MARYLAND ENVIRONMENTAL SERVICE

BOARD OF DIRECTORS

RESOLUTION NO 93-1-1R

A RESOLUTION AUTHORIZING

the execution and delivery of a Ground Lease Agreement (the "Ground Lease"), and a Waste Disposal Service Agreement (the "Waste Disposal Service Agreement") between the Service and the County Commissioners of Garrett County, Maryland (the "County"), and approving the form of a Preliminary Official Statement

RECITALS

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 through 3-129 of the Natural Resources Article of the Annotated Code of Maryland (1989 Replacement Volume, 1992 Cumulative Supplement) 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, providing for or relating to the furnishing of services to the facilities of any project of the Service

The Service is developing the Project (as defined below) in cooperation with the County as a means of providing solid waste disposal services to the County The Project consists (by way of general description and not limitation) of a municipal solid waste landfill, a leachate collection system and a rubble landfill on the DelSignore/McClelland tract of land on Oakland-Sang Run Road in Garrett County, Maryland The Project also includes the closure of the existing Round Glade Landfill The Project is designed to accept all waste materials normally found in municipally collected residential refuse and most types of commercial and light industrial solid waste Hazardous wastes will not be accepted at the Project

Under the terms of the Ground Lease the County will lease a parcel of real property to the Service for implementation of the Project The Ground Lease will have a term as long as any Maryland Environmental Service revenue bonds (the "Bonds") issued by the Service to finance the development of the Project

The Service intends 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 (the "Indenture") and will be payable from the Service Fee (as defined in the Waste Disposal Service Agreement) received from the operation of the Project The Service intends to issue the Bonds through a negotiated sale

The issuance, sale and delivery of the Bonds, and the approval of the Indenture, are not authorized by this Resolution, and will require further action by this Board

Pursuant to the terms of the Waste Disposal Service Agreement the Service will provide the Project and the County will deliver to the Project all of the Acceptable Waste (as defined in the Waste Disposal Service Agreement) generated within the County The County will pay to the Service a Service Fee which shall be equal to the Total Costs (as defined in the Waste Disposal Service Agreement) incurred by the Service in providing the Project, less Landfill Revenues (as defined in the Waste Disposal Service Agreement)

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 THE 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 Prior to the delivery of the Bonds, the Service shall enter into the Ground Lease and Waste Disposal Service Agreement with the County, substantially in the form of the Ground Lease and Waste Disposal Service Agreement presented to this meeting, subject to the changes approved by this Board at its meeting of January 20, 1993, as reflected in the minutes of the Board Such forms of the Ground Lease and Waste Disposal Service Agreement are hereby adopted and approved and shall be, and hereby are directed to be, filed among the permanent records of the Service The Director shall be, and hereby is, authorized to execute and deliver the Ground Lease and Waste Disposal Service Agreement with the County substantially in the forms of such documents 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 Ground Lease and Waste Disposal Service Agreement

3 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, subject to the changes approved by this Board at its meeting of January 20, 1993, as reflected in the minutes of the Board 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 Preliminary Official Statement, with such changes, omissions insertions and revisions as the Director shall deem desirable, provided, however, that such changes, omissions, insertions and revisions shall not alter the substance of the Preliminary Official Statement

4 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

5 This Resolution shall take effect immediately upon its adoption

ADOPTED THIS 20th DAY OF JANUARY, 1993

MARYLAND ENVIRONMENTAL SERVICE

SEAL

George G Perdikakis
Director

Annette Anselmi
Deputy Director

R Kenneth Barnes
Secretary

Edward A Griffith
Treasurer

Robert W Pierce
Member

Edwin G Richards
Member

Lawrence D Shubnell
Member

Attest
R Kenneth Barnes, Secretary

NVB

AMENDMENTS TO RESOLUTION 93-01-1R

3rd DRAFT, JANUARY 22, 1993

1 Sections 3 3 and 3 7 of the Service Agreement shall be amended to reflect that the Service shall establish a tipping fee for the Landfill, and the tipping fee shall be imposed if the County fails to appropriate, by a date certain, an amount sufficient to cover the estimated Landfill costs (including debt service) for the upcoming fiscal year

2 The County 10 year Solid Waste Plan must be amended to direct that solid waste must be disposed of at the new Landfill, and that the County shall not prohibit the disposal of "out-of-County" waste at the Landfill if MES is operating it after County default The POS shall be amended to reflect these requirements

3 The POS shall be amended to reflect the changes set forth in paragraph 1, above

4 The Feasibility Report shall be amended to include a statement by the engineer that an initial tipping fee of approximately $38 per ton would be required to support the total costs of the Landfill (including operations, maintenance and debt service costs) and that this tipping fee is competitive with other alternative costs of solid waste disposal in the region, particularly when waste transportation costs are included in the analysis