

MARYLAND ENVIRONMENTAL SERVICE

BOARD OF DIRECTORS

RESOLUTION NO. 05-02-1R

A RESOLUTION ADOPTING

An Environmental Compliance Program for the Maryland Environmental Service, and providing generally for other matters in connection therewith.

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 (2000 Replacement Volume, 2004 Supplement), as amended to date (the "Act"). In adopting the Act, the General Assembly expressly directed the Service to "provide water supply and waste purification and disposal services in compliance with State laws, regulations, and polices governing air, land, and water pollution to public and private instrumentalities" The Act further authorizes the Service to adopt bylaws, rules, regulations, policies, and procedures for the regulation of its affairs and conduct of its business.

The Service owns, operates or supervises more than 100 environmental facilities and projects. Nearly all of the facilities and projects are subject to a variety of environmental statutes, regulations, and permits ("Environmental Laws"). The failure of an employee of the Service to strictly comply with any of these Environmental Laws could result in civil and criminal penalties being imposed against the Service by a court of law, the U.S. Environmental Protection Agency, the Maryland Department of the Environment, or other government agencies. Additionally, some environmental statues permit citizens to bring lawsuits against an alleged violator.

In order to ensure all Service employees comply with Environmental Laws, the Board recognizes that the Service must have a comprehensive environmental compliance program ("Program") which promotes environmental awareness and responsibility by its employees. The Board intends that the Program should be a systematic effort of the Service to prevent, detect and correct violations of Environmental Laws.

The Board considers the implementation of the Program, together with all other transactions contemplated by this Resolution, 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 Board hereby adopts the following Statement of Policy:

Maryland Environmental Service (MES) its directors, officers and its employees, are committed to protecting and enhancing the environment for present and future generations.

- **We will encourage and promote environmental awareness and responsibility.**
- **Each and every one of our directors, officers and employees will comply with all applicable federal, state and local laws, regulations and permits.**
- **We will establish our own policies and standards that meet or exceed the minimum legal requirements for environmental compliance.**
- **We will work with clients, contractors, regulators, neighbors and other partners to meet or exceed environmental requirements.**
- **We will work continuously to improve our Environmental Compliance Program. We will measure, audit and take corrective action to sustain or improve our environmental performance.**

We will communicate our commitment to the environment and to our Environmental Compliance Program to our employees, clients, contractors, regulators and the public.

3. The attached document labeled Exhibit "A" and entitled "Maryland Environmental Service - Environmental Compliance Program" is hereby adopted by the Service. The Director of the Service is hereby authorized to implement the Program, including, without limitation, hiring an individual to serve as chief of Environmental Compliance. The Chief of Environmental Compliance will report to the Director or another senior manager designated by the Director.
4. The Program shall constitute an official policy of the Service. All employees of the Service will conduct themselves in strict accordance with the Program. An employee who fails to comply with the Program is subject to disciplinary action, including termination of employment.
5. The Director and the other officers of the Service shall be, and hereby are, authorized to take such other steps and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution.
6. This Resolution shall take effect immediately upon its adoption, with the exception that the Service may not bring disciplinary action against an employee in accordance with Section 4 until (a) the employee has signed the "Employee Pledge to Environmental Protection" which is part of Exhibit "A", or (b) September 1, 2005, whichever comes earlier. This Resolution shall be applied prospectively from the date of its adoption.


ADOPTED, this 28th day of February, 2005.

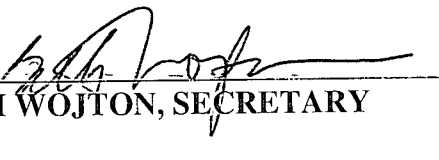
SEAL

MARYLAND ENVIRONMENTAL SERVICE

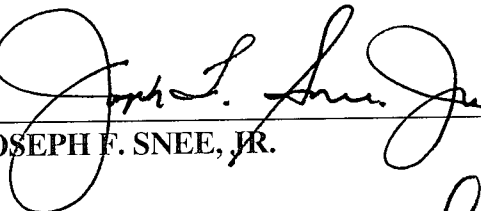
BY: 
JOHN S. SPARKMAN, DIRECTOR

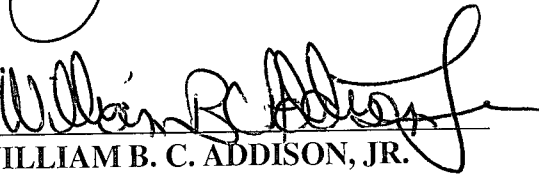
BY: Voted to Approve; not available for signature
B. CONWAY GREGORY, DEPUTY DIRECTOR

BY: 
KENNETH A. HOWARTH, TREASURER

BY: 
BETH WOJTON, SECRETARY

BY: NOT PRESENT
LAWRENCE D. SHUBNELL

BY: 
JOSEPH F. SNEE, JR.

