

OFFICIAL STATEMENT DATED SEPTEMBER 14, 2023

NEW ISSUE -- BOOK-ENTRY ONLY

**Fitch Ratings: AAA
Moody's Investors Service: Aaa
S&P Global Ratings: AAA
(See "Ratings")**

**\$280,000,000
MONTGOMERY COUNTY, MARYLAND
General Obligation Bonds
Consolidated Public Improvement Bonds of 2023, Series A**

Dated: Date of Initial Delivery

Due: As shown on inside front cover

The Consolidated Public Improvement Bonds of 2023, Series A (the "Bonds") are being issued by Montgomery County, Maryland (the "County") in fully registered form in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds will be payable semi-annually on each February 1 and August 1, commencing February 1, 2024 until maturity or earlier redemption. The County will perform the paying agency and registrar services described in this Official Statement; provided that the County may appoint a financial institution to perform such services on its behalf upon thirty (30) days' prior written notice to the registered owners of the Bonds (the County and any paying agent/registrar subsequently appointed are hereinafter collectively referred to as the "Paying Agent/Registrar"). Except as otherwise governed by the procedures of The Depository Trust Company, New York, New York ("DTC"), payments of principal of and premium, if any, and interest on the Bonds will be payable to the registered holder when due upon presentation to the Paying Agent/Registrar.

The Bonds are available only in book-entry form, registered in the name of Cede & Co., as nominee of DTC, acting as securities depository for the Bonds. So long as the Bonds are registered in the name of Cede & Co., the payment of the principal of, premium, if any, and interest on the Bonds will be made by the County to DTC. DTC is required to remit such payments to DTC participants, who are required in turn to remit such payments to beneficial owners, as described in this Official Statement. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds.

In the opinion of Bond Counsel, under existing law, the Bonds, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale or exchange, shall be exempt from taxation of any kind by the State of Maryland, by any of its political subdivisions, or any other public entity. 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. Assuming compliance with certain covenants described herein, under existing statutes, regulations and decisions, interest on the Bonds will be excludable from gross income for federal income tax purposes. Interest on the Bonds for federal income tax purposes is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment; however, for taxable years beginning after December 31, 2022, interest on the Bonds will be part of adjusted financial statement income in computing the alternative minimum tax on applicable corporations. Additionally, interest on the Bonds will be subject to the branch profits tax imposed on certain foreign corporations engaged in a trade or business in the United States of America. See "TAX MATTERS."

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

DELIVERY: The Bonds are offered for delivery when, as and if issued, subject to the delivery of the approving legal opinion of McKennon Shelton & Henn LLP, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery through the facilities of DTC on or about September 28, 2023.

The date of this Official Statement is September 14, 2023.

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

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIPS

\$280,000,000

MONTGOMERY COUNTY, MARYLAND

General Obligation Bonds

Consolidated Public Improvement Bonds of 2023, Series A

Maturing August 1	Principal Amount	Interest Rate**	Yield**	CUSIP	Maturing August 1	Principal Amount	Interest Rate**	Yield**	CUSIP
2024	\$14,000,000	5.000%	3.280%	61334PFD0	2034	\$14,000,000	5.000%	3.190%*	61334PFP3
2025	14,000,000	5.000	3.180	61334PFE8	2035	14,000,000	5.000	3.300*	61334PFQ1
2026	14,000,000	5.000	3.050	61334PFF5	2036	14,000,000	5.000	3.430*	61334PFR9
2027	14,000,000	5.000	3.000	61334PFG3	2037	14,000,000	4.000	3.900*	61334PFS7
2028	14,000,000	5.000	2.950	61334PFH1	2038	14,000,000	4.000	3.950*	61334PFT5
2029	14,000,000	5.000	3.000	61334PFJ7	2039	14,000,000	4.000	3.970*	61334PFU2
2030	14,000,000	5.000	3.000	61334PFK4	2040	14,000,000	4.000	4.000	61334PFV0
2031	14,000,000	5.000	3.030	61334PFL2	2041	14,000,000	4.000	4.040	61334PFW8
2032	14,000,000	5.000	3.070*	61334PFM0	2042	14,000,000	4.000	4.090	61334PFX6
2033	14,000,000	5.000	3.100*	61334PFN8	2043	14,000,000	4.000	4.140	61334PFY4

* Yield to call date of August 1, 2031.

** The interest rates and yields shown above are the interest rates payable by the County resulting from the successful bid for the Bonds at a public sale on September 14, 2023. The interest rates and yields shown above are furnished by Jefferies LLC (the "Successful Bidder"). Other information concerning the terms of reoffering of the Bonds, if any, should be obtained from the Successful Bidder and not from the County.

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

OFFICIAL STATEMENT DATED SEPTEMBER 14, 2023

\$280,000,000
MONTGOMERY COUNTY, MARYLAND
General Obligation Bonds
Consolidated Public Improvement Bonds of 2023, Series A



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 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. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

TABLE OF CONTENTS

INTRODUCTION TO THE OFFICIAL STATEMENT.....	1
DESCRIPTION OF THE BONDS	4
THE COUNTY	5
TAX MATTERS	15
CONTINUING DISCLOSURE UNDERTAKING	18
LEGALITY OF THE BONDS	18
LITIGATION	19
RATINGS.....	19
FINANCIAL ADVISOR	19
INDEPENDENT PUBLIC ACCOUNTANTS	19
CERTIFICATE OF COUNTY OFFICIALS	19
INFORMATION IN OFFICIAL STATEMENT.....	19
AUTHORIZATION OF OFFICIAL STATEMENT	21

Appendix A – Form of Approving Opinion of Bond Counsel
Appendix B – Form of Continuing Disclosure Agreement
Appendix C – Book-Entry Only System

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

COUNTY EXECUTIVE

Marc Elrich

COUNTY COUNCIL

Evan Glass	<i>President</i>
Andrew Friedson	<i>Vice President</i>
Gabe Albornoz	
Marilyn Balcombe	
Natali Fani-González	
Will Jawando	
Sidney Katz	
Dawn Luedtke	
Kristin Mink	
Laurie-Anne Sayles	
Kate Stewart	

The terms of the County Executive and all County Council members expire in December 2026.

APPOINTED OFFICIALS

Richard S. Madaleno	<i>Chief Administrative Officer</i>
Michael J. Coveyou	<i>Director, Department of Finance</i>
Jennifer Bryant	<i>Director, Office of Management and Budget</i>
John Markovs	<i>County Attorney</i>
Sara Tenenbaum	<i>Clerk of the Council</i>

BOND COUNSEL

McKennon Shelton & Henn LLP
Baltimore, Maryland

FINANCIAL ADVISOR

Davenport & Company LLC
Towson, Maryland

INDEPENDENT PUBLIC ACCOUNTANTS

SB & Company, LLC
Owings Mills, Maryland

DEBT MANAGEMENT AND DISCLOSURE INFORMATION

Montgomery County Department of Finance
101 Monroe Street
Rockville, Maryland 20850
240-777-8860
240-777-8857 (Fax)

<https://www.montgomerycountymd.gov/bonds/debtmanagement.html>

INTRODUCTION TO THE OFFICIAL STATEMENT

The following information is qualified in its entirety by the detailed information contained in this Official Statement. This summary is only a brief description of the offering and potential investors should review this entire Official Statement. The Official Statement speaks only as of its date, and the information contained herein is subject to change.

