesda Parking District and any revenues from the operation thereof do not constitute Net Revenues.*

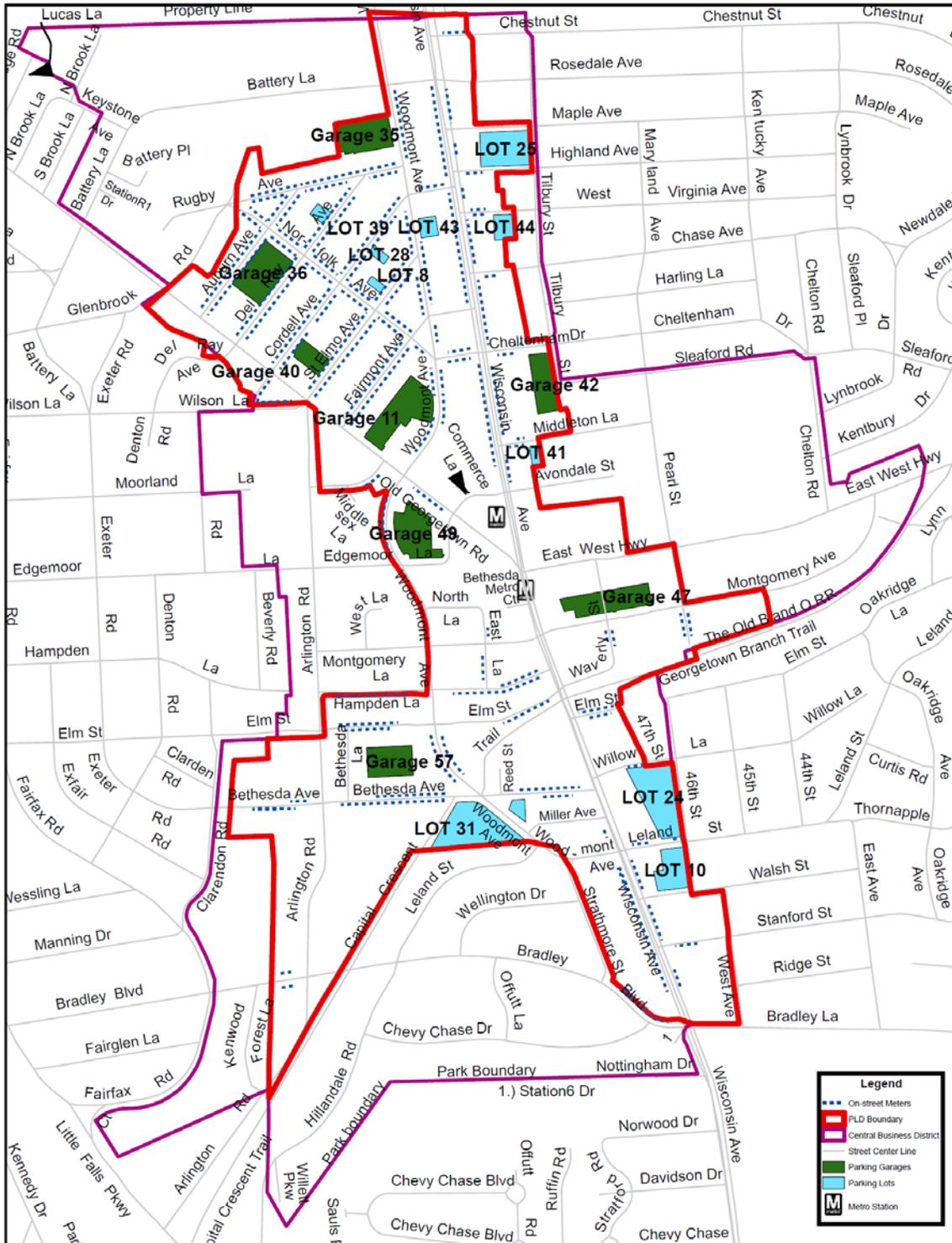
The 2012 Project is expected to be financed with proceeds of the Series 2012A Bonds and other available funds of the County and includes costs associated with engineering, design, project management, and building demolition and construction. Currently, the cost of the 2012 Project is estimated at \$60.5 million.

Map of Bethesda Parking District

The map shown below depicts the locations of the surface lots, parking garages and on-street parking within the parameters of the Bethesda Parking District and its relation to the Bethesda Central Business District. Lot 31, which is depicted in the map below, reflects the location of the 2012 Project.



Bethesda Parking District



*Lot 31 is located on both sides of Woodmont Avenue.

Physical Condition of the Bethesda Parking Lot District

Under the Order the County covenants to maintain the Facilities in good condition and to operate the same in an efficient manner. The physical condition of the Facilities is routinely inspected by a 16-member maintenance team comprised of County employees. The team includes employees that have specialized training in the electrical, plumbing and carpentry trades, among others. From time to time, assistance is rendered to the team by outside contractors. In the event any structural defects are detected, such as cracking, one of three Capital Projects Managers (each, a "CPM") is assigned to inspect and evaluate the issue. One of the CPMs is a civil engineer, one is a structural engineer and another is an architect. All three CPMs are full-time County employees assigned exclusively to the County's public parking system. The assessment and design of repairs is supplemented by a standing engineering consulting contract. Routine maintenance is funded through the annual operating budget of the Bethesda Parking Lot District. Capital maintenance is funded through a dedicated Capital Improvement Program.

Management of the Bethesda Parking Lot District

The Department's Division of Parking Management is directly responsible for the administration of the County's Parking Lot District public parking program, which is comprised of four parking districts. The Bethesda Parking Lot District includes 7,511 of the 20,758 total spaces available in all four of the parking districts. The entire parking program is managed by 51 full-time County staff members. In addition, there are approximately 300 contractors that are made available to the staff of the parking program. The contractors provide a variety of services including: cashiers, parking enforcement, meter collections, security, parking ticket database management and collections, garage housekeeping and garage and lot electrical fixture maintenance and lamp replacement. The County staff performs the professional duties associated with financial recordkeeping and audits, planning, engineering and maintenance planning, property development, budgeting, information technology support and contract management. Biographical information for the key members of the management team for the County's parking program is set forth below.

Arthur Holmes, Jr., Major General, U.S. Army (Retired) is the Director of the Department. He graduated with a Bachelor of Science degree (Chemistry) from Hampton Institute (University). A member of the ROTC, he was commissioned a Second Lieutenant, Artillery, upon graduation. He subsequently received a Master of Business Administration (M.B.A.) from Kent State (Ohio) University. During his military service, Major General (Ret.) Holmes earned a number of awards and decorations. These include the Distinguished Service Medal, Legion of Merit, Bronze Star Medal, Meritorious Service Medal, the Army Commendation Medal, and the Joint Services Commendation Medal. He previously served as President and Chief Executive Officer of Automated Sciences Group, Inc. (ASG), a minority owned, high-tech company located in Silver Spring, Maryland. He joined ASG in 1987 as Vice President for Logistics Applications. Mr. Holmes was a Commissioner on the Montgomery County Planning Board for more than seven years. Subsequently, he was appointed Chairman of the Board, and Vice-Chairman of the Maryland-National Capital Park and Planning Commission, serving from July 2001 to July 2002. In 2002, Mr. Holmes was selected to lead the County Executive's Go Montgomery! initiative to improve transportation in Montgomery County. In 2004, Mr. Holmes was appointed to serve as the Director for Montgomery County's Department of Public Works & Transportation. In 2007, the department was reorganized into the Department of Transportation.

Rick Siebert is the Acting Chief of the Division of Parking Management in the Department of Transportation. Mr. Siebert has over 16 years of management experience in the parking industry in both the private and government sectors. He has held a variety of senior management positions within the County's parking program over the last 11 years. Mr. Siebert is a Certified Administrator of Public Parking, as certified by the International Parking Institute, the largest trade organization in the parking industry.

The County believes that the combination of the backgrounds of the key members of management and the other members of the Department provide a framework for the effective management of the CBDs.

Bethesda Central Business District

The County's four CBDs in Silver Spring, Wheaton, Bethesda and Montgomery Hills are served by the region's longest extensions of the Metrorail system and are centers for major business activity and medium-to high-density residential development in close proximity to the Metro stations.

The Bethesda CBD, located in downtown Bethesda, has become a major urban business and entertainment center in the Washington, D.C. region due to the presence of almost 200 restaurants along with the density of both high-rise office buildings and residential buildings. Downtown Bethesda is a thriving, day and night destination offering residents, visitors and its workforce multi-cultural dining, live theater, cinema, unique shops and numerous special events and festivals. In the past several years, Bethesda opened Round House Theatre, Imagination Stage, and Bethesda Row Landmark Theatre as marquee entertainment organizations that highlight classical plays, children's theatre, and independent and foreign films.

Bethesda has a workforce of over 46,000 that includes employees who work for some of the region's most notable employers, including Capital One (formerly Chevy Chase Bank), Clark Construction Group, Development Alternatives and American Capital Strategies. In February 2010, the International Baccalaureate Organization signed a lease for 33,000 square feet of real estate to relocate its United States headquarters from New York to Montgomery County. This facility will eventually accommodate 250 relocated and new employees.

The Hilton Garden Inn, Bethesda opened its doors in January 2010. This hotel created 216 additional guestrooms to serve the National Institutes of Health, Walter Reed National Military Medical Center, and the Bethesda community. The hotel is part of the Air Rights Center, a 700,000 square foot office and retail complex located in the heart of Bethesda. There are plans to construct 80,792 square feet of office space at Battery Lane and Wisconsin Avenue in addition to 150,000 square feet of office space adjacent to the Air Rights Center. There is also a proposal for a 270,000 square foot office complex as part of a redevelopment of the Bethesda Court Hotel and adjoining properties.

A formerly vacant 10-story federal building located in Bethesda is being renovated into a 120,000 square foot commercial office building. The project, which is targeting LEED Gold certification, will be the first new commercial office space in Bethesda in 11 years.

Several new planned apartment buildings are expected to add 1,497 new housing units in downtown Bethesda. Construction for these new units began in October 2011. The new buildings will be a mixed-used project with 200 dwelling units and 7,200 square feet of retail space and four levels of underground parking. The entire project plans to seek LEED Silver certification and is expected to be completed in October 2012. A Church in Bethesda also received approval for its plan to build a 107-unit residential building combined with a six-story church and community center. The complex will feature an indoor athletic field for community use, public green space, and affordable residences for the elderly and transitional housing for the homeless.

The Pentagon intends to set up a \$300 million hub in Bethesda for the federal government's intelligence-gathering agencies on a 40-acre site vacated in September by the National Geospatial-Intelligence Agency. In addition, the Army Corps of Engineers is working with the Defense Intelligence Agency on the large-scale overhaul, which could take approximately five years to develop and would shift 3,000 workers to Bethesda.

Downtown Bethesda also features the Capital Crescent Trail, an abandoned railway right-of-way that was purchased by the County and turned into a popular recreational hiker-biker trail running from Silver Spring to the Georgetown area of Washington, D.C.

Parking Capital Improvements Program

The County Executive has recommended a capital improvements program (the “CIP”) for Fiscal Years 2013 through 2018 for the Bethesda Parking Lot District which includes three projects, at an aggregate projected capital cost of \$53,794,000 of which approximately \$50.3 million relates to the 2012 Project and includes estimated expenditures that are included in the CIP for fiscal years 2013 through 2018 for such project. The total project cost for the 2012 Project is approximately \$60.5 million of which approximately \$10.2 million represents actual expenditures made and expected to be made for Fiscal Years 2011 and 2012 for such project. The projects, exclusive of 2012 Project, and the source of funding for each such project are as follows.

