OFFICIAL STATEMENT DATED MAY 15, 2003

NEW ISSUES: BOOK-ENTRY ONLY

Fitch Ratings: AAA
Moody's Investors Service: Aaa
Standard and Poor's: AAA
(See "Ratings")

$204,505,000
MONTGOMERY COUNTY, MARYLAND
General Obligation Bonds
$155,000,000 Consolidated Public Improvement Bonds of 2003, Series A
$49,505,000 Consolidated Public Improvement Refunding Bonds of 2003, Series A

Dated: May 1, 2003 **Due: As shown on inside front cover**

The $155,000,000 Montgomery County, Maryland Consolidated Public Improvement Bonds of 2003, Series A (the "Consolidated Public Improvement Bonds") and the $49,505,000 Montgomery County, Maryland Consolidated Public Improvement Refunding Bonds of 2003, Series A (the "Refunding Bonds" and, together with the Consolidated Public Improvement Bonds, the "Bonds"), are issuable by Montgomery County, Maryland (the "County") in fully registered form in the denomination of $5,000 or any integral multiple thereof. The Consolidated Public Improvement Bonds will bear interest from May 1, 2003, payable November 1, 2003 (six months), and semi-annually thereafter on May 1 and November 1 until maturity or earlier redemption. The Refunding Bonds will bear interest from May 1, 2003, payable January 1, 2004 (eight months), and semi-annually thereafter on January 1 and July 1 until maturity. The County will perform the paying agency and registrar services described in this Official Statement; provided that if the book-entry only system is discontinued, the County will appoint a financial institution to perform such services on its behalf (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"), principal of and premium, if any, 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 global 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., 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.**

The Consolidated Public Improvement Bonds maturing on or after May 1, 2014 are subject to redemption at the option of the County, prior to their stated maturities. The Refunding Bonds are not subject to redemption prior to their stated maturities. (See "THE BONDS - Redemption Provisions" herein).

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants in the Tax Certificate and Compliance Agreement to be executed and delivered by the County on the date of delivery of the Bonds, and subject to the conditions stated herein under "Tax Exemptions," under existing law, (a) the interest on the Bonds is excludable from gross income for Federal income tax purposes, and (b) the interest on the Bonds is not an enumerated preference or adjustment for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States. As described herein under "Tax Exemptions," other Federal income tax consequences may arise from ownership of the Bonds. It is also the opinion of Bond Counsel that, under existing law of the State of Maryland, the interest on the Bonds and profit realized from the sale or exchange of the Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied directly on the Bonds or the interest thereon.

DELIVERY: The Bonds are offered for delivery when, as and if issued, subject to the approving legal opinion of Venable, Baetjer and Howard, LLP, Baltimore, Maryland, Bond Counsel, and other conditions specified in the official Notice of Sale for the Bonds. It is expected that the Consolidated Public Improvement Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about May 29, 2003, and that the Refunding Bonds in definitive form will be available for delivery through DTC in New York, New York, on or about July 3, 2003.

The date of this Official Statement is May 15, 2003.

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.

Maturity Schedule

$155,000,000 Consolidated Public Improvement Bonds of 2003, Series A

Maturity May 1,	Amount	Rate	Yield	CUSIP
2004	$7,750,000	1.500%	1.025%	613340XV5
2005	7,750,000	2.000%	1.160%	613340XW3
2006	7,750,000	2.000%	1.420%	613340XX1
2007	7,750,000	2.500%	1.850%	613340XY9
2008	7,750,000	3.000%	2.150%	613340XZ6
2009	7,750,000	3.000%	2.440%	613340YA0
2010	7,750,000	3.000%	2.750%	613340YB8
2011	7,750,000	3.000%	3.000%	613340YC6
2012	7,750,000	3.000%	3.120%	613340YD4
2013	7,750,000	3.000%	3.250%	613340YE2
2014	7,750,000	4.000%	3.400%	613340YF9
2015	7,750,000	4.000%	3.550%	613340YG7
2016	7,750,000	4.000%	3.650%	613340YH5
2017	7,750,000	4.000%	3.760%	613340YJ1
2018	7,750,000	4.000%	3.860%	613340YK8
2019	7,750,000	4.000%	3.960%	613340YL6
2020	7,750,000	4.000%	4.050%	613340YM4
2021	7,750,000	4.000%	4.140%	613340YN2
2022	7,750,000	4.000%	4.220%	613340YP7
2023	7,750,000	4.000%	4.250%	613340YQ5

(Accrued interest from May 1, 2003 to be added)

The rates shown above are the interest rates payable by the County resulting from the successful bid for the Consolidated Public Improvement Bonds by a group of banks and investment banking firms at public sale on May 14, 2003. The yields or prices shown above were furnished by the successful bidders. Any additional information concerning the reoffering of the Consolidated Public Improvement Bonds should be obtained from the successful bidders and not from the County.

$49,505,000 Consolidated Public Improvement Refunding Bonds of 2003, Series A

Maturity July 1,	Amount	Rate	Yield	CUSIP
2004	$4,445,000	2.000%	1.100%	613340YR3
2005	7,255,000	2.500%	1.110%	613340YS1
2006	7,075,000	4.000%	1.370%	613340YT9
2007	6,940,000	4.000%	1.790%	613340YU6
2008	6,835,000	5.000%	2.090%	613340YV4
2009	6,760,000	5.000%	2.380%	613340YW2
2010	6,680,000	5.000%	2.690%	613340YX0
2011	3,515,000	5.000%	2.920%	613340YY8

(Accrued interest from May 1, 2003 to be added)

The rates shown above are the interest rates payable by the County resulting from the successful bid for the Refunding Bonds by a group of banks and investment banking firms at public sale on May 14, 2003. The yields or prices shown above were furnished by the successful bidders. Any additional information concerning the reoffering of the Refunding Bonds should be obtained from the successful bidders and not from the County.

OFFICIAL STATEMENT DATED MAY 15, 2003

$204,505,000
MONTGOMERY COUNTY, MARYLAND
General Obligation Bonds
$155,000,000 Consolidated Public Improvement Bonds of 2003, Series A
$49,505,000 Consolidated Public Improvement Refunding Bonds of 2003, Series A

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations concerning the County or its general obligation bonds, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the general obligation bonds described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

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MONTGOMERY COUNTY, MARYLAND
OFFICIAL ROSTER OF COUNTY OFFICIALS

COUNTY EXECUTIVE

Douglas M. Duncan

COUNTY COUNCIL

Michael L. Subin	*President*
Steven Silverman	*Vice President*
Phil Andrews	
Howard A. Denis	
Nancy Floreen	
Michael Knapp	
George Leventhal	
Thomas Perez	
Marilyn J. Praisner	

The terms of the County Executive and all County Council members expire in December 2006.

