MARYLAND ENVIRONMENTAL SERVICE

BOARD OF DIRECTORS

RESOLUTION NO 94-7-1R

A RESOLUTION AUTHORIZING

the issuance, sale and delivery by the Maryland Environmental Service (the "Service") of its Maryland Environmental Service Revenue Bonds, (Midshore Regional Landfill Project) Series 1994 (the "Series 1994 Bonds") in an aggregate principal amount not to exceed $6,200,000 for the purpose of redeeming the $2,400,000 Maryland Environmental Service Revenue Bond Anticipation Notes (Midshore Regional Landfill Project) Series 1993 (the "1993 Bond Anticipation Notes"), 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 Midshore Regional Landfill located in Talbot County, Maryland, funding all or a part of the costs of the closure of Cell Number 1, and funding all or a part of the costs of the closure of the Easton Landfill adjacent to the Midshore Regional Landfill (collectively, the "Project"), approving the execution and delivery of a Second Supplemental Indenture of Trust between the Service and The Riggs National Bank of Maryland, as trustee, relating to the Series 1994 Bonds, providing for the Series 1994 Bonds 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 Midshore Regional Landfill, and from the proceeds of future bonds, notes or other obligations of the Service, providing for the sale of the Series 1994 Bonds by competitive (sealed) bidding, authorizing the Director and other officers of the Service to award the sale of the Series 1994 Bonds to the successful bidder, authorizing the Director and other officers of the Service to execute the Second Supplemental Indenture of Trust and such other documents or certificates as may be necessary in connection with the issuance of the Series 1994 Bonds, and providing generally for other matters necessary for the issuance, sale and delivery of the Series 1994 Bonds

RECITALS

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 through 3-130 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 (Midshore 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

On December 23, 1993, the Service issued its 1993 Bond Anticipation Notes in order to finance a portion of the cost of the design, construction and operation of the second landfill cell of the Regional Landfill The 1993 Bond Anticipation Notes were issued pursuant to a First Supplemental Indenture of Trust (the "First Supplemental Indenture") between the Service and The Riggs National Bank of Maryland and dated as of December 15, 1993

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")

Pursuant to the Service Agreements, the Subdivisions deliver to the Regional Landfill 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 Regional Landfill 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 Regional Landfill exceed the Landfill revenues (as defined in the Service Agreement)

The Service has determined to issue its Series 1994 Bonds in order to finance a portion of the cost of the Project The Series 1994 Bonds will be issued pursuant to a Second Supplemental Indenture of Trust (the "Second Supplemental Indenture") between the Service and the Trustee (as set forth herein) and will be

payable from the revenues received under the Service Agreements and from the operation of the Regional Landfill, 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 Series 1994 Bonds in a principal amount not to exceed $6,200,000, to be designated Maryland Environmental Service Revenue Bonds (Midshore Regional Landfill Project), Series 1994 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, the First Supplemental Indenture, and the Second Supplemental Indenture

3 The Series 1994 Bonds shall be sold to the successful bidder submitting a bid in response to the Official Notice of Sale (the "Notice of Sale") on the terms and conditions set forth in the Notice of Sale included in the draft Preliminary Official Statement (the "Preliminary Official Statement") presented to this meeting Such form of the Notice of Sale shall be, and hereby is directed to be, filed among the permanent records of the Service

The total principal amount of the Series 1994 Bonds shall not exceed $6,200,000 The true interest cost for the Series 1994 Bonds calculated as provided in the Notice of Sale shall not exceed 6 75 percent The final maturity date of the Series 1994 Bonds shall not be more than fifteen years from the date of the issuance of the Series 1994 Bonds The Director shall, subject to the limitations set forth in this paragraph, award the sale of the Series 1994 Bonds to the successful bidder therefor, fix the principal amount of the Series 1994 Bonds, the interest rate or rates for the Series 1994 Bonds, and the principal payment schedule for the Series 1994 Bonds, and the Director shall include such items in the Series 1994 Bonds

4 The Series 1994 Bonds shall be issued under, secured in accordance with, and have the terms set forth in the Second Supplemental Indenture substantially in the form of the Second Supplemental Indenture presented to this meeting Such form of the Second Supplemental Indenture shall be, and hereby is directed to be, filed among the permanent records of the Service The Series

1994 Bonds shall be, and hereby are directed to be, executed and delivered to the Trustee substantially in the form of the Series 1994 Bonds appended to the form of the Second 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 Series 1994 Bonds, the Trustee shall authenticate such Series 1994 Bonds and deliver the same to the purchaser thereof

5 The Second Supplemental Indenture (including, without limitation, the form of the Series 1994 Bonds 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 The Preliminary Official Statement in substantially the form presented to this meeting is hereby approved with such changes, omissions, insertions, and revisions as the Director may deem desirable in connection with the issuance and sale of the Series 1994 Bonds The Director is hereby authorized to obtain proposals from bond insurance companies for insurance for the Series 1994 Bonds and to enter into any bond insurance or other agreements with such bond insurance companies

7 It is hereby authorized that the total purchase price for the Series 1994 Bonds shall be paid to the Director, as agent of the Service for the purpose of receiving the purchase price and delivering the Series 1994 Bonds 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 Second Supplemental Indenture

8 The Director, the Treasurer and the 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 Series 1994 Bonds and the other matters contemplated by this Resolution and the Second Supplemental Indenture

9 The Riggs National Bank of Maryland is hereby confirmed as Trustee for the Series 1994 Bonds under the Second Supplemental Indenture

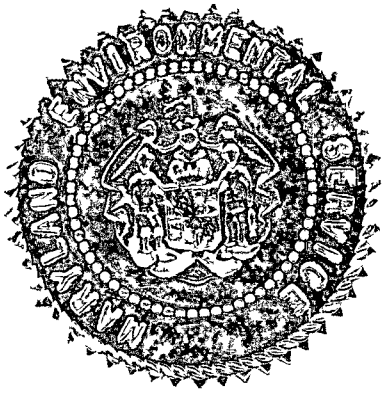
10 The execution by the Director or other officer of the Service of any document authorized herein to be executed by the Director or other officer shall constitute conclusive evidence of approval of such document, and any and all changes thereto from the form presented to the Service herewith, by the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

11 This Resolution shall take effect immediately upon its adoption

ADOPTED THIS 28th DAY OF JULY, 1994

MARYLAND ENVIRONMENTAL SERVICE

SEAL



George G Perdikakis
Director

Annette Anselmi
Treasurer

Carolyn D Davis
Secretary not present

Edwin G Richards
Member

Lawrence D Shubnell
Member

William B C Addison, Jr
Member

Daniel F McMullen, III
Member

Joseph F Snee, Jr
Member not present

Attest 8-17-94
Carolyn D Davis, Secretary

J JOSEPH CURRAN JR.
ATTORNEY GENERAL

NORMAN E PARKER, JR.
RALPH S TYLER
DEPUTY ATTORNEYS GENERAL

SEAN COLEMAN
ASSISTANT ATTORNEY GENERAL
PRINCIPAL COUNSEL

STATE OF MARYLAND

OFFICE OF THE ATTORNEY GENERAL

MARYLAND ENVIRONMENTAL SERVICE
2011 COMMERCE PARK DRIVE
ANNAPOLIS MARYLAND 21401 2911
(410) 974 7224

July 20, 1994

MEMORANDUM

TO **BOARD OF DIRECTORS**

FROM **SEAN COLEMAN**

SUBJECT **JULY BOARD MEETING**

Enclosed are two sets of documents for your review prior to the July 28, 1994 meeting of the Board of Directors

The first set of documents, which relate to the revenue bond issuance for the Midshore Regional Landfill, consists of a draft resolution to be presented to you for adoption at the meeting, a draft Second Supplemental Indenture of Trust, and a form of the resolution that each of the Midshore Counties will be asked to adopt

The MES board resolution authorizes the Service to proceed with the issuance of a revenue bond for the construction of cell 2 at the Midshore Regional Landfill The proceeds would also be used to retire the Bond Anticipation Note that was issued last year, to pay for part of the cost of the closure of the Easton Landfill, and to pay for the cost of closure of cell 1 The resolution is nearly identical to the resolutions that were approved by the board for the original Midshore bond issuance and the Bond Anticipation Note

The second set of documents consists of proposed revisions to the draft MES personnel regulations An explanation of each of the proposed revisions is attached to the draft regulations

Please feel free to contact me if you should have any questions prior to the meeting on July 28

cc George G Perdikakis

FAX (410) 974 7267

Sean

MARYLAND
ENVIRONMENTAI
SERVICE

William Donald Schaefer
Governor

George G Perdikakis
Director

July 25 1994

Ms Kate Zadek
Vice President
AMBAC
One State Street Plaza
New York NY 10004

Dear Ms Zadek

The purpose of this correspondence is to request your consideration for insuring the Midshore Project Regional Landfill Bonds Series 1994

Enclosed please find the package of material pertinent to the Midshore Regional Landfill Project The regional landfill was originally intended to provide a long term solution to the waste disposal needs of three counties participating in the project Talbot Queen Anne and Caroline These participating Counties entered into a 20 year Waste Disposal Service Agreement under which they pay the costs of the project In 1992 Kent County became a full partner in the project agreeing to all of the terms and conditions of the project including payment of their proportionate share of costs and provision of a site for future landfill development

The landfill is located on 175 acres in Talbot County Cell I financed with Midshore 1990 Series Bonds has been in operation since March 1991 The Service owns and operates the facility providing disposal services for 95 000 + tons of acceptable waste per year

Since the Commercial Operations date in March 1991 each County has delivered to the Service acceptable waste generated in the county and has payed a per ton Tipping Fee for each ton delivered and accepted The original tipping fee of $25 00 is still in place and a tipping fee of $38 50 will go into effect on January 1 1995 All of the Counties support the new Tipping fee schedule In addition each County is required to pay a Supplemental Fee in an amount equal to the amount if any by which Total Cost exceeds Landfill Revenues Total Costs include among other items debt service on the Service s bonds To date a Supplemental Fee has not been required The Service is obligated under the Waste Disposal Service Agreement to provide waste disposal services to the Counties at the regional landfill or at other disposal sites

2011 Commerce Park Drive Annapolis Maryland 21401 410/974/7281 Fax 410/974/7267

Specifically the Waste Disposal Service Agreement also contains an obligation of each County to include in its annual budget for each Fiscal Year an amount or amounts sufficient to meet all of its obligations under the Waste Disposal Service Agreement or to take such other appropriate action as may be necessary to ensure the availability of funds sufficient to meet all such obligations It should be noted that the Waste Disposal Service Agreement does not limit the source of funds from which the obligations of the County are payable No failure of the County to include money in its budget to meet its obligations under the Service Agreement will excuse the County from payment of those obligations so long as the Service is providing waste disposal services to the County

In 1990 the Service issued $8 075 000 for the development of the landfill construction of Cell I and closure of the Easton (Talbot County) landfill In December 1993 the Service issued a $2 4 million Bond Anticipation Note to cover the additional costs of closing the Easton landfill and to provide funds for the stockpiling of soil needed for Cell 2

The proposed financing of $5 5 million will be used to redeem the BAN provide funds for the development and construction of Cell II and provide funds for certain pre closure costs of Cell 1 An independent feasibility study has been prepared for the project

The primary documents for the project and its financing are a supplemental Trust Indenture resolutions of each of the participating Counties consenting to the issuance of the Bonds and the Preliminary Official Statement These documents have been reviewed by the Service and the Counties and are in a form which will be submitted for approval to the Service and the Counties next month

In order to meet our final maturity date of September 15 1994 on the outstanding BAN we would like your written price and final commitment by August 9 1994

Along with the Draft POS which shows the County(s) budget results I have included a copy of the Midshore Landfill operating results since inception which shows a successful financially viable project with contingency funds and operating advances in place

It is also important to note that when Kent County became a partner the useful life of the landfill was reduced According to the terms of the Trust Indenture monies are being set aside for every ton of waste in excess of 80 000 tons per year to assure that sufficient funds are available to pay off the bonds when due Through June 1994 the Service has set aside $217 847 for this purpose

I look forward to your favorable consideration and am available to answer your questions

Sincerely

Annette Anselmi

July 19 1994 Draft

MARYLAND ENVIRONMENTAL SERVICE

and

THE RIGGS NATIONAL BANK OF MARYLAND

SECOND SUPPLEMENTAL INDENTURE OF TRUST

Dated as of September 1, 1994

$_____

Maryland Environmental Service
Revenue Bonds
(Mid-Shore Regional Landfill Project),
Series 1994

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SECOND SUPPLEMENTAL INDENTURE OF TRUST

THIS SECOND SUPPLEMENTAL INDENTURE OF TRUST dated as of September 1 1994 is by and between Maryland Environmental Service a body politic and corporate constituting an instrumentality of the State of Maryland (the Service) and The Riggs National Bank of Marvland a national banking association as trustee (the Trustee)

RECITALS

Chapter 240 of the Laws of Maryland of 1970 as amended from time to time by acts of the General Assembly of the State including Chapter 196 of the Laws of Maryland of 1993 codified at Sections 3 101 to 3 129 inclusive of the Natural Resources Article of the Annotated Code of Maryland (1989 Replacement Volume and 1993 Cumulative Supplement) (the Act) authorizes the Service to issue bonds and notes for the purpose of financing and refinancing the cost of acquiring constructing reconstructing improving or extending any solid waste disposal project as defined in the Act

On Februarv 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 dated as of February 15 1990 (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 County Commissioners of Caroline Countv County Commissioners of Queen Anne s County County Commissioners of Kent County and Talbot County Maryland (collectively the Subdivisions) providing for the delivery to the Service for disposal of solid waste generated within the boundaries of the Subdivisions

On December 23 1993 the Service issued its Revenue Bond Anticipation Notes (Mid Shore Regional Landfill Project) Series 1993 (the Series 1993 Notes) as Additional Bonds pursuant to the Original Indenture as supplemented and amended by the First Supplemental Indenture of Trust dated as of December 15 1993 The Service has determined to issue its Revenue Bonds (Mid Shore Regional Landfill Project) Series 1994 (the Series 1994 Bonds) for the purpose of (i) redeeming the principal of the Series 1993 Notes (ii) paying a portion of the cost of closing the Easton Landfill located adjacent to the Regional Landfill (iii) funding the costs of design construction and operation of Cell Number 2 of the Regional Landfill (iv) funding the Debt Service Reserve Fund and (v) paying the costs of issuing and selling the Bonds (collectively the 1994 Project)

The Original Indenture provides that the Series 1990 Bonds and any Additional Bonds (defined herein) issued from time to time under the Original Indenture (collectively the Bonds) will be equally and ratably secured to the extent provided in the Original Indenture and herein by a pledge and assignment of the Trust Estate (defined in the Original Indenture)

The Series 1994 Bonds and the Certificate of Authentication to be endorsed thereon are to be substantially in the forms set forth in Appendix A attached hereto and made a part hereof with appropriate insertions omissions and variations as permitted hereby

All things necessary to make the Series 1994 Bonds when authenticated by the Trustee and issued as in this Indenture provided the valid and binding limited obligations of the Service according to the import thereof and to constitute this Indenture a valid assignment and pledge of the Trust Estate have been done and performed and the creation execution and delivery of this Indenture and the creation execution and issuance of the Series 1994 Bonds subject to the terms hereof have in all respects been duly authorized