Facility Planning: Parking

This project provides funds for parking facility planning studies for a variety of projects under consideration for inclusion in the CIP. Facility planning serves as a transition stage for a project between the master plan or conceptual stage and its inclusion as a stand-alone project in the CIP. Prior to the establishment of a stand-alone project, the Department will develop a Parking Facility Project Requirement that outlines the general and specific features required for a project. Facility planning is a decision-making process to determine the purpose and need of a candidate project through a rigorous investigation of the following project elements: usage forecasts; economic, social, environmental and historic impact analysis; public participation; investigation of non-County sources of funding; and detailed project cost estimates. Facility planning represents planning and preliminary design and develops a PFPR in advance of full programming of a project in the CIP. Depending upon the results of a facility planning determination and purpose and need analysis, a project may or may not proceed to construction. The project’s six year funding total is \$540,000 and is funded with Bethesda Parking Lot District revenues.

Renovations to Facilities

Another CIP project provides for the renovation of or improvements to the Facilities located within the Bethesda Parking Lot District. This is a continuing program of contractual improvements or renovations, with evolving priorities depending upon the nature of the deteriorations and corrections required in a Facility which will protect or improve the physical infrastructure to assure safe and reliable parking facilities and to preserve the County’s investment in the Facilities. The scope of this project will depend on the results of studies conducted under the facility planning project described above. Included within this project are consulting services, if required, in order to provide analysis, investigation and recommendations for repairs methods, contract documentation relating to repairs or corrections, inspection and testing. The project’s six year funding total is \$3 million and is funded with Bethesda Parking Lot District revenues.

Competition

The Facilities of the Bethesda Parking Lot District have a 50% position in the overall parking scheme of the County. The Department controls, sets and collects rates for approximately 7,511 parking spaces in the downtown Bethesda area. While there are 23 private facilities which service the downtown Bethesda area, the Facilities comprise approximately 50% of the available parking spaces within the downtown Bethesda area. In addition, the rates within the Facilities offered by the Bethesda Parking Lot District are, and traditionally have been, lower than the rates charged by private operators. In order to

maintain its competitive position within the Bethesda Parking Lot District, the Department periodically conducts demand studies, rate studies, maintenance inspections and facility planning initiatives.

REVENUE SOURCES OF THE BETHESDA PARKING LOT DISTRICT

General

The primary revenue sources of the Bethesda Parking Lot District are parking fee revenues, parking fine revenues and special tax revenues. Historically, revenue generated from monthly parking fees constitutes approximately 52% of the Bethesda Parking Lot District’s total revenue. For the fiscal year ended June 30, 2011, fines and penalties comprise approximately 26% of total revenue and property tax revenue comprised approximately 15% of total revenue. The County Executive made a recommendation to the County Council on March 15, 2012 that would increase parking fees by an average of 12%, fines and penalties would decrease by an average of 22% and property taxes would decrease by an average of 3%. The recommendation is anticipated to be approved on May 24, 2012 and would become effective on July 1, 2012.

The determination of the parking fees and the special tax is part of the normal budgetary process of the County. For further information regarding the County, see the County’s AIS. See “THE COUNTY.”

Below is a chart that sets forth the amount of parking fees, fines and penalties and property taxes received by the Bethesda Parking Lot District for the fiscal years ended June 30, 2007 through 2011 and an estimate for the fiscal year ending June 30, 2012.

Table 3: Historical Primary Revenue Distribution

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012*</u>
Parking Fees	\$8,744,834	\$9,394,586	\$9,011,929	\$10,372,352	\$10,935,127	\$11,193,500
Fines/Penalties	4,662,085	4,722,806	5,490,665	5,731,708	5,322,322	5,350,000
Property Tax	<u>4,534,680</u>	<u>5,387,271</u>	<u>6,152,777</u>	<u>3,729,688</u>	<u>2,748,427</u>	<u>2,261,450</u>
Total	<u>\$17,941,599</u>	<u>\$19,504,663</u>	<u>\$20,655,371</u>	<u>\$19,833,748</u>	<u>\$19,005,876</u>	<u>\$18,804,950</u>

*Estimated based upon actual property taxes collected through March 31, 2012.
Source: The County.

Parking Fee Revenue

Parking fee revenue is the largest revenue source of the Bethesda Parking Lot District, comprising approximately 60% of the total estimated primary revenue sources for the fiscal year ending June 30, 2012. The County has budgeted parking fee revenue for the fiscal year ending June 30, 2012 to be approximately \$11,193,500. The current parking fees for short-term, long-term, monthly and car pools are shown in Table 4 below.

Table 4: Fee Schedule

<u>Fee Arrangement</u>	<u>Amount</u>
Short-term - per hour (first four hours)	\$ 1.00
Long-term - per hour (more than four hours)	0.75
Monthly	140.00
2 Person Carpool (monthly)	100.00
3-4 Person Carpool (monthly)	55.00
5 or More Person Carpool (monthly)	14.00
Daily	12.25

Source: Montgomery County, Maryland.

Parking Fine and Penalty Revenue

Fines and penalties budgeted to be collected for the fiscal year ending June 30, 2012 by the Bethesda Parking Lot District (PLD) are projected to be approximately \$5,350,000 which equates to an average of 8,000 parking tickets a month or 96,000 per year.

The Department has adopted an aggressive policy with respect to the enforcement and collection of penalties for non-payment of parking fines. Within the Bethesda Parking District, the Department employs ten full-time enforcement officers that patrol the parking meters six days a week. These officers perform the enforcement on foot patrol as well as by motorized patrol. The officers cover the main areas during required payment time periods for parking as well as in restricted parking zones. This includes the enforcement of parking meters for expired and overtime meter violations, violations of official parking signs, rush hour restrictions with respect to parking and enforcement of tow-away areas. For the Bethesda Parking District, the officers enforce approximately 7,511 parking spaces. The patrol hours are from 7:00 a.m. – 10:00 p.m. Monday through Friday and on-street enforcement is from 9:00 a.m. – 10:00 p.m. Monday through Saturday.

The tickets and citations are issued through a handheld computer device that facilitates quicker and more accurate citation processing. Citations are then transmitted in real time to a database where the violator can immediately pay his or her ticket within minutes of receiving it. Tickets for standard parking fines range from \$45 to \$250. These fines, if not paid within the specified due date, increase in accordance with the schedule set forth below.

The County also utilizes several approaches to enforce the collection of parking fines, including the “Denver Boot” which immobilizes vehicles until fines and penalties are paid and the denial of state license tag renewals for those persons that have more than three unpaid tickets. This approach is aided by the County’s state-of-the-art parking enforcement technology such as License Plate Recognition. This technology is an image-processing camera used by the County’s enforcement officers to capture and identify license plates on vehicles that have delinquent parking fines.

The Department has also utilized the services of collection agencies to assist in the collection of unpaid fines and penalties. The Department currently issues sweep notices or letters sent out to registered vehicle owners with outstanding parking citations requesting full payment of balances due. The notices go out to not only Maryland residents but also to out of state residents using active registered owner information provided by Department of Motor Vehicles agencies across the country. This access was provided to the Department through the National Law Enforcement Telecommunications System (“NLETS”). NLETS is a federal agency that is the premiere interstate justice and public safety network in the nation for exchange of law enforcement, criminal justice and public safety-related information. These notices go out monthly.

The below table provides a listing of certain fines that may be issued for parking violations but is not comprehensive as it does not represent the entire scope of fines that may be issued by the County.

BETHESDA PARKING LOT DISTRICT PARKING FINES

Effective Rates as of June 28, 2011

<u>VIOLATIONS</u>	<u>FINE (1)</u>	<u>DELINQUENT FEE⁽¹⁾</u>
Over the time allowed	\$ 45.00	\$25.00
No Parking	60.00	25.00
Fire Hydrant	60.00	25.00
Permit Area	50.00	25.00
Handicap	250.00	25.00
Boot Fee	115.00	None

(1) Delinquent fee represents additional payment due after 15 calendar days from the date of the ticket.

Source: The Department.

Special Tax Revenues

Property tax revenues comprise the third largest revenue source to the Bethesda Parking Lot District’s total annual revenue. Property tax fees levied on the real and personal property within the Bethesda Parking Lot District are established by the Montgomery County Council as part of the County’s annual budget process, subject to a cap (as described below). The property taxes are then collected on the County’s annual property tax bill. Any unpaid balances and delinquent accounts are subject to the County’s tax sale collection process. See the County’s Annual Information Statement dated April 13, 2012 (the “AIS”). See “THE COUNTY.”

Set forth below as Table 5 is the historical assessable base upon which the special tax is levied in the Bethesda Parking Lot District for the fiscal years ended June 30, 2007 through 2011. The unimproved tax base varies as a result of demolition and reconstruction of new property on the same site.

Table 5: Existing Special Assessable Tax Base (in thousands)

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal Property</u>	
	<u>Improved</u>	<u>Unimproved</u>	<u>Improved</u>	<u>Unimproved</u>
2007	\$1,221,880	\$ 71,292	\$161,122	\$20,722
2008	1,391,219	74,524	193,724	16,195
2009	1,529,199	283,217	209,329	15,876
2010	1,582,784	282,756	197,042	16,309
2011	1,644,920	263,132	178,828	17,008

Source: The County.

Set forth below as Table 6 is the projected assessable base upon which the special tax is expected to be levied in the Bethesda Parking Lot District for the fiscal years ending June 30, 2012 through June 30, 2016.

Table 6: Projected Special Tax Assessable Base (in thousands)

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal Property</u>	
	<u>Improved</u>	<u>Unimproved</u>	<u>Improved</u>	<u>Unimproved</u>
2012*	\$1,586,000	\$253,700	\$181,300	\$17,200
2013	1,539,800	246,300	180,600	17,100
2014	1,572,100	251,500	180,900	17,100
2015	1,605,900	256,900	178,600	16,900
2016	1,676,500	268,200	179,600	17,000

*Estimated.
Source: The County

The current levy in the Bethesda Parking Lot District is \$0.104 and \$0.052 per one hundred dollars of assessed valuation, for improved real property and unimproved real property respectively. For personal property the current levy per one hundred dollars of assessed valuation is \$0.260 and \$0.130 for improved and unimproved respectively. If an owner or lessee of property in the Bethesda Parking Lot District provides off-street parking facilities, such property may be exempt from the special tax or the applicable special tax may be reduced. However, the law governing Parking Lot Districts, Chapter 60 of the County Code provides no reduction in special tax unless a certain minimum number of parking spaces are provided.

Set forth below as Table 7 is the maximum tax revenue generated from assessing real and personal property at 100% of allowable tax rates with a comparison to current tax rates. Currently tax rates are set at 26% of the amount permitted by statute. For the fiscal year ended June 30, 2011, the statutory maximum allowable tax revenue is approximately \$8.9 million.

**Table 7: Statutory Maximum Tax Rate and Levy Revenue
And Comparison to Current Actual Tax Rates**

<u>Fiscal Year</u>	<u>Maximum Authorized Tax Rate/\$100 Assessed Value</u>				<u>Fiscal Year</u>	<u>Maximum Authorized Tax Levy</u>				
	<u>REAL</u>		<u>PERSONAL</u>			<u>REAL</u>		<u>PERSONAL</u>		<u>Levied</u>
	<u>Improved</u>	<u>Unimproved</u>	<u>Improved</u>	<u>Unimproved</u>		<u>Improved</u>	<u>Unimproved</u>	<u>Improved</u>	<u>Unimproved</u>	
2007	\$0.400	\$0.200	\$1.000	\$0.500	2007	\$4,887,522	\$142,584	\$1,611,221	\$103,611	\$6,744,938
2008	0.400	0.200	1.000	0.500	2008	5,564,878	149,049	1,937,244	80,973	7,732,143
2009	0.400	0.200	1.000	0.500	2009	6,116,797	566,434	2,093,285	79,380	8,855,896
2010	0.400	0.200	1.000	0.500	2010	6,331,135	565,512	1,970,416	81,543	8,948,606
2011	0.400	0.200	1.000	0.500	2011	6,579,680	526,263	1,788,278	85,040	8,979,261
2012	0.400	0.200	1.000	0.500	2012*	6,344,000	507,400	1,813,000	86,000	8,750,400

	<u>Actual Current Tax Rates/\$100 Assessed Value</u>			
	<u>REAL</u>		<u>PERSONAL</u>	
	<u>Improved</u>	<u>Unimproved</u>	<u>Improved</u>	<u>Unimproved</u>
2012	\$0.104	\$0.052	\$0.260	\$0.130
Actual to Maximum	26.0%	26.0%	26.0%	26.0%

*Estimated based upon budget for fiscal year ending June 30, 2012.
Source: The County.