APPOINTED OFFICIALS

Bruce Romer	*Chief Administrative Officer*
Timothy L. Firestine	*Director, Department of Finance*
Joseph F. Beach	*Acting Director, Office of Management and Budget*
Charles W. Thompson, Jr.	*County Attorney*
Mary A. Edgar	*Clerk of the County Council*

BOND COUNSEL

Venable, Baetjer and Howard, LLP
Baltimore, Maryland

INDEPENDENT PUBLIC ACCOUNTANTS

KPMG, LLP
Washington, D.C.

DEBT MANAGEMENT AND DISCLOSURE INFORMATION

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

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
Issues:	*Consolidated Public Improvement Bonds:* $155,000,000 Consolidated Public Improvement Bonds of 2003, Series A (the "Consolidated Public Improvement Bonds"). *Refunding Bonds:* $49,505,000 Consolidated Public Improvement Refunding Bonds of 2003, Series A (the "Refunding Bonds" and, together with the Consolidated Public Improvement Bonds, the "Bonds").
Dated Date:	May 1, 2003.
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:	*Consolidated Public Improvement Bonds:* The proceeds of the Consolidated Public Improvement Bonds will be used to provide permanent financing for capital construction projects in the County as described herein. *Refunding Bonds:* The proceeds of the Refunding Bonds will be used to currently refund certain of the County's general obligation bonds as described herein. (See "DESCRIPTION OF THE BONDS - Purpose").
Authority of Issuance:	*Consolidated Public Improvement Bonds:* The Consolidated Public Improvement Bonds are issued under the provisions of the Montgomery County Charter, certain Laws of Montgomery County, as amended, and Orders of the County Executive of Montgomery County, Maryland, passed as of May 1, 2003, as supplemented. *Refunding Bonds:* The Refunding Bonds are issued under the provisions of the Montgomery County Charter, Section 24 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2002 Cumulative Supplement) and Orders of the County Executive of the County passed as of May 1, 2003, as supplemented.
Redemption:	*Consolidated Public Improvement Bonds:* The Consolidated Public Improvement Bonds maturing on or after May 1, 2014, are subject to redemption beginning May 1, 2013, as a whole or in part at any time thereafter. *Refunding Bonds:* The Refunding Bonds are not subject to redemption prior to their stated maturities. (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, if the book-entry only system is discontinued, the County will appoint a financial institution to perform such services on its behalf (the County and any paying agent/registrar subsequently appointed are hereinafter collectively referred to as the "Paying Agent/Registrar").
Principal Payments:	*Consolidated Public Improvement Bonds:* Annually, May 1, 2004-2023. *Refunding Bonds:* Annually, July 1, 2004-2011.

Interest Payments:	*Consolidated Public Improvement Bonds:* Payable on November 1, 2003 (six months), and semi-annually thereafter on May 1 and November 1 until maturity or earlier redemption. *Refunding Bonds:* Payable on January 1, 2004 (eight months), and semi-annually thereafter on January 1 and July 1 until maturity.
Tax Status:	Generally exempt from federal and state income taxes (see "THE BONDS - Tax Exemptions").
Book-Entry Only:	The Bonds will be issued as book-entry only securities through The Depository Trust Company, New York, New York.

Professional Consultants:	*Bond Counsel*:	Venable, Baetjer and Howard, LLP Baltimore, Maryland
	Independent Public Accountants:	KPMG, LLP Washington, DC
	Financial Advisor:	Public Financial Management Philadelphia, Pennsylvania
	Escrow Deposit Agent:	Wachovia Bank, National Association Richmond, Virginia

Delivery:	*Consolidated Public Improvement Bonds:* Delivery of the Consolidated Public Improvement Bonds is expected on or about May 29, 2003 at the Depository Trust Company, New York, New York, on behalf of the purchaser of the Consolidated Public Improvement Bonds. *Refunding Bonds:* Delivery of the Refunding Bonds is expected on or about July 3, 2003 at the Depository Trust Company, New York, New York, on behalf of the purchaser of the Refunding Bonds.
Limitations on Offering or 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 the 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 County officials, 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.

Additional details concerning the sale of the Bonds and the refunding are contained in Executive Orders of the County Executive of Montgomery County, Maryland, passed as of May 1, 2003, as supplemented, copies of which can be obtained as described herein under the caption "INFORMATION IN OFFICIAL STATEMENT".

In order to enable participating underwriters, as defined in Rule 15c2-12 of the Securities and Exchange Commission ("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. This Official Statement consists of two separately-bound volumes: (1) this Official Statement dated May 15, 2003; and (2) the County's Annual Information Statement dated February 10, 2003, which is incorporated herein by reference as Appendix D.

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.

DESCRIPTION OF THE BONDS

Purpose of the Bonds

Consolidated Public Improvement Bonds. The proceeds of the Consolidated Public Improvement Bonds will be used to finance the acquisition, construction and equipping of certain public facilities (the "Consolidated Public Improvement Projects"). Substantially all of the proceeds of the Consolidated Public Improvement Bonds will be used to pay at maturity a portion of the County's Consolidated Commercial Paper Bond Anticipation Notes, 2002 Series.

The proceeds of the sale of the Consolidated Public Improvement Bonds will be used to provide permanent financing of the Consolidated Public Improvement Projects as follows: General County ($19,500,000), to construct, renovate or replace public libraries, fire, police, and other public safety facilities, County-owned office space, parks, and County-owned recreation facilities, to include site preparation; Road and Storm Drainage ($40,000,000), to construct, reconstruct and widen state and county roads and bridges and storm drainage facilities; Public Schools and Community College ($95,000,000), to construct new elementary and secondary public schools or additions to existing public school buildings, to perform scheduled renovations of existing schools, and to renovate existing community college campus buildings and facilities to include modification for energy efficiency and handicapped access; and Mass Transit Facilities ($500,000), to construct equipment maintenance and operation facilities, certain commuter parking facilities and stations, and to pay contributions under agreements with the Washington Suburban Transit District.

Refunding Bonds. The proceeds of the Refunding Bonds will be used to refund certain maturities of the Montgomery County, Maryland Consolidated Public Improvement Refunding Bonds of 1993, Series A. The maturities of this issue of bonds being refunded are described in Appendix C and are hereinafter sometimes collectively referred to as the "Refunded Bonds".

The proceeds of the Refunding Bonds, less an amount which will be applied to pay certain costs of issuance, and less accrued interest, will be deposited by the Director of Finance of the County with Wachovia Bank, National Association (the "Escrow Deposit Agent") in a trust fund (the "Escrow Deposit Account"), to be established under an Escrow Deposit Agreement to be entered into by and between the County and the Escrow Deposit Agent with respect to the Refunded Bonds (the "Escrow Deposit Agreement"). The Escrow Deposit Agent will apply all or part of the funds so deposited in the Escrow Deposit Account to purchase United States Treasury obligations (hereinafter referred to as the "Government Obligations").

The Government Obligations on deposit in the Escrow Deposit Account will mature at stated fixed amounts as to principal and interest at such times as will, together with cash on hand, be sufficient to pay (1) the interest on the Refunded Bonds accruing to and including their respective redemption dates, and (2) the redemption price of the Refunded Bonds. See Appendix C for a list of the Refunded Bonds and their respective dates of redemption and redemption prices. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein. The Government Obligations on deposit in the Escrow Deposit Account will be pledged only to the payment of the principal of, redemption premium and interest on the Refunded Bonds, and are not available for the payment of principal, redemption premium, if any, or interest on the Refunding Bonds.

