

REGISTERED

UNITED STATES OF AMERICA  
STATE OF MARYLAND

REGISTERED

**THIS BOND MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR," AS SUCH TERM IS DEFINED IN RULE 501(a) OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT)**

**MONTGOMERY COUNTY, MARYLAND  
Parking System Refunding Revenue Bond  
(Bethesda Parking Lot District)  
Series 2015 (Taxable)**

<u>Reference Date</u>	<u>Interest Rate (per annum)</u>	<u>Maturity Date</u>
March 8, 2017	3.570 %	August 1, 2025

Registered Owner: STI Institutional & Government, Inc.

Principal Sum: Eight Million Five Hundred Forty-One Thousand Dollars (\$8,541,000)

**MONTGOMERY COUNTY, MARYLAND** (the "County"), a body politic and corporate and political subdivision of the State of Maryland (the "State"), for value received, hereby promises to pay, but only from Net Revenues (as described below) and other amounts pledged to such payment under the Order (as defined herein), to the Registered Owner shown above, the principal sum shown above on the dates and in the respective amounts set forth in Appendix A, with interest thereon at the rate per annum shown above from and including the most recent date to which interest has been paid or, if this Bond shall be delivered prior to the first interest payment date, from the Reference Date shown above until payment of such principal amount, such interest being payable on August 1, 2017 and semi-annually thereafter on February 1 and August 1 in each year. All interest due on this Bond shall be payable to the registered holder in whose name this Bond is registered on such Bond registration books of the County as of the close of business on the Record Date for such interest payment, which shall be the close of business on the fifteenth day of the month next preceding an interest payment date. For purposes of calculating the interest due on this Bond, unpaid outstanding principal on any date shall be an amount equal to the original principal amount of this Bond, less any principal installment paid as described above, and less any principal prepaid as describe below.

**THIS BOND, TOGETHER WITH INTEREST AND PREMIUM, IF ANY, THEREON IS NOT A GENERAL OBLIGATION OF THE COUNTY, BUT IS A LIMITED OBLIGATION PAYABLE SOLELY FROM THE NET REVENUES. THE COUNTY SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST OR PREMIUM, IF ANY, ON THE BOND, OR OTHER COSTS INCIDENT THERETO, EXCEPT AS HEREIN PROVIDED. THE BOND IS A SPECIAL OBLIGATION OF THE COUNTY PAYABLE SOLEY FROM THE NET REVENUES OF THE DISTRICT AS PROVIDED IN THE RESOLUTION (AS DEFINED HEREIN) AND THE ORDER (AS DEFINED HEREIN).**

NEITHER THE FAITH AND CREDIT OF THE STATE, THE COUNTY, OR ANY OTHER AGENCY OR INSTRUMENTALITY OF THE STATE OR ANY POLITICAL, SUBDIVISION OF THE STATE, NOR THE TAXING POWER OF THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST OR PREMIUM, IF ANY, ON THE BOND, OR OTHER COSTS INCIDENT THERETO. THE BOND AND ANY INTEREST OR PREMIUM, IF ANY, THEREON SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE COUNTY, STATE, OR ANY AGENCY, INSTRUMENTALITY OR POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER.

1. Resolution and Order. This Bond is issued pursuant to and in full conformity with the Montgomery County Charter and is authorized to be issued and sold by a Resolution of the County Council for the County adopted on July 28, 2015 (the "Resolution") and Order No. B160-92 of the County Executive of Montgomery County, Maryland (the "County Executive") duly and finally adopted on February 28, 1992 (the "Original Order"), as amended and supplemented by Order No. B161-92 of the County Executive duly and finally adopted on April 16, 1992, Order No. B239-02 of the County Executive duly and finally adopted on June 4, 2002, Order No. B235-02 of the County Executive duly and finally adopted on April 29, 2002, Order No. B272-05 of the County Executive duly and finally adopted on August 31, 2005, Order No. B318-12 of the Chief Administrative Officer of the County (the "Chief Administrative Officer") duly and finally adopted on May 1, 2012, Order No. B343-15 of the Chief Administrative Officer duly and finally adopted on October 19, 2015 and Order No. B356-17 of the Chief Administrative Officer duly and finally adopted on March 8, 2017 (as so amended and supplemented, the "Order"). The terms of the Bond include those stated in the Order, and the Bond is subject to all such terms. Reference is made hereby to the Order for a description of the funds, revenues and charges pledged thereunder and the nature and extent of the security created or to be created. The rights, limitations of rights, obligations, duties and immunities of the County and the rights of the holder of this Bond are set forth in the Order. The holder or any other registered owner of this bond is referred to the Order and the Resolution (certified copies of which are on file at the office of the Director of Finance of the County) for a complete statement of such terms to which the registered owner hereof, by acceptance of this bond, assents. By acceptance of this Bond, the registered owner hereof acknowledges and consents to the fact that the County is acting as Bond Registrar and Paying Agent with respect to this Bond.