Historical Revenue Collections

Set forth below as Table 8 are the special tax rates, levies, collections and total revenue for the Bethesda Parking Lot District for the fiscal years ended June 30, 2007 through June 30, 2011 and an estimate for the fiscal year ending June 30, 2012.

Table 8: Summary of Special Tax Rates, Levies and Collections

Bethesda Parking Lot District

<u>Fiscal Year</u>	<u>Unimproved⁽¹⁾</u>	<u>Commercial/Industrial⁽²⁾</u>	<u>Total Taxes Levied</u>	<u>Total Taxes Collected⁽³⁾</u>	<u>Percentage of Total Levy Collected</u>	<u>Total Revenues⁽⁴⁾</u>	<u>Aggregate State & County Tax Rates, Excluding Special Tax Rates</u>	
							<u>Real</u>	<u>Personal</u>
2007	\$0.490	\$0.980	\$4,716,499	\$4,657,784	98.8%	\$4,534,681	\$1.028	\$2.292
2008	0.490	0.980	5,404,462	5,245,935	97.1%	5,387,271	1.028	2.289
2009	0.490	0.980	6,189,467	6,073,694	98.1%	6,152,777	1.027	2.286
2010	0.234	0.630	4,013,286	3,972,094	99.0%	3,729,688	1.028	2.288
2011	0.182	0.364	2,297,686	2,270,122	98.8%	2,748,427	1.027	2.286
2012*	0.182	0.364	2,119,924	2,049,239**	96.7%	2,261,450*	1.071	2.400

(1) Unimproved tax rates are the sum of real and personal tax rates.

(2) Commercial/Industrial rates are the sum of real and personal tax rates for improved property.

(3) Collections are for current year and not adjusted for accruals.

(4) Total revenues represent the sum of collections during the current levy year, a portion of the prior levy year and adjustments and accruals to convert to a full accrual basis.

*Estimate for the fiscal year ending June 30, 2012 based upon actual taxes collected as of March 31, 2012.

**Actual taxes collected as of March 31, 2012.

Source: The County.

Audited Financial Statements

Tables 9, 10 and 11 below set forth the statement of net assets, schedule of revenues, expense and changes in fund assets and summary of historical debt service coverage for the Bethesda Parking Lot District for the fiscal years ended June 30, 2007 through June 30, 2011.

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Table 9: Audited Statement of Net Assets
MONTGOMERY COUNTY, BETHESDA PARKING LOT DISTRICT

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
ASSETS					
Current Assets:					
Equity in pooled cash and investments	\$16,646,299	\$16,363,820	\$15,345,679	\$10,775,139	\$6,355,087
Cash-Imprest fund	28,945	49,397	53,947	44,766	35,560
Property taxes receivable	12,613	78,147	61,460	(242,025)	171,210
Accounts receivable	4,052	3,983	1,721	4,826	1,493
Parking violations receivable	1,137,323	1,153,590	1,228,434	1,215,412	1,002,780
Due from other funds					
Due from component units	627,154	-	376,732	386,423	87,550
Due from other governments					
Prepays	2,515	2,515	1,723	4,047	-
Other assets					
Total Current Assets	<u>\$18,458,901</u>	<u>\$17,651,452</u>	<u>\$17,069,696</u>	<u>\$12,188,588</u>	<u>\$ 7,653,680</u>
Unamortized bond costs	\$415,249	\$599,263	\$489,603	\$452,426	\$543,665
Noncurrent assets:					
Restricted Assets:					
Restricted equity in pooled cash and investments	\$3,071,923	\$3,112,806	\$3,040,592	\$3,109,286	\$3,233,829
Investments	1,254,790	1,433,069	1,532,854	1,615,594	1,652,754
	<u>\$4,326,713</u>	<u>\$4,545,875</u>	<u>\$4,573,446</u>	<u>\$4,724,880</u>	<u>\$4,886,583</u>
Capital Assets:					
Land, improved and unimproved	\$16,857,718	\$16,857,718	\$16,857,718	\$17,732,718	\$17,732,718
Improvements other than buildings	26,225,691	28,178,234	31,215,334	33,967,532	33,967,532
Buildings	86,161,511	86,287,986	86,546,424	86,546,424	86,546,424
Furniture, fixtures, equipment, and machinery	17,828	17,828	17,828	17,828	17,828
Automobiles and trucks	91,763	91,763	108,827	108,827	108,827
Construction in progress	135,245	226,581	1,366,763	1,071,609	3,433,153
Subtotal	<u>\$129,489,756</u>	<u>\$131,660,110</u>	<u>\$136,112,894</u>	<u>\$139,444,938</u>	<u>\$141,806,482</u>
Less: Accumulated depreciation and amortization	<u>\$46,338,205</u>	<u>\$50,596,815</u>	<u>\$54,983,621</u>	<u>\$59,600,971</u>	<u>\$64,527,067</u>
Total Capital Assets (net of accumulated depreciation)	<u>\$83,151,551</u>	<u>\$81,063,295</u>	<u>\$81,129,273</u>	<u>\$79,843,967</u>	<u>\$77,279,415</u>
Total Noncurrent assets	<u>\$88,077,527</u>	<u>\$86,152,835</u>	<u>\$86,192,322</u>	<u>\$85,021,273</u>	<u>\$82,581,247</u>
Total Assets	<u>\$106,536,428</u>	<u>\$103,804,287</u>	<u>\$103,262,018</u>	<u>\$ 97,209,861</u>	<u>\$90,234,927</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$1,496,966	\$ 611,394	\$1,298,182	-	\$ 852,090
Interest payable	370,380	348,872	327,064	\$ 723,399	297,147
Retainage payable	618,689	-	296,229	312,397	-
Deposits	-	-	-	-	-
Accrued liabilities	183,323	338,457	366,439	-	220,000
Due to other funds	21,803	26,240	29,258	393,494	31,268
Due to component units	-	-	-	33,095	-
Revenue bonds payable	3,175,000	3,340,000	1,840,000	1,915,000	1,995,000
Other Liabilities	202,880	118,793	219,025	208,660	197,943
Total Current Liabilities	<u>\$6,069,041</u>	<u>\$4,783,756</u>	<u>\$4,376,197</u>	<u>\$3,586,045</u>	<u>\$3,593,448</u>

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Noncurrent Liabilities:					
Revenue bonds payable	\$37,330,553	\$33,999,591	\$32,159,927	\$30,236,872	\$28,234,144
Equipment notes payable					
Compensated absences liability(long-term)	32,793	66,402	81,692	87,095	16,205
Other post-employment benefits	-	-	-	84,975	117,845
Total Noncurrent Liabilities	<u>\$37,363,346</u>	<u>\$34,065,993</u>	<u>\$32,241,619</u>	<u>\$30,408,942</u>	<u>\$28,368,194</u>
Total Liabilities	<u>\$43,432,387</u>	<u>\$38,849,749</u>	<u>\$36,617,816</u>	<u>\$33,994,987</u>	<u>\$31,961,642</u>
NET ASSETS					
Invested in capital assets, net of related debt	\$42,645,998	\$43,723,704	\$47,129,346	\$47,692,095	\$47,050,271
Restricted for debt service	4,326,713	4,545,875	4,573,446	4,724,880	4,886,583
Unrestricted	<u>16,131,328</u>	<u>16,684,959</u>	<u>14,941,410</u>	<u>10,797,899</u>	<u>6,336,431</u>
Total Net Assets	<u>\$63,104,039</u>	<u>\$64,954,538</u>	<u>\$66,644,202</u>	<u>\$63,214,874</u>	<u>\$58,273,285</u>

Source: County, Office of the Controller. Derived from information from the County's Audited Comprehensive Financial Statements, FY 2007- FY 2011.

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**Table 10: Audited Schedule of Revenues, Expense and Changes in Fund Assets
MONTGOMERY COUNTY, BETHESDA PARKING LOT DISTRICT**

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
OPERATING REVENUES					
Charges for services	\$8,744,834	\$9,394,586	\$ 9,011,929	\$10,372,352	\$10,935,127
Fines and penalties (net of returned checks)	<u>4,662,085</u>	<u>4,722,807</u>	<u>5,490,665</u>	<u>5,731,708</u>	<u>5,322,322</u>
Total Operating Revenues	\$13,406,919	\$14,117,393	\$14,502,594	\$16,104,060	\$16,257,449
OPERATING EXPENSES					
Personnel costs	\$1,462,678	\$1,770,608	\$1,863,923	\$1,973,327	\$1,668,995
Other postemployment benefit contributions	-	142,700	141,625	141,625	164,350
Insurance	-	-	6,560	8,300	9,540
Postage	698	2,268	7,667	8,384	12,489
Supplies and materials	149,803	129,055	212,193	185,108	187,404
Contractual services	2,634,746	2,739,064	2,748,777	2,897,350	2,795,037
Communications	75,495	70,413	67,717	74,034	81,978
Transportation	82,225	86,547	82,850	122,624	260,792
Public utility services	1,195,130	801,450	1,181,048	1,286,055	1,505,877
Rentals	168,518	114,572	156,035	88,779	101,768
Maintenance	791,541	1,069,120	937,060	1,399,930	1,039,707
Depreciation	4,009,665	4,258,610	4,386,805	4,617,350	4,926,096
Other	<u>26,649</u>	<u>9,441</u>	<u>3,959</u>	<u>3,172</u>	<u>1,377</u>
Total Operating Expenses	<u>\$10,597,148</u>	<u>\$11,193,848</u>	<u>\$11,796,219</u>	<u>\$12,806,038</u>	<u>\$12,755,410</u>
Operating Income (Loss)	\$2,809,771	\$2,923,545	\$2,706,375	\$3,298,022	\$3,502,039
NONOPERATING REVENUES (EXPENSES)					
Property taxes	\$4,534,680	\$5,387,271	\$ 6,152,777	\$3,729,688	\$2,748,427
Investment income	1,358,957	1,176,231	443,920	121,647	40,136
Interest expense	(1,908,402)	(1,752,562)	(1,599,175)	(1,443,790)	(1,369,435)
Other revenue	<u>755,179</u>	<u>310,897</u>	<u>438,857</u>	<u>91,267</u>	<u>171,754</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 4,740,414</u>	<u>\$5,121,837</u>	<u>\$5,436,379</u>	<u>\$2,498,812</u>	<u>\$1,590,882</u>
Income (Loss) before Transfers	<u>\$7,550,185</u>	<u>\$8,045,382</u>	<u>\$8,142,754</u>	<u>\$5,796,834</u>	<u>\$5,092,921</u>
Transfers In (Out):					
Transfers in	-	\$114,160	\$84,975	-	-
Transfers out	(\$6,085,051)	(\$6,309,043)	(\$6,538,065)	(\$9,226,162)	(\$10,034,510)
Total Transfers In (Out)	(\$6,085,051)	(\$6,194,883)	(\$6,453,090)	(\$9,226,162)	(\$10,034,510)
Change in Net Assets	\$1,465,134	\$1,850,499	\$1,689,664	(\$3,429,328)	(\$4,941,589)
Total Net Assets – Beginning of Year	\$61,638,905	\$63,104,039	\$64,954,538	\$66,644,202	\$63,214,874
Total Net Assets – End of Year	<u>\$63,104,039</u>	<u>\$64,954,538</u>	<u>\$66,644,202</u>	<u>\$63,214,874</u>	<u>\$58,273,285</u>

Source: County, Office of the Controller. Derived from information from the County's Audited Comprehensive Financial Statements, FY 2007- FY 2011.