GRANTING CLAUSES

The Service in consideration of the premises of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Series 1994 Bonds by the owners thereof and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged in order to secure the payment of the principal or Redemption Price (defined herein) of and interest on and the purchase price of the Series 1994 Bonds according to their tenor and effect and to secure the performance and observance by the Service of all the covenants expressed or implied herein and in the Series 1994 Bonds does hereby grant bargain sell convey assign and pledge and grant a security interest in the following to the Trustee for the equal and ratable benefit of the holders of the Series 1994 Bonds and their respective successors and assigns forever subject only to the provisions of the Original Indenture and this Second Supplemental Indenture permitting the application thereof on the terms and conditions set forth in the Original Indenture

GRANTING CLAUSE FIRST

All of the right title and interest of the Service in and to the proceeds of the Series 1994 Bonds and

GRANTING CLAUSE SECOND

All Revenues (defined herein) and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed mortgaged pledged assigned or transferred as and for additional security hereunder by the Service or by anyone on its behalf or with its written consent to the Trustee which is hereby

authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof

TO HAVE AND TO HOLD all and singular the Trust Estate whether now owned or hereafter acquired unto the Trustee and its successors in trust and assigns forever upon the terms and trusts herein set forth for the equal and ratable benefit security and protection of all present and future owners of the Series 1994 Bonds from time to time issued under and secured by this Indenture without privilege priority or distinction as to the lien or otherwise of any of the Series 1994 Bonds over any other Series 1994 Bonds except that (i) the Revenues and all other property described in the Granting Clause Second is pledged pursuant to the Original Indenture for the equal and ratable benefit security and protection of all present and future owners of Bonds and (ii) the holders of the Series 1994 Bonds shall have no interest in or claim to and shall not be secured by any moneys on deposit in the funds and accounts established pursuant to the Original Indenture for the benefit of the Series 1990 Bonds

PROVIDED, HOWEVER that if the Service shall well and truly pay or cause to be paid the principal or Redemption Price of and interest on and the purchase price of the Series 1994 Bonds according to the true intent and meaning thereof or shall provide for the payment thereof as permitted by Article IX of the Original Indenture and shall perform and observe all the covenants and conditions of the Original Indenture to be kept performed and observed by it and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof then upon compliance with Article IX of the Original Indenture the lien of the Original Indenture and this Second Supplemental Indenture shall be discharged and satisfied otherwise the Original Indenture and this Second Supplemental Indenture to be and remain in full force and effect

All Series 1994 Bonds issued and secured hereunder are to be issued authenticated and delivered and all such property rights and interests including (without limitation) the amounts hereby assigned and pledged are to be dealt with and disposed of under upon and subject to the terms conditions stipulations covenants agreements trusts uses and purposes as hereinafter expressed and the Service has agreed and covenanted and does hereby agree and covenant with the Trustee and with the respective owners of the Series 1994 Bonds as provided in the Original Indenture and as follows

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1 01 Definitions

Terms used in this Second Supplemental Indenture and not defined herein shall have the respective meanings given such terms in the Original Indenture As used in this Second Supplemental Indenture the following terms shall have the meanings set forth below unless a different meaning clearly appears from the context Second Supplemental Indenture means the

Second Supplemental Indenture of Trust dated as of September 1 1994 between the Service and The Riggs National Bank of Maryland as trustee Original Indenture means the Indenture of Trust dated as of February 15 1990 between the Service and The Riggs National Bank of Maryland as trustee Series 1994 Bonds means the $_____ Maryland Environmental Service Revenue Bonds (Mid Shore Regional Landfill Project) Series 1994 and 1994 Project has the meaning set forth in the Recitals to this Second Supplemental Indenture

Section 1 02 Rules of Construction

Unless the context clearly indicates to the contrary the following rules shall apply to the construction of this Second Supplemental Indenture

(a) Words importing the singular number include the plural number and words importing the plural number include the singular number

(b) Words of the masculine gender include correlative words of the feminine and neuter genders

(c) The headings and the table of contents set forth in this Second Supplemental Indenture are solely for convenience of reference and shall not constitute a part of this Indenture nor shall they affect its meaning construction or effect

(d) Words importing persons include any individual corporation partnership joint venture association joint stock company trust unincorporated organization or government or agency or political subdivision thereof

(e) Any reference to the Revenue Fund the Debt Service Fund the Interest Account the Principal Account the Sinking Fund Account the Redemption Fund the Rebate Fund or the Construction Fund shall be to the fund or account so designated that is created under Section 4 01

(f) Any reference to a particular Article or Section shall be to such Article or Section of this Second Supplemental Indenture unless the context shall otherwise require

ARTICLE II

AUTHORIZATION AND DETAILS OF THE SERIES 1994 BONDS

Section 2 01 Series 1994 Bonds Authorized

There is hereby authorized the issuance under this Indenture of a Series of Bonds in the aggregate principal amount of _____ Dollars ($_____) which shall be designated Maryland Environmental Service Revenue Bonds (Mid Shore Regional Landfill Project) Series 1994 for the purpose of paying the cost of the 1994 Project

Section 2 02 Details of Series 1994 Bonds, Form of Bonds and Certificate of Authentication

The Series 1994 Bonds shall be issued as fully registered bonds without coupons The Series 1994 Bonds shall bear interest at the rate or rates of interest per annum (calculated on the basis of a 360 day year consisting of twelve 30 day months) set forth below and shall mature on March 1 in each of the years and in amounts as follows

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate

The Series 1994 Bonds shall be subject to redemption prior to maturity and shall otherwise have the terms tenor denominations details and specifications as set forth in the form of Series 1994 Bond attached hereto as Appendix A

The Series 1994 Bonds issued under this Indenture shall be substantially in the form set forth in Appendix A attached hereto and made a part hereof with such insertions omissions and variations as may be deemed necessary or appropriate by the Authorized Officer of the Service executing the same and as shall be permitted by the Act The Service hereby adopts the form of Series 1994 Bond set forth in Appendix A hereto and all of the covenants and conditions set forth therein as and for a form of obligation to be incurred by the Service under this Second Supplemental Indenture The covenants and conditions set forth in the form of Series 1994 Bond are incorporated into this Second Supplemental Indenture by reference and shall be binding upon the Service as though set forth in full herein

Section 2 03 Conditions Precedent to Delivery of Series 1994 Bonds

The Series 1994 Bonds shall be executed by the Service and delivered to the Trustee whereupon the Trustee shall authenticate the Series 1994 Bonds and upon payment of the purchase price of the Series 1994 Bonds shall deliver the Series 1994 Bonds upon the order of the Service but only upon delivery to the Trustee of

(a) a counterpart of this Second Supplemental Indenture authorizing the issuance of the Series 1994 Bonds executed by the parties hereto

(b) an opinion of Bond Counsel to the effect that (i) this Second Supplemental Indenture authorizing the issuance of the Series 1994 Bonds has been duly authorized executed and delivered by the Service and assuming the due authorization execution and delivery thereof by the Trustee constitutes the valid and binding obligation of the Service (ii) the Service is duly

authorized and entitled to issue the Series 1994 Bonds and Series 1994 Bonds executed authenticated and delivered as provided in this Second Supplemental Indenture have been duly and validly issued and constitute valid and binding limited obligations of the Service and (iii) the issuance of such Series 1994 Bonds will not adversely affect the excludability from gross income for federal income tax purposes of interest paid on any Tax Exempt Bonds theretofore issued

(c) a certificate of an Authorized Officer of the Service to the effect that on the date of the authentication and delivery of the Series 1994 Bonds (i) the Service is not in default in the performance or observance of any of the covenants conditions agreements or provisions of this Indenture and (ii) neither the Service nor any of the Subdivisions is in default in the performance or observance of any of the covenants conditions agreements or provisions of any of the Service Agreements

(d) a written order of the Service directing the authentication and delivery of the Series 1994 Bonds describing the Series 1994 Bonds to be authenticated and delivered designating the purchasers to whom the Series 1994 Bonds are to be delivered stating the purchase price of the Series 1994 Bonds and stating that all items required by this Section are therewith delivered to the Trustee in form and substance satisfactory to the Service

(e) moneys or securities authorized for the investment of the Debt Service Reserve Fund (which may include without limitation a Debt Service Reserve Fund Credit Facility qualified to be credited to the Debt Service Reserve Fund under Section 4 11 of the Original Indenture) in an amount equal to the amount if any required to be paid to the Debt Service Reserve Fund to make the amount on deposit in the Debt Service Reserve Fund equal the Debt Service Reserve Fund Requirement upon the issuance of such Additional Bonds

(f) a certificate of an Authorized Officer of the Service to the effect that the Coverage Ratio for the most recent Fiscal Year of the Service for which audited financial statements are available is not less than 1 00 and

(g) the written consent of each of the Subdivisions to the issuance of the Series 1994 Bonds

Section 2 04 Book Entry of Series 1994 Bonds

The provisions of this Section shall apply to the Series 1994 Bonds so long as all of the Series 1994 Bonds shall be maintained in book entry form with DTC any other provisions of the Indenture to the contrary notwithstanding during such period

(a) Principal and interest payments on the Series 1994 Bonds shall be payable to Cede & Co as nominee of DTC or to DTC s registered assigns as the registered owner of the Series 1994 Bonds in next day funds on each date on which the principal or Redemption Price of or interest on the Series 1994 Bonds is due as set forth in the Indenture and in the Series 1994

Bonds Such payments shall be made o the offices of DTC provided to the Service and the Trustee in writing The Service and DTC may agree in writing to make payments of principal and interest in a manner different from that set out herein If such different manner of payment is agreed upon the Service shall give the Trustee notice thereof Transfer or crediting of the appropriate principal and interest payments to DTC s participants will be the responsibility of DTC and transfer and crediting of principal and interest payments to the beneficial owners of the Series 1994 Bonds or their nominees will be the responsibility of DTC s participants Transfers of beneficial ownership of the Series 1994 Bonds will be effected on the records of DTC (and its participants) pursuant to rules and procedures established by DTC

(b) The Service may replace DTC as the securities depository for the Series 1994 Bonds if the Service in its sole discretion determines that DTC is incapable of discharging its duties with respect to the Series 1994 Bonds or that the interest of the beneficial owners of the Series 1994 Bonds might be adversely affected by the continuation of the book entry system Notice of such determination shall be given to DTC not less than 30 days prior to any such replacement If DTC determines not to continue to act as a securities depository for the Series 1994 Bonds or is no longer permitted to act as such depository DTC shall give prompt notice of such determination or event to the Service and the Trustee and shall allow the Service a reasonable time to locate a replacement depository or to issue Replacement Bonds

(c) Replacement Bonds will be issued directly to the beneficial owners of Series 1994 Bonds only in the event that (i) DTC determines not to continue to act as securities depository for the Series 1994 Bonds (ii) the Service has advised DTC of its determination that DTC is incapable of discharging its duties or (iii) the Service has determined that the interests of the beneficial owners of the Series 1994 Bonds might be adversely affected by continuation of the book entry system Upon occurrence of any of the foregoing events the Service may attempt to locate another qualified securities depository If the Service fails to locate another such depository to replace DTC the Service shall issue Replacement Bonds in certificate form In the event the Service makes the determination set forth in (ii) or (iii) above (the Service will undertake no obligation to make any investigation to determine the occurrence of any events that would permit the Service to make any such determination) and has made provisions to notify DTC participants and the beneficial owners of Series 1994 Bonds by mailing an appropriate notice to DTC or by other means it will issue Replacement Bonds in certificate form to any DTC participant shown on the records maintained by DTC and making such a request

The Service may issue Replacement Bonds to a substitute securities depository to participants of DTC or to beneficial owners of the Series 1994 Bonds properly identified by such participants In the event that the Service determines to issue Replacement Bonds to a replacement securities depository DTC will cooperate with the Service by returning the Series 1994 Bonds registered in the name of DTC or its nominee on or before the date Replacement Bonds are issued DTC shall in addition send to the Service on or prior to the issuance of such Replacement Bonds appropriate records of DTC or copies thereof showing the interests of DTC participants in the Series 1994 Bonds as of a reasonably current date In the event that Replacement Bonds are to be issued to participants or to beneficial owners of the Series 1994

Bonds DTC upon ten (10) days prior notice shall provide to the Service a listing showing the participants interests in the Series 1994 Bonds as of a reasonably current date The Service promptly thereafter shall have prepared Replacement Bonds registered in the name of such participants as their interests appear in the list provided by DTC to the Service To the extent participants request the Service to issue Replacement Bonds in the name of a beneficial owner the Service upon timely notification and with adequate identification of such beneficial owners shall issue Replacement Bonds in the name of such beneficial owners Replacement Bonds issued to a replacement securities depository shall have the same terms form and content as the Series 1994 Bonds initially registered in the name of DTC or its nominee except for the name of the record owner Replacement Bonds issued to participants or to beneficial owners shall be issuable in accordance with the provisions of Section 2 02 of this Indenture

(d) DTC and its participants and the beneficial owners of the Series 1994 Bonds by their acceptance of the Series 1994 Bonds agree that the Service and the Trustee shall have no liability for the failure of DTC to perform its obligations to the participants and the beneficial owners of the Series 1994 Bonds nor shall the Service or the Trustee be liable for the failure of any participant or other nominee of the beneficial owners to perform any obligation the participant may incur to a beneficial owner of the Series 1994 Bonds

ARTICLE III

REDEMPTION OF SERIES 1994 BONDS

Section 3 01 Selection of Series 1994 Bonds to Be Redeemed

If fewer than all of the Series 1994 Bonds of any one maturity shall be called for redemption the Trustee shall select the particular Series 1994 Bonds or portions of Series 1994 Bonds to be redeemed from such maturity by lot or in such other manner as the Trustee in its discretion may deem proper provided however that the portion of any Series 1994 Bond to be redeemed shall be in the principal amount of $5 000 or an integral multiple thereof and that in selecting Series 1994 Bonds for redemption the Trustee shall treat each Series 1994 Bond as representing that number of Series 1994 Bonds which is obtained by dividing the principal amount of such Bond by $5 000

So long as all of the Series 1994 Bonds shall be maintained in book entry form with DTC the Trustee shall notify DTC of the maturities and principal amounts of the Series 1994 Bonds to be redeemed and such notifiction is hereby deemed to be in a proper manner of selection of the Series 1994 Bonds to be redeemed

Section 3 02 Notice of Redemption

(a) The Service shall give written notice to the Trustee of its election to redeem Series 1994 Bonds at least 60 days prior to the redemption date of such bonds or such fewer number of days as shall be acceptable to the Trustee Upon receipt of such notice pursuant to

Section 5(d) of the Series 1994 Bonds the Trustee shall give notice in the name of the Service of the Service s election to redeem such Bonds pursuant to Section 5(a) or 5(b) of the Series 1990 Bonds as the case may be