Sources and Uses of Funds

Sources of Funds:	
Consolidated Public Improvement Bond Proceeds	$155,000,000.00
Refunding Bond Proceeds	49,505,000.00
Original Issue Premium (Discount) on Bonds	6,197,200.85
Accrued Interest	745,786.80
Total Sources	$211,447,987.65
Uses of Funds:	
Consolidated Public Improvement Projects	$155,368,822.50
Deposit to Escrow for Refunded Bonds	54,073,409.20
Issuance Costs *	1,259,969.15
Accrued Interest	745,786.80
Total Uses	$211,447,987.65

* Estimated. Includes underwriter's discount, legal, rating agency, Escrow Deposit Agent, and verification of mathematical computation fees, printing costs and miscellaneous expenses.

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 of Montgomery County, Maryland 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."

Authority for the Bonds

Consolidated Public Improvement Bonds. The Consolidated Public Improvement Bonds are consolidated pursuant to a Resolution of the County Council for Montgomery County, Maryland (the "County Council"), adopted on July 16, 2002, and effective on October 29, 2002, in accordance with the provisions of Section 2C of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2002 Cumulative Supplement).

The Consolidated Public Improvement Bonds are issued under the provisions of the Montgomery County Charter, Chapter 9 of the Laws of Montgomery County 1955, as amended, Chapter 19 of the Laws of Montgomery County 1998, Chapter 18 of the Laws of Montgomery County 1999, Chapter 22 of the Laws of Montgomery County 2000, and Chapter 17 of the Laws of Montgomery County 2001, and are authorized to be issued by Orders of the County Executive of Montgomery County, Maryland, passed as of May 1, 2003, as supplemented.

Refunding Bonds. The Refunding Bonds are issued under the provisions of the Montgomery County Charter, Section 24 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2002 Cumulative Supplement), a resolution adopted by the County Council on April 29, 2003, and Orders of the County Executive of the County passed as of May 1, 2003, as supplemented.

Redemption Provisions

Consolidated Public Improvement Bonds. The Consolidated Public Improvement Bonds which mature on or before May 1, 2013, are not subject to redemption prior to their respective maturities. The Consolidated Public Improvement Bonds which mature on or after May 1, 2014, are subject to redemption beginning May 1, 2013, 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 bond equal to the principal amount of the bond to be redeemed, together with interest accrued to the date fixed for redemption, without premium.

If less than all of the Consolidated Public Improvement 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 Consolidated Public Improvement Bonds, or his successor as bond registrar and paying agent (the "Bond Registrar/Paying Agent") by lot or other random means in such manner as the Bond Registrar/Paying Agent in its sole discretion may determine, except that so long as DTC or its nominee is the sole registered owner of the Consolidated Public Improvement 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 Consolidated Public Improvement Bonds to be redeemed.

If the County elects to redeem all or a portion of the Consolidated Public Improvement Bonds outstanding, it shall give a redemption notice to the registered owners of the Consolidated Public Improvement Bonds to be redeemed by publication at least once, at least thirty (30) days prior to the date of redemption, in a newspaper of general circulation in the County and also in a financial newspaper or journal circulating in the City of New York, New York. The County shall also give a redemption notice by letter mailed first class, postage prepaid, to the registered owners of the Consolidated Public Improvement Bonds to be redeemed at their last addresses appearing on the registration books maintained by the Bond Registrar/Paying Agent; provided, however, that so long as DTC or its nominee is the sole registered owner of the Consolidated Public Improvement 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. From and after the date fixed for redemption, if notice has been duly and properly given and if funds sufficient for the payment of the redemption price and accrued interest are available on such date, the Consolidated Public Improvement Bonds designated for redemption shall cease to bear interest.

Notwithstanding the foregoing, so long as the Consolidated Public Improvement Bonds are maintained under a book-entry system, selection of the Consolidated Public Improvement Bonds to be redeemed shall be made in the manner described below under "BOOK-ENTRY ONLY SYSTEM" and notice of redemption shall be mailed only to DTC.

Refunding Bonds. The Refunding Bonds are not subject to redemption prior to their respective maturities.

Book-Entry Only System

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

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). One fully-registered certificate will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and such certificates will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of securities 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, but Beneficial Owners are 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 Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 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 Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC or Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Paying Agent/Registrar, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Paying Agent/Registrar, disbursements 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.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent/Registrar. 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 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.

NEITHER THE COUNTY, NOR THE PAYING AGENT/REGISTRAR, WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO 1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; 2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; 3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS; 4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR 5) THE SELECTION BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF BONDS.

TAX EXEMPTIONS

In the opinion of Bond Counsel, under existing law, the interest on the Bonds (a) is excludable from gross income for Federal income tax purposes, and (b) is not an enumerated preference or adjustment for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States.

Under the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), there are certain requirements that must be met subsequent to the issuance of the Bonds in order for the interest on the Bonds to remain excludable from gross income for Federal income tax purposes, including restrictions that must be complied with throughout the term of the Bonds. Such restrictions include, among other things, limitations on the yield of investments acquired with gross proceeds of the Bonds and the periodic payment to the United States of specified portions of arbitrage profit derived from such investments.

In order to comply with the requirements of the Code, the County will execute and deliver a Tax Certificate and Compliance Agreement ("Tax Agreement") on the date of delivery of the Bonds. The covenants and agreements in the Tax Agreement are designed to satisfy the requirements of Section 103 and Sections 141 through 150, inclusive, of the Code, and the income tax regulations issued thereunder. In the opinion of Bond Counsel, the covenants and agreements in the Tax Agreement are sufficient to meet the requirements (to the extent applicable to the Bonds) of Section 103 and Sections 141 through 150 of the Code. However, Bond Counsel assumes no responsibility for, and will not monitor, compliance with the covenants and agreements in the Tax Agreement. In the event of noncompliance with such covenants and agreements, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for Federal income tax purposes.

Under the Code, in calculating corporate alternative minimum tax, a corporation is required to increase its alternative minimum taxable income by 75 percent of the amount by which its "adjusted current earnings" exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction). For this purpose, "adjusted current earnings" would include, among other items, interest on the Bonds. In addition, the Code imposes a branch-level tax on certain earnings and profits of foreign corporations operating branches in the United States, and such earnings and profits would include interest on the Bonds.