**Table 11: Summary of Historical Debt Service Coverage
MONTGOMERY COUNTY, BETHESDA PARKING LOT DISTRICT**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues					
Parking Fees	\$8,744,834	\$9,394,586	\$9,011,929	\$10,372,352	\$10,935,127
Parking Fines and Penalties	4,662,085	4,722,806	5,490,665	5,731,708	5,322,322
Property Taxes	4,534,680	5,387,271	6,152,777	3,729,688	2,748,427
Interest Earnings	<u>1,358,957</u>	<u>1,176,231</u>	<u>443,920</u>	<u>121,647</u>	<u>40,136</u>
Total Revenues	<u>\$19,300,556</u>	<u>\$20,680,894</u>	<u>\$21,099,291</u>	<u>\$19,955,395</u>	<u>\$19,046,012</u>
Current Expenses					
Operating Expenses	\$10,597,148	\$11,193,848	\$11,796,219	\$12,806,038	\$12,755,410
Less Depreciation and Amortization	<u>4,009,665</u>	<u>4,258,610</u>	<u>4,386,805</u>	<u>4,617,350</u>	<u>4,926,096</u>
Total Current Expenses	<u>\$6,587,483</u>	<u>\$6,935,238</u>	<u>\$7,409,414</u>	<u>\$8,188,688</u>	<u>\$7,829,314</u>
Net Revenues	\$12,713,073	\$13,745,656	\$13,689,877	\$11,766,707	\$11,216,698
Debt Service:					
Current Year Debt Service	\$5,398,185	\$4,884,435	\$4,906,585	\$3,269,335	\$3,270,235
Maximum Annual Debt Service	\$5,398,185	\$4,906,585	\$4,906,585	\$3,325,776	\$3,325,776
Debt Service Coverage from Net Revenues (Current Year Debt Service)	235.5%	281.4%	279.0%	359.9%	343.0%
Debt Service Coverage from Net Revenues (Maximum Annual Debt Service)	235.5%	280.1%	279.0%	353.8%	337.3%

Source: Derived from information from the County's Audited Comprehensive Financial Statements, FY 2007- FY 2011

Outstanding Bethesda Parity Bonds

In addition to the Refunded Bonds, the County has previously issued its Series 2005 Bonds issued in the original principal amount of \$16,495,000 of which \$13,310,000 in principal amount remains outstanding. The Series 2005 Bonds are secured on an equal and ratable basis with the Series 2012 Bonds and any Additional Bonds that may be issued under the Order from time to time.

The following table sets forth for each fiscal year the principal and interest due on the Series 2012 Bonds and the total debt service requirements of the Series 2005 Bonds assuming the issuance of the Series 2012 Bonds and after giving effect to the redemption of the Refunded Bonds.

**Table 12: Summary of Debt Service by Fiscal Year
MONTGOMERY COUNTY, BETHESDA PARKING LOT DISTRICT**

Fiscal Year	Outstanding Bonds ⁽¹⁾			Series 2012 Bonds			Total Debt Service		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
2012	\$ 1,995,000	\$1,278,136	\$ 3,273,136	\$ -	\$ -	\$ -	\$ 1,995,000	\$ 1,278,136	\$3,273,136
2013	725,000	522,733	1,247,733	1,295,000	1,507,637	2,802,637	2,020,000	2,030,369	4,050,369
2014	755,000	489,508	1,244,508	1,345,000	1,421,431	2,766,431	2,100,000	1,910,939	4,010,939
2015	785,000	458,708	1,243,708	2,335,000	1,381,081	3,716,081	3,120,000	1,839,789	4,959,789
2016	815,000	428,236	1,243,236	2,430,000	1,287,681	3,717,681	3,245,000	1,715,917	4,960,917
2017	850,000	397,526	1,247,526	2,525,000	1,190,481	3,715,481	3,375,000	1,588,008	4,963,008
2018	880,000	363,989	1,243,989	2,645,000	1,074,481	3,719,481	3,525,000	1,438,470	4,963,470
2019	920,000	327,989	1,247,989	2,775,000	942,231	3,717,231	3,695,000	1,270,220	4,965,220
2020	955,000	290,489	1,245,489	2,910,000	803,481	3,713,481	3,865,000	1,093,970	4,958,970
2021	995,000	251,489	1,246,489	3,055,000	657,981	3,712,981	4,050,000	909,470	4,959,470
2022	1,035,000	210,889	1,245,889	1,300,000	505,231	1,805,231	2,335,000	716,120	3,051,120
2023	1,080,000	168,049	1,248,049	1,335,000	466,231	1,801,231	2,415,000	634,280	3,049,280
2024	1,125,000	122,706	1,247,706	1,375,000	426,181	1,801,181	2,500,000	548,887	3,048,887
2025	1,170,000	75,371	1,245,371	1,420,000	384,931	1,804,931	2,590,000	460,303	3,050,303
2026	1,220,000	25,620	1,245,620	1,460,000	342,331	1,802,331	2,680,000	367,951	3,047,951
2027	-	-	-	1,505,000	298,531	1,803,531	1,505,000	298,531	1,803,531
2028	-	-	-	1,550,000	253,381	1,803,381	1,550,000	253,381	1,803,381
2029	-	-	-	1,595,000	206,881	1,801,881	1,595,000	206,881	1,801,881
2030	-	-	-	1,645,000	159,031	1,804,031	1,645,000	159,031	1,804,031
2031	-	-	-	1,695,000	109,681	1,804,681	1,695,000	109,681	1,804,681
2032	-	-	-	1,745,000	56,713	1,801,713	1,745,000	56,713	1,801,713
Total	\$ 15,305,000	\$5,411,434	\$ 20,716,434	\$ 37,940,000	\$ 13,475,612	\$ 51,415,612	\$ 53,245,000	\$ 18,887,046	\$72,132,046

⁽¹⁾ Includes the June 1, 2012 payment of the Series 2002A Bonds and the outstanding Series 2005 Bonds.

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TAX MATTERS

Maryland Income Taxation

In the opinion of Bond Counsel, under existing law, interest on the Series 2012 Bonds and any profit realized in their sale or exchange will be exempt from State of Maryland income taxation. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Series 2012 Bonds, their transfer or the interest therefrom.

Interest on the Series 2012 Bonds may be subject to state or local income taxes in jurisdictions other than the State of Maryland under applicable state or local tax laws. Purchasers of the Series 2012 Bonds should consult their own tax advisors with respect to the taxable status of the Series 2012 Bonds in jurisdictions other than Maryland.

Federal Income Taxation

In the opinion of Bond Counsel, assuming compliance with certain covenants described herein, interest on the Series 2012 Bonds will be excludable from gross income for federal income tax purposes under existing statutes, regulations, and decisions.

Under the provisions of the Code, there are certain restrictions that must be met subsequent to the delivery of the Series 2012 Bonds, including restrictions that must be complied with throughout the term of the Series 2012 Bonds in order that the interest thereon be excludable from gross income. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the Series 2012 Bonds be rebated to the United States of America under certain circumstances (or that certain payments in lieu of rebate be made); (ii) other requirements applicable to the investment of the proceeds of the Series 2012 Bonds; and (iii) other requirements applicable to the use of the proceeds of the Series 2012 Bonds and the facilities financed or refinanced with such proceeds. Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Series 2012 Bonds in gross income for federal income tax purposes, effective from the date of their issuance. The County has covenanted to regulate the investment of the proceeds of the Series 2012 Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Series 2012 Bonds.

Interest on the Series 2012 Bonds will not be includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to tax may be required to increase its alternative minimum taxable income by 75% of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, "adjusted current earnings" may include, among other items, interest income from the Series 2012 Bonds. In addition, interest income on the Series 2012 Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States of America.

In rendering its opinion with respect to the Series 2012 Bonds, Bond Counsel will rely, without independent investigation, on certifications provided by the County with respect to certain material facts within their knowledge relevant to the tax-exempt status of interest on the Series 2012 Bonds.

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

Certain Other Federal Tax Consequences

There are other federal tax consequences of ownership of obligations such as the Series 2012 Bonds under certain circumstances, including the following: (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax-exempt obligations, as well as interest on indebtedness incurred or continued to purchase or carry tax-exempt obligations and interest expense of financial institutions allocable to tax-exempt interest, (ii) for property and casualty insurance companies, the amount of the deduction for losses incurred must be reduced by 15% of the sum of tax-exempt interest income and the deductible portion of dividends received by such companies; (iii) interest income that is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income tax purposes; and (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, which includes interest on tax-exempt obligations such as the Series 2012 Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status.

Tax Accounting Treatment of Discount Bonds

Certain maturities of the Series 2012 Bonds may be issued at an initial public offering price which is less than the amount payable on such Series 2012 Bonds at maturity (the "Discount Bonds"). The difference between the initial offering price at which a substantial amount of the Discount Bonds of each maturity was sold and the principal amount of such Discount Bonds payable at maturity constitutes original issue discount. In the case of any holder of Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to such Discount Bonds is added to the original cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, early redemption or repayment at maturity). For federal income tax purposes (i) any holder of a Discount Bond will recognize gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the sum of (1) the holder's original cost basis in such Discount Bond, and (2) the amount of original issue discount attributable to the period during which the holder held such Discount Bond, and (ii) the amount of the basis adjustment described in clause (i)(b)(2) will not be included in the gross income of the holder.

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

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

The prices or yields furnished by the successful bidder for the Series 2012 Bonds as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purposes of determining the original issues discount for federal income tax purposes.

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

Purchase, Sale and Retirement of Series 2012 Bonds

Except as noted below in the case of market discount, the sale or other disposition of a Series 2012 Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Series 2012 Bond will be its cost. Upon the sale or retirement of a Series 2012 Bond, for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of such security (including sale, early redemption or payment at maturity) in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Series 2012 Bond, determined by adding to the original cost basis in such Series 2012 Bond the amount of original issue discount that is treated as having accrued as described above under "Tax Matters -- Tax Accounting Treatment of Discount Bonds." Such gain or loss will be a long-term capital gain or loss if at the time of the sale or retirement the Series 2012 Bond has been held for more than one year. Present law taxes both long and short-term capital gains of corporations at the rates applicable to ordinary income. For noncorporate taxpayers, however, net capital gains will be taxed at a maximum rate of 15%, while short-term capital gains and other ordinary income will be taxed at a maximum rate of 35%. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses. Because of the limitation on itemized deductions and the deduction for personal exemptions applicable to higher income taxpayers, the effective rate of tax may be higher in certain circumstances. The operation of sunset, effective date and similar timing provisions in current law would result in a change in the tax rates in certain future time periods.

Market Discount

If a holder acquires a Series 2012 Bond after its original issuance at a discount below its principal amount (or in the case of a Series 2012 Bond issued at an original issue discount, at a price that produces a yield to maturity higher than the yield to maturity at which such bond was first issued), the holder will be deemed to have acquired the Series 2012 Bond at "market discount," unless the amount of market discount is *de minimis*, as described in the following paragraph. If a holder that acquires a Series 2012 Bond with market discount subsequently realizes a gain upon the disposition of the Series 2012 Bond, such gain shall be treated as taxable interest income to the extent such gain does not exceed the accrued market discount

attributable to the period during which the holder held such Series 2012 Bond, and any gain realized in excess of such market discount will be treated as capital gain. Potential purchasers should consult their tax advisors as to the proper method of accruing market discount.

In the case of a Series 2012 Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the Series 2012 Bond's stated redemption price at maturity over the holder's cost of acquiring the Series 2012 Bond is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years between the date the holder acquires the Series 2012 Bond and its maturity date. In the case of a Series 2012 Bond issued with original issue discount, market discount will be *de minimis* if the excess of the Series 2012 Bond's revised issue price over the holder's cost of acquiring the Series 2012 Bond is less than 0.25% of the revised issue price multiplied by the number of complete years between the date the holder acquires the Series 2012 Bond and its stated maturity date. For this purpose, a "revised issue price" is the sum of (i) its original issue price and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to the Series 2012 Bond during the period between its original issue date and the date of acquisition by the holder.