BY: 
WILLIAM B. C. ADDISON, JR.

BY: NOT PRESENT
LESLIE JACKSON JENKINS

BY: Paul Comfort
PAUL W. COMFORT

BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
(05-02-2R)

A RESOLUTION authorizing

The formal ratification by the Maryland Environmental Service (the "Service") of the procurement of equipment; assignment of the equipment to a Project Reserve Fund (Internal Service Fund); and borrowing of moneys to finance the purchase of the assets.

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the powers (i) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service; (ii) to create and establish project reserve funds; and (iii) 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 or for any other purpose of the Service.

The Service considers the purchase of a screener and wheel loaders for the use and support of the Prince George's County Yard Waste Composting Facility project to be in furtherance of the purposes of the Act and the Service.

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

1. The purchase of a screener and wheel loaders (collectively, the "Assets") shall be,

and hereby is, confirmed, authorized and directed pursuant to the provisions of the Act.

2. Certain procurements have been or will be initiated by the Service due to funding availability and project schedules.

3. With regard to the attached list entitled "Capital Equipment Expenditures" and totaling an amount not to exceed Eight Hundred Ninety-seven Thousand Five Hundred Dollars (\$897,500.00), the Board approves the following: (a) the purchase of the Assets; (b) assignment of the Assets to the Project Reserve Fund (Internal Service Fund) for lease or rental to MES projects, including, without limitation, to the Prince George's County Yard Waste Composting Facility project operated by the Service; (c) borrowing of moneys for a term not to exceed seven (7) years to finance the purchase of the Assets; (d) the use of interfund borrowing, as needed, but only on a temporary basis, to facilitate the purchase transaction; and (e) use of the proceeds of the permanent financing as appropriate to reimburse the interfund borrowing, including, without limitation, financing in the form of a Master Equipment Lease-Purchase Agreement.

4. The purchases shall be, and hereby are, adopted and authorized as set forth above, and the Director of the Service is hereby authorized to proceed as authorized and approved by this Resolution. The Service may make any substitutions of the Assets to any client-specific project it deems necessary.


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5. This Resolution shall take effect immediately.

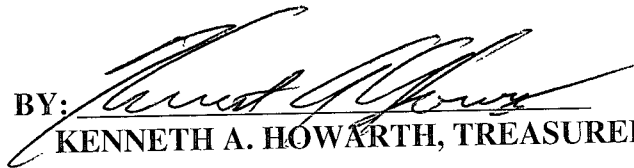
ADOPTED, this 28th day of February, 2005.

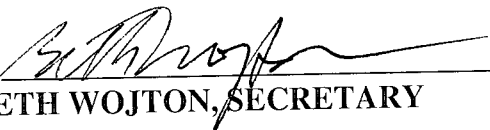
SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JOHN S. SPARKMAN, DIRECTOR

BY: 
B. CONWAY GREGORY, DEPUTY DIRECTOR

BY: 
KENNETH A. HOWARTH, TREASURER

BY: 
BETH WOJTON, SECRETARY

CAPITAL EQUIPMENT EXPENDITURES
(05-02-2R)

<u>No.</u>	<u>Description</u>	<u>Model</u>	<u>Estimated Cost</u>
1	Compost Screen Deck System	Bivi-Tec 1900x7	\$ 335,000.00
3	Wheel Loaders	Volvo L150E	\$ 562,500.00
		Total	<u>\$ 897,500.00</u>

BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
(05-03-1R)

A RESOLUTION

Amending Maryland Environmental Service ("Service") Resolution 05-02-2R.

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the powers (i) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service; (ii) to create and establish project reserve funds; and (iii) 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 or for any other purpose of the Service.

On February 28, 2005, the Service adopted MES Resolution 05-02-2R ("Original Resolution"). The Original Resolution authorized the Service to borrow moneys to finance the acquisition of certain designated assets ("Assets"), including a Compost Screen Deck System. At the time the Original Resolution was adopted the amount to be financed was based on an estimate of the purchase price of the Assets. The final purchase price for all the Assets was not known. The Service has obtained final price quotes for the Assets, and the total amount to be expended exceeds the original estimated amount. By this Resolution the Service will authorize the additional amount to be financed. The Service considers the purchase of the Assets to be in furtherance of the purposes of the Act and the Service.