(b) Each notice of redemption of Series 1994 Bonds shall be given in accordance with the terms of the Series 1994 Bonds at least 30 days before the redemption date and shall set forth (i) the maturities of the Series 1994 Bonds to be redeemed (ii) the date fixed for redemption (iii) the Redemption Price to be paid (iv) that such Series 1994 Bonds will be redeemed at the principal corporate trust office of the Trustee (v) if fewer than all of the Series 1994 Bonds of any one maturity then Outstanding shall be called for redemption the distinctive numbers and letters if any of the Series 1994 Bonds to be redeemed (vi) in the case of the Series 1994 Bonds to be redeemed in part only the portion of the principal amount thereof to be redeemed and (vii) that on the redemption date there shall become due and payable upon all Series 1994 Bonds to be redeemed the Redemption Price thereof together with interest accrued to the redemption date and that from and after such date interest thereon shall cease to accrue If any Series 1994 Bond is to be redeemed in part only the notice of redemption that relates to such Series 1994 Bond shall state also that on or after the redemption date upon surrender of such Series 1994 Bond to the Trustee at its principal corporate trust office a new Bond or Bonds of the same Series of Bonds and maturity bearing interest at the same rate and of any denomination authorized by the Indenture will be issued in aggregate principal amount equal to the unredeemed portion of such Series 1994 Bond Each notice of redemption with respect to any Series 1994 Bond shall comply with any regulation or release of the Securities Exchange Commission the Municipal Securities Rulemaking Board or other governmental board or body from time to time applicable to such Bond

(c) If notice of redemption shall have been given as provided in this Section then on or prior to the redemption date the Service shall pay to the Trustee from the Revenues an amount in cash that in addition to other moneys if any available therefor held by the Trustee shall be sufficient to redeem at the Redemption Price thereof plus accrued interest to the redemption date all of the Series 1994 Bonds the Service has so elected to redeem

(d) Notwithstanding the foregoing provisions of this Section to the contrary so long as all of the Series 1994 Bonds are maintained in book entry form with DTC (i) the Service shall give DTC written notice of its election to redeem Bonds in paragraph (a) of this Section no less than 45 days nor more than 60 days before the date fixed for redemption and (ii) any notice of redemption of any Series 1994 Bond or portion thereof to be given by the Trustee as herein provided shall also be given to DTC by legible facsimile transmission registered or certified mail or overnight express delivery no later than two Business Days prior to the date notice of such redemption is published pursuant to Section 5(d) of the Series 1994 Bonds Such notice by the Trustee to DTC in addition to the matters set forth in paragraph (b) of this Section shall sate (i) the maturity date and the CUSIP number of the Series 1994 Bond or portion thereof to be redeemed and (ii) the date on which the notice of redemption with respect to such Series 1994 Bond or portion thereof is to be published

Section 3 03 Redemption of Portion of Bond

In case part but not all of an Outstanding Series 1994 Bond shall be selected for redemption upon the presentation and surrender of such Bond to the Trustee for payment of the principal amount thereof so called for redemption in accordance with such Bond the Service shall execute and the Trustee shall authenticate and deliver to or upon the order of the registered owner of such Bond or the owner s attorney or legal representative without charge therefor for the unredeemed portion of the principal amount of the bond so surrendered a Bond or Bonds of the same Series of Bonds and maturity bearing interest at the same rate and of any denomination authorized by this Indenture in aggregate principal amount equal to the unredeemed portion of such Bond

ARTICLE IV

REVENUES AND FUNDS

Section 4 01 Creation of Funds and Accounts

(a) The following funds and separate accounts within funds are hereby created for the benefit of the holders of all Series 1994 Bonds Outstanding under this Second Supplemental Indenture

Construction Fund
Debt Service Fund
    Interest Account
    Principal Account and
    Sinking Fund Account
Redemption Fund
Insurance and Condemnation Award Fund and
Rebate Fund

For the purposes of internal accounting the funds and accounts created pursuant to this Section may contain one or more accounts or subaccounts as the Service shall direct

Each such fund or account shall be held by the Trustee hereunder

(b) As provided in the Original Indenture such funds and accounts created for the Series 1994 Bonds shall be held and maintained by the Trustee as provided in the Original Indenture and this Second Supplemental Indenture solely for the benefit of the holders of the Series 1994 Bonds and are not pledged to the payment of any other Bonds

The Rebate Fund is not pledged to the payment of any Series 1994 Bonds

Section 4 02 Application of Proceeds of Series 1994 Bonds

In accordance with Section 3 119 of the Act the proceeds of the Series 1994 Bonds shall be received by the Trustee on behalf of the Service in trust for the benefit of the holders from time to time of the Series 1994 Bonds subject to and in accordance with the terms of this Second Supplemental Indenture Upon receipt of such proceeds the Trustee shall deposit such proceeds as follows (i) any accrued interest on the Series 1994 Bonds shall be deposited in the Interest Account (ii) $2 400 000 shall be deposited in the Principal Account of the Debt Service Fund established under the First Supplemental Indenture and applied to the payment on September 15 1994 of the principal of the 1993 Notes (iii) $_____ being an amount necessary to make the amount on deposit in the Debt Service Reserve Fund equal to the Debt Service Reserve Fund Requirement shall be deposited in the Debt Service Reserve Fund and (iv) the balance of such proceeds shall be deposited in the Construction Fund

Section 4 03 The Municipal Bond Insurance Policy Concerning the Bond Insurer

So long as no Insurance Default shall have occurred and be continuing the Service and the Trustee agree to comply with the following provisions

(a) If the Trustee shall determine on any date that there will be insufficient amounts in the Debt Service fund and the Debt Service Reserve Fund to pay the principal of or the interest due on the Series 1994 Bonds on the immediately succeeding March 1 or September 1 or if the Trustee shall have notice that any payment of the principal of or the interest on a Series 1994 Bond which has become Due for Payment and which is made to a Bondholder by or on behalf of the Service has been deemed a preferential transfer and theretofore recovered from such Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final nonappealable order of a court having competent jurisdiction the Trustee shall so notify the Bond Insurer Such notice shall specify the amount of the anticipated deficiency or the amount of such recovery as (as the same may be) the Series 1994 Bonds to which such deficiency is applicable or with respect to which such recovery has been made (as the case may be) and whether such Bonds will be deficient or such recovery has been made (as the case may be) as to principal or interest or both In the case of any deficiency in the payment of the principal of or the interest on any Series 1994 Bonds due on any March 1 or September 1 in which the Trustee shall have given notice of such deficiency in accordance with this paragraph no later than the last Business Day which is at least five days prior to such March 1 or September 1 the Bond Insurer shall make payments of principal or interest due on the Series 1994 Bonds on such March 1 or September 1 in any other case the Bond Insurer will make payments of principal or interest due on the Series 1994 Bonds on or before the fifth day next following the date on which the Bond Insurer shall have received such notice of nonpayment or recovery (as the case may be) from the Trustee in accordance with this paragraph

(b) The Trustee shall after giving notice to the Bond Insurer as provided in paragraph (a) above make available to the Bond Insurer and at the Bond Insurer s direction to

the Insurance Trustee the registration books of the Service maintained by the Trustee and all records relating to the funds and accounts maintained under this Indenture

(c) The Trustee shall provide the Bond Insurer and the Insurance Trustee with a list of the Holders of Series 1994 Bonds entitled to receive payments of interest thereon or principal thereof from the Bond Insurer under the terms of the Municipal Bond Insurance Policy and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the Holders of Series 1994 Bonds entitled to receive full or partial interest payments from the Bond Insurer and (ii) to pay principal of Series 1994 Bonds upon presentation and surrender thereof to the Insurance Trustee by the Holders of Series 1994 Bonds entitled to receive full or partial principal payments from the Bond Insurer

(d) The Trustee shall at the time it provides any notice to the Bond Insurer pursuant to paragraph (a) above notify Holders of Series 1994 Bonds entitled to receive payments of interest thereon or principal thereof from the Bond Insurer (i) as to the fact of such entitlement (ii) that the Bond Insurer will remit to them all or a part of the interest payments next coming due on the Series 1994 Bonds held by them upon proof of Bondholder entitlement to such interest payments and delivery to the Insurance Trustee in form satisfactory to the Insurance Trustee of an appropriate assignment of the Bondholder s right to such payment (iii) that should they be entitled to receive full payment of the principal of the Series 1994 Bonds held by them from the Bond Insurer they must surrender their Series 1994 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Series 1994 Bonds to be registered in the name of the Bond Insurer) for payment to the Insurance Trustee and not the Trustee and (iv) that should they be entitled to receive partial payment of the principal of the Series 1994 Bonds held by them from the Bond Insurer they must surrender their Series 1994 Bonds for payment thereon first to the Trustee which shall note on such Series 1994 Bonds the portion of the principal thereof paid by the Trustee and then along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to the Insurance Trustee which will then pay the unpaid portion of the principal of such Series 1994 Bonds

(e) In the event that the Trustee has notice that any payment of principal of or interest on a Series 1994 Bond which has become Due for Payment and which is made to a Bondholder by or on behalf of the Service has been deemed a preferential transfer and therefore recovered from such Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final nonappealable order of a court having competent jurisdiction the Trustee shall at the time the Bond Insurer is notified pursuant to paragraph (a) above notify all Holders of Series 1994 Bonds that in the event that any Bondholder's payment is so recovered such Bondholder shall be entitled to payment from the Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available and the Trustee shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the Series 1994 Bonds which have been made by the Trustee and subsequently recovered from Bondholders and the dates on which such payments were made

(f) so long as all of the Series 1994 Bonds are maintained in book entry form the Insurance Trustee shall disburse principal and interest to a Holder of the Series 1994 Bonds only upon evidence satisfactory to the Insurance Trustee and the Bond Insurer that the ownership interest of such Bondholder in the right to payment of such principal and interest has been effectively transferred to the Bond Insurer on the books maintained for such purpose The Bond Insurer shall be fully subrogated to all of such Bondholders rights to payments to the extent of insurance disbursements so made

(g) In addition to those rights granted the Bond Insurer under this Section the Bond Insurer shall to the extent it makes payment of principal of or interest on Series 1994 Bonds become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest the Trustee shall note the Bond Insurer s rights as subrogee on the registration books of the Service maintained by the Trustee upon receipt from the Bond Insurer of proof of the payment of interest thereon to the Holder of the Series 1994 Bonds entitled thereto and (ii) in the case of subrogation as to claims for past due principal the Trustee shall note the Bond Insurer s right as subrogee by the Trustee upon surrender of the Series 1994 Bonds by the Holders thereof together with proof of payment of principal thereof

ARTICLE IV

MISCELLANEOUS

Section 5 01 Application of Provisions of Original Indenture

The provisions of this Second Supplemental Indenture are intended to supplement those of the Original Indenture The Original Indenture shall remain in full force and effect and the provisions of the Original Indenture shall apply with like force and effect to the Series 1994 Bonds to the end that all Series 1994 Bonds shall be equally and ratably secured with Series 1990 Bonds and any Additional Bonds and shall be protected by the Original Indenture except to the extent that the provisions of the Original Indenture are expressly modified or their application expressly limited by the terms of this Second Supplemental Indenture with respect to the Series 1994 Bonds

Section 5 02 Severability of Invalid Provision

If any covenant or agreement provided in this Second Supplemental Indenture on the part of the Service or the Trustee to be performed should be contrary to law then such covenant or agreement shall be null and void and shall in no way affect the validity of the other provisions of this Second Supplemental Indenture or of the Series 1994 Bonds

Section 5 03 Execution in Several Counterparts

This Second Supplemental Indenture may be executed in any number of counterparts each of which shall be deemed to be an original for all purposes and all such counterparts shall together constitute but one and the same instrument

Section 5 04 Governing Law

This Second Supplemental Indenture shall be governed by and construed in accordance with the laws of the State of Maryland

IN WITNESS WHEREOF the parties hereto have caused this Indenture to be duly executed sealed and delivered all as of the day and year first above written

(SEAL) MARYLAND ENVIRONMENTAL SERVICE

ATTEST By _____
George G Perdikakis
Director

_____
Annette Anselmi
Deputy Director

(SEAL) THE RIGGS NATIONAL BANK OF MARYLAND

ATTEST By _____

_____

STATE OF MARYLAND CITY OF BALTIMORE TO WIT

I HEREBY CERTIFY that on this ___ day of _____ in the year 1994 before the subscriber a Notary Public in and for the State of Maryland personally appeared George G Perdikakis the Director of the Maryland Environmental Service and that he as such officer being authorized so to do executed the aforegoing Indenture of Trust for the purposes therein contained by signing his name thereto as Director of the Maryland Environmental Service and causing the corporate seal of the Maryland Environmental Service to be affixed thereto and attested by the Deputy Director of the Maryland Environmental Service

IN WITNESS WHEREOF I have hereunto s ι r v hand and official seal

(SEAL) _____
Notary Public

My Commission Expires July 1 1996

STATE OF MARYLAND CITY OF BALTIMORE TO WIT

I HEREBY CERTIFY that on this ___ day of _____ in the year 1994 before the subscriber a Notary Public in and for the State of Maryland personally appeared _____ a Vice President of The Riggs National Bank of Maryland a national banking association duly organized and existing under the laws of the United States of America and that she as such officer being authorized so to do executed the aforegoing Indenture of Trust for the purposes therein contained by signing her name thereto as Vice President of The Riggs National Bank of Maryland and causing the corporate seal of The Riggs National Bank of Maryland to be affixed thereto and attested by a Trust Officer of The Riggs National Bank of Maryland

IN WITNESS WHEREOF I have hereunto set my hand and official seal

(SEAL) _____
Notary Public

My Commission Expires July 1 1996

July 19 1994 Draft

APPENDIX A
to Indenture of Trust

[FORM OF SERIES 1994 BOND]

REGISTERED UNITED STATES OF AMERICA REGISTERED

STATE OF MARYLAND

No _____ $_____

MARYLAND ENVIRONMENTAL SERVICE

REVENUE BONDS
(MID SHORE REGIONAL LANDFILL PROJECT)
SERIES 1994

Interest Rate (per annum) %	Maturity Date	Reference Date	CUSIP

Registered Owner

Principal Sum Dollars

MARYLAND ENVIRONMENTAL SERVICE a body politic and corporate constituting an instrumentality of the State of Maryland (the Service) for value received hereby promises to pay but only from the Revenues (defined herein) and other amounts pledged to such payment under the Indenture (defined herein) to the Registered Owner shown above or registered assigns or legal representative upon the presentation and surrender hereof as provided herein the Principal Sum shown above on the Maturity Date shown above (or earlier as hereinafter referred to) with interest thereon from the most recent date to which interest has been paid or if the Date of Authentication shown below is prior to the first interest payment date from September 1 1994 at the Interest Rate shown above until said Principal Sum is paid payable on March 1 1994 and semiannually thereafter on March 1 and September 1 of each year

All interest due on this bond shall be payable to the person in whose name this Bond is registered on the bond registration books maintained by The Riggs National Bank of Maryland as trustee and registrar (such entity and any successor in such capacity being referred to herein as the Trustee) as of the close of business on the fifteenth day of the calendar month immediately preceding the interest payment date upon which such interest is due and payable and shall be made by check mailed to the address of such owner as it appears on the Bond registration books maintained by the Trustee provided that if there is a default in the payment of interest due hereon such defaulted interest shall be payable to the person in whose name this Bond is registered as of the close of business on a subsequent date fixed by the Trustee (the Special Record Date) that is at least 10 and not more than 15 days before the date set for the payment of such defaulted interest Notice of any Special Record Date will be given as hereinafter provided to the registered owner hereof not later than 10 days before the Special Record Date

