BOARD OF DIRECTORS OF MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION

A RESOLUTION authorizing

the issuance, sale and delivery by the Maryland Environmental Service (the "Service") of its revenue bonds (the "Bonds") in an aggregate principal amount not to exceed $8,240,000 for the purpose of paying all or a part of the cost of a project of the Service consisting generally of the acquisition, design, construction and operation of a regional landfill (the "Project") to be located in Talbot County, Maryland; approving the execution and delivery of a Waste Disposal Service Agreement (the "Service Agreement") between the Service and each of the County Commissioners of Caroline County, County Commissioners of Queen Anne's County and Talbot County, Maryland (the "Mid-Shore Counties"); providing for the Bonds to be obligations of the Service payable from amounts received pursuant to such Service Agreements and such other revenues as may be received by the Service in connection with the operation of the Project; approving the form of notice of sale with respect to the Bonds and authorizing the Director to determine the successful bidder for the Bonds in accordance with the terms of the notice of sale; approving the preliminary official statement with respect to the bonds and authorizing the preparation of the final official statement; and providing generally for other matters necessary to the issuance, sale and delivery of the Bonds.

RECITALS

Maryland Environmental Service (the "Service") was created by, exists under, and exercises the powers contained in, Sections 3-101 to 3-129, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (1989 Replacement Volume) as amended to date (the Act), including (among others) the powers (i) to borrow money and issue bonds or notes for the purpose of paying all or any part of the cost of any one or more projects and to provide for the security of such bonds or notes and the rights of the holders thereof; and (ii) to enter into contracts with the federal or any state government, or any unit, instrumentality or subdivision thereof, or with any municipality or person within or without the State of Maryland (the "State"), providing for or relating to the furnishing of services to or the facilities of any project of the Service.

The Service has developed the Project in cooperation with the Mid-Shore Counties as a means of providing a regional system of solid waste disposal that will accommodate the separate and differing systems of collection and disposal of solid waste of the Mid-Shore Counties. The Project consists (by way of general description and not limitation) of a regional landfill to be located in Talbot County, Maryland. The Mid-Shore Counties have determined that it is the public interest of each of them to make binding, long-term commitments to the Service for the disposal of solid waste generated within their boundaries and have each entered into a Service Agreement with the Service.

Pursuant to the Service Agreements, the Mid-Shore Counties will deliver to the Project all of the Acceptable Waste (as defined in the Service Agreement) generated within their boundaries. The Mid-Shore Counties will pay a Tipping Fee (as defined in the Service Agreement) for each ton of Acceptable Waste that is delivered to the Project and will pay a Supplemental Fee (as defined in the Service Agreement) in the event that the Total Costs (as defined in the Service Agreement) associated with the Project exceed the Landfill Revenues (as defined in the Service Agreement).

The Service has determined to issue its Bonds in order to finance a portion of the cost of the Project. The Bonds will be issued pursuant to an Indenture of Trust dated as of February 15, 1990 (the "Indenture") between the Service and the Trustee (as set forth herein) and will be payable from the revenues received from the operation of the Project. In addition, the Service has obtained a commitment for municipal bond insurance with respect to the Bonds from AMBAC Indemnity Corporation.

The Service considers the financing, acquisition, construction and operation of the Project to be in furtherance of the public purposes of the Act and the Service.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MARYLAND ENVIRONMENTAL SERVICE, that:

1. Capitalized terms used and not defined herein shall have the meanings set forth in the title and the Recitals to this resolution.

2. The issuance, sale, and delivery of the Bonds in the principal amount of $8,090,000 to be designated Maryland Environmental Service Revenue Bonds (Mid-Shore Regional Landfill Project) Series 1990 shall be, and hereby are, authorized and directed pursuant to the provisions of the Act

to provide funds for the payment of all or any part of the cost of the Project, as provided in the Act and the Indenture. Such principal amount constitutes the Revised Aggregate Principal Amount of the Bonds provided for in the Notice of Sale (defined herein). It is hereby acknowledged that in connection with the sale of the Bonds, such amount may be increased or decreased by no more than $150,000 in accordance with the terms of the Notice of Sale. The Final Aggregate Principal Amount (as defined in the Notice of Sale) of the Bonds is hereby approved as and for the aggregate principal amount of the Bonds.

3. The Bonds shall be sold pursuant to a Notice of Sale in the form of Appendix C to the Preliminary Official Statement presented to this meeting (the "Notice of Sale"). The Director of the Service shall be, and hereby is, authorized to award the Bonds to the successful bidder therefor in accordance with the terms of the Notice of Sale (the "Successful Bidder").