Other Federal income tax consequences may arise from ownership of the Bonds, and in connection therewith, attention is directed to the following provisions of the Code: (a) Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds or, in the case of a financial institution, that portion of a holder's interest expense allocated to interest on the Bonds, (b) with respect to insurance companies subject to the tax imposed by Section 831 of the Code, Section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15 percent of the sum of certain items, including interest on the Bonds, (c) Section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining gross income, receipts or accruals of interest on obligations such as the Bonds, and (d) for S corporations having subchapter C earnings and profits, the receipt of certain amounts of passive investment income, which includes interest on the Bonds, may result in the imposition of income tax on such passive investment income and, in some cases, loss of S corporation status. The foregoing is only a general summary of certain provisions of the Code and does not purport to be complete; prospective purchasers and holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

The initial public offering price of some of the Bonds may be less than the amount payable on those Bonds at maturity. The excess, if any, of the amount payable at maturity of a Bond over the initial public offering price (plus accrued interest from May 1, 2003, to the date of initial delivery of the Bond) at which a substantial amount of the same maturity of the Bonds was sold constitutes original issue discount for Federal income tax purposes ("OID"). The full amount of OID will accrue over the term of a Bond in accordance with a constant yield method (using semi-annual compounding) which allocates smaller portions of OID to earlier semi-annual compounding periods and larger portions of OID to later semi-annual compounding periods. In the case of an original or a subsequent holder of a Bond, the amount of OID which is treated as having accrued with respect to such Bond during the period that the holder has held it (a) is not included in the gross income of the holder for Federal income tax purposes, and (b) is included in the cost basis of the holder in determining, for Federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). Holders of Bonds should consult their tax advisors with respect to the determination, for Federal income tax purposes, of OID accrued upon the sale, redemption or payment at maturity of such Bonds.

A Bond will be considered to have been issued at a premium if, and to the extent that, 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, the amount payable on the earlier call date). 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 on a constant yield method) during the period of ownership. No deduction (or other tax benefit) is allowable in respect of any amount of amortizable bond premium on the Bonds.

Prospective purchasers of the Bonds should consider possible state and local, excise, or franchise tax consequences arising from OID on the Bonds. In addition, prospective corporate purchasers of the Bonds should consider possible Federal income tax consequences arising from OID on the Bonds under the alternative minimum tax and the branch profits tax described above.

Legislative proposals presently before Congress or that are introduced after issuance and delivery of the Bonds, if enacted, could alter or amend one or more of the Federal tax matters referred to above and/or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal may be enacted, and there can be no assurance that any such proposal would not apply to obligations issued prior to the enactment of such proposal. Accordingly, prospective purchasers of the Bonds should consult with their tax advisors as to the status and potential effect of such proposals.

In the opinion of Bond Counsel, under existing law of the State of Maryland, the interest on the Bonds and the profit realized from the sale or exchange of the Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes or any other taxes not levied directly on the Bonds or the interest thereon.

CONTINUING DISCLOSURE UNDERTAKING

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

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

LEGALITY OF THE BONDS

The authorization, sale, issuance and delivery of the Bonds will be subject to legal approval by Venable, Baetjer and Howard, LLP, of Baltimore, Maryland, Bond Counsel, and copies of their unqualified approving legal opinions with respect to the Bonds will be delivered upon request, without charge, to the successful bidders for the Bonds. The opinions will be substantially in the forms of the draft opinions 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. Management and legal counsel believe that the self-insurance program is adequately funded to cover such claims and lawsuits to be paid out of the program. In addition to those suits in which claims for liability are adequately covered by insurance, the County is a defendant in various suits involving tort claims, violations of civil rights, breach of contract, inverse condemnation, and other suits and actions arising in the normal course of business. In the opinion of the County Attorney, the estimated liability of the County in the resolution of these cases, as to which an unfavorable outcome is deemed reasonably possible, will not exceed $7,135,000, and it appears that, of this amount, the County will incur $3,735,000 of liability on certain claims, as to which an unfavorable outcome is deemed probable. However, in any event, none of such claims and suits will materially affect the County’s ability to perform its obligations to the holders of its bonds.

RATINGS

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

INDEPENDENT PUBLIC ACCOUNTANTS

The audited general purpose financial statements of the County included in the County’s Annual Information Statement dated February 10, 2003 and incorporated herein by reference as Appendix D to this Preliminary Official Statement have been audited by KPMG LLP (KPMG), independent public accountants, as indicated in their report with respect thereto. In that report, KPMG 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 KPMG also contains an explanatory paragraph which states that KPMG did not audit certain identified supplementary information and expressed no opinion thereon. Such audited general purpose financial statements have been included in reliance upon the qualification of said firm to issue said report.

FINANCIAL ADVISOR

Public Financial Management of Philadelphia, Pennsylvania, has acted as financial advisor to the County in connection with the issuance of the Bonds. Public Financial Management is not obligated to undertake, and has neither undertaken an independent verification of, or assumed responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Public Financial Management is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Arbitrage Group, Inc. will verify the mathematical accuracy of the computations performed by Public Financial Management (a) of the adequacy of the maturing principal amounts of and interest on the Government Obligations and cash held in the Escrow Deposit Account established and maintained under the Escrow Deposit Agreement for the payment of the principal of and redemption premium and interest due on the Refunded Bonds, and (b) supporting the opinion of Bond Counsel that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code. Such verification will be based upon data and information supplied to The Arbitrage Group, Inc. by Public Financial Management.

CERTIFICATE OF COUNTY OFFICIALS

The Chief Administrative Officer and the Director of Finance of the County will furnish a certificate to the successful bidders for the Bonds to the effect that, to the best of their knowledge and belief, this Official Statement (including, without limitation, the County's Annual Information Statement dated February 10, 2003 and incorporated herein by reference as Appendix D), 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 Venable, Baetjer and Howard, LLP, of 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 financial statements and economic data contained herein.

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

SELECTED DEBT AND FINANCIAL SCHEDULES

Tables 1 through 7 presented on the following pages have been updated to reflect the effect of the Proposed Bonds, or to provide current information on Montgomery County's financial position. For more information on the County, and a complete overview of the County's debt, please see the County's most recent Annual Information Statement, dated February 10, 2003, which is incorporated by reference in this Official Statement as Appendix D, and is published under separate cover.

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Table 1
Statement of Direct and Overlapping Debt
As of March 31, 2003
and Including Effects of Consolidated Public Improvement Bonds and Refunding Bonds

Direct Debt:		
General Obligation Bonds Outstanding	$1,323,393,054	
Short-Term BANs/Commercial Paper Outstanding*	45,000,000	
Long-Term Notes Payable	1,358,303	
Revenue Bonds Outstanding	86,835,000	
Total Direct Debt		$1,456,586,357
Overlapping Debt (as of June 30, 2002):		
Gross Debt:		
Washington Suburban Sanitary Commission Applicable to Montgomery County	1,037,317,366	
Housing Opportunities Commission	641,038,692	
Montgomery County Revenue Authority	43,794,098	
Maryland-National Capital Park and Planning Commission Applicable to Montgomery County	48,484,454	
Kingsview Village Center Development District	2,410,000	
West Germantown Development District	15,915,000	
Towns, Cities and Villages within Montgomery County	33,833,250	
Total Overlapping Debt		1,822,792,860
Total Direct and Overlapping Debt		3,279,379,217
Less Self-Supporting Debt:		
County Government Revenue Bonds	86,835,000	
Washington Suburban Sanitary Commission Applicable to Montgomery County (as of June 30, 2002)	1,037,317,366	
Housing Opportunities Commission (as of June 30, 2002)	641,038,692	
Montgomery County Revenue Authority (as of June 30, 2002)	43,794,098	
Maryland-National Capital Park and Planning Commission Applicable to Montgomery County (as of June 30, 2002)	15,284,454	
Total Self-Supporting Debt		(1,824,269,610)
Net Direct and Overlapping Debt		$1,455,109,607
Ratio of Debt to June 30, 2002 Assessed Valuation of (100% Assessment):		$81,776,292,140
Direct Debt		1.78%
Net Direct Debt **		1.67%
Direct and Overlapping Debt		4.01%
Net Direct and Overlapping Debt		1.78%
Ratio of Debt to June 30, 2002 Market Value of:		$88,430,386,447
Direct Debt		1.65%
Net Direct Debt **		1.55%
Direct and Overlapping Debt		3.71%
Net Direct and Overlapping Debt		1.65%