Issuer:	Montgomery County, Maryland (the “County”).
Issue:	\$280,000,000 Consolidated Public Improvement Bonds of 2023, Series A (the “Bonds”).
Dated Date:	Date of Initial Delivery.
Security:	The Bonds will be general obligation bonds to which the full faith and credit and unlimited taxing power of the County will be pledged.
Purpose:	The proceeds of the Bonds will be used to (i) refinance all or a portion of certain commercial paper bond anticipation notes, the proceeds of which financed certain capital projects in the County, (ii) finance and refinance the acquisition, construction and equipping of certain capital public projects, and (iii) pay a portion of the costs of issuing the Bonds. See “DESCRIPTION OF THE BONDS – Purpose of the Bonds.”
Authority of Issuance:	The Bonds are issued under the provisions of the laws of the State of Maryland, the Montgomery County Charter, certain actions by the County, certain laws of the County, as amended, and Executive Orders of the County Executive of the County (the “County Executive”). See “DESCRIPTION OF THE BONDS – Authority for the Bonds.”
Redemption:	The Bonds are subject to redemption prior to their stated maturities as described herein. See “DESCRIPTION OF THE BONDS – Redemption Provisions.”
Denominations:	\$5,000 or integral multiples thereof.
Paying Agent/Registrar:	The County will perform the paying agency and registrar services described in this Official Statement; provided that the County may appoint a financial institution to perform such services on its behalf upon thirty (30) days’ prior written notice to the registered owners of the Bonds (the County and any paying agent/registrar subsequently appointed are hereinafter collectively referred to as the “Paying Agent/Registrar”).
Principal Payments:	Payable annually on the dates and in the principal amounts shown on the inside cover of this Official Statement.
Interest Payments:	Interest on the Bonds will be payable semi-annually on each February 1 and August 1, commencing February 1, 2024, until maturity or earlier redemption, payable in any lawful money of the United States of America to the person in whose name such Bond is registered on the Bond Register as of the close of business on the date fifteen (15) days prior to such interest payment date (the “Record Date”).
Book-Entry Only:	The Bonds will be issued as book-entry only securities through The Depository Trust Company, New York, New York (“DTC”).
Delivery:	Delivery of the Bonds is expected on or about September 28, 2023, through the facilities of DTC, on behalf of the purchaser of the Bonds.
Limitations on Offering and Reoffering Securities:	No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information and representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Litigation:

There is no litigation now pending or, to the knowledge of the County Attorney of the County, threatened which questions the validity of the Bonds or of any proceedings of the County taken with respect to the issuance or sale thereof.

Continuing Disclosure:

The County will covenant to provide continuing disclosure. See “CONTINUING DISCLOSURE UNDERTAKING” herein and Appendix B – Form of Continuing Disclosure Agreement.

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

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities Exchange Act of 1934 ("Rule 15c2-12" or "Rule"), to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a Continuing Disclosure Agreement on or before the date of issuance and delivery of the Bonds, the form of which is attached to this Official Statement as Appendix B. See "CONTINUING DISCLOSURE UNDERTAKING."

This Official Statement is in a form deemed final as of its date for purposes of Rule 15c2-12 but is subject to minor revision or amendment in accordance with the Rule. Not later than seven (7) business days following the award of the Bonds, the County shall provide copies of this Official Statement to the initial purchaser of the Bonds.

The initial purchaser of the Bonds will be supplied with Official Statements in a quantity sufficient to meet its request.

The information set forth herein has been obtained from the County and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the County or in any other information contained herein, since the date hereof.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and are not representations of fact, and no representation is made that any of the estimates will be realized. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained, herein to reflect any changes in the County's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission or with any state securities agency. The 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.

In making an investment decision, investors must rely on their own examination of the County and the terms of the offering, including the merits and risks involved.

The order and placement of materials in this Official Statement, including the appendices hereto and the information incorporated herein by reference, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the appendices and the information incorporated herein by reference, must be considered in its entirety. The offering of the Bonds is made only by means of this entire Official Statement.

The Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute forward-looking statements, as such term is defined in section 21E of the Securities Exchange Act of 1934, as amended. In this respect, such forward-looking statements are identified by the use of the words estimate, project, anticipate, expect, forecast, intend or believe or the negative thereof or other variations thereon or comparable terminology. Such forward-looking information involves important risks and uncertainties that could result in the actual information being significantly different from that expressed in this Official Statement. Potential investors should specifically consider the various factors which could cause actual events or results to differ materially from those indicated by such forward-looking statements. Such forward-looking statements speak only as of the date of this Official Statement. The County disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein, to reflect any changes in the County's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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

DESCRIPTION OF THE BONDS

Purpose of the Bonds

The proceeds of the Bonds will be used to (i) refinance all or a portion of the County's outstanding Consolidated Public Improvement Commercial Paper Bond Anticipation Notes, 2010 Series, which such notes were used to finance and refinance the acquisition, construction and equipping of certain Consolidated Public Improvement Projects, as described in Section 20-14 of the Montgomery County Code (the "County Code"), as amended, as follows: General County, Roads and Storm Drainage, Public Schools and Community Colleges, and Mass Transit, (ii) finance and refinance the acquisition, construction and equipping of certain capital public projects, and (iii) pay a portion of the costs of issuing the Bonds.

Authority for the Bonds

The Bonds are consolidated and issued pursuant to Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2022 Supplement); Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2022 Supplement); Chapter 43 of the Laws of Montgomery County of 2006, Chapter 12 of the Laws of Montgomery County of 2007, Chapter 36 of the Laws of Montgomery County of 2008, Chapter 22 of the Laws of Montgomery County of 2009, Chapter 54 of the Laws of Montgomery County of 2010, Chapter 24 of the Laws of Montgomery County of 2011, Chapter 19 of the Laws of Montgomery County of 2012, Chapter 26 of the Laws of Montgomery County of 2013, Chapter 31 of the Laws of Montgomery County of 2014, Chapter 49 of the Laws of Montgomery County of 2015, Chapter 26 of the Laws of Montgomery County of 2018, Chapter 22 of the Laws of Montgomery County of 2019, Chapter 22 of the Laws of Montgomery County of 2021 and Chapter 18 of the Laws of Montgomery County of 2022 (collectively, the "Bond Ordinances"); Resolution No. 16-1104 of the County Council of the County (the "County Council"), adopted on September 15, 2009, as amended and the County Code; certain provisions of the Montgomery County Charter (the "Charter"); and an Executive Order of the County Executive of the County (the "Executive Order").

Security for the Bonds

The Bonds are general obligation bonds of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. Such Bonds are payable from ad valorem taxes, unlimited as to rate or amount, on all real, tangible personal and certain intangible property subject to taxation at full rates for local purposes in the County.

Additionally, Section 312 of the Charter provides as follows: "...If at any time the Council shall have failed to appropriate and to make available sufficient funds to provide for the timely payment of the interest and principal then due upon all County indebtedness, it shall be the duty of the Director of Finance to pay, or to make available for payment, to the holders of such indebtedness from the first revenues thereafter received applicable to the general funds of the County, a sum equal to such interest and principal."

Redemption Provisions

The Bonds which mature on or before August 1, 2031, are not subject to redemption prior to their respective maturities. The Bonds which mature on or after August 1, 2032, are subject to redemption beginning August 1, 2031 as a whole or in part at any time thereafter, in any order of their maturities, at the option of the County, at a redemption price for each such Bond equal to the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption, without premium.

If less than all of the Bonds of any one maturity are called for redemption, the particular Bonds, or portions of such Bonds, to be redeemed from such maturity shall be selected by the Director of Finance of the County, acting as bond registrar and paying agent for the Bonds, or its successor as bond registrar and paying agent (the "Paying Agent/Registrar") by lot or other random means in such manner as the Paying Agent/Registrar in its sole discretion may determine, except that so long as DTC or its nominee is the sole registered owner of the Bonds, the particular Bonds or portion to be redeemed shall be selected by DTC, in such manner as DTC shall determine. Each \$5,000 portion of a Bond shall be treated as a separate bond in the selection of the Bonds to be redeemed.

