BOARD OF DIRECTORS OF MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION

A RESOLUTION concerning

Intent of Maryland Environmental Service (the "Service") to issue bonds or notes in one or more series in an aggregate principal amount not to exceed $_____ for the purpose of financing the acquisition, construction, alteration and improvement by the Service, or one or more Private Sector Participants (as described in this resolution) of one or more projects of the Service described in this resolution; provisions for further proceedings in connection with the issuance of the bonds or notes and the description and operation of such projects; and provisions for the bonds or notes to be obligations of the Service payable from revenues received from the operation of such projects and such other sources as may be designated by the Service.

RECITALS

Maryland Environmental Service (the "Service") was created by, exists under, and exercises the powers contained in, Sections 3-101 to 3-131, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (1983 Replacement Volume and 1989 Cumulative Supplement) as amended to date (the "Act"), including (among others) the powers 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.

The Act further provides that such projects which may be financed pursuant to the Act include facilities which can be financed by bonds or notes of the Service the interest on which is exempt from federal income tax under the Internal Revenue Code of 1986, as amended. The federal Income Tax Regulations prescribe that the issuer of such bonds or notes either adopt a bond resolution with respect to such bonds or notes or take some other similar official action toward the issuance of such bonds or notes prior to the commencement of construction or acquisition of such facilities.

The Service intends to develop the project or projects described in Exhibit A hereto (the "Projects") and considers

the acquisition, construction, alteration and improvement of the Projects to be in furtherance of the public purposes of the Act and the Service.

The principal amount of the bonds or notes authorized by this resolution has been estimated based on facts and projections currently available to the Service. It depends in part upon (1) interest rate levels in effect at the time of the sale of the bonds or notes issued for each of the Projects (2) the financing structure for each series of the bonds or notes, and (3) actual costs of each of the projects.

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

The Service intends to issue and sell one or more series of its bonds or notes (collectively, the "Bonds") pursuant to the provisions of the Act in a principal amount sufficient to pay the cost of financing the Projects, together with costs incident to the authorization, sale and issuance of the Bonds, in a principal aggregate amount not to exceed the amount set forth on Exhibit A hereto. The Projects are described on Exhibit A hereto, which may be revised from time to time.

The proceeds of the Bonds will (i) be used by the Service to acquire, design, construct, alter, improve and operate the Projects, or (ii) be loaned to one or more private persons, corporations, firms, partnerships, cooperatives or other private entities (the "Private Sector Participant") who will effect the acquisition, design, alteration, construction, improvement and operation of the Projects, or (iii) be used in connection with any other financing structure permitted by the Act, as amended from time to time, for the purpose of acquiring, designing, constructing, altering, improving and operating the Projects, or (iv) be used in connection with any combination of the above.

The Service intends (i) to operate the Projects itself, (ii) to sell or lease the Projects to one or more Private Sector Participants under one or more installment sales agreements or leases (which may be either operating or capital leases), (iii) to make and enter into contracts with one or more Private Sector Participants providing for such Private Sector Participants to design, construct, own, manage, operate and maintain the Projects, (iv) to sell or lease the Projects to a governmental entity, (v) to provide for the design, construction, management, operation or maintenance of the Facilities by a governmental entity, or (vi) any combination of the above.

The Service intends to adopt such resolutions, to take such other actions, and to authorize the execution and delivery of such documents as may be necessary or advisable for (i) the final authorization, issuance, and sale of the Bonds, (ii) the financing of the acquisition, construction, alteration or improvement of the Projects, and (iii) the design, construction, ownership, management, operation and maintenance of the Projects.

The Bonds shall not be deemed to constitute a debt, liability or pledge of the faith and credit of the State of Maryland or of any political subdivision thereof (other than the Service), but the Bonds shall be payable solely from the revenues pledged to the payment of the principal and redemption premium, if any, of and interest on the Bonds and such other sources as may be permitted by the Act and subsequently designated by the Service. The Bonds shall not create, directly or indirectly or contingently, an obligation, moral or other, of the State of Maryland or any political subdivision thereof to levy or pledge any form of taxation whatever therefor.

The Service intends that this resolution shall constitute "some other similar official action" toward the issuance of the Bonds within the meaning of Section 1.103-8(a)(5) of the Income Tax Regulations promulgated by the United States Treasury Department.

This resolution shall take effect from the date of its adoption by the Board of Directors of the Service.

I HEREBY CERTIFY, that this is a true and correct copy of a Resolution of the Maryland Environmental Service adopted on _____, 1990.

IN TESTIMONY WHEREOF, I have hereunto set my hand as Director of the Maryland Environmental Service and affixed the seal of the Maryland Environmental Service this _____ day of _____, 1990.

[SEAL]

_____
George G. Perdikakis,
Director

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Exhibit A
to Resolution

Waste disposal facilities to be located on the site of the existing Solid Waste Reclamation Facility in Texas, Baltimore County, Maryland, and consisting (by way of general description and not limitation) of facilities to recycle, incinerate or otherwise process and dispose of municipal and commercial waste, including (without limitation) (i) land, (ii) real and personal property located on any such land (including the existing Solid Waste Reclamation Facility) and (iii) facilities and property to be located on such land and to be used in connection with the disposal of municipal and commercial waste and the conversion of such waste to steam, electricity, energy or other resources and the recovery and recycling of portions of such waste to useful or marketable material, together with any related facilities for the transporting, transferring, compacting, incinerating, reducing, collecting, storing, treating, processing and disposing of such waste.

The principal amount of Bonds authorized to be issued for the Projects is $_____.

MARYLAND NATIONAL BANK

Investment and Funding Division
P.O. Box 2218
Baltimore, Maryland 21203-2218

December 18, 1990

Mr. Kenneth A. Howarth
Maryland Environmental Services
220 Industrial Drive
Annapolis, MD 21401

Dear Mr. Howarth:

This letter is in response to your inquiry regarding MNB repurchase transactions.

A repurchase transaction is a collateralized obligation of Maryland National Bank. Specific U.S. Government and/or Agency securities are assigned to each repurchase transaction with a market value of 102% of the principal, plus accrued interest. Investments in Repurchase Agreements are not deposits, nor a part of DDA balances, and are not insured by the FDIC.

The underlying securities for Maryland National Bank customer repurchase agreements are held at the Federal Reserve Bank in the same account which holds the securities of Maryland National Bank. The commingling of customer and bank securities is permitted under the Government Securities Act of 1986; however, the Bank is legally obligated to maintain the customer's exclusive interest in these securities. Securities pledged to customers for repurchase transactions are held free and clear of any and all liens or claims placed upon Maryland National Bank, MNC Financial, or affiliated companies.

I trust this information will be helpful to you. Please do not hesitate to contact me directly if I may be of further assistance.

Sincerely,

Kenneth A. Rogers Jr.
Vice President
Investment & Funding Division

/cml