* Net of $155,000,000 refunded with the proceeds of the Consolidated Public Improvement Bonds.

** Net Direct Debt of $1,369,751,357 is derived by subtracting direct self-supporting debt, which consists only of County Government Revenue Bonds, from Total Direct Debt.

Table 2
Statement of Legal Debt Margin
As of March 31, 2003
and Including Effects of Consolidated Public Improvement Bonds and Refunding Bonds

June 30, 2002 Assessed Valuation – Real Property		$77,574,947,550
Debt Limit (% of Assessed Valuation)		6%
Subtotal Limitation – Real Property		4,654,496,853
June 30, 2002 Assessed Valuation – Personal Property		$4,201,344,590
Debt Limit (% of Assessed Valuation)		15%
Subtotal Limitation – Personal Property		630,201,689
Total Assessed Valuation – Real and Personal Property		$81,776,292,140
Legal Limitation for the Borrowing of Funds and the Issuance of Bonds		$5,284,698,542
Less Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds Outstanding	$1,323,393,054	
Short-Term BANs/Commercial Paper	45,000,000	
Long Term Notes Payable	1,358,303	
Net Direct Debt		1,369,751,357
Legal Debt Margin		$3,914,947,185
Net Direct Debt as a Percentage of Assessed Valuation		1.67%

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Table 3
General Obligation Debt of the County
As of June 30, 2002 and March 31, 2003
and Including Consolidated Public Improvement Bonds and Refunding Bonds

Issue	Dated Date	Original Issue Size	Original Interest Rates	TIC*	Maturity	Principal Outstanding June 30, 2002	Principal Outstanding March 31, 2003 and Including the 2003 Bonds
GO Bonds	05/01/83	$ 50,000,000	7.00-9.00%	7.8999%	1984-03	$ 2,500,000	$ 2,500,000
GO Bonds	06/01/84	55,000,000	9.00-9.75	9.3989	1985-04	5,500,000	5,500,000
GO Bonds	05/01/85	65,000,000	7.60-8.60	8.2205	1986-05	9,750,000	9,750,000
GO Bonds	04/01/86	50,000,000	5.80-6.30	6.0956	1987-06	10,000,000	10,000,000
GO Bonds	04/01/91	60,000,000	6.30-6.75	6.5230	1992-03	3,000,000	3,000,000
GO Bonds	10/01/91	70,000,000	5.75-6.125	5.9747	1992-02	3,500,000	--
GO Refunding Bonds	07/01/92	273,038,054	2.75-5.80	5.7431	1993-10	177,708,054	149,793,054
GO Bonds	10/01/92	115,000,000	5.00-5.75	5.4740	1993-03	11,500,000	5,750,000
GO Refunding Bonds	08/15/93	60,005,000	2.50-5.00	4.9908	1994-11	56,210,000	3,700,000
GO Bonds	10/01/93	100,000,000	4.40-4.90	4.6899	1994-13	60,000,000	10,000,000
GO Bonds	10/01/94	100,000,000	5.20-6.125	5.7958	1995-08	35,000,000	15,000,000
GO Bonds	03/15/96	120,000,000	5.10-5.50	5.2946	1997-08	36,000,000	30,000,000
GO Bonds	04/15/97	115,000,000	5.00-5.375	5.3226	1998-17	57,500,000	51,750,000
GO Refunding Bonds	01/01/98	69,510,000	3.90-5.25	4.6400	2003-15	69,510,000	69,175,000
GO Bonds	04/01/98	115,000,000	4.875	4.7607	1999-18	92,000,000	80,500,000
GO Bonds	04/01/99	120,000,000	4.00-5.00	4.4764	2000-19	102,000,000	96,000,000
GO Bonds	01/01/00	130,000,000	5.00-6.00	5.4853	2001-13	71,500,000	58,500,000
GO Bonds	02/01/01	140,000,000	4.00-5.00	4.5447	2002-21	133,000,000	126,000,000
GO Refunding Bonds	11/15/01	146,375,000	3.60-5.25	4.5107	2003-19	146,375,000	146,375,000
GO Bonds	02/01/02	160,000,000	3.00-5.00	4.4619	2003-22	160,000,000	152,000,000
GO Refunding Bonds	11/15/02	93,595,000	2.75-5.25	3.2799	2005-13	--	93,595,000
GO Bonds	05/01/03	155,000,000	1.50-4.00	3.6304	2004-23	--	155,000,000
GO Refunding Bonds	05/01/03	49,505,000	2.00-5.00	2.2900	2004-11	--	49,505,000
Total						$1,242,553,054	$1,323,393,054

* True Interest Cost.

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Table 4
General Obligation Bonds Authorized – Unissued
As of March 31, 2003 and Including Proposed Consolidated Public Improvement Bonds

Purpose	Chapter	Act	Amount	Amount Unissued	Proposed Bonds
General County, Parks, and	19	1998	$113,400,000	$ 27,890,000	$ --
Consolidated Fire Tax District	18	1999	33,500,000	33,500,000	--
	22	2000	78,300,000	78,300,000	--
	17	2001	35,200,000	35,200,000	
	21	2002	4,700,000	4,700,000	--
			265,100,000	179,590,000	19,500,000
Road & Storm Drainage	19	1998	77,000,000	5,410,000	--
	18	1999	30,000,000	30,000,000	--
	22	2000	77,600,000	77,600,000	--
	17	2001	10,630,000	10,630,000	
	21	2002	34,800,000	34,800,000	--
			230,030,000	158,440,000	40,000,000
Public Schools and	22	2000	82,900,000	6,013,000	--
Community College	17	2001	159,755,000	159,755,000	--
	21	2002	104,800,000	104,800,000	--
			347,455,000	270,568,000	95,000,000
Mass Transit	18	1999	400,000	105,000	--
	22	2000	1,400,000	1,400,000	--
	17	2001	6,700,000	6,700,000	
	21	2002	1,600,000	1,600,000	--
			10,100,000	9,805,000	500,000
Public Housing	17	1981	2,650,000	2,590,000	--
	13	1982	995,000	995,000	--
	8	1983	230,000	230,000	--
	20	1985	900,000	900,000	--
	13	1986	855,000	855,000	--
			5,630,000	5,570,000	--
Parking Districts:					
Silver Spring	9	1983	2,945,000	2,045,000	--
	6	1984	1,220,000	1,220,000	--
			4,165,000	3,265,000	--
Bethesda	19	1981	7,325,000	3,040,000	--
	14	1982	775,000	775,000	--
	10	1983	1,050,000	1,050,000	--
			9,150,000	4,865,000	--
Total Parking Districts			13,315,000	8,130,000	--
Total General Obligation Bonds			$871,630,000	$632,103,000	$ 155,000,000

In addition to the above noted authority, the County has authority under the provisions of section 56-13 of the Montgomery County Code 1984, as amended, to issue County bonds, within statutory debt limits, to finance approved urban renewal projects.