If the County elects to redeem all or a portion of the Bonds outstanding, it shall give a redemption notice to the registered owners of such Bonds to be redeemed by publication at least once, at least twenty (20) days prior to the date of redemption, in a newspaper of general circulation in the County. The County shall also give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of the Bonds to be redeemed at their last addresses appearing on the registration books maintained by the Paying Agent/Registrar; provided, however, that so long as DTC or its nominee is the sole registered owner of such Bonds, any redemption notice will be given only to DTC. The failure to mail such notice with respect to a particular bond or any defect in such notice, or in the mailing thereof, shall not affect the sufficiency of proceedings for the redemption of any other bond. The redemption of the Bonds is conditioned upon the deposit of sufficient money for the payment of the redemption price and accrued interest on the Bonds to be redeemed on the date designated for such redemption.

Notwithstanding the foregoing, so long as the Bonds are maintained under a book-entry system, selection of the Bonds to be redeemed shall be made in the manner described herein in "Appendix C - Book-Entry Only System" and notice of redemption shall be sent only to DTC.

THE COUNTY

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

<https://www.montgomerycountymd.gov/BONDS/Resources/Files/AIS2023.pdf>

For information respecting the County's Employees' Retirement System, see the County's Employee Retirement Plans, Annual Comprehensive Financial Report, which is hereby incorporated by reference and can be found at:

<https://www.montgomerycountymd.gov/mcerp/Resources/Files/ACFR.pdf>

Selected Debt and Financial Information

The information (including Tables 1 through 8) presented on the following pages provides current information on the County's financial position as of June 30, 2022 and June 30, 2023, as applicable. The County's most current Fiscal Plan, approved on June 27, 2023, contains updated information concerning the Fiscal Year 2023 results including estimates providing that (i) tax revenues for two major revenue categories, property tax and income tax, that comprise nearly 90% of total tax revenues are expected to exceed the estimates for the Fiscal Year 2023 Approved Budget and meet the County's revised estimate for Fiscal Year 2023, (ii) Fiscal Year 2023 revised tax revenues for real and personal property are estimated to decline by 1.0% from the Fiscal Year 2023 Approved Budget due to a decrease in personal property taxes, and (iii) Fiscal Year 2023 revised income tax revenues are estimated to increase by 9.3% from the Fiscal Year 2023 Approved Budget. For more information on the County, and a complete overview of the County's debt and the County's Basic Financial Statements for the year ended June 30, 2022, please see the AIS.

(Remainder of page intentionally left blank)

Table 1
Statement of Direct and Overlapping Debt
As of June 30, 2023 (Projected Unaudited)
And Including Series 2023A General Obligation Bonds

Direct Debt as of June 30, 2023 (projected)		
General Obligation Bonds Outstanding ⁽¹⁾	\$3,245,830,000	
Series 2023A General Obligation Bonds	280,000,000	
Short-Term BANs/Commercial Paper Outstanding ⁽²⁾	-	
Revenue Bonds Outstanding ⁽¹⁾	<u>156,230,948</u>	
Total Direct Debt		\$ 3,682,060,948
Overlapping Debt as of June 30, 2022		
Washington Suburban Sanitary Commission		
Applicable to Montgomery County	\$2,769,534,609	
Housing Opportunities Commission	1,949,797,906	
Montgomery County Revenue Authority	73,334,555	
Maryland-National Capital Park and Planning Commission		
Applicable to Montgomery County	58,752,170	
West Germantown Development District	6,895,000	
Towns, Cities and Villages within Montgomery County	<u>33,469,064</u>	
Total Overlapping Debt		<u>\$ 4,891,783,304</u>
Total Direct and Overlapping Debt		<u>\$ 8,573,844,252</u>
Less Self-Supporting Debt as of June 30, 2022		
County Government Revenue Bonds ⁽¹⁾	\$156,230,948	
Washington Suburban Sanitary Commission		
Applicable to Montgomery County	2,769,534,609	
Housing Opportunities Commission	1,949,797,906	
Montgomery County Revenue Authority	73,334,555	
Maryland-National Capital Park and Planning Commission		
Applicable to Montgomery County	<u>-</u>	
Total Self-Supporting Debt		<u>\$ (4,948,898,018)</u>
Net Direct and Overlapping Debt		<u>\$ 3,624,946,234</u>
Ratio of Debt to Estimated June 30, 2023 Assessed Valuation of (100% Assessment):		\$ 214,054,758,731
Direct Debt		1.72%
Net Direct Debt ⁽³⁾		1.65%
Direct and Overlapping Debt		4.01%
Net Direct and Overlapping Debt		1.69%
Ratio of Debt to Estimated June 30, 2023 Market Value of:		\$ 226,487,927,233
Direct Debt		1.63%
Net Direct Debt ⁽³⁾		1.56%
Direct and Overlapping Debt		3.79%
Net Direct and Overlapping Debt		1.60%

(1) Projected, unaudited numbers for the period ending June 30, 2023.

(2) Net of amount to be retired with the proceeds of the Series 2023A Bonds.

(3) Net Direct Debt of \$3,525,830,000 is derived by subtracting direct self-supporting debt, which consists only of County Government Revenue Bonds in the amount of \$156,230,948, from Total Direct Debt of \$3,682,060,948.

Table 2
Statement of Legal Debt Margin
As of June 30, 2023 (Projected Unaudited)
And Including Series 2023A General Obligation Bonds

June 30, 2023 Assessed Valuation - Real Property (Estimated)	\$ 209,587,697,611
Debt Limit (% of Assessed Valuation)	<u>6.00%</u>
Subtotal Limitation - Real Property	<u>\$ 12,575,261,857</u>
June 30, 2023 Assessed Valuation - Personal Property (Estimated)	\$ 4,467,061,120
Debt Limit (% of Assessed Valuation)	<u>15.00%</u>
Subtotal Limitation - Personal Property	<u>\$ 670,059,168</u>
Total Assessed Valuation - Real and Personal Property (Estimated)	\$214,054,758,731
Legal Limitation for the Borrowing of Funds and the Issuance of Bonds	\$13,245,321,025
Less Amount of Debt Applicable to Debt Limit:	
General Obligation Bonds Outstanding ⁽¹⁾	\$3,245,830,000
Series 2023A General Obligation Bonds	280,000,000
Short-Term BANs/Commercial Paper Outstanding ⁽²⁾	<u>-</u>
Net Direct Debt	<u>\$ 3,525,830,000</u>
Legal Debt Margin	<u>\$ 9,719,491,025</u>
Net Direct Debt as a Percentage of Total Assessed Valuation	1.65%

- (1) Projected unaudited numbers for the period ending June 30, 2023.
(2) Net of amount to be retired with the proceeds of the Series 2023A Bonds.

