MARYLAND ENVIRONMENTAL SERVICE

BOARD OF DIRECTORS

RESOLUTION NO. 93-11-1R

A RESOLUTION AUTHORIZING

the issuance, sale and delivery by the Maryland Environmental Service (the "Service") of its Bond Anticipation Notes (the "Notes") in an aggregate principal amount not to exceed $ 2,400,000.00 for the purpose of paying all or a part of the cost of a project of the Service consisting generally of the design, construction and operation of Cell Number 2 of the Mid-Shore Regional Landfill located in Talbot County, Maryland, and to fund all or a part of the costs of the closure of the Easton Landfill adjacent to the Mid-Shore Regional Landfill (the "Project"); approving the execution and delivery of a First Supplemental Indenture of Trust between the Service and the Riggs National Bank of Maryland, as trustee, relating to the Notes; providing for the Notes to be obligations of the Service payable from amounts received pursuant to Service Agreements between the Service and the Subdivisions, from such other revenues as may be received by the Service in connection with the operation of the Project, and from the proceeds of future bonds, notes or other obligations of the Service; authorizing the Director to execute and deliver the Bond Anticipation Notes Purchase Agreement; and providing generally for other matters necessary to the issuance, sale and delivery of the Notes.

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, 1993 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.

On February 27. 1990, the Service adopted a resolution authorizing the issuance, sale and delivery of $8,075,000 aggregate principal amount of its Revenue bonds (Mid-Shore Regional landfill Project), Series 1990 (the "Series 1990 Bonds"), in order to finance a portion of the cost of the acquisition and construction of a regional landfill in Talbot County, Maryland (the "Regional Landfill"). The Series 1990 Bonds were issued on March 8, 1990 pursuant to an Indenture of Trust (the "Original Indenture") between the Service and the Riggs National Bank of Maryland.

The Service owns and operates the Regional Landfill, and has entered into a Waste Disposal Service Agreement (each, a "Service Agreement") with each of the County Commissioners of Caroline County, County Commissioners of Kent County, County Commissioners of Queen Anne's County, and Talbot County, Maryland (collectively, the "Subdivisions"). The Project includes the old Easton Landfill adjacent to the Mid-Shore Regional Landfill.

Pursuant to the Service Agreements, the Subdivisions deliver to the Project all of the Acceptable Waste (as defined in the Service Agreement) generated within their boundaries. The Subdivisions 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 Notes in order to finance a portion of the cost of the Project. The Notes will be issued pursuant to a First Supplemental Indenture of Trust (the "First Supplemental Indenture") between the Service and the Trustee (as set forth herein) and will be payable from the revenues received under the Service Agreement and from the operation of the Project, and from the proceeds of future bonds, notes or other obligations of the Service.

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. The issuance, sale and delivery of the Notes in a principal amount not to exceed $ 2,400,000.00, to be designated Maryland Environmental Service Revenue Bond Anticipation Notes (Mid-Shore Regional Landfill Project), Series 1993 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,the Original Indenture, and the First Supplemental Indenture.

3. The Notes shall be sold to the successful bidder submitting a bid in response to the Official Notice of Bid Solicitation (the "Notice of Bid Solicitation") on the terms and conditions set forth in the Notice of Bid Solicitation presented to this meeting. Such form of the Notice of Bid Solicitation shall be, and hereby is directed to be, filed among the permanent records of the Service.

The total principal amount of the Notes shall not exceed $2,400,000. The annual interest rate of any maturity of the Notes shall not exceed six percent, and the interest rates for the Notes may not exceed six percent. The final maturity date of the Notes shall not be more than one (1) year from the date of the issuance of the Notes. The Director shall, subject to the limitations set forth in this paragraph, fix the principal amount of the Notes, the interest rate or rates for the Notes, and the principal payment schedule for the Notes, and the Director shall include such items in the Notes.

4. The Notes shall be issued under, secured in accordance with, and have the terms set forth in the First Supplemental Indenture substantially in the form of the First Supplemental Indenture presented to this meeting. Such form of the First Supplemental Indenture shall be, and hereby is directed to be, filed among the permanent records of the Service. The Notes shall be, and hereby are directed to be, executed and delivered to the Trustee substantially in the form of the Notes appended to the form of the First Supplemental 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 Notes, the Trustee shall authenticate such Notes and deliver the same to the purchaser thereof.

5. The First Supplemental Indenture (including, without limitation, the form of the Notes appended thereto as Appendix A) 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.

6. It is hereby authorized that the total purchase price for the Notes shall be paid to the Director, as agent of the Service for the purpose of receiving the purchase price and delivering the Notes to the successful purchaser. Immediately upon receipt thereof, the purchase price shall be deposited with the Trustee in the proper accounts as provided in the First Supplemental Indenture.

7. 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 Notes and the other matters contemplated by this Resolution and the First Supplemental Indenture.

8. The Riggs National Bank of Maryland is hereby confirmed as Trustee for the Notes under the First Supplemental Indenture.

9. 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.

10. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS 29th DAY OF NOVEMBER, 1993.

MARYLAND ENVIRONMENTAL SERVICE

SEAL

George G. Perdikakis
Director

Annette Anselmi
Deputy Director

Edward A. Griffith
Treasurer

Robert W. Pierce
Member

Edwin G. Richards
Member

Lawrence D. Shubnell
Member (ABSTAINED)

Carolyn Davis
Member

Attest:
Annette Anselmi, Deputy Director