Table 5
Bond Anticipation Notes Outstanding
As of March 31, 2003 and
After Effect of Proposed Consolidated Public Improvement Bonds

Issue	Balance July 1, 2002	BANs Issued	Balance March 31, 2003	BANs to be Retired	Balance After Effect of Proposed Bonds
BAN Series 2002-A	$125,000,000	$ --	$125,000,000	$125,000,000	$ --
BAN Series 2002-B	--	75,000,000	75,000,000	30,000,000	45,000,000
Total	$125,000,000	$ 75,000,000	$200,000,000	$155,000,000	$ 45,000,000

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Table 6
Montgomery County, Maryland
Schedule Of General Fund Revenues, Expenditures, & Transfers In (Out)
(Budgetary, Non-GAAP Basis)

	Fiscal Year Actual[3] 2000	2001	2002	Fiscal Year Budget 2003[4]	Actual July 1, 2002 to March 31, 2003 (Unaudited)
Revenues:					
Taxes:					
Property, including interest & penalty	$ 610,403,414	$ 623,819,661	$ 644,523,032	$ 684,923,410	$ 655,733,839
Transfer tax and recordation tax	99,771,486	102,381,412	132,085,074	128,980,000	125,220,006
County income tax	761,148,755	812,352,208	866,996,269	827,330,000	532,061,232
Other taxes	43,312,655	46,768,742	43,704,476	47,950,000	26,298,987
Total Taxes	1,514,636,310	1,585,322,023	1,687,308,851	1,689,183,410	1,339,314,064
Licenses and permits	4,508,738	4,631,314	4,857,707	8,781,150	6,150,019
Intergovernmental revenue	98,051,154	102,932,299	115,791,737	114,611,002	78,614,675
Charges for services	7,904,754	8,961,699	7,262,727	11,248,937	6,863,596
Fines and forfeitures	4,550,638	6,195,417	7,143,920	14,513,150	4,882,270
Investment income	21,831,424	16,998,296	8,270,355	12,075,000	4,036,609
Miscellaneous	8,300,775	9,596,381	10,598,490	9,404,150	3,637,269
Total Revenues	1,659,783,793	1,734,637,429	1,841,233,787	1,859,816,799	1,443,498,502
Expenditures (including encumbrances):					
General County:					
General government[2]	152,711,792	156,635,507	161,204,882	173,455,802	127,977,361
Public safety	163,575,547	172,137,027	188,059,119	205,514,837	164,054,164
Transportation and public works	35,155,518	36,326,517	32,518,389	34,145,531	33,682,935
Health and human services	130,598,688	145,121,009	149,134,783	158,808,281	127,013,195
Culture and recreation	37,032,110	37,985,645	44,090,316	44,359,953	34,908,037
Housing and community development	4,104,510	4,256,355	3,632,055	7,129,595	5,234,300
Environment	3,549,047	4,502,897	4,349,786	4,297,947	2,867,969
Total Expenditures	526,727,212	556,964,957	582,989,330	627,711,946	495,737,961
Operating Transfers In (Out):					
Operating Transfers In:					
Special Revenue Funds	10,117,342	10,283,760	12,850,550	12,555,270	9,416,453
Enterprise Funds	17,248,580	19,679,903	33,378,200	29,877,080	22,407,810
Internal Service Funds	--	--	500,000	--	--
Component Units	192,696	644,650	612,754	626,360	626,360
Total Operating Transfers In	27,558,618	30,608,313	47,341,504	43,058,710	32,450,623
Operating Transfers Out:					
Special Revenue Funds	(15,719,842)	(25,516,861)	(28,275,375)	(22,037,407)	(17,999,273)
Debt Service Fund	(134,767,348)	(143,528,192)	(157,010,129)	(172,550,170)	(109,602,744)
Capital Projects Fund	(38,907,827)	(52,079,521)	(61,368,324)	(57,053,250)	(20,105,382)
Enterprise Funds	(5,988,835)	(4,326,035)	(3,143,120)	(2,981,376)	(1,776,585)
Internal Service Funds	(615,290)	(1,581,897)	(471,622)	(45,332)	--
Component Units[1,2]	(938,162,658)	(1,036,644,903)	(1,117,630,064)	(1,177,232,876)	(884,436,425)
Total Transfers Out	(1,134,161,800)	(1,263,677,409)	(1,367,898,634)	(1,431,900,411)	(1,033,920,409)
Net Operating Transfers In (Out)	(1,106,603,182)	(1,233,069,096)	(1,320,557,130)	(1,388,841,701)	(1,001,469,786)
Excess of revenues and operating transfers in over (under) expenditures, encumbrances and operating transfers out	26,453,399	(55,396,624)	(62,312,673)	(156,736,848)	(53,709,245)
Fund Balances, July 1 as previously stated	211,266,962	255,964,974	230,423,758	195,161,927	195,161,927
Net Adjustment for previous year encumbrances	18,244,613	29,855,408	27,050,842	25,279,342	25,279,342
Fund Balances, July 1 restated	229,511,575	285,820,382	257,474,600	220,441,269	220,441,269
Equity transfers in (out)	--	--	--	--	--
Budgetary Fund Balance – Subtotal[1,2]	$ 255,964,974	$ 230,423,758	$ 195,161,927	$ 63,704,421	$ 166,732,024
Projections through year end:					
Revenue/Transfers In Remaining				--	417,240,671
Expenditures/Transfers Out Remaining				--	(456,539,565)
Budgetary Fund Balance Projected to June 30				$ 63,704,421	$ 127,433,130

(1) FY00 fund balance restated to comply with Governmental Accounting Standards Board Statement Number 33.

(2) FY01 fund balance restated for Component Unit Capital transfers and Silver Spring land adjustment.

(3) Amounts for FY00-02 are audited.

(4) Updated for budget adjustments as of March 31, 2003.