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

Table 3
General Obligation Debt of the County
As of June 30, 2022 (Audited) and
June 30, 2023 (Projected Unaudited)
and including Series 2023A General Obligation Bonds

<u>Issue</u>	<u>Dated Date</u>	<u>Original Issue Size</u>	<u>Original Coupon Rates</u>	<u>TIC⁽¹⁾</u>	<u>Maturity</u>	<u>Principal Outstanding June 30, 2022 (Audited)</u>	<u>Principal Outstanding June 30, 2023 (Projected Unaudited)</u>
GO Bonds	11/26/2013	\$295,000,000	3.00-5.00	3.1270	2014-33	\$ 29,500,000	\$ 14,750,000
GO Refunding Bonds	11/26/2013	24,915,000	5.00	2.7745	2023-24	24,915,000	24,915,000
GO Bonds	11/19/2014	500,000,000	4.00-5.00	2.7745	2015-32	75,000,000	50,000,000
GO Refunding Bonds	11/19/2014	297,990,000	5.00	2.3437	2016-28	230,455,000	189,515,000
GO Bonds	12/01/2015	300,000,000	3.00-5.00	2.8036	2016-35	210,000,000	195,000,000
GO Bonds	12/13/2016	340,000,000	3.00-5.00	3.2816	2017-37	255,000,000	238,000,000
GO Bonds	11/15/2017	170,000,000	5.00	1.7265	2018-27	102,000,000	85,000,000
GO Refunding Bonds	11/15/2017	78,270,000	5.00	1.6316	2018-26	36,990,000	28,130,000
GO Refunding Bonds	11/15/2017	294,625,000	3.00-5.00	2.0707	2019-31	244,675,000	216,525,000
GO Refunding Bonds	11/15/2017	143,830,000	3.00-4.00	2.1002	2020-29	115,040,000	100,700,000
GO VRDO ⁽²⁾	12/19/2017	170,000,000	Variable	Variable	2028-37	170,000,000	170,000,000
GO Bonds	11/08/2018	330,000,000	3.50-5.00	3.2797	2019-38	280,500,000	264,000,000
GO Bonds	11/07/2019	320,000,000	3.00-5.00	2.2108	2020-40	288,000,000	272,000,000
GO Bonds	08/05/2020	320,000,000	1.75-4.00	1.4217	2021-40	304,000,000	288,000,000
GO Refunding Bonds	08/05/2020	163,950,000	4.00	0.7391	2023-32	163,950,000	163,950,000
GO Refunding Bonds	08/05/2020	370,845,000	0.50-1.85	1.4768	2023-34	370,845,000	370,845,000
GO Bonds	09/08/2021	310,000,000	2.00-5.00	1.4813	2022-41	310,000,000	294,500,000
GO Refunding Bonds	09/08/2021	25,115,000	5.00	0.1472	2022-22	25,115,000	-
GO Bonds	09/01/2022	280,000,000	4.00-5.00	3.1383	2023-42	-	280,000,000
GO Bonds	09/28/2023	280,000,000	4.00-5.00	3.7489	2024-43	-	280,000,000
Total		<u>\$5,014,540,000</u>				<u>\$3,235,985,000</u>	<u>\$3,525,830,000</u>

(1) True Interest Cost.

(2) Variable Rate Demand Obligations.

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

Table 4
General Obligation Bonds Authorized - Unissued
As of June 30, 2023 (Projected Unaudited)

<u>Purpose</u>	<u>Chapter</u>	<u>Act</u>	<u>Amount</u>	<u>Amount Unissued</u>
General County, Parks, and Consolidated Fire Tax District	49	2015	\$148,100,000	\$ 86,360,218
	26	2018	28,100,000	28,100,000
	22	2019	5,600,000	5,600,000
	22	2022	65,300,000	65,300,000
	18	2023	16,600,000	16,600,000
			<u>\$263,700,000</u>	<u>\$201,960,218</u>
Road & Storm Drainage	22	2022	\$117,800,000	\$ 28,459,867
	18	2023	30,000,000	30,000,000
			<u>\$147,800,000</u>	<u>\$ 58,459,867</u>
Public Schools and Community College	22	2022	\$222,000,000	\$132,964,896
	18	2023	373,700,000	373,700,000
			<u>\$595,700,000</u>	<u>\$506,664,896</u>
Mass Transit	22	2022	\$ 47,400,000	\$ 43,418,019
			<u>\$ 47,400,000</u>	<u>\$ 43,418,019</u>
Public Housing	22	2009	\$ 1,000,000	\$ 1,000,000
	54	2010	46,400,000	46,400,000
			<u>\$ 47,400,000</u>	<u>\$ 47,400,000</u>
Easements				
Agricultural Easements	24	2011	\$ 2,000,000	\$ 2,000,000
Façade Easements	24	2011	1,100,000	1,100,000
	26	2013	2,200,000	2,200,000
			<u>\$ 5,300,000</u>	<u>\$ 5,300,000</u>
Total General Obligation Bonds			<u>\$1,107,300,000</u>	<u>\$863,203,000</u>

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

Table 5
Bond Anticipation Notes Outstanding
As of June 30, 2023 (Projected Unaudited)
And Including Series 2023A General Obligation Bonds

<u>Issue</u>	<u>Balance June 30, 2022</u>	<u>BANs Retired</u>	<u>BANs Issued</u>	<u>Total BANs Outstanding as of June 30, 2023⁽¹⁾</u>	<u>BANs to be Retired</u>	<u>Balance</u>
BAN 2009-A ⁽²⁾	\$ 50,000,000	\$ 50,000,000	-	-	-	-
BAN 2009-B ⁽²⁾	50,000,000	50,000,000	-	-	-	-
BAN 2010-A	106,000,000	97,000,000	\$100,000,000	\$109,000,000	\$109,000,000	-
BAN 2010-B	<u>105,000,000</u>	<u>97,000,000</u>	<u>100,000,000</u>	<u>108,000,000</u>	<u>108,000,000</u>	-
Total	<u>\$311,000,000</u>	<u>\$294,000,000</u>	<u>\$200,000,000</u>	<u>\$217,000,000</u>	<u>\$217,000,000</u>	-

⁽¹⁾ Projected, unaudited.

⁽²⁾ On July 21, 2023, the County terminated its agreements relating to the County's Consolidated Public Improvement Commercial Paper Bond Anticipation Notes, 2009 Series A and Consolidated Public Improvement Commercial Paper Bond Anticipation Notes, 2009 Series B (collectively, the Series 2009 Notes"). The County is no longer able to issue its Series 2009 Notes due to the termination of such agreements. For additional information, please see the notice relating to such termination which the County posted on EMMA on or about July 28, 2023. There were no outstanding Series 2009 Notes secured by the Agreement at the time of its termination.