The principal or redemption price of and interest on this bond are payable in lawful money of the United States of America or by check payable in such money If any payment of the principal of or interest on this bond shall be due on a day other than a Business Day (defined herein) such payment shall be made on the next Business Day with like effect as if made on the originally scheduled date A Business Day is any day other than a Saturday Sunday or legal holiday in the State of Maryland observed as such by the Service or the Trustee or both

The principal or redemption price of and interest on this bond are payable solely from the Revenues (defined herein) Neither the Service the State of Maryland nor any political subdivision thereof is obligated to pay this Bond or the interest hereon except from such bonds and the Revenues and neither the faith and credit nor the taxing power of the State of Maryland or any political subdivision thereof is pledged to the payment of the principal or redemption price of or interest on this bond

All acts conditions and things required by the Constitution and laws of the State of Maryland and the rules and regulations of the Service to happen exist and be performed precedent to and in the issuance of this bond the execution and delivery of the Service Agreements (defined herein) and the Indenture 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 Indenture against any member or other officer of the Service 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 Indenture until it shall have been authenticated by the execution by the Trustee of the certificate of authentication endorsed hereon

1 **Indenture** This Bond is one of a duly authorized series of Bonds of the Service designated MARYLAND ENVIRONMENTAL SERVICE REVENUE BONDS (MID SHORE REGIONAL LANDFILL PROJECT) SERIES 1994 (the Series 1994 Bonds) aggregating _____ Dollars ($_____) in principal amount dated as of September 1 1994 and duly issued by the Service under and pursuant to the Constitution and laws of the State of Maryland particularly the Maryland Environmental Service Act (being Sections 3 101 through 3 129 inclusive of the Natural Resources Article of the Annotated Code of Maryland as amended) (the Act) and the Indenture of Trust dated as of February 15 1990 between the Service and the Trustee as supplemented by the First Supplemental Indenture of Trust dated as of December 15 1993 and the Second Supplemental Indenture of Trust dated as of September 1 1994 (herein with all amendments thereto called the Indenture) The terms of the Series 1994 Bonds include those stated in the Indenture and the Series 1994 Bonds are subject to all such terms Reference is made hereby to the Indenture for a description of the funds revenues and charges pledged thereunder the nature and extent of the security created or to be created and the rights limitations of rights obligations duties and immunities of the Service the Trustee and the holders of the Series 1994 Bonds By the acceptance of this Bond the holder hereof assents to all of the provisions of the Indenture Certified copies of the Indenture are on file at the principal corporate trust office of the Trustee and at the office of the Service in the City of Annapolis Maryland

2 **Service Agreements, Revenues** The Service has entered into a Waste Disposal Service Agreement (collectively with all amendments thereto herein called the Service Agreements) with each of County Commissioners of Caroline County County Commissioners of Queen Anne s County County Commissioners of Kent County and Talbot County Maryland all of the State of Maryland (collectively referred to herein as the Subdivisions) pursuant to which the Subdivisions have each agreed to deliver to the Service Acceptable Waste (defined in the Service Agreements) for disposal at the Regional Landfill (defined in the Indenture) and to pay certain fees for such disposal services

As defined in the Indenture the Revenues include (i) all payments to the Service or the Trustee pursuant to the Service Agreements and (ii) all other receipts of the Service attributable to the ownership leasing or operation of the Project (defined in the Indenture) and the financing and refinancing of the Project and any Additional Facilities (defined in the Indenture) with the proceeds of the Bonds and any Additional Bonds (defined herein)

3 **The Series 1994 Bonds** All the Series 1994 Bonds are of like tenor except as to number principal amount maturity interest rate and redemption provisions and mature on March 1 of the years and in the amounts set forth below

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate

The Series 1994 Bonds are issuable only in registered form without coupons in denominations of $5 000 and any integral multiple thereof

4 **Additional Bonds** The Indenture provides that Additional Bonds may be issued within the limitations and provisions of the Indenture (The Series 1990 Bonds the Series 1994 Bonds and any Additional Bonds are herein referred to as the Parity Bonds) All Parity Bonds issued within the limitations and provisions of the Indenture shall be secured equally and ratably by the Revenues and other property pledged by the Service

5 **Redemption** The Series 1994 Bonds at the time outstanding may be redeemed prior to their respective maturities as follows

(a) **Redemption from Insurance and Condemnation Proceeds** The Bonds are subject to redemption prior to maturity as a whole or in part at any time at a redemption price equal to the principal amount of such Bonds redeemed plus accrued and unpaid interest to the date fixed for redemption in an amount equal to the amount of the net proceeds of casualty insurance and liability insurance with respect to the Project and net proceeds of all or any part of the Project which is taken in the exercise of the power of eminent domain or through the exercise of any right or obligation on the part of any public authority to purchase the same or as a result of any agreement between the Service and any such public authority that are deposited and held in the Insurance and Condemnat on A ward Fund and that are not applied to the repair or replacement of the lost damaged destroyed or taken property in accordance with the terms of the Indenture

(b) **Extraordinary Optional Redemption** The Bonds are subject to redemption as a whole at any time at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption at the option of the Service upon the occurrence of any of the following events

(i) the Project or the Service s interest therein shall have been lost damaged or destroyed to such an extent that in the opinion of the Service (A) the Project cannot be reasonably restored within a period of 12 months to the condition thereof immediately preceding such loss damage or destruction or (B) the Service is thereby prevented from carrying on its normal operation of the Project for a period in excess of 12 months from the date of damage or destruction or

(ii) taking or condemnation of the title to or the temporary use of all or substantially all of the Project by a competent authority or loss of use or possession of all or substantially all of the Project which taking condemnation or loss results or is likely to result in the Service s being prevented or likely to be prevented from carrying on its normal operation of the Project for a period in excess of 12 months from the date of any such event or

(iii) as a result of changes in Applicable Law (defined in the Indenture) (A) the Indenture or the Service Agreements shall become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or (B) unreasonable burdens or excessive liabilities are imposed upon the Service by reason of the operation of the Project or (C) the Service is no longer able to operate the Project or

(iv) changes in the economic availability of raw materials energy operating supplies or facilities necessary for the operation of the Project or technological or other changes shall have occurred which in the reasonable judgment of the Service render the Project uneconomic or unsuitable for the purposes specified in the Service Agreements for a period in excess of 12 months from the date of such changes or

(v) a final decree or judgment of any federal court or any determination decision or decree by the Internal Revenue Service shall have been entered which decree judgment determination or decision is not subject to further appeal and determines that interest paid or payable on any tax exempt Bond is not or was not excludable from the gross income of the holder thereof for federal income tax purposes other than with respect to any period during which such holder was a substantial user of the Project or a related person (as such terms are used in Section 147(a) of the Internal Revenue Code)

(c) **Selection of Bonds to Be Redeemed** If fewer than all of the Bonds shall be called for redemption the particular maturities of the Bonds to be redeemed shall be selected by the Service If fewer than all of the Bonds of any one maturity shall be called for redemption the particular Bonds or portions of Bonds to be redeemed from such maturity shall be selected by lot by the Trustee in such manner as the Trustee in its discretion may determine Money available for the redemption of Parity Bonds shall be allocated to the Bonds and any Additional Bonds outstanding under the Indenture in the manner provided in the Indenture

(d) **Notice of Redemption** The Trustee shall give notice of the call for any redemption by publication at least once in a daily newspaper of general circulation in the Borough of Manhattan City and State of New York or a financial journal published in such Borough City and State and at least once in a daily newspaper of general circulation in the City of Baltimore Maryland which notice shall be published at least 30 days before the redemption date Notice of any such redemption shall also be mailed at least 30 days before the redemption date to the registered owners of the Bonds to be redeemed but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption of the Bonds As provided in the Indenture so long as all of the Bonds are maintained in book entry form with

DTC at least two Business Days prior to the day on which the notice is published by the Trustee as set forth above the Trustee shall provide notice of redemption of the Bonds to DTC in the manner and under the terms and conditions provided herein and in the Indenture

(e) **Effect of Call for Redemption** On the date designated for redemption notice having been given as provided herein the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or such portions thereof on such date and if moneys for the payment of the redemption price and accrued interest are held by the Trustee as provided in the Indenture interest on such Bonds or such portions thereof so called for redemption shall cease to accrue such Bonds or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the registered owners thereof shall have no rights in respect of such Bonds or such portions thereof so called for redemption except to receive payment of the redemption price thereof and the accrued interest thereon so held by the Trustee If a portion of this bond shall be called for redemption a new Bond or Bonds in the aggregate principal amount equal to the unredeemed portion hereof of the same series and maturity and bearing interest at the same rate shall be issued to the registered owner upon the surrender hereof

6 **Municipal Bond Insurance Policy** Municipal Bond Insurance Policy No _____ (the Policy) with respect to payments due for principal of and interest on this bond has been issued by _____ (_____) The Policy has been delivered to United States Trust Company of New York New York New York as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured from _____ or the Insurance Trustee All payments required to be made under the Policy shall be made in accordance with the provisions thereof The owner of this bond acknowledges and consents to the subrogation rights of _____ as more fully set forth in the Policy

7 **Acceleration, Defeasance** In certain events on the conditions in the manner and with the effect set forth in the Indenture the principal of all the Bonds including the Series 1994 Bonds then outstanding under the Indenture may become or may be declared due and payable before the stated maturities thereof together with the interest accrued thereon

The Indenture prescribes the manner in which it may be discharged and provides that Series 1994 Bonds shall be deemed to be paid if moneys or Government Obligations (defined in the Indenture) the principal of and interest on which when due will be sufficient to pay the principal or redemption price of and interest on such Series 1994 Bonds to the date of maturity or redemption thereof shall have been deposited with the Trustee

8 **Persons Deemed Owners, Restrictions upon Actions by Individual Holders** The Service and the Trustee 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 Service or the Trustee) for the purpose of receiving payment of or on account of the principal or redemption price of this Bond and for all other purposes except as otherwise provided herein with respect to the payment of interest on this Bond and neither the Service nor the Trustee shall be affected by any notice to the contrary All such payments so made to any such registered owner or upon such owner s 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

The registered owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein or to take any action with respect to any event of default under the Indenture or to institute appear in or defend any suit or other proceeding with respect hereto except as provided in the Indenture

9 **Transfer and Exchange** This Bond may be exchanged for an equal aggregate principal amount of Series 1994 Bonds of the same maturity and bearing interest at the same rate and of other authorized denominations and the transfer of this Bond may be registered upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee together with an assignment duly executed by the registered owner hereof or such owner s attorney or legal representative The Service and the Trustee may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge payable in connection therewith Neither the Service nor the Trustee shall be required to register the transfer of this Bond or make any such exchange of this Bond after this Bond has been selected for redemption

10 **Modifications** Modifications or alterations of the Indenture or the Service Agreements may be made only to the extent and in the circumstances permitted by the Indenture and the Service Agreements

11 **Negotiability** As declared by the Act this Bond shall be and be deemed to be for all purposes a negotiable instrument subject only to the provisions for registration and registration of transfer stated herein

12 **Governing Law** This Bond shall be governed by and construed in accordance with the laws of the State of Maryland

13 **Notices** Except as otherwise provided in the Indenture and this Bond when the Trustee is required to give notice to the 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 Trustee Any notice mailed as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee

IN WITNESS WHEREOF Maryland Environmental Service has caused this Bond to be executed in its name by the manual signature of the Director of the Service and its corporate seal (or a facsimile thereof) to be hereunto affixed imprinted engraved or otherwise reproduced and attested by the manual signature of its Deputy Director all as of the first day of September 1994

July 19 1994 Draft

MARYLAND ENVIRONMENTAL SERVICE

[Seal]

By _____
George G Perdıkakıs
Dırector

Attest

_____
Annette Anselmı
Deputy Dırector

[Certificate of Authentication]

Date of Authentication

This Bond is one of the Bonds of the series designated herein and issued under the provisions of the within mentioned Indenture A signed original of the complete text of the opinion of Piper & Marbury Baltimore Maryland Bond counsel is on file with the undersigned

THE RIGGS NATIONAL BANK OF MARYLAND
as Trustee

By _____
Authorized Signatory

PRELIMINARY OFFICIAL STATEMENT DATED _____, 1994

NEW ISSUE

Moody's Investors Service, Inc
Standard & Poor's Corporation
(See "Ratings" herein)

In the opinion of Piper & Marbury Bond Counsel assuming compliance with certain covenants described herein under the terms of the enabling legislation of the Service the Series 1994 Bonds their transfer the interest payable on them and any income derived from them including any profit realized in their sale or exchange shall be exempt at all times from taxation of every kind and nature by the State of Maryland or by any of its political subdivisions municipal corporations or public units of any kind but no opinion is expressed as to Maryland estate or inheritance taxes the Maryland franchise tax on financial institutions measured by income or any other Maryland taxes not levied or assessed directly on the Series 1994 Bonds or the income therefrom and interest on the Series 1994 bonds is excludable from gross income for federal income tax purposes under existing statutes regulations and decisions As described herein under Tax Exemptions interest earned on the Series 1994 Bonds for federal income tax purposes is not included in corporate or individual alternative minimum taxable income as an enumerated item of tax preference or other specific adjustment however interest earned on the Series 1994 Bonds may be included in a corporation s adjusted current earnings in calculating a corporation s alternative minimum taxable income for federal income tax purposes and may be subject to the environmental tax imposed on corporations and the branch profits tax imposed on foreign corporations engaged in a trade or business in the United States

$_____

MARYLAND ENVIRONMENTAL SERVICE
REVENUE BONDS
(MID SHORE REGIONAL LANDFILL PROJECT),
Series 1994

Dated September 1, 1994 **Due March 1, as shown below**

The Series 1994 Bonds are issuable only as fully registered bonds in denominations of $5 000 and integral multiples thereof All of the Series 1994 Bonds initially will be maintained under a book entry system and will be registered in the name of Cede & Co as registered owner of and nominee for The Depository Trust Company (DTC) New York New York which will act as securities depository for the Series 1994 Bonds Individual purchases of the Series 1994 Bonds will be made only in book entry form in denominations of $5 000 and integral multiples thereof Individual purchasers (Beneficial Owners) of Series 1994 Bonds will not receive physical delivery of bond certificates

Interest on the Series 1994 Bonds from September 1 1994 is payable on March 1 1995 and semiannually thereafter on September 1 and March 1 So long as the Series 1994 Bonds are

maintained under a book entry system payments of principal of and the redemption premium if any and interest on the Series 1994 Bonds will be made when due by The Riggs National Bank of Maryland Bethesda Maryland (the Trustee) to DTC in accordance with the Indenture (hereinafter defined) and the Trustee will have no obligation to make any payments to any beneficial owner of any Series 1994 Bonds See The Series 1994 Bonds DTC and Book Entry Only System The Series 1994 Bonds will be issued pursuant to an Indenture of Trust dated as of February 15 1990 as amended and supplemented by the First Supplemental Indenture of Trust dated as of December 15 1993 and the Second Supplemental Indenture of Trust dated as of September 1 1994 (collectively the Indenture) between the Trustee and Maryland Environmental Service (the Service) The Service is a body politic and corporate and a public instrumentality of the State of Maryland

Payment of the principal of and interest on the Series 1994 Bonds when due will be insured by a municipal bond insurance policy to be issued by

[Insurer]

simultaneously with the delivery of the Series 1994 Bonds as described herein

The Series 1994 Bonds constitute special obligations of the Service payable solely from (i) Revenues from the Project pledged by the Service under the Indenture and (ii) to the extent provided in the Indenture, the proceeds of the Series 1994 Bonds