Table 7
General Fund
Schedule Of Budgetary Fund Balance to
GAAP Fund Balance Reconciliation

	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Projected July 1, 2002 to June 30, 2003 (Unaudited)
Budgetary to GAAP Reconciliation:				
Budgetary Fund Balance as noted above[1,2]	$255,964,974	$230,423,758	$195,161,927	$127,433,130
Plus encumbrances outstanding	33,029,310	29,312,780	25,357,214	27,081,240
Adjustment for prior year encumbrances	(2,381,042)	(3,173,902)	(2,261,938)	(3,275,000)
Unrealized investment gain (loss)	1,169,668	142,060	(1,973,055)	--
Net differences between beginning fund balances[3]	745,760	3,123,811	2,973,976	(1,183,145)
GAAP Fund Balance as Reported[1,2]	$288,528,670	$259,828,507	$219,258,124	$150,056,225
Elements of GAAP Fund Balance:				
Reservations	$ 36,225,684	$ 32,711,557	$ 29,201,708	$ 30,981,240
Designated for CIP Transfers	36,001,151	54,234,669	55,822,587	40,866,872
Designated for subsequent years expenditures[4]	140,856,091	116,684,146	61,325,631	--
Unreserved / Undesignated	75,445,744	56,198,135	72,908,198	78,208,113
	$288,528,670	$259,828,507	$219,258,124	$150,056,225

(1) FY00 fund balance restated to comply with Governmental Accounting Standards Board Statement Number 33.
(2) FY01 fund balance restated for Component Unit Capital transfers and Silver Spring land adjustment.
(3) Amount restated to break out the impact of unrealized investment gains (losses).
(4) Fiscal Year 2003 amount not yet determinable.
Note: All amounts are for fiscal years ended June 30.

AUTHORIZATION OF OFFICIAL STATEMENT

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

/s/ BRUCE ROMER
Chief Administrative Officer

/s/ TIMOTHY L. FIRESTINE
Director, Department of Finance

APPENDIX A

DRAFT APPROVING OPINIONS OF BOND COUNSEL

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CONSOLIDATED PUBLIC IMPROVEMENT BONDS

(Letterhead of Venable, Baetjer and Howard, LLP)

(Closing Date)

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

Ladies and Gentlemen:

We have acted as bond counsel to Montgomery County, Maryland (the "County") in connection with the issuance of its $155,000,000 Montgomery County, Maryland Consolidated Public Improvement Bonds of 2003, Series A (the "Bonds"). In such capacity, we have examined such laws and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued under the provisions of the Montgomery County Charter (the "Charter") and Chapter 9 of the Laws of Montgomery County 1955, as amended, Chapter 19 of the Laws of Montgomery County 1998, Chapter 18 of the Laws of Montgomery County 1999, Chapter 22 of the Laws of Montgomery County 2000, and Chapter 17 of the Laws of Montgomery County 2001 (the "Acts"). The Bonds are consolidated pursuant to a Resolution of the County Council for Montgomery County, Maryland, adopted on July 16, 2002 (the "Resolution"), in accordance with the provisions of Section 2C of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2002 Cumulative Supplement), and are authorized to be issued and awarded by Orders of the County Executive of the County passed as of May 1, 2003 (the "Orders"). The terms of the Bonds are as set forth in the Bonds, the Acts, the Resolution and the Orders.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any change in law that may hereafter occur.

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

We do not express any opinion herein regarding any law other than the law of the State of Maryland and the federal law of the United States of America.

We express no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

Based on the foregoing, it is our opinion that, under existing law:

(a) The Bonds have been duly authorized and legally issued in accordance with the Constitution and Public Laws of the State of Maryland, the Charter, the Acts, the Resolution and the Orders.

(b) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit are pledged, and for the payment of which the County is empowered and directed to levy ad valorem taxes, without limitation of rate or amount, upon all real, tangible personal and certain intangible property subject to taxation by the County.

(c) To provide for the payment of the principal of and interest on the Bonds, the County, by adoption of the Acts and passage of the Orders, has covenanted to levy said ad valorem taxes in each fiscal year in which provision must be made for the payment of such principal and interest.

(d) Under existing law, the interest on the Bonds (i) is excludable from gross income for Federal income tax purposes, and (ii) is not an enumerated preference or adjustment for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States.

In rendering the opinion expressed above in this paragraph (d), we have assumed continuing compliance with the covenants and agreements set forth in the Tax Certificate and Compliance Agreement of even date herewith executed and delivered by the County (the "Tax Agreement"), which covenants and agreements are designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and the income tax regulations issued thereunder (the "Regulations") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal tax purposes. In our opinion, the covenants and agreements in the Tax Agreement are sufficient to meet such requirements (to the extent applicable to the Bonds) of the Code and Regulations. However, we assume no responsibility for, and will not monitor, compliance with the covenants and agreements in the Tax Agreement. In the event of noncompliance with such covenants and agreements, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includible in gross income for Federal income tax purposes, retroactive to the date of issuance of the Bonds.

(e) Under existing law of the State of Maryland, the interest on the Bonds and profit realized from the sale or exchange of the Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon.

Other than as set forth in the preceding paragraphs (d) and (e), we express no opinion regarding the federal or state income tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

Very truly yours,

[to be signed "Venable, Baetjer and Howard, LLP"]

REFUNDING BONDS

(Letterhead of Venable, Baetjer and Howard, LLP)

(Closing Date)

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

Ladies and Gentlemen:

We have acted as bond counsel to Montgomery County, Maryland (the "County") in connection with the issuance of its $49,505,000 Montgomery County, Maryland Consolidated Public Improvement Refunding Bonds of 2003, Series A (the "Bonds"). In such capacity, we have examined such laws and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued under the provisions of the Montgomery County Charter (the "Charter"), Section 24 of Article 31 of the Annotated Code of Maryland (1997 Replacement Volume and 2002 Cumulative Supplement) (the "Act") and are authorized to be issued and awarded by a resolution of the County Council for the County adopted on April 29, 2003 (the "Resolution") and Orders of the County Executive of the County passed as of May 1, 2003, as supplemented (the "Orders").

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any change in law that may hereafter occur.

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

We do not express any opinion herein regarding any law other than the law of the State of Maryland and the federal law of the United States of America.

We express no opinion as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

Based on the foregoing, it is our opinion that, under existing law:

(a) The Bonds have been duly authorized and legally issued in accordance with the Constitution and Public Laws of the State of Maryland, the Charter, the Act, the Resolution and the Orders.

(b) The Bonds are valid and legally binding general obligations of the County to which its full faith and credit are pledged, and for the payment of which the County is empowered and directed to levy ad valorem taxes, without limitation of rate or amount, upon all real, tangible personal and certain intangible property subject to taxation by the County.

(c) To provide for the payment of the principal of and interest on the Bonds, the County, by adoption of the Act and passage of the Orders, has covenanted to levy said ad valorem taxes in each fiscal year in which provision must be made for the payment of such principal and interest.

(d) Under existing law, the interest on the Bonds (i) is excludable from gross income for Federal income tax purposes, and (ii) is not an enumerated preference or adjustment for purposes of the Federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations, and may be subject to the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States.