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

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

	Fiscal Year Ending June 30 ⁽¹⁾⁽³⁾				Approved Budget ⁽²⁾⁽³⁾⁽⁴⁾
	2019	2020	2021	2022	Fiscal Year 2023
Revenues:					
Taxes:					
Property, including interest & penalty	\$ 1,292,155,658	\$ 1,268,904,164	\$ 1,269,259,349	\$ 1,332,214,198	\$ 1,328,591,320
Transfer tax and recordation tax	168,192,023	173,412,108	192,861,987	266,036,602	228,907,739
County income tax	1,531,219,289	1,700,584,075	1,820,178,820	1,895,810,690	1,870,513,719
Other taxes	<u>273,354,916</u>	<u>259,686,972</u>	<u>246,071,941</u>	<u>258,859,755</u>	<u>266,621,306</u>
Total Taxes	3,264,921,886	3,402,587,319	3,528,372,097	3,752,921,245	3,694,634,084
Licenses and permits	11,747,328	10,880,889	10,460,187	12,414,383	13,739,855
Intergovernmental revenue	66,502,144	75,407,920	196,592,797	67,971,539	75,769,156
Charges for services	30,198,205	24,159,285	13,567,357	20,544,626	12,592,016
Fines and forfeitures	31,495,317	29,516,285	16,897,097	25,804,992	29,377,280
Investment income	8,583,321	2,622,856	671,046	(2,695,211) ⁽⁵⁾	3,383,470
Miscellaneous	<u>16,930,457</u>	<u>10,570,798</u>	<u>12,147,132</u>	<u>11,011,322</u>	<u>12,751,001</u>
Total Revenues	<u>3,430,378,658</u>	<u>3,555,745,352</u>	<u>3,778,707,713</u>	<u>3,887,972,896</u>	<u>3,842,246,862</u>
Expenditures:					
General government	389,073,054	482,163,029	528,652,840	499,481,953	569,668,652
Public safety	402,853,522	423,392,675	394,894,570	414,534,088	409,258,462
Transportation	60,922,654	48,151,831	59,716,290	61,469,020	49,231,141
Health and human services	254,956,656	262,278,944	350,365,194	327,384,934	332,107,450
Culture and recreation	50,137,324	50,308,512	48,619,754	48,179,034	52,275,741
Housing and community development	14,056,063	14,449,684	15,702,513	18,823,447	12,526,342
Environment	2,107,892	3,033,009	3,019,583	3,563,142	7,569,048
Education	<u>1,885,648,526</u>	<u>1,910,678,276</u>	<u>1,924,426,162</u>	<u>1,940,322,723</u>	<u>2,035,856,731</u>
Total Expenditures	<u>3,059,825,691</u>	<u>3,194,455,960</u>	<u>3,325,396,906</u>	<u>3,313,758,341</u>	<u>3,468,493,567</u>
Transfers In (Out):					
Transfers In:					
Special Revenue Funds	28,757,130	29,757,250	49,726,445	28,393,793	30,936,014
Enterprise Funds	41,504,274	46,355,930	47,068,239	48,132,028	51,210,922
Internal Service Funds	11,537,012	-	3,713,312	-	-
Capital Projects Fund	5,500,000	5,500,000	5,500,000	-	-
Component Units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Transfers In	<u>87,298,416</u>	<u>81,613,180</u>	<u>106,007,996</u>	<u>76,525,821</u>	<u>82,146,936</u>
Transfers (Out):					
Special Reserve Funds	(42,135,619)	(27,133,885)	(25,909,055)	(38,344,339)	(31,973,959)
Debt Service Fund	(329,700,927)	(341,615,901)	(351,488,687)	(355,597,315)	(374,442,207)
Capital Projects Fund	(47,326,269)	(46,177,189)	(13,193,450)	(41,066,511)	(61,210,000)
Enterprise Funds	(25,000)	(25,000)	(5,980,254)	(140,325)	(584,000)
Internal Service Funds	<u>(857,758)</u>	<u>(4,773,319)</u>	<u>(97,780)</u>	<u>-</u>	<u>-</u>
Total Transfers (Out)	<u>(420,045,573)</u>	<u>(419,725,294)</u>	<u>(396,669,226)</u>	<u>(435,148,490)</u>	<u>(468,210,166)</u>
Net Transfers In (Out)	<u>(332,747,157)</u>	<u>(338,112,114)</u>	<u>(290,661,230)</u>	<u>(358,622,669)</u>	<u>(386,063,230)</u>
Other Financing Sources: Leases (as lessee)	<u>-</u>	<u>-</u>	<u>4,546,325</u>	<u>24,751,365</u>	<u>-</u>
Other Financing Sources: Sale of property	<u>8,655</u>	<u>359</u>	<u>145,405</u>	<u>10,514</u>	<u>-</u>
Net Change in Fund Balance	<u>37,814,466</u>	<u>23,177,637</u>	<u>167,341,307</u>	<u>240,353,765</u>	<u>(12,309,935)</u>
Fund Balances, Beginning of Year	<u>521,024,506</u>	<u>558,838,972</u>	<u>582,016,609</u>	<u>749,357,916</u>	<u>989,711,681</u>
Fund Balance, End of the Year	<u>\$ 558,838,972</u>	<u>\$ 582,016,609</u>	<u>\$ 749,357,916</u>	<u>\$ 989,711,681</u>	<u>\$ 977,401,746</u>

(1) Source: County's Annual Comprehensive Financial Report ("County ACFR"). Audited.

(2) Source: County Fiscal Year 2023 Approved Budget.

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

(4) The County's FY24-29 Fiscal Plan estimated Fiscal Year 2023's Revenue Stabilization Fund and Unassigned General Fund balances of \$604.0 million and \$244.7 million, respectively, for total estimated budgetary reserves of \$848.7 million. The Fiscal Plan, approved on June 27, 2023, incorporates the most recent revenue and expenditure estimates. The Fiscal Plan's estimate of unassigned General Fund balance does not include Economic Development and Urban District funds.

(5) Includes adjustments for decreases in fair value.

**Table 7
General Fund**

Schedule of Actual and Estimated GAAP Fund Balances

	Fiscal Year Ending June 30 ⁽¹⁾			Approved Budget ⁽²⁾⁽⁴⁾⁽⁵⁾	
	2019	2020	2021	2022	Fiscal Year
Committed - Revenue Stabilization Fund ⁽³⁾	\$ 341,545,046	\$ 376,281,822	\$ 444,613,587	\$ 587,380,077	\$ 590,341,567
Components of General Fund Reported Fund Balance(Net of RSF) ⁽¹⁾⁽³⁾					
Nonspendable	\$ 12,137,808	\$ 10,198,747	\$ 7,194,178	\$ 9,815,046	\$ 9,836,445
Restricted	10,219,326	6,861,399	13,831,680	6,758,234	9,417,660
Committed - Other	59,837,927	42,854,105	56,229,332	112,115,487	67,759,213
Assigned	31,782,165	48,141,465	58,071,505	85,111,637	127,115,661
Unassigned ⁽⁴⁾	103,316,700	97,679,071	169,417,634	188,531,200	172,931,200
Subtotal	217,293,926	205,734,787	304,744,329	402,331,604	387,060,179
Total Reported General Fund	\$ 558,838,972	\$ 582,016,609	\$ 749,357,916	\$ 989,711,681	\$ 977,401,746

(1) Source: County ACFR. Audited.

(2) Source: County Fiscal Year 2023 Approved Budget.

(3) Per Section 20-64 through 20-72, inclusive of the County Code, use of the resources in the Revenue Stabilization Fund is Committed. For financial reporting purposes, the fund is reported as part of the General Fund. For additional information, see "Revenue Stabilization Fund" below.

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

(5) The County's FY24-29 Fiscal Plan estimated Fiscal Year 2023's Revenue Stabilization Fund and Unassigned General Fund balances of \$604.0 million and \$244.7 million, respectively, for total estimated budgetary reserves of \$848.7 million. The Fiscal Plan, approved on June 27, 2023, incorporates the most recent revenue and expenditure estimates. The Fiscal Plan's estimate of unassigned General Fund balance does not include Economic Development and Urban District funds.

Revenue Stabilization Fund

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

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

In Fiscal Year 2014, the fund balance in the Fund was combined with the General Fund in the Annual Comprehensive Financial Report. Prior to Fiscal Year 2022, the Fund's balance was classified as restricted. The County has since re-evaluated and determined that the underlying establishment of constraints placed on the Fund do not rise to the level requiring classification as restricted. As a result, the Fund's balance is classified as committed in accordance with GASB Statement No. 54. Opening balances have been adjusted for the change, which had no impact on total net position. The County's reserve policy target is 10 percent of AGR. In Fiscal Year 2022, the County exceeded its target with a reserve of 13.3 percent of AGR and the reserves in Fiscal Year 2023 are estimated to be 14.1 percent. When emergencies require reserves to dip below the 10 percent policy target, it is the County's policy to ensure that reserves achieve the policy target within three fiscal years. The County's June 27, 2023 Fiscal Plan forecasts reserves of 14.1 percent in Fiscal Year 2023, 11.6 percent in Fiscal Year 2024 and 10.0 percent in Fiscal Year 2025.