Amortizable Bond Premium

A Series 2012 Bond will be considered to have been purchased at a premium if, and to the extent that, the holder's tax basis in the Series 2012 Bond exceeds the amount payable at maturity (or, in the case of a Series 2012 Bond callable prior to maturity, the amount payable on the earlier call date). Under tax regulations applicable to the Series 2012 Bonds, the amount of the premium would be determined with reference to the amount payable on that call date (including for this purpose the maturity date) which produces the lowest yield to maturity on the Series 2012 Bonds. The holder will be required to reduce his tax basis in the Series 2012 Bond for purposes of determining gain or loss upon disposition of the Series 2012 Bond by the amount of amortizable bond premium that accrues, determined in the manner prescribed in the regulations. Generally, no deduction (or other tax benefit) is allocable in respect of any amount of amortizable bond premium on the Series 2012 Bonds.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not discuss all aspects of federal income taxation that may be relevant to a particular holder of Series 2012 Bonds in light of such holder's particular circumstances and income tax situation. Each holder of Series 2012 Bonds should consult such holder's tax advisor as to the specific tax consequences to such holder of the ownership and disposition of the Series 2012 Bonds, including the application of state, local, foreign and other tax laws.

Legislative Developments

Legislative proposals currently under consideration or proposed after issuance and delivery of the Series 2012 Bonds could adversely affect the market value of the Series 2012 Bonds. Further, if enacted into law, any such proposal could cause the interest on the Series 2012 Bonds to be subject, directly or indirectly, to federal income taxation and could otherwise alter or amend one or more of the provisions of federal tax law described above or their consequences. Prospective purchasers of the Series 2012 Bonds should consult with their tax advisors as to the status and potential effect of pending proposed legislative proposals, as to which Bond Counsel expresses no opinion.

CERTAIN LEGAL MATTERS

The authorization, sale, issuance and delivery of the Series 2012 Bonds will be subject to legal approval by McKennon Shelton & Henn LLP, Bond Counsel, and a copy of their unqualified approving legal opinion with respect to the Series 2012 Bonds will be delivered upon request, without charge, to the

successful bidders for the Series 2012 Bonds. The opinion is expected to be substantially in the form of the draft opinion attached to this Official Statement as Appendix C.

LITIGATION

The County is currently processing numerous claims for damages and is also a defendant in a number of lawsuits which are expected to be paid, when applicable, through its self-insurance program. Management and legal counsel believe that the self-insurance program is adequately funded to cover such claims and lawsuits to be paid out of the program. In addition to those suits in which claims for liability are adequately covered by insurance, the County is a defendant in various suits involving tort claims, violations of civil rights, breach of contract, inverse condemnation, and other suits and actions arising in the normal course of business. In the opinion of the County Attorney, none of such claims and suits will materially affect the County's ability to perform its obligations to the holders of the Series 2012 Bonds.

LEGALITY FOR INVESTMENT

Under the Authorizing Legislation, the Series 2012 Bonds are legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees, guardians for all public funds of the State of Maryland or other political corporations or subdivisions of the State of Maryland, and any and all public funds of cities, towns, counties, school districts or other political corporations or subdivisions of the State of Maryland.

RATINGS

Rating reviews for this issue have been requested from Fitch Ratings and Moody's Investors Service, Inc. ("Moody's") and are located on the cover page to 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 such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Series 2012 Bonds.

On August 5, 2011, Moody's announced that in conjunction with its assignment of a negative outlook to the rating of the United States government, Moody's had revised the outlooks for indirectly linked United States public finance issuers, including the County, to negative. On December 7, 2011, after conducting a review process with each of the 166 indirectly linked issuers, Moody maintained the negative outlook for the County and certain other issuers, including the State of Maryland. The County is continuing to work with Moody's to resolve this issue.

Due to the ongoing uncertainty regarding the economy of the United States, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, obligations issued by state and local governments, such as the Series 2012 Bonds, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Series 2012 Bonds.

FINANCIAL ADVISOR

Public Resources Advisory Group, Media, Pennsylvania, is serving as financial advisor to the County with respect to the issuance and sale of the Series 2012 Bonds. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities. The Financial Advisor has not and is not obligated to undertake or to make an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

CERTIFICATE OF COUNTY OFFICIALS

The Chief Administrative Officer and the Director of Finance of the County will furnish a certificate to the successful bidders for the Series 2012 Bonds to the effect that, to the best of their knowledge and belief, this Official Statement (including, without limitation, the County's AIS which is incorporated herein by reference), as of the date of sale and the date of delivery of the Series 2012 Bonds, is true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact, required to be stated or necessary to be stated, to make such statements, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12") to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement (the "Continuing Disclosure Agreement") on or before the date of issuance and delivery of the Series 2012 Bonds, the form of which is attached to this Official Statement as Appendix B. Potential purchasers of the Series 2012 Bonds should note that the Listed Events in Appendix B are intended to completely restate the events specified in Rule 15c2-12.

The County has not failed to comply with any prior continuing disclosure undertaking made pursuant to Rule 15c2-12.

MISCELLANEOUS

All references to the Order and other documents mentioned herein and in the accompanying Appendices, including any summaries thereof, are qualified in their entirety by reference to such documents. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the registered Holders of the Series 2012 Bonds.

The information in this Official Statement is presented for the guidance of prospective purchasers of the Series 2012 Bonds described herein. The information has been compiled from official and other sources and, while not guaranteed by the County, is believed to be correct. So far as any statements made in this Official Statement and the Appendices attached hereto involve matters of opinion or of estimates, whether or not so expressly stated, they are set forth as such and not as representations of facts, and no representation is made that any of the estimates will be realized.

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

AUTHORIZATION OF OFFICIAL STATEMENT

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

/s/ Timothy L. Firestine

Timothy L. Firestine
Chief Administrative Officer

/s/ Joseph F. Beach

Joseph F. Beach
Director, Department of Finance

APPENDIX A

**DEFINITIONS OF CERTAIN TERMS AND
SUMMARIES OF LEGAL DOCUMENTS**

DEFINITIONS OF CERTAIN WORDS AND TERMS

The following are definitions of certain words and terms used in this Official Statement which are in addition to words and terms used and defined elsewhere herein. Any words or terms used but not defined herein shall have the meanings set forth in the Resolution and the Order.

“Additional Bonds” shall mean any bonds of Montgomery County, Maryland which may be authorized and issued in the future and which are payable solely from the Net Revenues of the Bethesda Parking Lot District on an equal basis with the Series 2012 Bonds and the Outstanding Bethesda Parity Bonds.

“Bethesda Bonds” means, collectively, the Series 2012 Bonds, the Outstanding Bethesda Parity Bonds and any Additional Bonds that may be issued from time to time under the Order.

“Business Day” shall mean a day other than a Saturday, Sunday or legal holiday in the State of Maryland or the City of New York, New York, and observed as such by the County or the Paying Agent.

“County Council” shall mean the County Council for the County.

“County Executive” shall mean the County Executive of the County.

“Current Expenses” shall mean and include the reasonable and necessary costs of operating, maintaining, repairing and insuring the Facilities within or operated by the Bethesda Parking Lot District, including, without limitation, salaries, wages, annually appropriated lease payments and costs of materials, supplies and services, but excluding depreciation and principal of and the interest on the Bethesda Bonds or payments to any accounts which may be established by the County Executive as provided by the Order.

“Debt Service Account” shall mean the separate Parking Debt Service Account created for the Bethesda Parking Lot District by the Order.

“Facilities” shall mean the public parking facilities within or operated by the Bethesda Parking Lot District, including (without limitation) parking garages and lots, on-street spaces, parking meters, any additions, enlargements, improvements, extensions, alterations, repairs and replacements thereof, and any fixtures, equipment, personal property, appurtenances and land or other interests in real property relating to such parking facilities.

“Fiscal Year” shall mean the twelve-month period beginning on July 1 of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the County or by law as the official accounting period of the County.

“General Purposes Account” shall mean the Bethesda Parking General Purposes Account created for the Bethesda Parking Lot District by the Order.

“Government Obligations” shall mean direct, non-callable obligations of, or direct, non-callable, non-prepayable obligations the timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America. Government Obligations shall not mean money market mutual funds, even if such funds invest exclusively in direct obligations of the United States of America, or unit investment trusts.

“Investment Obligations” shall mean any obligations that constitute legal investments for the County.

“Net Revenues” shall mean all Revenues of the Bethesda Parking Lot District after deduction of Current Expenses.

“Operation and Maintenance Account” shall mean the Bethesda Parking Operations and Maintenance Account created for the Bethesda Parking Lot District by the Order.

“Order” shall mean Order No. B160-92 of the County Executive passed on February 28, 1992, as amended and supplemented, and as the same may be further amended and supplemented from time to time.

“Outstanding Bethesda Parity Bonds” means the County’s Parking Revenue Bonds (Bethesda Parking Lot District), Series 2005.

“Parking Fee Revenues” shall mean all regular and recurring fees, charges or other revenues collected by and payable to or for the account of the Bethesda Parking Lot District for the parking of motor vehicles on or in Facilities, excluding any Special Parking Revenues.

“Parking Fine Revenues” shall mean all revenues collected by and payable to or for the account of the Bethesda Parking Lot District from fines (and any interest or penalty thereon) payable by operators or owners of motor vehicles and resulting from violations of parking rules, regulations, ordinances, and requirements with respect to the Bethesda Parking Lot District.

“Permitted Investments” shall mean the investments specified in Exhibit A to the Order, to the extent permitted by applicable law.

“Person” shall mean an individual, partnership, corporation, trust, or unincorporated organization, or a government, or agency or political subdivision thereof.

“Renewal and Renovation Account” shall mean the Bethesda Parking Renewal and Renovation Account created for the Bethesda Parking Lot District by the Order.

“Reserve Account” shall mean the Bethesda Parking Revenue Bond Debt Service Reserve Account created for the Bethesda Parking Lot District by the Order.

“Resolution” shall mean the Resolution adopted by the County Council of the County on April 24, 2012, authorizing the issuance of the Series 2012 Bonds.

“Revenue Account” shall mean the Bethesda Parking Revenue Account created for the Bethesda Parking Lot District by the Order and held by the County as a separate, identified account to maintain the Revenues of the Bethesda Parking Lot District.

“Revenues” shall mean the Parking Fee Revenues, Parking Fine Revenues and Special Tax Revenues of the Bethesda Parking Lot District and interest income (excluding income earned from the investment of the proceeds and the investment proceeds of the Series 2012 Bonds, any Additional Bonds and any general obligation bonds of the County payable from unlimited ad valorem taxes in addition to Net Revenues of the Bethesda Parking Lot District) of and lease payments to the Bethesda Parking Lot District from the time that they are received by the County and are placed in the Revenue Account applicable to the Bethesda Parking Lot District.

“Series 2012 Bonds” shall mean, collectively, the Montgomery County, Maryland Parking System Project Revenue Bonds (Bethesda Parking Lot District) Series 2012A and the Montgomery County, Maryland Parking System Refunding Revenue Bonds (Bethesda Parking Lot District) Series 2012B.

“Special Parking Revenues” shall mean all revenues collected by and payable to the Bethesda Parking Lot District for the account of a Person other than the Bethesda Parking Lot District.

“Special Tax Revenues” shall mean all revenues collected by and for the County as special taxes within the Bethesda Parking Lot District pursuant to Chapter 60 of the County Code.

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following statements are brief summaries of certain provisions of the Resolution.

General

The Resolution authorizes the issuance of the Series 2012 Bonds, the proceeds of which shall be applied as set forth in the Official Statement under the headings “Introduction” and “Estimated Sources and Uses of Funds.” The Series 2012 Bonds shall be issued as special obligations and not as indebtedness of the County within the meaning of the Montgomery County Charter or as a pledge of the full faith and credit or taxing power of the County.