In rendering the opinion expressed above in this paragraph (d), we have assumed continuing compliance with the covenants and agreements set forth in the Tax Certificate and Compliance Agreement of even date herewith executed and delivered by the County (the “Tax Agreement”), which covenants and agreements are designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and the income tax regulations issued thereunder (the “Regulations”) that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal tax purposes. In our opinion, the covenants and agreements in the Tax Agreement are sufficient to meet such requirements (to the extent applicable to the Bonds) of the Code and Regulations. However, we assume no responsibility for, and will not monitor, compliance with the covenants and agreements in the Tax Agreement. In the event of noncompliance with such covenants and agreements, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includible in gross income for Federal income tax purposes, retroactive to the date of issuance of the Bonds.

(e) Under existing law of the State of Maryland, the interest on the Bonds and profit realized from the sale or exchange of the Bonds is exempt from income taxation by the State of Maryland or by any of its political subdivisions; however, the law of the State of Maryland does not expressly refer to, and no opinion is expressed concerning, estate or inheritance taxes, or any other taxes not levied directly on the Bonds or the interest thereon.

Other than as set forth in the preceding paragraphs (d) and (e), we express no opinion regarding the federal or state income tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

Very truly yours,

[to be signed “Venable, Baetjer and Howard, LLP”]

<u>APPENDIX B</u>

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of [closing date] (the "Disclosure Agreement") is executed and delivered by MONTGOMERY COUNTY, MARYLAND (the "County") in connection with the issuance of its $155,000,000 Montgomery County, Maryland Consolidated Public Improvement Bonds of 2003, Series A and its $49,505,000 Montgomery County, Maryland Consolidated Public Improvement Refunding Bonds of 2003, Series A (collectively, 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 Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The County's obligations hereunder shall be limited to those required by written undertaking pursuant to the Rule.

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

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any successor organization. The current address of the MSRB is:

MUNICIPAL SECURITIES RULEMAKING BOARD
Continuing Disclosure Information System
1640 King Street, Suite 300
Alexandria, Virginia 22314-2719
(202) 223-9503 (phone)
(703) 683-1930 (fax)

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository recognized by the Securities and Exchange Commission for purposes of the Rule. Currently, the following are National Repositories:

BLOOMBERG MUNICIPAL REPOSITORY
Attn: Municipal Dept.
100 Business Park Drive
Skillman, NJ 08558
(609) 279-3225 (phone)
(609) 279-5962 (fax)
E-mail: Munis@Bloomberg.com

DPC DATA, INC.
One Executive Drive
Fort Lee, NJ 07024
(201) 346-0701 (phone)
(201) 947-0107 (fax)
E-mail: nrmsir@dpcdata.com

FT INTERACTIVE DATA
Attn: NRMSIR
100 William Street
New York, NY 10038
(212) 771-6999 (phone)
(212) 771-7390 (fax)
E-mail: NRMSIR@FTID.com

STANDARD & POOR'S J.J. KENNY REPOSITORY
55 Water Street
45th Floor
New York, NY 10041
(212) 438-4595 (phone)
(212) 438-3975 (fax)
E-mail: nrmsir_repository@sandp.com

"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.

"Reportable Event" shall mean any of the events listed in Section 4a. of this Disclosure Agreement.

"Repository" shall mean each National Repository and the State Depository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time, any successor provisions of similar import promulgated by the Securities and Exchange Commission in the future, and any applicable no-action letters and other authoritative interpretations of Rule 15c2-12 released by the Securities and Exchange Commission including, by way of example, the staff guidance dated June 23, 1995 to the National Association of Bond Lawyers ("NABL") from Robert L. D. Colby, Deputy Director, and the staff guidance dated September 19, 1995, to NABL from Catherine McGuire, Chief Counsel.

"State Depository" shall mean any public or private repository or entity designated by the State of Maryland as a state information depository for purposes of the Rule. As of the date of this Disclosure Agreement, there is no State Depository.

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

a. The County shall provide to each Repository, the following annual financial information and operating data, such information and data to be updated as of the end of the preceding fiscal year and made available within 275 days after the end of the fiscal year, commencing with the fiscal year ending June 30, 2003:

(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 each Repository 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 ending June 30, 2003, 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 ending June 30, 2003), 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. 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 each National Repository or to the MSRB and to the State Depository.

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

SECTION 4. *Reporting of Significant Events.*

a. This Section 4 shall govern the giving of notices of the occurrence of any of the following Reportable Events with respect to the Bonds, each of which shall constitute a Reportable Event for purposes hereof:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults;

(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 or events affecting the tax-exempt status of the Bonds;

(7) Modifications to rights of owners of the Bonds;

(8) Bond calls;

(9) Defeasances;

(10) Release, substitution, or sale of property securing repayment of the Bonds; or

(11) Rating changes.

b. Whenever the County obtains knowledge of the occurrence of a Reportable Event, the County shall as soon as possible determine if such event would constitute material information for owners of Bonds, in accordance with the applicable "materiality" standard under then-current securities laws.

c. If the County has determined that a Reportable Event is material, the County shall file in a timely manner a notice of such occurrence with the National Repositories or the MSRB and the State Depository.

SECTION 5. *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 6. *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 7. *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 3a. or 3b. hereof or notice of occurrence of a Reportable 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 3a. or 3b. hereof or notice of occurrence of a Reportable 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 3a. or 3b. hereof or notice of occurrence of a Reportable Event.

SECTION 8. *Limitation on Remedies and Forum.*

a. The County shall be given written notice at the address set forth below of any claimed failure by the County to perform its obligations under this Disclosure Agreement, and the County shall be given 15 days to remedy any such claimed failure. Any suit or other proceeding seeking further redress with regard to any such claimed failure by the County shall be limited to specific performance as the adequate and exclusive remedy available in connection with such action. Written notice to the County shall be given to Director of Finance, 15th Floor, Executive Office Building, 101 Monroe Street, Rockville, Maryland 20850, or at such alternate address as shall be specified by the County in disclosures made pursuant to Section 3a. or 3b. hereof or a notice of occurrence of a Reportable 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 9. *Beneficiaries.* This Disclosure Agreement shall inure solely to the benefit of the owners from time to time of the Bonds, including beneficial owners, and shall create no rights in any other person or entity.

SECTION 10. *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 11. *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 12. *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 13. *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 14. *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 of Maryland, without reference to the choice of law principles thereof.

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

APPENDIX C

REFUNDED BONDS

Montgomery County, Maryland Consolidated Public Improvement Refunding Bonds of 1993, Series A

Maturing October 1	Principal	Rate of Interest	Call Price	CUSIP
2004	$7,145,000	4.600%	102	613340LV8
2005	7,070,000	4.700	102	613340LW6
2006	6,990,000	4.800	102	613340LX4
2007	6,910,000	4.900	102	613340LY2
2008	6,835,000	5.000	102	613340LZ9
2009	6,760,000	5.000	102	613340MA3
2010	6,680,000	5.000	102	613340MB1
2011	3,515,000	5.000	102	613340MC9

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APPENDIX D

ANNUAL INFORMATION STATEMENT
DATED FEBRUARY 10, 2003

(Provided under separate cover
and incorporated herein by reference)

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