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

Fiscal Year ⁽¹⁾	Transfers ⁽²⁾	Fund Balance
2023	\$0.0	\$604.0
2022	142.1	587.4
2021	67.8	444.6
2020	26.8	376.3
2019	25.6	341.5
2018	24.9	308.7
2017	24.7	280.7

- (1) Amounts for Fiscal Year 2017 - Fiscal Year 2022 are audited. Amounts for Fiscal Year 2023 are Fiscal Plan estimates approved on June 27, 2023.
- (2) In Fiscal Year 2023, the mandatory contribution to the Revenue Stabilization Fund in the amount of 50% of excess revenues will not be made. Any excess revenues will be designated as General Fund unrestricted reserves. This is a one-time action occurring only for Fiscal Year 2023.

Financial Impact of COVID-19

Since March 2020, the County made many difficult financial decisions to adjust to unprecedented times caused by the COVID-19 pandemic. Federal and State partners provided some much-needed assistance, and the County's revenues exceeded initial projections. The federal COVID-19 Public Health Emergency Declaration ended May 11, 2023.

The County maintains an unrestricted General Fund reserve to pay for unanticipated increased expenses and, if necessary, can access the Revenue Stabilization Fund in the event that current year appropriations become unfunded. The County has the ability to modify its Fiscal Year 2024 operating budget (i.e., enact a Savings Plan) and adjust its cash spending in the Capital Improvements Program in the event funds are needed for the operating budget to address any unexpected aftermath of the pandemic.

Climate Change

There are potential risks to the County associated with climate change, including increased flooding, hotter weather and more extreme storms. In 2017, the County Council passed the Emergency Climate Mobilization Resolution (the "Resolution"), which set the County's Greenhouse Gas ("GHG") reduction goals at 80% of the 2005 GHG levels by 2027 and 100% elimination by 2035. The Resolution required the County Executive to advise on specific methods for accelerating GHG reduction.

In June 2021, The County released its Climate Action Plan ("CAP") which includes 86 actions across seven sectors (clean energy, transportation, buildings, climate adaptation, carbon sequestration, climate governance and public engagement) which were selected through a number of modeling and feasibility analyses and prioritized to include those with the greatest potential for directly reducing GHG emissions or climate risk. The CAP is implemented through the annual operating and capital budgets and the six-year capital improvements program with activity on the CAP actions set out in the Annual Climate Work Plan and then monitored quarterly. In fiscal year 2023, a majority of the 86 CAP actions were included in the Annual Climate Work Plan and supported in the Fiscal Year 2023 approved operating and capital budgets and the six-year capital improvements. Activities include transitioning passenger vehicles, Ride-On transit buses and school buses to electric vehicles; installing EV charging stations in County parking facilities; a solar powered micro-grid at the Brookville depot to charge buses; passing Building Energy Performance Standards legislation for commercial and multi-family buildings; advocating for and achieving passage of state authorizing legislation and commencing development of a Community Choice Energy program; adding multiple bus rapid transit routes to encourage use of public transit and addressing climate resilience and adaptation for County residents and assets through the development of a Comprehensive Flood Management Plan; integration of a climate modeling tool into the Capital Improvements Program to reduce emissions and forecast loss and damage to capital projects resulting from extreme climate events; and analyzing heat island data to guide tree planting and other cooling initiatives. Fiscal Year 2024 budgets support continued work in the aforementioned areas. Additional information regarding the County's CAP may be found at <https://www.montgomerycountymd.gov/green/climate/index.html>.

TAX MATTERS

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

The following is only a general summary of certain provisions of the Internal Revenue Code of 1986, as amended (the “Code”) as enacted and in effect on the date hereof and does not discuss all aspects of federal income taxation that may be relevant to a particular holder of the Bonds in light of such holder’s particular circumstances and income tax situation. Each holder of the Bonds should consult such holder’s tax advisors as to the specific consequences to such holder of the ownership and disposition of the Bonds, including the application of state, local, foreign and other tax laws.

Maryland Income Taxation

In the opinion of Bond Counsel, under existing law, the Bonds, their transfer, the interest payable on them, and any income derived from them, including any profit realized in their sale or exchange, shall be exempt from taxation of any kind by the State of Maryland, by any of its political subdivisions, or any other public entity. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon. Interest on the 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 Bonds should consult their own tax advisors with respect to the taxable status of the Bonds in jurisdictions other than Maryland.

Federal Income Taxation

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

Under the provisions of 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. These include the following: (i) a requirement that certain earnings received from the investment of the proceeds of the 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 Bonds; and (iii) other requirements applicable to the use of the proceeds of the 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 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 from gross income for federal income tax purposes of interest on the Bonds.

Further, under existing statutes, regulations and decisions, Bond Counsel is of the opinion that interest on the Bonds is not included in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. For taxable years beginning after December 31, 2022, interest on the Bonds will be part of adjusted financial statement income, fifteen percent of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. For this purpose, in general, applicable corporations are corporations with more than one billion dollars in average annual adjusted financial statement income determined over a 3-year period. In addition, interest income on the Bonds will be includable in the applicable tax base for the purpose of determining the branch profits tax imposed by the Code on certain foreign corporations engaged in a trade or business in the United States of America.

Certain Other Federal Tax Considerations.

There are other federal tax consequences of ownership of obligations such as the 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 25% of the sum of tax-exempt interest income and the deductible portion of dividends received by such companies; (iii) interest income that is exempt from tax must be taken into account for the purpose of determining whether, and what amount of, social security or railroad retirement benefits are includable in gross income for federal income tax purposes; (iv) for S corporations having Subchapter C earnings and profits, the receipt of certain levels of passive investment income, which includes interest on tax-exempt obligations such as the Bonds, can result in the imposition of tax on such passive investment income and, in some cases, loss of S corporation status; (v) net gain realized upon the sale or other disposition of the Bonds generally must be taken into account when computing the 3.8% Medicare tax with respect to net investment income or undistributed net investment income, as applicable, imposed on certain high income individuals and certain trusts and estates; and (vi) receipt of certain investment income, including interest on the Bonds, is considered when determining qualification limits for obtaining the earned income credit provided by Section 32(a) of the Code.

Purchase, Sale and Retirement of Bonds.

Except as noted below in the case of market discount, the sale or other disposition of a Bond will normally result in capital gain or loss to its holder. A holder's initial tax basis in a Bond will be its cost. Upon the disposition of a Bond (including sale, early redemption, purchase or payment at maturity), for federal income tax purposes, a holder will recognize capital gain or loss upon the disposition of such security in an amount equal to the difference between (a) the amount received upon such disposition and (b) the tax basis in such Bond, determined by adding to the original cost basis in such Bond the amount of original issue discount that is treated as having accrued as described below under "TAX MATTERS – Bonds -- 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 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, short-term capital gains are taxed at the rates applicable to ordinary income, while net capital gains are taxed at lower rates. Net capital gains are the excess of net long-term capital gains (gains on capital assets held for more than one year) over net short-term capital losses.

Market Discount.

If a holder acquires a Bond after its original issuance at a discount below its face amount (or in the case of a 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 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 Bond with market discount subsequently realizes a gain upon the disposition of the 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 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 Bond not issued at an original issue discount, market discount will be *de minimis* if the excess of the Bond's stated redemption price at maturity over the holder's cost of acquiring the 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 Bond and its stated maturity date. In the case of a Bond issued with original issue discount, market discount will be *de minimis* if the excess of the Bond's revised issue price over the holder's cost of acquiring the 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 Bond and its stated maturity date. For this purpose, a Bond's "revised issue price" is the sum of (i) its original issue price and (ii) the aggregate amount of original issue discount that is treated as having accrued with respect to the Bond during the period between its original issue date and the date of acquisition by the holder.