Neither the State of Maryland nor any political subdivision thereof nor the Service shall be obligated to pay the Series 1994 Bonds or the interest thereon except from the Revenues, and neither the faith and credit nor the taxing power of the State of Maryland, of any political subdivision thereof or of the Service is pledged to the payment of the principal of or the interest on the Series 1994 Bonds The issuance of the Series 1994 Bonds does not directly or indirectly or contingently obligate, morally or otherwise, the State of Maryland, any political subdivision thereof or the Service to levy or pledge any form of taxation whatever therefor or to make any appropriation for their payment The Service has no taxing power

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The Series 1994 Bonds are subject to redemption prior to maturity as described herein under 'The Series 1994 Bonds Redemption Provisions

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MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

Maturing March 1	Principal Amount	Interest Rate	Price or Yield	Maturing March 1	Principal Amount	Interest Rate	Price or Yield

(Accrued interest from September 1, 1994 to be added)

The interest rates and prices or yields shown above were furnished by the successful bidders for the Series 1994 Bonds All other information concerning the terms of the reoffering of the Series 1994 Bonds should be obtained from the successful bidders and not from the Service (See Sale at Competitive Bidding)

The Series 1994 Bonds are offered when as and if issued by the Service subject to the approval of Piper & Marbury Baltimore Maryland Bond Counsel and to certain other conditions It is expected that the Series 1994 Bonds will be available for delivery in New York New York on or about September___ 1994

[END OF COVER PAGE]

[BEGIN INSIDE COVER]

IN CONNECTION WITH THIS OFFERING THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 1994 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET SUCH STABILIZING IF COMMENCED MAY BE DISCONTINUED AT ANY TIME

No dealer, broker, sales representative, or other person has been authorized by Maryland Environmental Service (the "Service") to give any information or to make any representation other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing The information set forth herein has been obtained from the Service, _____ "[the Insurer]" and other sources that are deemed to be reliable but is not guaranteed as to accuracy or completeness by the Service, and is not to be construed as a representation as to information from sources other than the Service, of the Service [The Insurer] has furnished the information contained under the caption "Municipal Bond Insurance" and the specimen form of municipal bond insurance policy contained in Appendix G References to all documents referred to herein are qualified in their entirety by reference to the complete terms and provisions of such documents The

information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 1994 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Service since the date hereof

This Official Statement is not to be construed as a contract or agreement between the Service and the purchasers or holders of any of the Series 1994 Bonds

All quotations from, and summaries and explanations of, provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 1994 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Service or [the Insurer] since the date hereof

This Official Statement is submitted in connection with the offering of the Series 1994 Bonds and may not be reproduced, used or relied upon, in whole or in part, for any other purpose

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July 26, 1994 Draft

OFFICIAL STATEMENT

relating to

$_____

MARYLAND ENVIRONMENTAL SERVICE REVENUE BONDS (MID SHORE REGIONAL LANDFILL PROJECT) SERIES 1994

INTRODUCTION

This Official Statement including the cover page (excluding the price) and appendices sets forth certain information for use in connection with the sale by Maryland Environmental Service (the Service") of $_____ Maryland Environmental Service Revenue Bonds (Mid Shore Regional Landfill Project) Series 1994 (the Series 1994 Bonds) The issuance sale and delivery of the Series 1994 Bonds are authorized by the Indenture of Trust dated as of February 15 1990 as amended and supplemented by the First Supplemental Indenture of Trust dated as of December 15 1993 and the Second Supplemental Indenture of Trust dated as of September 1 1994 (the Indenture) between the Service and The Riggs National Bank of Maryland Bethesda Maryland as Trustee (the Trustee)

The Service is authorized to issue the Series 1994 Bonds by the Maryland Environmental Service Act being Sections 3 101 through 3 129 inclusive of the Natural Resources Article of the Annotated Code of Maryland (1989 Replacement Volume and 1993 Cumulative Supplement) (the Act') The Series 1990 Bonds (described herein) the Series 1994 Bonds and any Additional Bonds issued pursuant to the Indenture are herein referred to as the Bonds

Brief descriptions of the Service Agreements (as defined herein) and the Indenture appear in Appendices D and E respectively to this Official Statement The summaries of and references to all documents statutes reports and other instruments referred to herein do not purport to be complete comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each document statute report or instrument For the definition of certain other words and terms used elsewhere in this Official Statement (including the appendices hereto) see Appendix E

The Project Pursuant to the Act and the Indenture the Service issued its $8 075 000 Maryland Environmental Service Revenue Bonds (Mid Shore Regional Landfill Project) Series 1990 (the Series 1990 Bonds) on March 8 1990 in order to finance the cost of designing acquiring constructing and equipping the first phase of a regional sanitary landfill facility located in Talbot County Maryland (the Regional Landfill) The first phase of the Regional Landfill consisted of the first landfill cell a leachate collection system and certain site improvements The first phase of the Regional Landfill was completed on _____ and has been operated by the Service continually since that date The Regional Landfill is owned by the Service It is

anticipated that the Landfill will have a total of five landfill cells with a collective useful life extending at least through 2010 and that construction of a new landfill cell will be required approximately each five years

The Regional Landfill is designed to accept all waste materials normally found in municipally collected residential refuse and most types of commercial and light industrial solid waste (Acceptable Waste) Hazardous wastes are not accepted at the Regional Landfill The Regional Landfill provides waste disposal services to the residents of Caroline County Maryland Queen Anne s County Maryland Kent County Maryland and Talbot County Maryland

On December 23 1993 the Service issued its $2 400 000 Maryland Environmental Service Revenue Bond Anticipation Notes (Midshore Regional Landfill Project) Series 1993 (the 1993 Bond Anticipation Notes) in order to finance a portion of the cost of the design construction and operation of the second landfill cell of the Regional Landfill the closure of the Easton Landfill located adjacent to the Regional Landfill and the closure of the first landfill cell of the Regional Landfill (the Project)

Project Participants The Service has entered into separate Waste Disposal Service Agreements (the Service Agreements) with County Commissioners of Caroline County County Commissioners of Queen Anne s County County Commissioners of Kent County and Talbot County Maryland (collectively the Counties) pursuant to which each of the Counties has agreed to deliver all of its Acceptable Waste for disposal at the Regional Landfill in each year throughout the term of the Series 1994 Bonds and to pay certain disposal fees The Service Agreements executed by each County contain substantially similar terms and conditions Each County will pay the Service a per ton disposal fee (the Tipping Fee) for Acceptable Waste deliveries to the Regional Landfill by the County The Service will also charge a Tipping Fee for disposal of Acceptable Waste deliveries to the Regional Landfill by persons other than the Counties If in any year the revenues of the Service from Tipping Fees and other sources related to the operation of the Regional Landfill (the Landfill Revenues) are insufficient to pay the costs of financing and operating the Project (the Total Costs) then each County will pay the Service a fee (the Supplemental Fee) equal to its share (the Proportionate Share) of such deficiency

Purpose of Issue The proceeds of the Series 1994 Bonds will be used to redeem the 1993 Bond Anticipation Notes and to finance the remaining cost of designing acquiring constructing and equipping the Project Upon the issuance of the Series 1994 Bonds and the redemption of the 1993 Bond Anticipation Notes there will be outstanding $_____ aggregate principal amount of Bonds of the Project consisting of $_____ of Series 1990 Bonds and $_____ of Series 1994 Bonds The Series 1994 Bonds will constitute Additional Bonds under the Indenture and will be secured equally and ratably on a parity with the Series 1990 Bonds

ESTIMATED SOURCES AND USES OF FUNDS

The estimated uses of the Series 1994 Bonds incidental costs related thereto and the estimated sources of funds available therefor are as follows

Uses of Funds

Redemption of the Bond Anticipation Notes (Mid Shore Regional Landfill Project) Series 1993	$2 400 000
Estimated costs of the Project and contingency (1)	$2 552 500
Debt Service Reserve Fund Requirement (2)	$577 500
Administrative fees and expenses [bond insurance premium] legal financing and miscellaneous expenses (1)	$275 000
Total Uses of Funds	$5 805 000

Sources of Funds

Series 1994 Bonds	$5 775 000
Interest earnings on Construction Fund and Debt Service Reserve Fund	$30 000
Total Sources of Funds	$5 805 000

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(1) Estimate of the Service includes costs of the Project not paid from proceeds of the 1993 Bond Anticipation Notes

(2) The Debt Service Reserve Fund Requirement for the Series 1994 Bonds

PLAN OF FINANCING

Plan of Financing As set forth in Estimated Sources and Uses of Funds the proceeds of the Series 1994 Bonds will be used to (i) redeem the $2 400 000 Maryland Environmental Service Revenue Bond Anticipation Notes (Mid Shore Regional Landfill Project) Series 1993 (ii) finance the costs of the Project (iii) fund a Debt Service Reserve Fund for the Series 1994 Bonds and (iv) pay administrative fees and expenses bond insurance premium legal financing and miscellaneous expenses related to the issuance of the Series 1994 Bonds

The Series 1994 Bonds are secured by the Revenues pledged by the Service under the Indenture including the security interest in the moneys in the funds and accounts maintained by the Trustee under the Indenture for the Series 1994 Bonds (other than the Rebate Fund) See Security and Sources of Payment for the Series 1994 Bonds

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 1994 BONDS

General

The Series 1994 Bonds are special obligations of the Service the principal and Redemption Price of and interest on which are payable solely from Revenues and to the extent provided in the Indenture the proceeds of the Series 1994 Bonds

Neither the State of Maryland nor any political subdivision thereof nor the Service shall be obligated to pay the Series 1994 Bonds or the interest thereon except from Revenues and neither the faith and credit nor the taxing power of the State of Maryland of any political subdivision thereof or of the Service is pledged to the payment of the principal of or the interest on the Series 1994 Bonds The issuance of the Series 1994 Bonds does not directly or indirectly or contingently obligate morally or otherwise the State of Maryland or any political subdivision thereof or the Service to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment The Service has no taxing power See State Not Liable on Series 1994 Bonds

Pledge of Revenues

Pursuant to the Indenture the Service will pledge and assign to the Trustee the Revenues The Revenues consist of (i) all payments to the Service or the Trustee pursuant to the Service Agreements (ii) all moneys and securities on deposit in funds and accounts created by the Indenture (other than the Rebate Fund) and (iii) all other receipts of the Service attributable to the ownership leasing or operation of the Regional Landfill and the financing or refinancing of the Project and any Additional Facilities with the proceeds of Bonds

The pledge made by the Indenture and the covenants and agreements contained in the Indenture to be performed by or on behalf of the Service are by their terms for the equal and

ratable benefit protection and security of the Holders of the Series 1990 Bonds the Series 1994 Bonds and any Additional Bonds See Additional Debt

Service Agreements

General

Each County has entered into a Service Agreement with the Service which subject to certain rights of termination described below has a term at least equal to the term of the Series 1994 Bonds The Service Agreements provide that the Counties will pay the Service a Tipping Fee for the acceptance and disposal of each ton of Acceptable Waste and a Supplemental Fee to the extent that in any year Total Costs exceed Landfill Revenues See Summary of Certain Provisions of the Service Agreements Tipping Fees and Supplemental Fee Quarterly Estimated Payment in Appendix D

Obligation of the Counties to Pay Tipping Fees and Supplemental Fees

The Counties have agreed to pay a Tipping Fee for each ton of Acceptable Waste delivered to the Service by or for the account of the Counties The Tipping Fee may be adjusted by the Service In each fiscal year under the Service Agreement (the Fiscal Year) the Service shall set a Tipping Fee which together with the Supplemental Fee and other Landfill Revenues shall be at least equal to Total Costs (as hereinafter described) for such Fiscal Year As provided in the Service Agreements Landfill Revenues are equal to the aggregate amount of any revenues fees and income received by the Service in connection with the Regional Landfill and the provision of solid waste disposal services to the Counties under the Service Agreements including interest earnings thereon Total Costs include (without limitation) debt service payments with respect to the Series 1990 Bonds and the Series 1994 Bonds aggregate costs of operating and maintaining the Regional Landfill and any Alternative Sites used by the Service for the purpose of providing solid waste disposal services under the Service Agreements costs of disposal of waste other than Acceptable Waste costs of labor and amounts to provide for costs incurred if the Regional Landfill is closed which amounts shall be held in a separate fund See Summary of Certain Provisions of the Service Agreements Definitions in Appendix D

The Counties have also agreed in each Fiscal Year to pay a Supplemental Fee which is equal to the amount by which Total Costs exceed Landfill Revenues in such Fiscal Year Each County shall make a quarterly estimated payment of its Proportionate Share of the Supplemental Fee determined in accordance with a formula described in the Service Agreement

Under the terms of the Service Agreements the Counties have each agreed to include in their annual budget for each Fiscal Year during the term of the Service Agreements the amounts sufficient to meet all of their obligations under the Service Agreements or to take such other action as necessary to ensure the availability of such funds The failure by any respective County to take any action to assure the availability of sufficient funds shall not excuse or limit such County s obligations under the Service Agreement including (without limitation) the Tipping

Fee and the Supplemental Fee whether or not any estimates of Total Costs Landfill Revenues Tipping Fees or the County s Proportionate Share of the Supplemental Fee or other amounts payable under the Service Agreement prove to be inaccurate See Summary of Certain Provisions of the Service Agreements Estimates of Tipping Fee and Supplemental Fees Counties Budgeting Obligations in Appendix D

Quantity of Acceptable Waste

Each County has agreed to deliver and the Service has agreed to accept all Acceptable Waste generated within each County except for A ceptable Waste to be recycled The Service may refuse delivery of any waste other than Acceptable Waste The failure of any County to deliver such Acceptable Waste does not constitute a breach of or Event of Default under its respective Service Agreement so long as the County continues to pay its Proportionate Share of the Supplemental Fee See Summary of Certain Provisions of the Service Agreements in Appendix D

The Service Agreements provide that the Service may accept waste from persons other than the Counties provided that Tipping Fees are charged for the disposal of such waste and acceptance of such waste does not impair the obligations of the Service to the Counties under the Service Agreements In addition the Service may accept Acceptable Waste generated outside of the Counties provided that either (i) the Counties have given their consent or (ii) a County is in default under a Service Agreement Prior to accepting any waste generated or collected outside of the Counties in connection with a default by any of the Counties under a Service Agreement which can be cured the Service shall provide the Counties not in default if any with notice of such default See Summary of Certain Provisions of the Service Agreements Other Contracts for Waste Delivery in Appendix D

The Counties have each agreed to deliver all of their Acceptable Waste to the Regional Landfill however if the Regional Landfill is not capable of accepting the waste the Service may direct that it be delivered to an alternate disposal site designated by the Service Use by the Service of an alternative disposal site does not constitute or give rise to a breach of a Service Agreement or an Event of Default under a Service Agreement

Termination of the Service Agreements

If the Service or any of the Counties persistently or repeatedly fails or refuses to substantially fulfill its material obligations under each Service Agreement such failure shall constitute an Event of Default thereunder If an Event of Default shall have occurred and be continuing the Service or the respective County as applicable would have the right to terminate the Service Agreement upon written notice to the party in default Upon such termination the respective County would no longer be obligated to pay the Tipping Fee Supplemental Fee or any other fee in connection with the Service Agreement See Summary of Certain Provisions of the Service Agreements Termination On Default in Appendix D