Pledge of Certain Special Taxes

So long as the Bethesda Bonds are outstanding and unpaid, the County has covenanted to levy within the Bethesda Parking Lot District the special taxes payable pursuant to Section 60-3 of the Montgomery County Code, as amended, in rate and amount which shall be sufficient in each Fiscal Year to maintain Net Revenues of not less than 1.25 times the amount required for making lease payments on irrevocable or long-term leases relating to Facilities within or operated by such District in such Fiscal Year and paying the maximum principal of and interest (except for capitalized interest) on the Bethesda Bonds and general obligation bonds of the County issued for the financing of Facilities within or operated by such District in such Fiscal Year or any succeeding Fiscal Year.

Executive Order

The County Executive shall specify, prescribe, determine, provide for, or approve, by executive order or otherwise, all matters, forms, documents, or procedures that the County Executive deems appropriate to effect the authorization, sale, security, issuance, delivery, and payment of or for the Series 2012 Bonds, subject to the provisions of the Resolution.

SUMMARY OF CERTAIN PROVISIONS OF AND AMENDMENTS TO THE ORDER

The following statements are brief summaries of certain provisions of and amendments to the Order.

Amendments to Order

The purchasers of any Series 2012 Bonds upon the original issuance thereof in accordance with the Order may be deemed to have consented to any amendment to the Order, any Supplemental Order, or any Bond permitted to be made with the consent of the holders of the Series 2012 Bonds with the same effect as if such holders shall have filed a written consent to such amendment. In accordance with the foregoing, concurrently with the issuance of the Series 2012 Bonds, the Order as theretofore in effect will be amended to (i) eliminate any reference to any provision of the Order which confers any rights or affords any interests to the Bond Insurer (as defined below) or the Reserve Insurer (as defined below) thereunder, including (without limitation) the payment of any Policy Costs (as defined below) of the Reserve Insurer, or which requires the consent or direction of the Bond Insurer or the Reserve Insurer under the Order, including (without limitation) any requirement to provide notice to the Bond Insurer or the Reserve Insurer thereunder

during any period in which a Bond Insurer or Reserve Insurer is not providing insurance for any of the Bethesda Bonds or the Reserve Account securing such Bonds (as the case may be); (ii) permit the County Executive to authorize the free use by the general public of all or a part of the Facilities in the Bethesda Parking Lot District for a total of one hundred and twenty (120) operational hours in a Fiscal Year in lieu of the current provision which allows for a total of forty (40) free operational hours in a Fiscal Year subject to the requirement that the balances required for the Operation and Maintenance Account, Debt Service Account, Reserve Account and Renewal and Renovation Account be maintained for the next succeeding Fiscal Year and that such free use will not result in a violation of the Rate Covenant; and (iii) amend the definition of Revenues to include any revenues derived from the sale of air rights associated with any Facility of the Bethesda Parking Lot District.

The terms used in this section have the meanings set forth below pursuant to the terms of the Order:

“Bond Insurance Policy” means the municipal bond insurance policies issued by the Bond Insurer, which guaranteed bonds previously issued under the Order which have been retired and are no longer outstanding.

“Bond Insurer” means Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto, in its capacity as the issuer of the Bond Insurance Policy.

“Policy Costs” means draws, expenses and accrued interest under a Reserve Policy.

“Reserve Policy” means the municipal bond insurance policies issued by the Reserve Insurer and deposited with the paying agent in lieu of depositing and maintaining money in the Reserve Account for bonds previously issued under the Order which have been retired and are no longer outstanding.

“Reserve Insurer” means Financial Guaranty Insurance Company, a New York stock insurance company, or any successor thereto, in its capacity as the issuer of the Reserve Policy.

Revenue Account

From and after the delivery of any Bethesda Bonds, and as long as any of the Bethesda Bonds shall be outstanding and unpaid either as to principal or as to interest, or until all of the Bethesda Bonds then outstanding shall have been discharged and satisfied in the manner provided in the Order, the Revenues of the Bethesda Parking Lot District shall be deposited as collected in a separate and special account for the Bethesda Parking Lot District to be known as the “Parking Revenue Account.” Money in the Revenue Account shall be allotted and paid into the various accounts hereinafter referred to in the order in which such accounts are listed, on a cumulative basis on or before the 20th day of each month, or on or before the next succeeding Business Day when the 20th day shall not be a Business Day. If in any month the money in the Revenue Account shall be insufficient to deposit or transfer the required amount into any of the accounts, the deficiency shall be made up in the following month or months after payments into all accounts enjoying a prior claim to the Revenues shall have been met in full. The money in the Revenue Account shall be disbursed into accounts for the Bethesda Parking Lot District only as follows:

(a) *Operation and Maintenance Account.* Money in the Revenue Account shall first be disbursed to make deposits into a separate and special account to pay Current Expenses to be known as the “Parking Operation and Maintenance Account.” There shall be deposited in the Operation and Maintenance Account each month an amount sufficient to maintain such account at a level which is equal to 1/16 of the annual appropriation of the County for Current Expenses. Further deposits may be made to this account from the Revenue Account to the extent necessary to pay Current Expenses accrued and payable to the extent that money is not available in the General Purposes Account.

(b) *Debt Service Account.* Money in the Revenue Account shall next be disbursed to make deposits into a separate and special account to pay principal of and interest on the Bethesda Bonds and general obligation bonds of the County which are payable from unlimited ad valorem taxes in addition to Net Revenues of the Bethesda Parking Lot District, such account to be known as the "Parking Debt Service Account." The amount to be deposited in the Debt Service Account in any month shall be an amount equal to 1/6 of the installment of interest coming due on the next interest payment date on the then outstanding Bethesda Bonds and such general obligation bonds until the full amount of such installment is on hand plus 1/12 of the installment of principal coming due on such Bethesda Bonds and general obligation bonds on the next succeeding principal payment date, until the full amount of such installment is on hand. Money in the Debt Service Account shall be used solely for the purpose of paying principal of and interest on the Bethesda Bonds and such general obligation bonds as the same shall become due and payable.

(c) *Reserve Account.* (i) As further described in this paragraph, money in the Revenue Account shall next be disbursed to a separate and special account to maintain a debt service reserve in an amount equal to the least of (A) 125% of average annual debt service on the Bethesda Bonds, (B) the maximum annual debt service on the Bethesda Bonds, or (C) 10% of the proceeds of the sale of the Bethesda Bonds which have been issued at that time. Such account is known as the "Parking Revenue Bond Debt Service Reserve Account." The Reserve Account shall be fully funded in the required amount from proceeds of the Series 2005 Bonds and the Series 2012 Bonds, except to the extent the County deposits a credit facility with a custodian as described below. Reserve requirements for Additional Bonds may be funded from available surplus money of the Bethesda Parking Lot District, from proceeds of Additional Bonds or as described below. If it is necessary to replenish the Reserve Account, any available money from the Revenue Account, the General Purposes Account or the Renewal and Renovation Account may be used to fund the Reserve Account; provided, however, that when the amount in the Reserve Account, together with a credit facility as described below, shall be equal to the reserve requirement stated above, no further deposits need be made into the Reserve Account except to maintain the Reserve Account at such level. Money in the Reserve Account, including any money received under a credit facility described in paragraph (c)(ii), shall be used solely for the purpose of paying principal at maturity of or interest on the Bethesda Bonds for the payment of which insufficient money shall be available in the Debt Service Account, on an equal basis, without any distinction as to time of issuance. Whenever it shall become necessary to so use money in the Reserve Account, the deficiency shall be restored by the County from the first available Revenues in not more than 12 equal and consecutive monthly installments, until the amount in such account, together with any credit facility described in paragraph (ii), shall equal the reserve requirement stated above.

(ii) In lieu of maintaining and depositing money in the Reserve Account, the County may deposit with a bank or trust company designated by the County, as custodian, a letter of credit, surety bond or bond insurance policy in an amount equal to all or a portion of the reserve requirement described above, if the County obtains

(A) the written consent of any bond insurance company insuring any of the Bethesda Bonds to which the letter of credit, surety bond or bond insurance policy applies and (B) written evidence that the surety bond or bond insurance policy is issued by an issuer whose bond insurance policies on municipal bond issues result in the issues being rated in the highest long-term rating category by Moody's Investors Service, Inc. and Standard & Poor's Corporation (collectively, the "Rating Agencies") or the letter of credit is issued by a bank or trust company whose long-term debt obligations are rated by both Rating Agencies within the two highest long-term rating categories and the letter of credit is rated within the two highest long-term rating categories by both Rating Agencies. Any letter of credit, surety bond or bond insurance policy must permit the custodian to draw or obtain amounts under it for deposit in the Reserve Account that, together with any money already on deposit in the Reserve Account,

are not less than the reserve requirement described above. If the County deposits the surety bond, letter of credit or bond insurance policy as described in this paragraph, it shall enter into an agreement with the custodian which shall provide that the custodian will make a drawing on the letter of credit or obtain funds under the bond insurance policy or surety bond before its expiration or termination (A) whenever money is required for the purposes for which Reserve Account money may be applied and (B) unless such letter of credit, surety bond or bond insurance policy has been extended or a qualified replacement for it delivered to the custodian, in the event the County has not deposited money in immediately available funds equal to the reserve requirement described above at least two Business Days preceding the expiration or termination of the letter of credit, surety bond or bond insurance policy. If the County provides the custodian with a letter of credit, surety bond or bond insurance policy as provided in this paragraph, the Director of Finance may transfer the corresponding amount of funds then on deposit in the Reserve Account to the appropriate accounts of the County, provided the County obtains (i) an opinion of bond counsel to the County that such transfer of funds will not affect the status of the interest on the Bethesda Bonds as excluded from gross income for Federal income tax purposes, and (ii) the County covenants to comply with any directions or restrictions contained in such opinion concerning the use of such funds. Notwithstanding the foregoing, if the County chooses to deposit with the custodian a credit facility in an amount equal to all or a portion of the reserve requirement for any Additional Bonds, the County must obtain the prior written consent of the Person providing the credit facility with respect to the reserve requirement for the Series 2012 Bonds and the Outstanding Bethesda Parity Bonds, which consent shall not be unreasonably withheld.

(d) *Renewal and Renovation Account.* Money in the Revenue Account shall next be disbursed to establish a separate and special account to be known as the "Parking Renewal and Renovation Account." Money in the Revenue Account shall be disbursed into the Renewal and Renovation Account monthly in the amount of \$125,000 until the amount on deposit in the Renewal and Renovation Account equals \$1,500,000 (or such higher amount as may from time to time be determined to be appropriate for the purposes of this account). When the balance of the Renewal and Renovation Account shall equal \$1,500,000 (or such higher amount as may then have been determined to be appropriate), no further monthly deposits need be made into such account except to maintain a balance in the account equal to \$1,500,000 (or such higher amount as may then have been determined to be appropriate). Money in the Renewal and Renovation Account shall be used for the payment of the cost of renewals, replacements and renovation of and unusual or extraordinary repairs to Facilities and of engineering and other expenses incurred in connection therewith. Money in the Renewal and Renovation Account may also be used, at the discretion of the County, to make transfers to (i) the Operation and Maintenance Account to pay Current Expenses should money then available in the General Purposes Account be insufficient for such purpose, (ii) the Debt Service Account, in an amount which, together with money transferred thereto from the General Purposes Account, is sufficient to remedy deficiencies in deposits required by the Order, or (iii) the Reserve Account, in an amount which, together with money transferred thereto from the General Purposes Account, is sufficient to remedy deficiencies in deposits required by the Order. If at any time money held in the Renewal and Renovation Account exceeds the amount of \$1,500,000 (or such higher amount as may then have been determined to be appropriate), and is not used to replenish the Debt Service Account or the Reserve Account or transferred to the Operation and Maintenance Account, any such excess money shall be transferred to the General Purposes Account. Whenever money in the Renewal and Renovation Account is so used, the monthly payments required above shall be continued or resumed until it shall have been restored to \$1,500,000 (or such higher amount as may then have been determined to be appropriate). If at the end of a Fiscal Year the amount in the Renewal and Replacement Account is less than \$1,500,000, the Renewal and Replacement Account shall be funded to equal \$1,500,000 by money from the General Purposes Account.