Amortizable Bond Premium.

A Bond will be considered to have been acquired at a premium if, and to the extent that, immediately after the acquisition of such Bond, the holder's tax basis in the Bond exceeds the amount payable at maturity (or, in the case of a Bond callable prior to maturity, an amount payable on an earlier call date, as described). Under tax regulations

applicable to the 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 Bonds. The holder will be required to reduce his tax basis in the Bond for purposes of determining gain or loss upon disposition of the 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 allowable in respect of any amount of amortizable bond premium on the Bonds..

Tax Accounting Treatment of Discount Bonds.

Certain maturities of the Bonds may be issued at an initial public offering price which is less than the amount payable on such 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 first sold, and the principal amount of such Discount Bonds payable at maturity constitutes original issue discount. 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 (a) any holder of a Discount Bond will recognize gain or loss upon the disposition of such Discount Bond (including sale, early redemption or payment at maturity) in an amount equal to the difference between (i) the amount received upon such disposition, and (ii) 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 (b) the amount of the basis adjustment described in clause (a)(ii)(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 (a) the product of (i) the yield for such Discount Bond (adjusted as necessary for an initial short period) divided by the number of compounding periods in a year multiplied by (ii) 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 (b) 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 issue 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 Discount Bonds are 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 upon the occurrence of certain contingencies.

The yields (and related prices) furnished by the underwriters for the Bonds as shown on the inside cover of this Official Statement may not reflect the initial issue prices for the purpose of determining the original issue discount for federal income tax purposes.

The foregoing summarizes certain federal income tax consequences of original issue discount with respect to the Discount 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 the Discount Bonds. In addition, prospective corporate purchasers should consider possible federal tax consequences

arising from original issue discount on such Discount Bonds under the branch profits tax. The amount of original issue discount considered to have accrued may be reportable in the year of accrual for state and local tax purposes or for purposes of the branch profits tax without a corresponding receipt of cash with which to pay any tax liability attributable to such discount. Purchasers with questions concerning the detailed tax consequences of transactions in the Discount Bonds should consult their tax advisors.

U.S. Federal Backup Withholding and Information Reporting.

In general, information reporting requirements apply with respect to payments to certain non-corporate United States holders of interest and original issue discount on, and payments to such holder of the proceeds of the sale, exchange, redemption, retirement or other disposition of a Bond. If a United States holder of a Bond (other than a corporation or other specified exempt entity) fails to satisfy applicable information reporting requirements imposed by the Code, payments to such holder will be subject to “backup withholding”, which means that the payor is required to deduct and withhold a tax equal to 24% of the payments. In general, the information reporting requirements (where applicable) are satisfied if the holder completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification.” Backup withholding should not occur if a holder purchases a Bond through a brokerage account with respect to which a Form W-9 has been provided, as generally can be expected. Any amounts withheld pursuant to backup withholding would be subject to recovery by the holder through proper refund or credit.

Legislative Developments

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

CONTINUING DISCLOSURE UNDERTAKING

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities Exchange Act of 1934 (“Rule 15c2-12”), to comply with the requirements of paragraph (b)(5) of Rule 15c2-12, the County will execute and deliver a continuing disclosure agreement (the “Continuing Disclosure Agreement”) on or before the date of issuance and delivery of the Bonds, the form of which is attached to this Official Statement as Appendix B. Potential purchasers of the Bonds should note that the definition of Reportable Events in Appendix B is intended to completely restate the events specified in Rule 15c2-12. It is noted that certain Reportable Events are expected to have no applicability to the Bonds, such as the possibility of unscheduled draws on debt service reserves and matters affecting collateral for the Bonds.

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

- The County failed to timely file a notice of ratings changes in connection with: (i) the modification by Fitch Ratings in June 2023 of the County’s General Obligation Bonds, Consolidated Public Improvement Variable Rate Bonds of 2017, Series E (the “Series 2017 Bonds”) due to a downgrade of U.S. Bank National Association, the County’s standby bond purchase agreement provider (the “Bank”) and (ii) the modification by S&P Global Ratings in May 2023 of the Series 2017 Bonds due to a downgrade of the Bank. The County did not receive notification of the rating changes to the Series 2017 Bonds, and as a result, did not disclose such rating changes timely. The County subsequently filed notices of such modifications on EMMA.

LEGALITY OF THE BONDS

The authorization, sale, issuance and delivery of the 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 Bonds will be

delivered upon request, without charge, to the Successful Bidder for the Bonds. The opinion is expected to be substantially in the form of the draft opinion attached to this Official Statement as Appendix A.

LITIGATION

The County is currently processing numerous claims for damages and is also a defendant in a number of lawsuits which are expected to be paid, when applicable, through its self-insurance program. In addition to those suits in which claims for liability are adequately covered by insurance, the County is a defendant in various suits involving tort claims, violations of civil rights, breach of contract, inverse condemnation, and other suits and actions arising in the normal course of business. There is no pending litigation of any nature restraining or enjoining or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds, the Resolution or other proceedings of the County Executive taken with respect to the authorization, issuance, sale and delivery of the Bonds, or the pledge of the County's full faith and credit to pay the Bonds.

RATINGS

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

FINANCIAL ADVISOR

Davenport & Company LLC (the "Financial Advisor") is serving as financial advisor to the County with respect to the issuance and sale of the Bonds. 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; however, the Financial Advisor has no knowledge of any inaccuracy or incompleteness as to any of the information contained herein.

INDEPENDENT PUBLIC ACCOUNTANTS

The audited basic financial statements of the County for the year ended June 30, 2022, have been audited by SB & Company LLC ("SBC"), independent public accountants, as indicated in their report with respect thereto. The audited basic financial statements have been included in reliance upon the qualification of said firm to issue said report. In the report, SBC states that with respect to certain of the County's component units, its opinion is based on the reports of other independent public accountants. The report of SBC also contains an explanatory paragraph which states that SBC did not audit certain identified supplementary information and expressed no opinion thereon.

CERTIFICATE OF COUNTY OFFICIALS

The Chief Administrative Officer and the Director of Finance of the County will furnish a certificate to the successful bidder for the Bonds to the effect that, to the best of their knowledge and belief, this Official Statement, as of the date of sale and the date of delivery of the 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.

INFORMATION IN OFFICIAL STATEMENT

All quotations, summaries and explanations in this Official Statement of State and County laws and the Montgomery County Charter do not purport to be complete and reference is made to pertinent provisions of the same for complete statements. Any estimates or opinions herein, whether or not expressly so stated, are intended as such and not as

representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date as of which such information is stated or the date hereof. This Official Statement shall not be construed as part of any contract between the County and the purchasers or holders of its bonds. The County has been advised by McKennon Shelton & Henn LLP, Baltimore, Maryland, Bond Counsel, in connection with legal statements contained in this Official Statement; however, Bond Counsel has not passed upon or assumed responsibility for the accuracy of the statistical data, financial statements and economic data, or for the outcome of any estimates and expressions of opinions contained herein.

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

(Remainder of page intentionally left blank)

AUTHORIZATION OF OFFICIAL STATEMENT

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

MONTGOMERY COUNTY, MARYLAND

By: /s/ Marc Elrich
Marc Elrich
County Executive

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

APPENDIX A

FORM OF APPROVING OPINION OF BOND COUNSEL

(This page has been left blank intentionally)

[Form of Approving Opinion of Bond Counsel]

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by Montgomery County, Maryland (the “County”) of its Consolidated Public Improvement Bonds of 2023, Series A (the “Bonds”).