Each County has the option to terminate its Service Agreement at any time provided that among other conditions the other Counties agree to such termination and the other Counties terminate their Service Agreements If a County exercises this option to terminate under its Service Agreement the Counties must purchase and take title to and liability for the Regional Landfill and any Alternative Sites The amount which the Counties must pay for the purchase is determined by a formula set forth in the Service Agreements but in no event shall the purchase price be less than the greater of (i) the fair market value of the Regional Landfill and the Alternative Sites if any and (ii) the amounts of money necessary to defease or retire and redeem any outstanding Indebtedness issued for the purposes of the Regional Landfill and any Alternative Sites See Summary of Certain Provisions of the Service Agreements Option to Terminate at any Time in Appendix D

Debt Service Reserve Fund

Upon the delivery of the Series 1994 Bonds the Trustee will deposit in the Debt Service Reserve Fund from the proceeds of the Series 1994 Bonds an amount equal to the Debt Service Reserve Fund Requirement The Indenture establishes the Debt Service Reserve Fund Requirement as an amount equal to the lesser of Maximum Annual Debt Service on the Bonds or ten percent of the proceeds of the Bonds The Indenture provides that Maximum Annual Debt Service on the Bonds will be calculated as described in the definition of Debt Service Requirements under Definitions of Certain Provisions of the Indenture in Appendix E

The Service may deliver to the Trustee a Debt Service Reserve Fund Credit Facility in substitution for amounts initially deposited in the Debt Service Reserve Fund See Investments and Application of Moneys in the Debt Service Reserve Fund under Summary of Certain Provisions of the Indenture in Appendix E

If the amount credited to the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement the Trustee is required under the Indenture after making certain payments from the Revenue Fund to the Interest Account the Principal Account and the Sinking Fund Account to make equal payments in the amounts of one twelfth (1/12) of the deficiency until the amount credited to the Debt Service Reserve Fund equals the Debt Service Reserve Fund Requirement See Summary of Certain Provisions of the Indenture Deposit and Application of Moneys in the Debt Service Reserve Fund in Appendix E

Operating Fund

The Service has paid to the Trustee or holds an amount equal to the Operating Reserve Requirement The Indenture establishes the Operating Reserve Requirement as the amount certified by an Authorized Officer of the Service to be equal to one sixth of the annual operating expenses of the Service in connection with the Project shown on the audited financial statements of the Service

The Indenture provides that the Trustee upon receipt of a certificate of an Authorized Officer of the Service shall disburse amounts from the Operating Fund to the Service on any date to pay for certain expenses relating to the provision of waste disposal services under the Service Agreements including (without limitation) to pay costs of extraordinary maintenance or repair

On July 15 of each Fiscal Year so long as no Event of Default shall have occurred and be continuing the Trustee will disburse to the Service any amount in the Operating Fund in excess of the Operating Reserve Requirement See Summary of Certain Provisions of the Indenture Application of Moneys in the Operating Fund

Enforceability

The Indenture and the Series 1994 Bonds are subject to bankruptcy insolvency moratorium reorganization and other state and federal laws affecting the enforcement of creditor s rights and to general principles of equity

In the event that a County fails to make payments due under a Service Agreement such County may be sued by the Service and any judgments resulting from any such suit would be enforceable against the County Nevertheless a judgment creditor of the County may be required to seek additional relief to compel the County to provide the funds from which such judgment may be paid such as a mandatory injunction to require the County to make funds available to pay such judgment

In addition the Service Agreement is subject to bankruptcy insolvency moratorium reorganization and other state and federal laws affecting the enforcement of creditor s rights and to general principles of equity

[MUNICIPAL BOND INSURANCE]

Payment Pursuant to Municipal Bond Insurance Policy

The Bond Insurer has made a commitment to issue a municipal bond insurance policy (the Municipal Bond Insurance Policy) relating to the Series 1994 Bonds effective as of the date of issuance of the Series 1994 Bonds Under the terms of the Municipal Bond Insurance Policy the Bond Insurer will pay to the [Name of Insurance Trustee] in New York New York or any successor thereto (the Insurance Trustee) that portion of the principal of and interest on the Series 1994 Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Municipal Bond Insurance Policy) The Bond Insurer will make such payments to the Insurance Trustee on the later of the date on

which such principal and interest becomes Due for Payment or the fifth (5th) day next following the date on which the Bond Insurer shall have received notice of Nonpayment from the Trustee The insurance will extend for the term of the Series 1994 Bonds and once issued cannot be cancelled by the Bond Insurer

The Municipal Bond Insurance Policy will insure payment only on stated maturity dates in the case of principal and on stated dates for payment in the case of interest It will not insure payment on acceleration as a result of a call for redemption (other than sinking fund redemption) or as a result of any other advancement of maturity nor will it insure the payment of any redemption prepayment or acceleration premium or any risk other than Nonpayment provided however that notwithstanding anything to the contrary contained in the Municipal Bond Insurance Policy upon the occurrence of an event of default under the Indenture the Bond Insurer may at its option direct the acceleration of the Series 1994 Bonds if the Bond Insurer irrevocably deposits with the Trustee or the Insurance Trustee an amount that together with any other funds available to the Trustee or the Insurance Trustee to pay the Series 1994 Bonds shall be sufficient to pay all amounts due on the Series 1994 Bonds on the date to which such payments are accelerated

The Municipal Bond Insurance Policy will not insure against nonpayment of principal or interest caused by the insolvency or negligence of any Trustee or Paying Agent if any If the Series 1994 Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Series 1994 Bonds the Bond Insurer will remain obligated to pay principal of and interest on outstanding Series 1994 Bonds on the originally scheduled interest and principal payment dates In the event the Trustee has notice that any payments of principal of or interest on a Series 1994 Bond which has become Due for Payment and which is made to a Bondholder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final nonappealable order of a court of competent jurisdiction such registered owner will be entitled to payment from the Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available

If it becomes necessary to call upon the Municipal Bond Insurance Policy payment of principal requires surrender of Series 1994 Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Series 1994 Bonds to be registered in the name of the Bond Insurer Payment of interest pursuant to the Municipal Bond Insurance Policy requires proof of Bondholder entitlement to interest payments and an appropriate assignment of the Bondholder s right to payment to the Bond Insurer

Upon payment of the insurance benefits the Bond Insurer will become the owner of the Series 1994 Bond appurtenant coupon if any or right to payment of principal or interest on such Series 1994 Bond and will be fully subrogated to the surrendering Bondholder s rights to payment

In cases where the Series 1994 Bonds are issued in book entry form the Insurance Trustee shall disburse principal and interest to a Bondholder only upon evidence satisfactory to the Insurance Trustee and the Bond Insurer that the ownership interest of the Bondholder in the right to payment of such principal and interest has been effectively transferred to the Bond Insurer on the books maintained for such purpose The Bond Insurer shall be fully subrogated to all of the Bondholders rights to payment to the extent of the insurance disbursements so made

THE SERIES 1994 BONDS

General

The Series 1994 Bonds will be dated as of September 1 1994 will bear interest from September 1 1994 at the rates set forth on the cover page of this Official Statement payable on March 1 1995 and semiannually thereafter on each September 1 and March 1 and subject to the redemption provisions set forth below will mature on the dates and in the amounts set forth on the cover page of this Official Statement

The Series 1994 Bonds will be issued only as fully registered bonds in denominations of $5 000 and integral multiples thereof and when issued will be registered in the name of Cede & Co as nominee of the Depository Trust Company (DTC) to which principal and interest payments on the Series 1994 Bonds will be made so long as DTC or its nominee is the registered owner of the Series 1994 Bonds See Book Entry Only System

Redemption Provisions

Optional Redemption--Series 1994 Bonds

The Series 1994 Bonds maturing on or after March 1 2005 will be subject to redemption prior to maturity beginning on March 1 2004 at the option of the Service as a whole at any time or in part of any interest payment date at the following prices expressed as percentages of the principal amount of the Series 1994 Bonds to be redeemed plus accrued interest thereon to the date set for redemption

Period During Which Redeemed (both dates inclusive	Price
March 1 2004 through February 28 2005	102%
March 1 2005 through February 28 2006	101
March 1 2006 and thereafter	100

Extraordinary Mandatory Redemption

The Series 1994 Bonds are subject to redemption prior to maturity as a whole at any time or in part on any interest payment date at a Redemption Price equal to the principal amount of

such Series 1994 Bonds redeemed plus accrued and unpaid interest to the date fixed for redemption in an amount equal to the amount of the net proceeds of casualty insurance and liability insurance with respect to the Project and net proceeds of all or any part of the Project which is taken in the exercise of the power of eminent domain or through the exercise of any right or obligation on the part of any public authority to purchase the same or as a result of any agreement between the Service and any such public authority that are deposited and held in the Insurance and Condemnation Award Fund and that are not applied to the repair or replacement of the lost damaged destroyed or taken property in accordance with the terms of the Indenture

Extraordinary Optional Redemption

The Series 1994 Bonds are subject to redemption as a whole at any time at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the date fixed for redemption at the option of the Service upon the occurrence of any of the following events (i) the Project or the Service s interest therein shall have been lost damaged or destroyed to such an extent that in the opinion of the Service (A) the Project cannot be reasonably restored within a period of 12 months to the condition thereof immediately preceding such loss damage or destruction or (B) the Service is thereby prevented from carrying on its normal operation of the Project for a period in excess of 12 months from the date of damage or destruction or (ii) taking or condemnation of the title to or the temporary use of all or substantially all of the Project by a competent authority or loss of use or possession of all or substantially all of the Project which taking condemnation or loss results or is likely to result in the Service s being prevented or likely to be prevented from carrying on its normal operation of the Project for a period in excess of 12 months from the date of any such event or (iii) as a result of changes in Applicable Law (defined in the Indenture) (A) the Indenture or the Service Agreements shall become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed therein or (B) unreasonable burdens or excessive liabilities are imposed upon the Service by reason of the operation of the Project or (C) the Service is no longer able to operate the Project or (iv) changes in the economic availability of raw materials energy operating supplies or facilities necessary for the operation of the Project or technological or other changes shall have occurred which in the reasonable judgment of the Service render the Project uneconomic or unsuitable for the purposes specified in the Service Agreements for a period in excess of 12 months from the date of such changes or (v) a final decree or judgment of any federal court or any determination decision or decree by the Internal Revenue Service shall have been entered which decree judgment determination or decision is not subject to further appeal and determines that interest paid or payable on any tax exempt Bond is not or was not excludable from the gross income of the holder thereof for federal income tax purposes

Selection of Bonds to Be Redeemed

If fewer than all of the Series 1994 Bonds shall be redeemed the particular maturities of the Series 1994 Bonds to be redeemed shall be selected by the Service If fewer than all of the Series 1994 Bonds of any one maturity shall be called for redemption the particular Series 1994 Bonds to be redeemed shall be selected by lot by the Trustee except that so long as DTC or its

nominee is the sole registered owner of the Series 1994 Bonds the particular Series 1994 Bond or portion thereof to be redeemed within a maturity shall be selected by lot by DTC in such manner as DTC shall determine See Book Entry Only System

Notice of Redemption

As long as the Series 1994 Bonds are registered in the name of Cede & Co (or a successor entity) in the book entry system the Trustee shall give notice of the call for any redemption by certified mail at least 30 days before the redemption date to the registered owner of each Series 1994 Bond or portion of a Series 1994 Bond to be redeemed at the address appearing on the registration books maintained by the Trustee as Bond Registrar At such time as the Series 1994 Bonds are no longer held by Cede & Co (or a successor entity) the Trustee shall give notice of the call for any redemption by publication at least once in a daily newspaper of general circulation in the Borough of Manhattan City and State of New York or a financial journal published in such Borough City and State and at least once in a daily newspaper of general circulation in Baltimore Maryland Such notice shall be published at least 30 days before the redemption date Notice of any such redemption shall also be mailed at least 30 days before the redemption date to the registered owners of the Series 1994 Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Trustee but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice to any of such registered owners shall not affect the validity of the proceedings for the redemption of the Series 1994 Bonds The Series 1994 Bonds so called for redemption will cease to bear interest on the specified redemption date and shall no longer be secured by the Indenture provided that funds for such redemption are on deposit at that time with the Trustee

Registration and Exchange of Bonds

At such time as the Series 1994 Bonds are no longer held by Cede & Co (or a successor entity) any Series 1994 Bond may be exchanged for an equal aggregate principal amount of Series 1994 Bonds of the same Series and maturity and bearing interest at the same rate in any authorized denomination and the transfer of any Series 1994 Bond may be registered upon presentation and surrender of such Bond at the principal corporate trust office of the Trustee together with an assignment duly executed by the registered owner or his attorney or legal representative The Service and the Trustee may require the person requesting any such exchange or transfer to reimburse them for any tax or other governmental charge payable in connection therewith Neither the Service nor the Trustee shall be required to register the transfer of any Series 1994 Bond or make any such exchange of any Series 1994 Bond after such Bond or any portion thereof has been selected for redemption

Acceleration

Upon the occurrence of certain events the due date for the payment of the principal amount of the Series 1994 Bonds may be accelerated Upon the occurrence of an Event of Default under the Indenture the Bond Insurer may at its option direct the acceleration of the

Series 1994 Bonds if the Bond Insurer irrevocably deposits with the Trustee or the Insurance Trustee an amount that together with any other funds available to the Trustee or the Insurance Trustee to pay the Series 1994 Bonds shall be sufficient to pay all amounts due on the Series 1994 Bonds on the date to which such payments are accelerated See Summary of Certain Provisions of the Indenture Events of Default and Remedies in Appendix E

ANNUAL DEBT SERVICE REQUIREMENTS OF THE SERIES 1994 BONDS

The following table sets forth for each year ending February 28 (or 29 as the case may be) the amount required for the payment of principal due on the Series 1994 Bonds (whether at maturity or by mandatory redemption) on the immediately succeeding March 1 and for the payment of interest on the Series 1994 Bonds on September 1 of such year and on the immediately succeeding March 1 and the total Debt Service Requirements of the Series 1994 Bonds

Year	Principal $	Interest (1) %	Total Debt Service Requirement $
1995		(2)	
1996			
1997			
1998			
1999			
2000			

(1) Interest Rates estimated from ___% to ____%

(2) Interest from September 1 1994

BOOK ENTRY ONLY SYSTEM

DTC will act as securities depository for the Series 1994 Bonds The ownership of one fully registered Series 1994 Bond for each maturity each in the aggregate principal amount of such maturity will be registered in the name of Cede & Co as nominee for DTC DTC is a limited purpose trust company organized under the laws of the State of New York a member of the Federal Reserve System a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 as amended DTC was created to hold securities of its participants (the DTC Participants) and to facilitate the clearance and settlement of securities transactions among DTC Participants through electronic book entry changes in accounts of the DTC Participants thereby eliminating the need for physical movement of securities certificates DTC Participants include securities brokers and dealers banks trust companies clearing corporations and certain other organizations some of whom (and/or their representatives) own DTC Access to the DTC system is also available to others

such as banks brokers dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant either directly or indirectly (the Indirect Participant)