(e) *General Purposes Account.* All money thereafter remaining in the Revenue Account at the close of each month shall be deposited in a separate and special account to be known as the "Parking General Purposes Account." Funds deposited in the General Purposes Account may, at the discretion of the County, be transferred to the Operation and Maintenance Account, the Debt Service Account, the Reserve Account, the Renewal and Renovation Account or for any other lawful purpose of the Bethesda Parking Lot District, including, but not limited to, payment of noncurrent expenses such as payments in lieu of taxes, costs of issuance of Bethesda Bonds, and capital expenses.

Money on hand in each of the accounts created by the Order may be invested only in Investment Obligations; provided, however, that money on hand in the Reserve Account shall be invested only in Permitted Investments having a term to maturity of not greater than five years. All such interim investments shall mature before the date on which the money is required for the purposes for which such account was created or otherwise as therein provided. These provisions shall not be construed to require the County to maintain separate bank accounts for the accounts created by the Order; except that each account shall be held in trust by the County for the benefit of the holders of the Bethesda Bonds but may be invested in conjunction with other funds of the County. All income derived from such investments shall be deposited in the appropriate Revenue Account and shall be regarded as Revenues of the Bethesda Parking Lot District. Such investments shall at any time as necessary be liquidated and the proceeds thereof applied to the purpose for which the respective account was created. The County shall value all investments held in the accounts created by the Order annually at the market value thereof, exclusive of accrued interest. Notwithstanding any other provision of the Order to the contrary, deficiencies in the amount on deposit in any account resulting from a decline in market value shall be restored by the County no later than the succeeding valuation date.

Record Date

Payments of principal, premium, if any, and interest on the Bethesda Bonds shall be made to the registered holder thereof as of the close of business on the 15th day of the calendar month immediately preceding the payment date.

Covenants of the County

Operation of the Bethesda Parking Lot District

The County covenants that it will faithfully and punctually perform all duties with reference to the Bethesda Parking Lot District required by the Constitution and laws of the State of Maryland, the Charter and laws of the County, the Resolution and the Order, including the levy of special taxes and the making and collection of reasonable and sufficient rates for services afforded thereby, and will segregate the Revenues and make application thereof into the respective accounts, as provided by the Order. The County further covenants to maintain in good condition and continuously and efficiently operate the Facilities. Restrictions are imposed upon the County with respect to the disposition or leasing of the Facilities and the provision of free parking.

Rates

So long as any Bethesda Bonds are outstanding and unpaid, the County covenants to prescribe within the Bethesda Parking Lot District the parking meter or other fees payable pursuant to the County Code in rate and amount which shall be sufficient in each Fiscal Year to maintain Net Revenues of not less than 1.25 times the amount required for making lease payments on irrevocable or long-term leases relating to Facilities within or operated by the Bethesda Parking Lot District in such Fiscal Year, and paying the maximum principal of and interest (except for capitalized interest) on the Bethesda Bonds and general

obligation bonds of the County issued for the financing or refinancing of Facilities within or operated by the Bethesda Parking Lot District in such Fiscal Year or any succeeding Fiscal Year.

Insurance

The County shall self-insure and/or shall maintain or cause to be maintained insurance on the Facilities of a kind and in an amount adequate and customary for such facilities. The proceeds of any property insurance shall be used to repair or replace the part or parts of the property of the Bethesda Parking Lot District damaged or destroyed, or if not so used, shall be placed in the Renewal and Renovation Account or may be applied to the early redemption of Bethesda Bonds as provided in an order or orders supplementing the Order.

Accounting and Audits

The County will cause to be kept proper books and accounts adapted to the Bethesda Parking Lot District and in accordance with generally accepted accounting practices, and will cause the books and accounts to be audited annually not later than 180 days after the end of each Fiscal Year by an independent certified public accountant. The County shall separately identify and segregate on its books and records Parking Fee Revenues, Parking Fine Revenues and Parking Tax Revenues and shall include in its internal accounting records and in each annual audit line item statements identifying the amount of each such source of Revenues and the amounts pledged, by source, to the payment of the Bethesda Bonds.

Property

The County covenants, subject to certain exceptions as set forth in the Order, that it will not sell, lease, mortgage or in any manner dispose of any Facilities, including any and all extensions and additions that may be made thereto, until satisfaction and discharge of all of the Bethesda Bonds shall have been provided for in the manner provided in the Order. However, this covenant shall not be construed to prevent the disposal by the County of Facilities which in its judgment have become inexpedient or unprofitable to use in connection with the Bethesda Parking Lot District, if other Facilities of equal or higher value be substituted therefor, and provided further that the proceeds of the disposition of such Facilities shall be placed in a separate and special account to be used in preference to other sources for capital improvements to the Bethesda Parking Lot District or in the appropriate Renewal and Renovation Account, or applied to the redemption of Bethesda Bonds, except that no such proceeds shall be used to pay scheduled principal of or interest on the Bethesda Bonds or to make payments into the Debt Service Account or the Reserve Account. Any such payments made into the Renewal and Renovation Account shall be in addition to the regular monthly payments and the account balance required for such account in the Order.

Fidelity Bond

The County shall maintain fidelity bond coverage on each officer or employee having custody of funds of the Bethesda Parking Lot District of a kind and in an amount which is adequate and customary to be maintained in connection with facilities such as the Facilities.

Tax Covenants

The County covenants that it will take, or refrain from taking, any and all actions necessary to comply with the provisions of Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code of 1986, as amended (the "Code") applicable to the Bethesda Bonds in order to preserve the status of the interest on the Bethesda Bonds as excluded from gross income for Federal income tax purposes. Without limiting the generality of the preceding sentence, the County will (a) not use or

permit the use of any of the proceeds of the Bethesda Bonds or any of the funds of the Bethesda Parking Lot District in such manner as would cause the interest on the Bethesda Bonds to be included in gross income for Federal income tax purposes, (b) make periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof, to the United States of America, and (c) prepare and timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Bond Issues.

Notwithstanding any other provisions of the Order, if at any time any amount in any of the accounts created by the Order is determined to be subject to payment to the United States of America as a rebate amount pursuant to the provisions of Section 148(f) of the Code, each such amount shall be segregated within the applicable account and shall be held, invested and disbursed in conformity with the provisions of Section 148(f) of the Code and the applicable U.S. Treasury Regulations prescribed thereunder.

Remedies

Except as expressly limited in the Resolution and the Order, the holders of the Bethesda Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Charter and laws of the County, the Constitution and statutes of the State of Maryland, and of the United States of America, for the enforcement of payment of their Bethesda Bonds, and of the pledge of the Revenues made pursuant to the Resolution and the Order, and of all covenants of the County made pursuant to the Resolution and the Order. Defaults in the payment of principal, redemption price, or interest on the Bethesda Bonds shall entitle the holders thereof to exercise remedies described in the Order.

Additional Bonds

The County covenants that it will not issue other bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the property or Revenues of the Bethesda Parking Lot District having priority over the Bethesda Bonds.

Additional Bonds and general obligation bonds of the County which are payable from unlimited ad valorem taxes in addition to Net Revenues of the Bethesda Parking Lot District may be issued on a parity and equality of rank with the Series 2012 Bonds and the Outstanding Bethesda Parity Bonds with respect to the lien and claim of such Additional Bonds or general obligation bonds to the Revenues of the Bethesda Parking Lot District and the money on deposit in the accounts created by the Order, for the following purposes and under the following conditions, but not otherwise:

(a) For the purpose of refunding any of the Series 2005 Bonds, Outstanding Bethesda Bonds or such general obligation bonds, or

(b) For the purpose of making extensions, additions, improvements or replacements to the Facilities of the Bethesda Parking Lot District.

(c) Before any such Additional Bonds or general obligation bonds are issued, there will have been procured and filed with the Director of Finance, a statement of an independent parking consultant, financial consultant, or a certified public accountant, not a regular employee of the County, expressing the opinion based upon necessary investigations that the Net Revenues of the Bethesda Parking Lot District for the preceding Fiscal Year for which an audit is available (with allowable adjustments as hereinafter provided) were equal to at least 1.25 times the maximum amount that will be required in any future Fiscal Year for making lease payments on irrevocable or long-term leases and paying the principal of and interest (except for capitalized interest) on the then outstanding Bethesda Bonds (including the Series 2012 Bonds) and general obligation bonds of the County issued for the financing of Facilities within or operated by Bethesda Parking Lot District which are payable from the Net Revenues

of the Bethesda Parking Lot District and the Additional Bonds or general obligation bonds then proposed to be issued. For the purpose of determining the Net Revenues of the Bethesda Parking Lot District for the preceding Fiscal Year as aforesaid, the amount of the gross revenues for such Fiscal Year may be adjusted so as to reflect (i) any changes in the amount of the Revenues which would have resulted had any revision of the schedule of rates or charges imposed at or prior to the time of the issuance of any such Additional Bonds or general obligation bonds been in effect during all of such preceding Fiscal Year and (ii) fifty percent (50%) of the net change in available parking spaces in the Bethesda Parking Lot District resulting or to result from the expenditures of the proceeds of such Additional Bonds or general obligation bonds.

No such Additional Bonds or general obligation bonds shall be issued if any payment or covenant default under the Order shall have occurred and be continuing.

Amendment of Order and Resolution

The Order may be amended or supplemented from time to time and at any time by orders which are consistent with the terms and provisions thereof (which amendatory or supplemental orders shall thereafter form a part thereof) and the Resolution may be amended or supplemented from time to time and at any time by resolutions which are consistent with the terms and provisions thereof (which amendatory or supplemental resolution shall thereafter form a part thereof) and which, in each case, do not adversely affect the interest on the holders of the Bethesda Bonds:

(a) to cure any ambiguity or formal defect or omission or to correct or supplement any provision of the Order or the Resolution that may be inconsistent with any other provision of the Order or the Resolution, or

(b) to grant to or confer upon the holders of the Bethesda Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon such holders, or

(c) to add to the conditions, limitations and restrictions on the issuance of Bethesda Bonds under the provisions of the Order or the Resolution or other conditions, limitations and restrictions thereafter to be observed, provided that such conditions, limitations, and restrictions do not impair the security for the Bethesda Bonds, or

(d) to add to the covenants and agreements of the County in the Order or the Resolution other covenants and agreements thereafter to be observed by the County or to surrender any right or power reserved to or conferred upon the County in the Order or the Resolution provided that such covenants and agreements and the surrendering of any such right or power do not impair the security for any Bethesda Bonds, or

(e) to provide for the issuance, sale and delivery of Additional Bonds.

The Order and the Resolution may be amended from time to time for purposes other than those stated above if such amendment shall have been consented to by holders of not less than two-thirds in principal amount of the outstanding Bethesda Bonds. However, neither the Order nor the Resolution may be amended without the written consent of 100% of the registered owners of the Bethesda Bonds in such manner as to:

(a) Make any change in maturity or interest rate of the Bethesda Bonds, or modify the terms of payment of principal of or interest on the Bethesda Bonds or any of them, or impose any conditions with respect to such payments;

(b) Materially affect the rights of the holders of less than all of the Bethesda Bonds then outstanding; or

(c) Reduce the percentage of the principal amount of Bethesda Bonds, the consent of the holders of which is required to effect a further amendment.

Whenever the County shall propose to amend the Order or the Resolution in a manner that requires the consent of the registered owners, it shall cause notice of the proposed amendment to be mailed first-class, postage prepaid, to the registered owners of the Bethesda Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendment is on file in the office of the Director of Finance. Whenever at any time within one year from the date of the publication of said notice there shall be filed with the Director of Finance an instrument or instruments executed by the holders of at least two-thirds in aggregate principal amount of the Bethesda Bonds then outstanding, which instrument or instruments shall refer to the proposed amendatory order or resolution described in said notice and shall specifically consent to and approve the passage or the adoption thereof, thereupon, but not otherwise, the County Executive may pass such amendatory order or the County Council may adopt such amendatory resolution and such order or resolution shall become effective and binding upon the holders of all of the Bethesda Bonds.