The principal amount of each maturity of the Bonds is as follows:

Year of Maturity	Principal Amount	Year of Maturity	Principal Amount
1992	$225,000	2002	$425,000
1993	$240,000	2003	$450,000
1994	$255,000	2004	$485,000
1995	$275,000	2005	$515,000
1996	$285,000	2006	$555,000
1997	$305,000	2007	$590,000
1998	$330,000	2008	$635,000
1999	$345,000	2009	$680,000
2000	$375,000	2010	$725,000
2001	$395,000		

Such principal amount of each maturity constitutes the Revised Principal Amount of each maturity of the Bonds provided for in the Notice of Sale. It is hereby acknowledged that in connection with the sale of the Bonds, such amounts may be changed in accordance with the terms of the Notice of Sale. The Final Principal Amount of each maturity of the Bonds is hereby approved as and for the principal amount of each maturity of the Bonds.

4. The Director is hereby authorized and directed to collect the check of the Successful Bidder and to retain the proceeds thereof to be applied as partial payment for the Bonds and to return the checks received with the proposals not accepted, all in accordance with the provisions of the Notice of Sale.

5. The Bonds shall be issued under, secured in accordance with, and have the terms set forth in the Indenture substantially in the form of the Indenture presented to this meeting. Such form of Indenture shall be, and hereby is directed to be, filed among the permanent records of the Service. The Bonds shall bear interest at the rate or rates of interest set forth in the bid of the Successful Bidder for the Bonds, and shall be sold to the Successful Bidder for the price set forth in the bid of such Successful Bidder. The Bonds shall be, and hereby are directed to be, executed and delivered to the Trustee appointed hereby by the Director substantially in the form of the form of Bond appended to the form of Indenture presented to this meeting with such changes, omissions, insertions and revisions as shall be deemed desirable by the Director; provided, however, that such changes, omissions, insertions and revisions shall not alter the substance of the transaction authorized and approved by this resolution. Upon delivery of the Bonds, the Trustee shall authenticate such Bonds and deliver the same to the purchaser thereof.

6. The Indenture (including, without limitation, the form of Bond appended thereto as Appendix B) shall be, and hereby is adopted and approved, and the Director of the Service shall be, and hereby is, authorized to execute and deliver such Indenture substantially in the form approved hereby with such changes, omissions, insertions, and revisions as shall be deemed advisable by the Director; provided, however, that such changes, omissions, insertions and revisions shall not alter the substance of the transaction authorized and approved by this resolution.

7. Prior to the delivery of the Bonds, the Service shall enter into a Service Agreement with each of the Mid-Shore Counties, substantially in the form of the Service Agreement presented to this meeting. Such form of Service Agreement hereby is adopted and approved and shall be, and hereby is directed to be, filed among the permanent records of the Service. The Director shall be, and hereby is, authorized to execute and deliver the Service Agreement with each Mid-Shore County substantially in the form of such document approved hereby with such changes, omissions, insertions and revisions as shall be deemed desirable by the Director; provided, however, that such changes, omissions, insertions and revisions shall not alter the substance of the transaction authorized and approved by this resolution.

8. The form of the Preliminary Official Statement presented to this meeting shall be, and hereby is, approved and the distribution thereof is approved and ratified hereby. Such

Preliminary Official Statement shall be, and hereby is directed to be, filed among the permanent records of the Service. The Director shall be, and hereby is, authorized to prepare, execute and distribute the final Official Statement, with such changes, omissions, insertions and revisions to the Preliminary Official Statement as the Director shall deem desirable; provided, however, that such changes, omissions, insertions and revisions shall not alter the substance of the transaction authorized and approved by this resolution.

9. The form of the Commitment Letter for the municipal bond insurance policy from AMBAC Indemnity Corporation (the "Commitment Letter") presented to this meeting shall be, and hereby is directed to be, filed among the permanent records of the Service. The Director of the Service shall be, and hereby is, authorized to execute and deliver the Commitment Letter substantially in the form of such document approved hereby with such changes, omissions, insertions and revisions as shall be deemed desirable by the Director; provided, however, that such changes, omissions, insertions and revisions shall not alter the substance of the transaction authorized and approved by this resolution.

10. It is hereby authorized that the total purchase price for the Bonds shall be paid to the Director, as agent of the Service for the purpose of receiving the purchase price and delivering the Bonds to the Successful Bidder. Immediately upon receipt thereof, the purchase price shall be deposited with the Trustee in the proper accounts as provided in the Indenture.

11. The Director and other officers of the Service shall be, and hereby are, authorized to take such other steps and to execute and deliver such other documents and certificates as the Director shall deem desirable to effect the completion of the issuance, sale, and delivery of the Bonds and the other matters contemplated by this Resolution and the Indenture.

12. The Riggs National Bank of Maryland, hereby is appointed Trustee for the Bonds under the Indenture.

13. The execution by the Director of the Service of any document authorized herein to be executed by the Director shall constitute conclusive evidence of approval of such document, and any and all changes thereto from the form presented to the Service herewith, by the Service.

14. This resolution shall take effect immediately upon its adoption.

Adopted this 27th day of February, 1990.

MARYLAND ENVIRONMENTAL SERVICE

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