Purchases of Series 1994 Bonds under the book entry system may be made through brokers and dealers who are or act through DTC Participants The DTC Participants shall receive a credit balance in the records of DTC The ownership interest of the actual purchaser of each Bond (the Beneficial Owner) is to be recorded on the records of the DTC Participant Beneficial Owners are to receive a written confirmation of their purchase with details of the Series 1994 Bonds acquired Transfers of ownership interests in Series 1994 Bonds are to be accomplished by book entries made by DTC and by the DTC Participants who act on behalf of the Beneficial Owners Beneficial Owners will not receive Series 1994 Bonds representing their ownership interest therein except as specially provided in the Indenture Interest and principal is to be paid to DTC or its nominee and then is to be paid by DTC to the DTC Participants and thereafter is to be paid by the DTC Participants to the Beneficial Owners when due

NEITHER THE SERVICE NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS

Beneficial Owners of the Series 1994 Bonds or those possessing interest in the Series 1994 Bonds will not receive or have the right to receive physical delivery of such Bonds and will not be or be considered to be owners thereof under the Indenture So long as Cede & Co is the registered owner of the Series 1994 Bonds as nominee of DTC references herein to the Bondholder Holders or registered owners of the Series 1994 Bonds shall mean Cede & Co and shall not mean the Beneficial Owners thereof

For every transfer and exchange of the Bonds the Beneficial Owner may be charged a sum sufficient to cover any tax fee or other governmental charge that may be imposed in relation thereto

DTC may discontinue service with respect to the Series 1994 Bonds at any time by giving notice to the Service and discharging its responsibilities with respect thereto under applicable law Under such circumstances the Series 1994 Bonds are required to be delivered as described in the Indenture Each Beneficial Owner upon registration of the Series 1994 Bonds held in the Beneficial Owner s name shall become a Bondholder

The Service may determine to discontinue the system of book entry transfers through DTC (or a successor securities depository) In such event the Series 1994 Bonds are to be delivered as described in the Indenture

When referring to any action which is required or permitted to be taken by the Beneficial Owners such reference shall only relate to the action by such Beneficial Owner or those

permitted to act (by statute regulation or otherwise) on behalf of such Beneficial Owners for such purposes When notices are given they shall be sent by the Service to DTC only

Principal and interest payments on the Series 1994 Bonds are to be made to DTC or its nominee Cede & Co as registered owner of the Series 1994 Bonds Upon receipt of moneys DTC s current practice is to immediately credit the accounts of the DTC Participants according to their respective holdings shown on the records of DTC Payments by DTC Participants and Indirect Participants to Beneficial Owners are to be governed by standing instructions and customary practices as is now the case with municipal securities held for the accounts of customers in bearer form or registered in street name and would be the responsibility of such DTC Participant or Indirect Participant and not of DTC or the Service subject to any statutory and regulatory requirements as may be in effect from time to time

The Service so long as a book entry system is used for the Series 1994 Bonds is to send any notice of redemption or other notices to Holders only to DTC Any failure by DTC to advise any DTC Participant or by any DTC Participant to notify the Beneficial Owner of any such notice and its content or effect shall not affect the validity of the redemption of the Series 1994 Bonds called for redemption or of any other action premised on such notice

The Service cannot and does not give any assurances that DTC DTC Participants or others will distribute payments of debt service of the Series 1994 Bonds paid to DTC or its nominee as the registered owner or any redemption or other notices to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement

ADDITIONAL DEBT

Additional Bonds

The Indenture provides that Additional Bonds will be secured equally and ratably and on a parity with the Series 1990 Bonds and the Series 1994 Bonds The Indenture permits the issuance of Additional Bonds for any one or more of the following purposes (i) to refund or advance refund any Outstanding Bonds (ii) to obtain funds to pay the Cost of Additional Facilities required to restore maintain improve or otherwise increase the disposal capacity of the Project or to otherwise permit the Service to meet its waste disposal obligations under the Service Agreements including (without limitation) the acquisition or construction of Alternative Sites or (iii) to obtain funds necessary to pay the cost of completing the Project or any Additional Facilities Additional Bonds may be issued to pay the costs incurred in connection with the issuance and sale of any Bonds to establish reserves and to pay interest on any Bonds prior to and during acquisition and construction and for a limited period after completion of the Project or any Additional Facilities as the case may be

The proceeds of the Series 1994 Bonds will finance the construction of the second cell of five cells expected to be constructed for completion of the Regional Landfill The Service intends to finance the construction of the three additional cells of the Regional Landfill with Additional Bonds It is expected that construction of the first of the three additional cells will begin approximately four years after the issuance of the Series 1994 Bonds with an additional cell constructed every four years thereafter

See Summary of Certain Provisions of the Indenture Additional Bonds in Appendix E for a further description of the conditions under which Additional Bonds may be issued

INDEPENDENT ENGINEER'S REPORT

Whitman Requardt and Associates has been retained by the Service as Independent Engineer to prepare a report with respect to the Project (the Independent Engineer s Report) The Independent Engineer s Report is included herein as Appendix B

Presented below are the principal conclusions of the Independent Engineer as set forth in the Independent Engineer s Report with respect to the Project

In the preparation of the Independent Engineer s Report and the opinions presented therein the Independent Engineer has made certain assumptions with respect to conditions which may occur in the future While the Independent Engineer believes that these assumptions are reasonable for the purpose of the Independent Engineer s Report they are dependent upon future events and actual conditions may differ from those assumed In addition the Independent Engineer used and relied upon certain information provided to it by others While the Independent Engineer believes the sources to be reliable it has not independently verified the information and offers no assurances with respect thereto To the extent that actual future conditions differ from those assumed therein or provided to the Independent Engineer by others the actual results will vary from those forecast For a list of the principal considerations and assumptions made by the Independent Engineer and the principal information provided by others see the Independent Engineer s Report the Independent Engineer is of the opinion that

The following are only the conclusions of the independent engineer whose independent engineer s report should be read in its entirety for a complete understanding of the subject matter contained therein Based on the review and analyses and the assumptions set forth in the independent engineer s report the independent engineer is of the opinion that

[INSERT FROM INDEPENDENT ENGINEERS REPORT]

THE SERVICE

The Service is a body politic and corporate of the State of Maryland constituting a public instrumentality organized and existing under and by virtue of the Act The Service was created

by the Maryland General Assembly in 1970 as an agency of the Maryland State Department of Natural Resources The Service operates as both a Maryland agency and a self supporting non profit public utility Major activities of the Service include the provision of water supply and wastewater treatment sewage sludge management recycling assistance solid waste management and energy and resource recovery from waste Services are provided to State of Maryland owned facilities local communities political subdivisions and the private sector

Pursuant to Chapter 196 of the 1993 Acts of the Maryland General Assembly effective July 1 1993 the Service was established as an instrumentality of the State and a public corporation independent of the Department of Natural Resources Chapter 196 also expanded the Board of Directors from seven to nine members provided for the appointment of the Deputy Director Secretary and Treasurer by the Director with the approval of the Governor provided for the appointment of the remaining Board members by the Governor with the advice and consent of the Senate exempted the Service from most provisions of the State Procurement Law established the retirement and health benefits available for certain employees of the Service authorized the Service to create a new personnel system exempted the Service from most provisions of the State Merit System Law effective January 1 1995 authorized the Service to create private corporations authorized the Service to exercise the corporate powers granted Maryland corporations under the Maryland General Corporation Law and made other changes to the law governing the Service

The Service currently operates approximately 129 public and private water and/or wastewater treatment plants throughout the State of Maryland

Licensed and certified personnel operate and maintain the facilities Projects range in size from basic pumping stations to a $13 million advanced wastewater treatment facility Capabilities include financing engineering design construction laboratory testing operation oversight management operation maintenance and plant supervision

The Water and Wastewater Division of the Service is headed by Michael Wojton He directs the activities of both engineering and operational services His background includes 22 years of progressively responsible work in water wastewater hazardous and solid waste management in both facility operations and management and environmental engineering He has extensive experience in project management and program administration Specific experience includes wells septic systems subdivision of land innovative and alternative technologies facility planning EPA and State construction grants industrial pretreatment operation and maintenance of water and wastewater works EPA/State drinking water standards State construction permits sludge management and permitting processes

In the area of Solid and Hazardous Waste Management the Service offers site analysis planning design construction operations and laboratory services The Service has the capabilities and resources to finance as well as build and operate state of the art solid waste facilities including sanitary landfills incinerators and resource reclamation centers

The Waste Management Division is headed by William E Chicca His background includes over 24 years of engineering experience in the area of environmental protection including industrial wastewater treatment and disposal solid waste management hazardous waste management sewage sludge utilization and preparation of solid waste and recycling plans He is responsible for directing solid waste projects including the design construction operation and closure of solid waste landfills In addition he directs the operation of yard waste composting and materials processing facilities as well as a scrap tire recycling program Mr Chicca s unique combination of operational design and construction experience in solid waste provides the necessary insight required to carry projects from concept to operation

The Service also operates and manages the Hawkins Point Hazardous Materials Landfill Hart and Miller Islands Dredge Disposal Facility Garrett County Landfill project and is a partner with Baltimore County in a resource recovery facility The Service has also developed a sludge treatment program including a method of composting sludge producing a trademarked product marketed wholesale throughout the mid Atlantic region as ComPRO

Membership and Organization

The Service s affairs are managed by a nine member Board of Directors The four officers are Director Deputy Director Treasurer and Secretary The Director is appointed by the Governor with the advice and consent of the Senate The Deputy Director Secretary and Treasurer are appointed by the Director with the approval of the Governor The other five members three from the public sector and two from the private sector are appointed by the Governor with the advice and consent of the Senate The Director and Deputy Director serve full time for the Service the Treasurer and the Secretary serve part time Current staffing includes approximately 85 State of Maryland classified and unclassified employees and approximately 320 corporate (non State of Maryland) employees Effective January 1 1995 employees of the Service shall be members of the Service s new personnel system

The Director and Chairman of the Service appointed in February 1988 is George G Perdikakis Prior to his appointment Mr Perdikakis background included over 18 years of experience in local government He served as head of Baltimore City s (the City) Bureau of Highways from 1980 and beginning in 1985 held the concurrent role as Deputy Director of the City s informal Office of Transportation These two positions lead to his appointment as the first Commissioner of the Department of Transportation Prior to 1980 Mr Perdikakis worked for the Jamestown Rhode Island Highway Department and in 1972 began his years of service with Baltimore City as a Construction Project Engineer Mr Perdikakis holds a degree in Civil Engineering from the University of Rhode Island and a Master s degree in Environmental Engineering from The Johns Hopkins University He is a member of the Governor s Council on Toxic Substances the Governor s Controlled Hazardous Substance Advisory Council the Governor s Task Force on Hazardous Waste Initiatives and the Board of the Northeast Maryland Waste Disposal Authority

The other members of the Board of Directors and some of their past and present affiliations are

ANNETTE ANSELMI Treasurer and Member appointed 1994 Director of Administration and Finance Maryland Environmental Service 1989 1994 Lecturer Towson University 1989 present Director of Finance Baltimore County 1982 1986 Member Government Finance Officers Association Maryland Public Finance Officers Association American Economics Association

CAROLYN D DAVIS, Secretary and Member appointed 1993 Assistant Secretary Department of Natural Resources 1991 present Director Office of Public Information Maryland Department of Housing and Community Development 1988 1991 Member Acting Co Chair Minorities in Natural Resources Committee of the Southeastern Association of Fish and Wildlife Agencies

EDWIN G RICHARDS, Public Sector Member appointed 1987 County Administrator Caroline County Member International City Management Association National Association of County Administrators and the Maryland Association of County Administrators

LAWRENCE D SHUBNELL, Private Sector Member appointed 1987 Vice President for Public Finance Legg Mason Wood Walker Inc former Director of Fiscal Research U S Treasury Department former Director of Budget Review the Maryland General Assembly and former Director of the Budget Anne Arundel County

WILLIAM B C ADDISON, JR , Public Sector Member appointed 1994 Farmer Assistant Journal Clerk of the Maryland Senate Agricultural Consultant to Chesapeake Bay Foundation Member Southern States Cooperative Board of Trustees

JOSEPH F SNEE, JR , Private Sector Member appointed 1994 Attorney Hertech Gessner Laws and Snee P A Member Harford County Bar Association ember MD State Bar Association Director The Lawyer Referral Service of the Harford County Bar Foundation Inc Member Harford County Chamber of Commerce

DANIEL F McMULLEN, III, Public Sector Member appointed 1994 County Administrator Allegany County Member MD Transportation Authority Member Allegany County Chamber of Commerce Member Allegany County Local Goverment Study Advisory Committee

Bonds and Notes

The bonds and notes issued by the Service are limited obligations of the Service payable solely from revenues of the Service received in connection with the respective projects financed or refinanced and do not constitute general obligations of the Service to the payment of which the full faith and credit of the Service is pledged

The Service has issued bonds and notes aggregating approximately $_____ in principal amount As of June 30 1994 _____ issues of bonds aggregating approximately $_____ in principal amount remain outstanding

The several series of outstanding bonds and notes issued by the Service are special obligations of the Service payable solely from revenues of the Service received in connection with the respective projects financed or refinanced and do not constitute general obligations of the Service and the full faith and credit of the Service is not pledged to the payment of the principal or redemption price of and interest on these series of bonds The Service has never defaulted in the payment of the maturing principal of or interest on any of its bonds or notes

The Service expects to finance and refinance a variety of projects eligible for financing under the Service s Act other than the Project and any Additional Facilities which may be financed under the Indenture The Service intends to issue other series of bonds and notes for such purpose Each such series will be issued pursuant to an indenture or indentures separate and apart from any other indenture except to the extent a series of bonds may be issued on a parity with bonds of another series if permitted by the applicable indenture or issued pursuant to a general bond of the Service

THE PROJECT

General

The Project includes (i) the design and construction of the second landfill cell of the Regional Landfill closure of the Easton Landfill located adjacent to the Regional Landfill and the closure of the first landfill cell of the Regional Landfill

Site

The Regional Landfill is located on an approximately 175 acre site in Talbot County Maryland located two miles southeast of the Town of Easton Maryland The Regional Landfill is designed to have sufficient capacity to provide for the disposal of the Acceptable Waste collected in the Counties for approximately twenty years The Regional Landfill is located in the central portion of the Regional Landfill Site to allow a minimum buffer distance between the active operations of the Regional Landfill and adjacent properties and to provide for adequate setbacks for vegetated berms around the Regional Landfill Site A minimum distance of 100 feet will be provided between the operating area and the property boundary

The western portion of the Regional Landfill Site consists of approximately 4 acres where the support facilities including scales office homeowners drop off and landfill equipment maintenance area will be located

Technology

The Project will include the construction of the second of five individually double lined disposal areas (Phase Two) which was designed by Whitman Requardt & Associates The Service expects that the construction of the remaining three landfill cells will be designed by independent engineering consultant firms and will be completed with Additional Bonds See Additional Debt Additional Bonds

A detailed design has been adopted for Phase Two in order to take advantage of the possibility of new materials and technologies in the future