Any consent given by the holder of a Bethesda Bond as described above shall be irrevocable for a period of six months from the date of the instrument evidencing such consent and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six months from the date of such instrument by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Director of Finance, provided that the County Executive shall not have passed the amendatory order or the County Council shall not have adopted the amendatory resolution with respect to which consent was given.

Notwithstanding the foregoing, the Order and the Resolution may be amended without the consent of any holder of the Bethesda Bonds for the sole purpose of taking action necessary to preserve the status of the interest on the Bethesda Bonds as excluded from gross income for Federal income tax purposes.

Defeasance

If the County pays the principal, premium (if any) and interest due and payable upon all of the Bethesda Bonds outstanding and pays all other sums payable under the Order by the County, including all necessary and proper fees, compensation and expenses of the Registrar and Paying Agent, then, and in that case, the right, title and interest of the holders of the Bethesda Bonds in the accounts created by the Order shall thereupon cease, determine and become void, the County Executive shall repeal and cancel the Order, and any surplus in the accounts held by the County pursuant to the Order shall be transferred by the Director of Finance to the appropriate accounts of the County. Otherwise the Order shall be, continue and remain in full force and effect.

Notwithstanding the foregoing, if (a) the Paying Agent or a corporate trustee designated by the County holds in trust money or Government Obligations, or a combination of both, that are sufficient in the aggregate to pay the principal of, premium (if any) and interest on all Bethesda Bonds then outstanding to the maturity date or dates of such Bethesda Bonds or to the date or dates specified for the redemption thereof, and (b) if the Bethesda Bonds are due and payable by reason of a call for redemption, irrevocable instructions to call the Bethesda Bonds for redemption shall have been given by the County, and (c) an opinion of a certified public accountant as to the sufficiency of the money and/or Government Obligations held in trust has been given, and (d) if sufficient funds shall also have been provided or provision made for paying all other obligations payable under the Order by the County, and (e) within 30

days after such money, Government Obligations, or a combination of both, have been deposited with the Paying Agent or such corporate trustee, the County causes a notice to be mailed first class, postage prepaid to each registered owner of the Bethesda Bonds, setting forth (i) the date designated for the redemption of the Bethesda Bonds, (ii) a description of the money and/or Government Obligations so held by the Paying Agent or such corporate trustee, (iii) notice that the sufficiency of such money and/or Government Obligations has been certified by a certified public accountant, and (iv) that the Order has been repealed and cancelled in accordance therewith, the Paying Agent or such corporate trustee shall retain such rights, powers and privileges under the Order as may be necessary and convenient in respect of the Bethesda Bonds for the payment of the principal of, interest and any premium on which such money and/or Government Obligations have been deposited, but otherwise the right, title and interest of the holders of the Bethesda Bonds in the accounts created by the Order shall thereupon cease, determine and become void, the County Executive shall repeal and cancel the Order, and any surplus in the accounts held by the County pursuant to the Order shall be transferred by the Director of Finance to the appropriate accounts of the County.

All money and Government Obligations held by the Paying Agent or such corporate trustee as described above shall be held in trust and applied to the payment, when due, of the Bethesda Bonds and obligations payable therewith.

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of May 16, 2012 (this “Disclosure Agreement”) is executed and delivered by MONTGOMERY COUNTY, MARYLAND (the “County”) in connection with the issuance of its Parking System Project Revenue Bonds (Bethesda Parking Lot District) Series 2012A and its Parking System Refunding Revenue Bonds (Bethesda Parking Lot District) Series 2012B (collectively, the “Series 2012 Bonds”). The County, intending to be legally bound hereby and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby covenant and agree as follows:

SECTION 1. *Purpose of the Disclosure Agreement.* This Disclosure Agreement is being executed and delivered by the County for the benefit of the owners of the Series 2012 Bonds, including beneficial owners, and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The County’s obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule (as defined below).

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

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

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

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

“Official Statement” shall mean the Official Statement dated May 1, 2012 with respect to the Series 2012 Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2012 Bonds required to comply with the Rule in connection with offering of the Series 2012 Bonds.

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

“State” shall mean the State of Maryland.

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

(a) The County shall provide to the MSRB, the following annual financial information and operating data, such information and data to be updated as of the end of the preceding fiscal year and made available within 275 days after the end of the fiscal year, commencing with the fiscal year ended June 30, 2012:

- (i) Primary revenue distribution for parking fees, fine and penalties and property tax collected by the County in the Bethesda Parking Lot District (as defined in the Official Statement);

- (ii) Fee schedule for the Facilities (as defined in the Official Statement) located within the Bethesda Parking Lot District;
- (iii) Existing special assessable tax base for the Bethesda Parking Lot District;
- (iv) Maximum tax rates and levy revenue for the Bethesda Parking Lot District;
- (v) Summary of special tax rates, levies and collections for the Bethesda Parking Lot District.

(b) The County shall provide to the MSRB annual audited financial statements for the County, such information to be made available within 275 days after the end of the County's fiscal year, commencing with the fiscal year ended June 30, 2012, unless the audited financial statements are not available on or before such date, in which event said financial statements will be provided promptly when and if available. In the event that audited financial statements are not available within 275 days after the end of the County's fiscal year (commencing with the fiscal year ended June 30, 2012), the County will provide unaudited financial statements within such time period.

(c) The presentation of the financial information referred to in paragraph (a) and in paragraph (b) of this Section shall be made in accordance with the same accounting principles as utilized in connection with the presentation of applicable comparable financial information included in the final official statement for the Series 2012 Bonds.

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

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

SECTION 4. *Reporting of Significant Events.*

(a) This Section 4 shall govern the giving of notices of the occurrence of any of the following events with respect to the Series 2012 Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2012 Bonds or other material events affecting the tax status of the Series 2012 Bonds;

- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Series 2012 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County;
- (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

SECTION 6. *Termination of Reporting Obligations.* The County's obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the Series 2012 Bonds either at their maturity or by early redemption. In addition, the County may terminate its obligations under this Disclosure Agreement if and when the County no longer remains an obligated person with respect to the Series 2012 Bonds within the meaning of the Rule.

SECTION 7. *Amendments.*

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

(1) the amendment is being made in connection with a change of circumstances that arises from a change in legal requirements, change in law, change in the identity, nature or status of the County as the obligated person with respect to the Series 2012 Bonds, or type of business conducted by the County;

(2) this Disclosure Agreement, as amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the issuance of the Series 2012 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment does not materially impair the interests of owners of the Series 2012 Bonds, including beneficial owners, as determined by bond counsel selected by the County or by an approving vote of at least 25% of the outstanding principal amount of the Series 2012 Bonds.

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

SECTION 8. *Additional Information.* Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including disclaimers or any other information in any disclosure made pursuant to Section 3(a) or 3(b) hereof or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any disclosure made pursuant to Section 3(a) or 3(b) hereof or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure made pursuant to Section 3(a) or 3(b) hereof or notice of occurrence of a Listed Event.

SECTION 9. *Limitation on Remedies and Forum.*

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

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

SECTION 10. *Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the current owners from time to time of the Series 2012 Bonds, including beneficial owners, and shall create no rights in any other person or entity.

SECTION 11. *Relationship to Series 2012 Bonds.* This Disclosure Agreement constitutes an undertaking by the County that is independent of the County's obligations with respect to the Series 2012 Bonds. Any breach or default by the County under this Disclosure Agreement shall not constitute or give rise to a breach or default under the Series 2012 Bonds.

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

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

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

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

[Remainder of page left intentionally blank]

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

MONTGOMERY COUNTY, MARYLAND

By: _____
Joseph F. Beach, Director of Finance

[Signature page to Continuing Disclosure Agreement]

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

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

Ladies and Gentlemen:

We have examined a record of the proceedings relating to the issuance by Montgomery County, Maryland (the "County") of its \$24,190,000 Parking System Project Revenue Bonds (Bethesda Parking Lot District) Series 2012A and its \$13,750,000 Parking System Refunding Revenue Bonds (Bethesda Parking Lot District) Series 2012B (collectively, the "Bonds") as limited obligations of the County.

The Bonds are dated the date of their initial delivery, and are issued in fully registered form in the denomination of \$5,000 each or any integral multiple thereof. The Bonds are issued pursuant to Sections 5(P)(2) and 5(P)(3) of Article 25A of the Annotated Code of Maryland (2011 Replacement Volume), Section 24 of Article 31 of the Annotated Code of Maryland (2010 Replacement Volume and 2011 Supplement), Sections 20-47 through 20-54 of Chapter 20 of the Montgomery County Code, as amended, and Resolution No. 17-403 adopted by the County Council of the County on April 24, 2012 (collectively, the "Authorizing Legislation").

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

- (i) the Authorizing Legislation;
- (ii) Order No. B-160-92 of the County Executive of the County passed on February 28, 1992, as supplemented by orders passed on April 16, 1992, April 29, 2002, June 4, 2002, August 10, 2005 and May 1, 2012 (as amended and supplemented, the "Order");
- (iii) the form of Bond;
- (iv) relevant provisions of the Constitution and laws of the State of Maryland;
- (v) relevant provisions of the Internal Revenue Code of 1986, as amended (the "Code"); and
- (vi) other proofs submitted to us relative to the issuance and sale of the Bonds.

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

With respect to the executed and authenticated Bond that we have examined, and the Bonds similarly executed and identical thereto in form except for numbers, interest rates, denominations, and maturities, we are of the opinion that:

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

(b) The County is duly authorized and entitled to issue the Bonds. The Bonds executed and authenticated as provided in the Order have been duly and validly issued and constitute valid and binding limited obligations of the County, payable solely from the Net Revenues (as defined in the Order) and other amounts pledged to such payment under the Order.

(c) The Order and the Bonds are subject to bankruptcy, insolvency, moratorium, reorganization and other state and federal laws affecting the enforcement of creditors' rights and to general principles of equity.

(d) The Bonds do not constitute a debt of the State of Maryland or any political subdivision thereof, including the County, within the meaning of any constitutional, charter or statutory debt limit or restriction. Neither the faith and credit nor the taxing power of the State of Maryland or any political subdivision thereof, including the County, is pledged to the payment of the Bonds. The County is required to pay the Bonds and the premium, if any, and interest thereon and to perform its obligations under the Order only to the extent that there are Net Revenues available for the payment thereof.

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

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

(g) Interest on the Bonds will not be includable in the alternative minimum taxable income of individuals, corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment. However, for purposes of calculating the corporate alternative minimum tax, a corporation subject to tax will be required to increase its alternative minimum taxable income by 75% of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For such purposes, "adjusted current earnings" would include, among other items, interest income from the Bonds. In addition, interest income on the Bonds will be subject to the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States of America.

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

Very truly yours,

APPENDIX D

SCHEDULE OF BONDS BEING REFUNDED

A portion of the proceeds of the Series 2012B Bonds will be used to refund the outstanding Montgomery County, Maryland, Parking Revenue Bonds (Bethesda Parking Lot District) Series 2002A dated June 1, 2002 and maturing in the years and amounts and bearing interest at the annual rates set forth below.

Maturing	Principal Amount	Interest Rate (%)	CUSIP*
06/01/2013	\$1,360,000	4.100	613361FS8
06/01/2014	1,425,000	4.250	613361FT6
06/01/2015	1,490,000	4.375	613361FU3
06/01/2016	1,560,000	4.400	613361FV1
06/01/2017	1,635,000	4.500	613361FW9
06/01/2018	1,715,000	4.600	613361FX7
06/01/2019	1,800,000	4.700	613361FY5
06/01/2020	1,890,000	4.750	613361FZ2
06/01/2021	1,985,000	4.750	613361AG6
Total	\$14,860,000		

* The County is not responsible for the use of the CUSIP numbers referenced herein nor is any representation made by the County as to their correctness; such CUSIP numbers are included solely for the convenience of the readers of this Official Statement.