2. Pledge of Net Revenues. This Bond is payable as to principal, interest, and premium, if any, solely from the Net Revenues (as defined in the Order) of the Bethesda Parking Lot District (the "District"). So long as any Parity Debt (as defined below) is outstanding and unpaid, the County has covenanted in the Resolution and the Order to levy special taxes and to assess parking fees, respectively, which are payable pursuant to the County Code within the District in rate and amount which shall be sufficient in each Fiscal Year (as defined in the Order) to maintain Net Revenues of not less than 1.25 times the amount required for making lease payments on irrevocable or long term leases in such Fiscal Year, and paying the maximum principal of and interest (except for capitalized interest) on the Parity Debt in such Fiscal Year or any succeeding Fiscal Year.

3. Additional Bonds. The Order provides that Additional Bonds (as defined in the Order)

may be issued within the limitations and provisions of the Order. The Bond and any other Additional Bonds issued within the limitations and provisions of the Order shall be secured equally and ratably to the extent provided in the Order ("Parity Debt"). The Order creates a lien on the Net Revenues of the District for the benefit of holders of the Parity Debt. The principal of and interest on the Parity Debt are and will be equally and ratably secured by such pledge and lien without priority by reason of number or time of sale or delivery.

4. The Bond. This Bond is a duly authorized issue of the County, designated "Montgomery County, Maryland Parking System Refunding Revenue Bond (Bethesda Parking Lot District), Series 2015 (Taxable)," in the aggregate principal amount of \$8,541,000 (the "Bond"), bearing a dated date of March 8, 2017. The debt service schedule for the Bond is attached as Appendix A.

This Bond shall bear interest on the unpaid principal balance from the date of delivery at the Interest Rate per annum shown above (the "Taxable Rate") calculated on the basis of a 360-day year consisting of twelve 30-day months, except as such Taxable Rate may be adjusted as provided in the Order, such interest to be payable semi-annually on the first day of February and August in each year, commencing August 1, 2017, to the person in whose name this Bond is registered on the register maintained by the County.

5. Redemption. This Bond is subject to redemption, as a whole or in part at any time, upon two (2) business days' prior written notice to the registered owner, at a redemption price equal to the principal amount of this Bond to be redeemed together with interest accrued to the date fixed for redemption, plus the Prepayment Premium (as defined herein). Any partial redemption of this Bond shall be applied, in the inverse chronological order of the annual principal payments due on this Bond, plus the Prepayment Premium (as defined herein).

"Prepayment Premium" means, as of the date of redemption of this Bond or any portion thereof, an amount equal to the present value of the difference between (a) the amount that would have been payable on the principal amount of this Bond to be redeemed for the remaining term hereof if this Bond bore interest at an annual rate of interest equal to 2.40% and (b) the amount that would be realized by the registered owner by reinvesting the principal amount of this Bond redeemed on such date for the remaining term of this Bond at the Intercontinental Exchange ICE Swap rate for fixed-rate payers in interest rate swaps (interpolated to the nearest month) that was in effect three business days prior to the date of such redemption, in each case discounted at the same interest rate utilized to determine the amount under clause (b); provided, however, that should such present value have either no value or a negative value, the Prepayment Premium shall be equal to zero. The Prepayment Premium shall not be payable in the event that this Bond is refinanced or refunded through a loan from STI Institutional & Government, Inc. or any of its affiliates.

6. Persons Deemed Owners. The County may deem and treat the person in whose name this Bond is registered as the absolute owner hereof (whether or not this bond shall be overdue and notwithstanding any notation of ownership or other writing hereon made by anyone other than the County) for the purpose of receiving payment of or on account of the principal of and interest on this Bond, and for all other purposes and the County shall not be affected by any notice to the contrary. All such payments so made to any such registered owner, or upon his order, shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability

for moneys payable under this Bond.