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 (i) Section 10-203 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2022 Supplement) and Section 19-101 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2022 Supplement) (together, the “Enabling Laws”); (ii) Chapter 43 of the Laws of Montgomery County of 2006, Chapter 12 of the Laws of Montgomery County of 2007, Chapter 36 of the Laws of Montgomery County of 2008, Chapter 22 of the Laws of Montgomery County of 2009, Chapter 54 of the Laws of Montgomery County of 2010, Chapter 24 of the Laws of Montgomery County of 2011, Chapter 19 of the Laws of Montgomery County of 2012, Chapter 26 of the Laws of Montgomery County of 2013, Chapter 31 of the Laws of Montgomery County of 2014, Chapter 49 of the Laws of Montgomery County of 2015, Chapter 26 of the Laws of Montgomery County of 2018; Chapter 22 of the Laws of Montgomery County of 2019, Chapter 22 of the Laws of Montgomery County of 2021 and Chapter 18 of the Laws of Montgomery County of 2022 (collectively, the “Bond Ordinances”); (iii) Resolution No. 16-1104 of the County Council of the County (the “County Council”), adopted on September 15, 2009, as amended (the “Resolution”); (iv) the Montgomery County Code (the “County Code”); (v) provisions of the Montgomery County Charter (the “Charter”); and (vi) Executive Orders of the County Executive of the County (the “Order”).

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, and under existing statutes, regulations, and decisions, 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, possessing authority under the Enabling Laws, the Bond Ordinances, the Resolution, the County Code, the Charter and the Order to issue the Bonds.

(b) The Bonds constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the County, and for the payment of which the County is empowered to levy ad valorem taxes upon all assessable property within the corporate limits of the County.

(c) To provide for the payment of the principal of and interest on the Bonds, the County has covenanted to levy or cause to be levied ad valorem taxes upon all the assessable property within the corporate limits of the County, in rate and amount sufficient for that purpose in each fiscal year in which provision must be made for the payment of such principal and interest.

(d) The Bonds, their transfer, the interest payable on them and any income derived from them, including any profit realized in their sale or exchange, shall be exempt from taxation of any kind by the State of Maryland, by any of its political subdivisions, or any other public entity. No opinion is expressed as to estate or inheritance taxes, or any other taxes not levied or assessed directly on the Bonds or the interest thereon.

(e) 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 of the Internal Revenue Code of 1986, as amended (the “Code”), there are certain restrictions that must be met subsequent to the delivery of the 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. 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) 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.

(f) Interest on the Bonds is not includable in the alternative minimum taxable income of individuals as an enumerated item of tax preference or other specific adjustment. For taxable years beginning after December 31, 2022, interest on the Bonds will be part of adjusted financial statement income, fifteen percent of which is included in the computation of the corporate alternative minimum tax imposed on applicable corporations. 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. This opinion is addressed to, and solely for the benefit of the County and may not be relied upon by any person without our express written consent.

Very truly yours,

APPENDIX B

**FORM OF CONTINUING
DISCLOSURE AGREEMENT**

(This page has been left blank intentionally)

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of _____, 2023 (this “Disclosure Agreement”) is executed and delivered by Montgomery County, Maryland (the “County”) in connection with the issuance of its Consolidated Public Improvement Bonds of 2023, Series A (the “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 Bonds, including beneficial owners, and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The County’s obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule.

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

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

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

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

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

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

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended 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 in the County’s Annual Comprehensive Financial Reports within 275 days after the end of the fiscal year, commencing with the fiscal year ended June 30, 2023:

- (i) Statement of Direct and Overlapping Debt;
- (ii) General Bonded Debt Ratios;
- (iii) Assessed Value of All Taxable Property By Class;
- (iv) Property Tax Levies and Collections;
- (v) Property Tax Rates and Tax Levies, By Purpose; and
- (vi) Schedule of General Fund Revenues, Expenditures and Transfers In (Out).

(b) The County shall provide to the MSRB annual audited financial statements for the County, such information to be made available within 275 days after the end of the County’s fiscal year, commencing with the fiscal year ended June 30, 2023, 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, 2023), 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 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.

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 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 Bonds, or other material events affecting the tax status of the 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 Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the County;
- (13) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (14) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (15) incurrence of a financial obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the County, any of which affect Bondholders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the County, any of which reflects financial difficulties.

(b) In a timely manner, not in excess of ten (10) business days after the occurrence of an event listed in Section 4(a) above, the County shall file a notice of such occurrence with the MSRB.

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

SECTION 6. *Termination of Reporting Obligations.* The County's obligations under this Disclosure Agreement shall terminate upon the payment in full of all of the 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 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 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 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 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 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 fifteen (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 Bonds, including beneficial owners, and shall create no rights in any other person or entity.

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

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

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

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

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

SECTION 16. *Dissemination Agent.* The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

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: _____
Director of Finance

Book-Entry Only System

The information contained in the following paragraphs of this Appendix “Book-Entry Only System” has been extracted from a schedule prepared by DTC entitled “SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY ONLY ISSUANCE.” The County makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

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

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 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 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 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 the Bonds may wish to take certain steps to augment transmission to them of notices of

significant events with respect to the Bonds, such as redemptions and defaults. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the 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 Paying Agent/Registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

So long as a nominee of DTC is the registered owner of the Bonds, references herein to the bondholders or the holders or owners of the Bonds shall mean DTC and shall not mean the Beneficial Owners of the Bonds. The County and the Paying Agent/Registrar will recognize DTC or its nominee as the holder of all of the Bonds for all purposes, including the payment of the principal of and interest on, and the purchase price of, the Bonds, as well as the giving of notices. Neither the County nor the Paying Agent will 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.

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

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

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

In the event that the Book-Entry Only System is discontinued, the Bonds in fully certificated form will be issued as fully registered Bonds without coupons in the denomination of \$5,000 each or any integral multiple thereof. Such Bonds will be transferable only upon the registration books kept at the principal office of the Paying Agent/Registrar, by the registered owner thereof in person, or by an attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer in the form attached thereto and satisfactory to the Paying Agent/Registrar, and duly executed by the registered owner or a duly authorized attorney. Within a reasonable time of such surrender, the County shall cause to be issued in the name of the transferee a new registered Bond or Bonds of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond surrendered and maturing on the same date and bearing interest at the same rate. The new Bond or Bonds shall be delivered to the transferee only after due authentication by an authorized officer of the Paying Agent/Registrar. The County may deem and treat the person in whose name a Bond is registered as the absolute owner thereof for the

purpose of receiving payment of or on account of the principal or redemption price thereof and interest due thereon and for all other purposes.

In the event that the Book-Entry Only System is discontinued, the Bonds may be transferred or exchanged at the principal office of the Paying Agent/Registrar. Upon any such transfer or exchange, the County shall execute and the Paying Agent/Registrar shall authenticate and deliver a new registered Bond or Bonds without coupons of any of the authorized denominations in an aggregate principal amount equal to the principal amount of the Bond exchanged or transferred, and maturing on the same date and bearing interest at the same rate. In each case, the Paying Agent/Registrar may require payment by any holder of Bonds requesting exchange or transfer of Bonds of any tax, fee or other governmental charge, shipping charges and insurance that may be required to be paid with respect to such exchange or transfer, but otherwise no charge shall be made to the holder of Bonds for such exchange or transfer. The Paying Agent/Registrar shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or portion thereof for redemption as previously described; provided, however, that the foregoing limitation shall not apply to that portion of a Bond in excess of \$5,000 which is not being called for redemption.

THE COUNTY AND PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE BONDS (A) PAYMENTS OF THE PRINCIPAL OF, OR INTEREST ON, THE BONDS, (B) CONFIRMATION OF OWNERSHIP INTERESTS IN THE BONDS, OR (C) NOTICES OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.