Phase Two will be constructed with a double synthetic liner system consisting of two synthetic membrane liners with leachate collection and detection systems The base of the second landfill cell will be graded and compacted prior to the placement of the synthetic membrane liner system A minimum 1 5 foot soil buffer zone will be maintained between the bottom of the liner and the predicted high ground water table Leachate generated through the decomposition of solid waste will be managed with a pump station a double lined leachate storage lagoon and through recirculation Erosion and sedimentation will be controlled through the construction of diversion ditches sediment traps and sedimentation basins Leachate storage lagoons will hold leachate to be recirculated Recirculated leachate will be discharged to Town of Easton water treatment plant located on the adjacent property Collection ponds roadways maintenance facilities and stormwater management systems will also be included in the Project Additionally a public area will be included at the site for the collection of small quantities of household wastes which may include recyclables See Independent Engineer s Report in Appendix B

Construction Schedule

The Service expects to complete the Project by December 31 1994

RATINGS

Standard & Poor s Corporation and Moody s Investors Service Inc have assigned their municipal bond ratings of AAA and Aaa respectively to this issue of Series 1994 Bonds with the understanding that upon delivery of the Series 1994 Bonds a policy insuring the payment when due of the principal of and interest on the Series 1994 Bonds will be issued by [Bond Insurer]

SALE AT COMPETITIVE BIDDING

The Series 1994 Bonds were offered by the Service at a competitive bidding on August __ 1994 in accordance with the Official Notice of Sale (the form of which is attached as Appendix C) The interest rates shown on the cover page of this Official Statement are the

interest rates to the Service resulting from the award of the Series 1994 Bonds at the competitive bidding The yield or prices shown on the cover page of this Official Statement were furnished by the successful bidders for the Series 1994 Bonds All other information concerning the nature and terms of any reoffering should be obtained from the successful bidders for the Series 1994 Bonds and not from the Service

TAX EXEMPTION

In the opinion of Bond Counsel interest on the Series 1994 Bonds will be excludable from gross income for federal income tax purposes under existing statutes regulations and decisions and under the terms of the Service s enabling legislation the Series 1994 Bonds their transfer if applicable the interest payable on them and any income derived from them including any profit realized in their sale or exchange shall be exempt at all times from every kind and nature of taxation by the State of Maryland or by any of its political subdivisions municipal corporations or public units of any kind but no opinion is expressed as to estate or inheritance taxes the Maryland franchise tax on financial institutions measured by income or any other taxes not levied or assessed directly on the Series 1994 Bonds or the income therefrom

As defined in Section 8 101 of the Tax General Article of the Annotated Code of Maryland (1988 Replacement Volume 1992 Supplement) the financial institutions referred to in the foregoing sentence include a commercial bank a credit company a finance company an international banking facility a loan company a mortgage company a safe deposit company a savings bank a savings and loan association a trust company and a company that substantially competes with national banks in the State excluding a finance company that makes loans only to farmers for agricultural purposes a company licensed under the federal Small Business Investment Act of 1958 or a corporation that elects to be taxed as a small business corporation under Subchapter S of the Internal Revenue Code an entity that is a real estate mortgage investment conduit as defined in the Internal Revenue Code or a limited liability company

Under the provisions of the Internal Revenue Code of 1986 as amended (the Code) there are certain restrictions that must be met subsequent to the delivery of the Bonds including restrictions that must be complied with throughout the term of the Series 1994 Bonds These include a requirement that certain investment earnings received from the investment of the proceeds of the Series 1994 Bonds be rebated to the United States of America under some circumstances (or that certain payments in lieu of rebate be made) and other requirements applicable to the investment of the proceeds of the Series 1994 Bonds Failure to comply with one or more of these requirements could result in the inclusion of the interest payable on the Series 1994 Bonds in gross income for federal income tax purposes effective from the date of their issuance The Service has covenanted to regulate the investment of the proceeds of the Series 1994 Bonds and to take such other actions as may be required to maintain the excludability from gross income for federal income tax purposes of interest on the Series 1994 Bonds

Interest on the Series 1994 Bonds is not included in alternative minimum taxable income of individuals corporations or other taxpayers as an enumerated item of tax preference or other specific adjustment However for purposes of calculating the corporate alternative minimum tax a corporation subject to such tax will be required to increase its alternative minimum taxable income by 75% of the amount by which its adjusted current earnings exceed its alternative minimum taxable income (computed without regard to this current earnings adjustment and the alternative tax net operating loss deduction) For such purposes adjusted current earnings would include among other items interest income from the Series 1994 Bonds In addition interest income on the Series 1994 Bonds will be included in the applicable taxable base for the purpose of determining the environmental tax imposed by the Code on corporations for taxable years beginning before 1996 and the branch profits tax imposed by the Code on foreign corporations engaged in a trade or business in the United States

There are other federal tax consequences of ownership of obligations such as the Series 1994 Bonds under certain circumstances including the following (i) deductions are disallowed for certain expenses of taxpayers allocable to interest on tax exempt obligations as well as interest on indebtedness incurred or continued to purchase or carry tax exempt obligations and interest expense of financial institutions allocable to tax exempt interest (ii) for property and casualty insurance companies the amount of the deduction for losses incurred has been reduced by 15% of the sum of tax exempt interest income and the deductible portion of dividends received by such companies (iii) interest income that is exempt from tax must be taken into account for the purpose of determining whether and what amount of Social Security of railroad retirement benefits are includable in gross income for federal income tax purposes and (v) for S corporations having subchapter C earnings and profits the receipt of certain levels of passive investment income which includes interest on tax exempt obligations such as the Series 1994 Bonds can result in the imposition of tax on such passive investment income and in such cases loss of S corporation status

The foregoing is only a general summary of certain provisions of the Code and does not purport to be complete owners of the Series 1994 Bonds should consult their own tax advisors as to the effects if any of the Code in their particular circumstances

LEGALITY OF THE SERIES 1994 BONDS FOR INVESTMENT AND DEPOSIT

The Act provides that the Series 1994 Bonds are securities in which all public officers and public units of the State of Maryland and its political subdivisions and all banks trust companies savings and loan associations investment companies and others carrying on a banking business all insurance companies insurance associations and others carrying on an insurance business all personal representatives guardians trustees and other fiduciaries and all other persons may legally and properly invest funds including capital in their control or belonging to them The Act also provides that the Series 1994 Bonds are securities which may properly and legally be deposited with and received by any State of Maryland or municipal

officer or any unit or political subdivision of the State of Maryland for any purpose for which the deposit of bonds or other obligations of the State of Maryland is authorized by law

STATE NOT LIABLE ON SERIES 1994 BONDS

The Series 1994 Bonds are limited obligations of the Service payable solely from the Revenues pledged under the Indenture and to the extent provided in the Indenture from the proceeds of the Series 1994 Bonds By the terms of the Act the Series 1994 Bonds do not constitute a debt liability or pledge of the faith and credit of the State of Maryland or of any political subdivision or of the Subject Neither the State of Maryland nor any political subdivision thereof nor the Service shall be obligated to pay the Series 1994 Bonds or the interest thereon except from the Revenues and to the extent provided in the Indenture from the proceeds of the Series 1994 Bonds Neither the faith and credit for the taxing power of the State of Maryland or of any political subdivision thereof or of the Service is pledged to the payment of the principal of or interest on such Bonds The Series 1994 Bonds are not directly or indirectly or contingently an obligation moral or other of the State of Maryland or of any political subdivision thereof or of the Service to levy or to pledge any form of taxation whatsoever therefor or to make any appropriation for their payment The Service has no taxing power

LEGAL MATTERS

Piper & Marbury Baltimore Maryland is acting as Bond Counsel in connection with the issuance of the Series 1994 Bonds Bond Counsel s approving opinion the proposed form of which appears as Appendix F will be printed on the Series 1994 Bonds The Attorney General of Maryland is legal advisor for the Service

Certain legal matters will be passed upon for the Trustee by _____ who is not passing upon the validity of the Series 1994 Bonds

LITIGATION

No litigation is pending in any court seeking to restrain or enjoin the authorization issuance or delivery of the Series 1994 Bonds or contesting the authority or proceedings for the authorization or issuance of the Series 1994 Bonds or their validity or the creation organization corporate existence or powers of the Service or the title of any of the present officers thereof to their respective titles

RELATIONSHIPS

Edwin G Richards a member of the Board of Directors of the Service is the County Administrator of County Commissioners of Caroline County

Lawrence D Shubnell a member of the Board of Directors of the Service is Vice President for Public Finance for Legg Mason Wood Walker Incorporated which may participate as a co manager or member of a syndicate that bids for the Series 1994 Bonds and if such syndicate is awarded the Series 1994 Bonds Legg Mason Wood Walker Incorporated may be an underwriter of the Series 1994 Bonds

EXPERTS

The references herein to the Independent Engineer s Report prepared by Whitman Requardt & Associates have been approved by said firm but do not purport to be complete in all respects and the Independent Engineer s Report should be read in its entirety for complete information in respect to the subjects discussed therein As stated in the Independent Engineer s Report the Independent Engineer has made a number of assumptions in reaching its conclusions all of which are set forth therein and has utilized the sources of information described therein While the Independent Engineer believes that such sources of information are reliable it has not independently verified the accuracy of all such information and offers no assurance with respect thereto The Independent Engineer s Report has been included herein in reliance upon the conclusions therein and upon such firm s experience in preparing consulting engineer reports for similar projects

Public Financial Management Inc Atlanta Georgia has served as financial advisor in connection with the issuance of the Series 1994 Bonds Public Financial Management Inc is a wholly owned subsidiary of Marine Midland Bank N A

MISCELLANEOUS

The attached Appendices A through G are integral parts of this Official Statement and should be read in their entirety together with the foregoing information

The Service and its counsel have reviewed the information contained herein and have approved this Official Statement

The execution and delivery of this Official Statement by the Director of the Service has been duly authorized by the Service

MARYLAND ENVIRONMENTAL SERVICE

By _____
George G Perdikakis Director

RESOLUTION NUMBER _____

CONSENT TO
MARYLAND ENVIRONMENTAL SERVICE
REVENUE BONDS
(MID SHORE REGIONAL LANDFILL PROJECT)
SERIES 1994

FOR THE PURPOSE OF consenting to the issuance by the Maryland Environmental Service (Service) of its bonds notes or other obligations (the Bonds) in the maximum amount of Six Million Seven Hundred Thousand Dollars ($6 700 000) for the purpose of (i) redeeming the Service s $2 400 000 Revenue Bond Anticipation Notes (Mid Shore Regional Landfill Project) Series 1993 (the 1993 Notes) (ii) funding certain additional costs of the design and construction of Cell Number 2 of the Mid Shore Regional Landfill located in Talbot County Maryland (the Regional Landfill) (iii) funding certain costs of the closure of the old Easton Landfill located adjacent to the Regional Landfill (iv) funding certain costs of issuance of the Bonds and (v) funding a debt service reserve fund for the Bonds confirming that the Waste Disposal Service Agreement between the Service and County Commissioners of Caroline County (the County) relating to the Regional Landfill is in full force and effect and generally providing for and determining various matters in connection with the approval of the issuance of the Bonds

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 and 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

The Service has issued its $8 075 000 Revenue Bonds (Mid Shore Regional Landfill Project) Series 1990 dated February 15 1990 (Series 1990 Bonds) in order to finance the cost of the acquisition design construction and equipping of the Regional Landfill The Series 1990 Bonds were issued pursuant to an Indenture of Trust (the Indenture) dated as of February 15 1990 between the Service and The Riggs National Bank of Maryland (the Trustee)

In connection with the issuance of the Series 1990 Bonds the County Commissioners of Caroline County (the County) entered into a Waste Disposal Service Agreement (the Agreement) with the Service for the disposal at the Regional Landfill of solid waste generated within the boundaries of the County The Service owns and operates the Regional Landfill and

has entered into Waste Disposal Service Agreements (collectively the Service Agreements) with each of County Commissioners of Queen Anne s County Talbot County Maryland County Commissioners of Kent County and County Commissioners of Caroline County (collectively the Subdivisions)

Pursuant to the Service Agreements the Subdivisions deliver to the Regional Landfill all of the Acceptable Waste (as defined in the Service Agreements) generated within their boundaries The Subdivisions pay a Tipping Fee (as defined in the Service Agreements) for each ton of Acceptable Waste (as defined in the Service Agreements) that is delivered to the Regional Landfill and pay a Supplemental Fee (as defined in the Service Agreements) in the event that the Total Costs (as defined in the Service Agreements) associated with the Regional Landfill exceed the Landfill Revenues (as defined in the Service Agreements)

On December 23 1993 the Service issued the 1993 Notes in the aggregate principal amount of $2 400 000 for the purpose of financing the initial costs of construction of Cell Number Two of the Regional Landfill and a portion of the costs of closing the old Easton Landfill located adjacent to the Regional Landfill

The Service has determined to issue the Bonds in order to finance all or a portion of the costs of (i) redeeming the 1993 Notes (ii) closing the old Easton Landfill located adjacent to the Regional Landfill (iii) developing Cell Number Two of the Regional Landfill (iv) funding a debt service reserve fund under the Indenture for the Bonds and (v) paying the costs of issuing the Bonds The Bonds will be issued pursuant to a Supplemental Indenture (as defined in the Indenture) between the Service and the Trustee and will be payable from the revenues received under the Service Agreements and from the operation of the Regional Landfill including the Tipping Fees and Supplemental Fees payable by the County and the other Subdivisions under the Service Agreements

The Indenture provides among other things that the written consent of each of the Subdivisions is a condition precedent to the issuance of Additional Bonds (as defined in the Indenture) The Bonds will constitute Additional Bonds under the Indenture

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE COUNTY COMMISSIONERS OF CAROLINE COUNTY, THAT

Section 1 The County Commissioners of Caroline County consent to the issuance of the Bonds in the maximum principal amount of Six Million Seven Hundred Thousand Dollars ($6 700 000) and approve the application of the proceeds of the Bonds as set forth in the Recitals to this Resolution It is acknowledged and agreed that the Bonds will be sold by the Service in such manner as the Service determines This Resolution may be provided by the Service to the Trustee in order to satisfy the condition in the Indenture requiring the consent of the County to the issuance of Additional Bonds

Section 2 The County acknowledges and agrees that the Bonds constitute Indebtedness under the Agreement and a part of Total Costs (as defined in the Agreement) It is further recognized that the Countv is obligated under the Agreement to pay its Proportionate Share (as defined in the Agreement) of the Total Costs (as defined in the Agreement) of the Service in connection with the performance of its obligations under the Agreement which Total Costs include (without limitation) costs of providing waste disposal services under the Agreement and debt service payments with respect to the Bonds and other Indebtedness (as defined in the Agreement)

Section 3 The Agreement remains in full force and effect

Section 4 The President of the County Commissioners of Caroline County and the County Administrator (the Authorized Officials) are hereby authorized on behalf of the County to take any and all actions necessary or appropriate in connection with the issuance of the Bonds such actions to include (without limitation) the execution and delivery of all certificates consents assignments or other documents or instruments necessary or appropriate to consummate the transactions approved by this Resolution

Section 5 If any provision of this Resolution is held invalid for any reason in a court of competent jurisdiction the invalidity does not affect other provisions or any other application of this Resolution which can be given effect without the invalid provision or application and for this purpose the provisions of this Resolution are declared severable

Section 6 This Resolution shall be deemed to be of an administrative nature and shall take effect from the day of its adoption

ADOPTED _____

COUNTY COMMISSIONERS OF
CAROLINE COUNTY

_____

_____
President

[SEAL]

_____
Commissioner

_____
Commissioner