7. Transfer and Exchange. The County shall serve as Bond Registrar and Paying Agent for the Bond and shall maintain the registration books for the Bond. The registered holder of this Bond shall give the County prior written notice of its intention to sell, assign or otherwise transfer the Bond. The registered holder may transfer the Bond only upon surrender of the Bond to the County at its designated office, whereupon the County shall execute and deliver in exchange for the Bond a new Bond in principal amount equal to the unpaid principal amount of the Bond so surrendered upon reimbursement to the County of an amount equal to any tax or other governmental charge required to be paid with respect to such transfer. With the consent of the County, the Bond may be transferred only as a whole to a single person that qualifies as an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act"), or a "Qualified Institutional Buyer" as defined in Rule 144A promulgated under the Securities Act.

8. Modifications. Modifications or alterations of the Order may be made to the extent and in the circumstances permitted by its terms.

9. Governing Law and Forum. This Bond shall be governed by and construed in accordance with the laws of the State of Maryland without regard to conflict of law principles. All judicial actions, claims, suits or proceedings brought by any party to enforce any rights hereunder shall be initiated and maintained only in the courts of the State of Maryland and not in the courts of any other jurisdiction.

10. Notices. Except as otherwise provided in the Order and this Bond, when the Registrar and Paying Agent is required to give notice to the registered owner of this Bond, such notice shall be mailed by first-class mail to the registered owner of this Bond at such owner's address as it appears on the registration books maintained by the Registrar and Paying Agent. Any notice mailed as provided herein will be conclusively presumed to have been given, whether or not actually received by the addressee.

All acts, conditions and things required by the Constitution and laws of the State of Maryland and by the County to happen, exist and be performed precedent to and in the issuance of this bond and the execution and delivery of the Order by the County have happened, exist and have been performed as so required.

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

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Order until it shall have been authenticated by the execution by the County of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Montgomery County, Maryland has caused this Bond to be executed in its name by the manual or facsimile signature of its County Executive and has caused corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Chief Administration Officer, all as of the Reference Date shown above.



MONTGOMERY COUNTY, MARYLAND

By: *Paul F. ...*  
County Executive

ATTEST:

*Timothy L. Finistive*  
Chief Administrative Officer

IN WITNESS WHEREOF, Montgomery County, Maryland has caused this Bond to be executed in its name by the manual or facsimile signature of its County Executive and has caused corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Chief Administration Officer, all as of the Reference Date shown above.



MONTGOMERY COUNTY, MARYLAND

By: *Carol Post*  
County Executive

ATTEST:

*Timothy L. Frustnie*  
Chief Administrative Officer

IN WITNESS WHEREOF, Montgomery County, Maryland has caused this Bond to be executed in its name by the manual or facsimile signature of its County Executive and has caused corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Chief Administration Officer, all as of the Reference Date shown above.



MONTGOMERY COUNTY, MARYLAND

By: *Paul [Signature]*  
County Executive

ATTEST:

*Timothy L. Finestone*  
Chief Administrative Officer

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond of the Series referred to in the within-mentioned Order.

Date of Authentication: March 8, 2017

MONTGOMERY COUNTY MARYLAND,  
as Registrar and Paying Agent

By: *Alvinda A. Ewin*  
Authorized Signatory



CERTIFICATE OF AUTHENTICATION

This Bond is the Bond of the Series referred to in the within-mentioned Order.

Date of Authentication: March 8, 2017

MONTGOMERY COUNTY MARYLAND,  
as Registrar and Paying Agent


By:   
Authorized Signatory

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond of the Series referred to in the within-mentioned Order.

Date of Authentication: March 8, 2017

MONTGOMERY COUNTY MARYLAND,  
as Registrar and Paying Agent

By:   
Authorized Signatory

APPENDIX A

<u>Year of Maturity</u>	<u>Amount</u>	<u>Year of Maturity</u>	<u>Amount</u>
2017	\$ 646,000	2022	1,141,000
2018	666,000	2023	1,170,000
2019	681,000	2024	1,198,000
2020	700,000	2025	1,229,000
2021	1,110,000		