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

1. Section 3 of MES the Original Resolution is hereby amended to be as follows:


With regard to the attached list entitled "Capital Equipment Expenditures - Revised" and totaling an amount not to exceed Nine Hundred Three Thousand Five Hundred Dollars (\$903,500.00), the Board approves the following: **(a)** the purchase of the Assets; **(b)** assignment of the Assets to the Project Reserve Fund (Internal Service Fund) for lease or rental to MES projects, including, without limitation, to the Prince George's County Yard Waste Composting Facility project operated by the Service; **(c)** borrowing of moneys for a term not to exceed seven (7) years to finance the purchase of the Assets; **(d)** the use of interfund borrowing, as needed, but only on a temporary basis, to facilitate the purchase transaction; and **(e)** use of the proceeds of the permanent financing as appropriate to reimburse the interfund borrowing, including, without limitation, financing in the form of a Master Equipment Lease-Purchase Agreement.

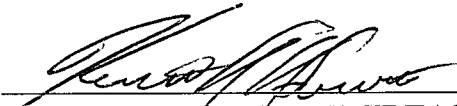
2. The "Capital Equipment Expenditures" list which was attached to the Original Resolution shall be replaced by the attached list entitled "Capital Equipment Expenditures – Revised."
3. All other terms and conditions of the Original Resolution shall remain the same.
4. This Resolution shall take effect immediately.

ADOPTED, this 28th day of March, 2005.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JOHN S. SPARKMAN, DIRECTOR

BY: 
KENNETH A. HOWARTH, TREASURER

BY: NOT PRESENT
BETH WOJTON, SECRETARY

**CAPITAL EQUIPMENT EXPENDITURES - REVISED
(05-03-1R)**

<u>No.</u>	<u>Description</u>	<u>Model</u>	<u>Estimated Cost</u>
1	Compost Screen Deck System	Bivi-Tec 1900x7	\$ 341,000.00
3	Wheel Loaders	Volvo L150E	\$ 562,500.00
		Total	\$ <u>903,500.00</u>

BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
(05-05-1R)

A RESOLUTION authorizing

The formal ratification by the Maryland Environmental Service (the "Service") of the procurement of vehicles; assignment of the vehicles to a Project Reserve Fund (Internal Service Fund); and borrowing of moneys to finance the purchase of the vehicles.

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the powers (i) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service; (ii) to create and establish a project reserve fund; and (iii) 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 or for any other purpose of the Service.

The Service considers the purchase of various vehicles for the use and support of certain projects to be in furtherance of the purposes of the Act and the Service.

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

1. The purchase of the vehicles (the "Assets") shall be, and hereby is, confirmed, authorized and directed pursuant to the provisions of the Act.

2. Certain procurements have been or will be initiated by the Service due to funding availability and project schedules.

3. With regard to the attached list entitled "Capital Equipment Expenditures" and totaling an amount not to exceed Two Hundred Seventy-Two Thousand Seven Hundred and Eighty-two Dollars and Seventy-six Cents (\$272,782.76), the Board approves the following: (a) the purchase of the Assets; (b) assignment of the Assets to the Project Reserve Fund (Internal Service Fund) for lease or rental to MES projects, including, without limitation, to the Montgomery County Recycling Facility project operated by the Service; (c) borrowing of moneys for a term not to exceed five (5) years to finance the purchase of the Assets; (d) the use of interfund borrowing, as needed, but only on a temporary basis, to facilitate the purchase transaction; and (e) use of the proceeds of the permanent financing as appropriate to reimburse the interfund borrowing, including, without limitation, financing in the form of a Master Equipment Lease-Purchase Agreement.

4. The purchases shall be, and hereby are, adopted and authorized as set forth above, and the Director of the Service is hereby authorized to proceed as authorized and approved by this Resolution. The Service may make any substitutions of the Assets to any client-specific project it deems necessary.


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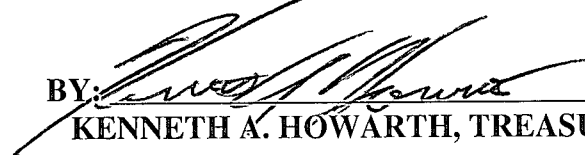
5. This Resolution shall take effect immediately.

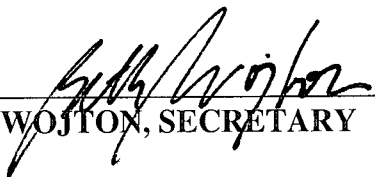
ADOPTED, this 19th day of May, 2005.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JOHN S. SPARKMAN, DIRECTOR

BY: 
KENNETH A. HOWARTH, TREASURER

BY: 
BETH WOJTON, SECRETARY

**CAPITAL EQUIPMENT EXPENDITURES
(05-05-1R)**

<u>No.</u>	<u>Description</u>	<u>Model</u>	<u>Estimated Cost</u>
2	4 x 4 Pickup Truck	Chevy Colorado	\$ 31,486.00
2	4 x 4 SUV	Jeep Liberty	\$ 37,618.00
2	4 x 4 SUV	Ford Escape Hybrid	\$ 54,256.76
1	4 x 4 Pickup Truck	Ford F-350	\$ 45,036.00
1	4 x 4 Pickup Truck	Ford F-550	\$ 86,662.00
1	4 x 4 Pickup Truck	Chevy Silverado	\$ 17,724.00
		Total	<u>\$ 272,782.76</u>

BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
(05-07-01R)

A RESOLUTION DECLARING

THE OFFICIAL INTENT OF THE MARYLAND ENVIRONMENTAL SERVICE TO REIMBURSE EXPENDITURES TO BE INCURRED WITH RESPECT TO THE ACQUISITION, DESIGN, ENGINEERING, PERMITTING, CONSTRUCTION, EQUIPPING, INSPECTION AND FINANCING OF A SOLID WASTE DISPOSAL FACILITY PROJECT, AND RELATED FACILITIES, WITH THE PROCEEDS OF BONDS OR OTHER DEBT OBLIGATIONS TO BE ISSUED BY THE MARYLAND ENVIRONMENTAL SERVICE.

R E C I T A L S

WHEREAS, to facilitate an efficient borrowing program the Maryland Environmental Service (the "Service") intends to expend money on some or all of the acquisition, design, engineering, permitting, construction, equipping, inspection and financing of improvements to the Western Branch Composting Facility in Prince George's County, Maryland, which improvements may include, without limitation, the design, construction and equipping of a static pile composting facility, and related facilities ("Project") prior to the issuance of bonds or other debt obligations by the Service for such project; and

WHEREAS, the Service intends to reimburse such expenditures from the proceeds of debt to be issued by the Service; and

WHEREAS, to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, and Section 1.150-2 of the Income Tax Regulations, it is necessary in order to reimburse such expenditures with the proceeds of tax-exempt debt, that the Board of Directors of the Service declare the official intent of the Service to make such a reimbursement of expenditures.

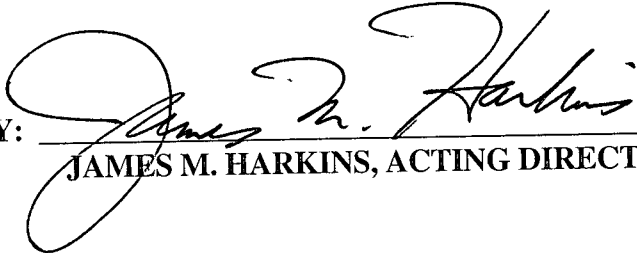
**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS
OF THE MARYLAND ENVIRONMENTAL SERVICE THAT:**


1. The Service intends to expend money for all or part of the acquisition, design, engineering, permitting, construction, equipping, inspection and financing of the Project prior to the issuance of bonds or other debt obligations to reimburse such expenditures. The Service expects to reimburse itself with the proceeds of bonds or other debt obligations in an amount not to exceed Thirteen Million Six Hundred Thousand Dollars (\$13,600,000.00).
2. This Resolution shall take effect immediately.

ADOPTED, this 28th day of July, 2005.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JAMES M. HARKINS, ACTING DIRECTOR

BY: 
BETH WOJTON, SECRETARY

**BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
05-07-2R**

A RESOLUTION

Authorizing the salary and other benefits of the Secretary of the Maryland Environmental Service ("Service").

R E C I T A L S

By Chapter 196 of the 1993 Acts of the General Assembly, the Service is established as an instrumentality of the State of Maryland. Section 3-103(b)(1) of the Natural Resources Article of the Annotated Code of Maryland (Maryland Environmental Service Act, or "Act") provides that there shall be a Secretary of the Service, who shall be appointed by the Director of the Service with the approval of the Governor of Maryland. The Secretary is also a member of the Board of Directors of the Service. The duties of the Secretary are set forth in Section 3-103(d)(1) of the Act:

The Secretary shall keep a record of the proceedings of the Board and be custodian of all books, documents, and papers filed with the Service and of the minute book or journal of the Service and its official seal. He may have copies made of all minutes, records, and documents of the Service and certify them to be true copies under the official seal of the Service. Any person dealing with the Service may rely upon these certificates, and certified copies shall be received as evidence in any court or other tribunal in the State, in the same manner and with the same effect as if the original books, papers, entries, records, or proceedings could be produced.

Pursuant to Section 3-103(b)(1) of the Act, the Secretary of the Service shall receive such compensation as may be determined by the Board of Directors of the Service.

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

1. For performance of the Secretary's duties and responsibilities, the Secretary shall be paid a salary of \$ 5400 per annum. The salary shall be effective as of August 1, 2005.

2. The Secretary may also hold a separate position as an employee of the Service, and perform such other duties which are separate from his duties as Secretary, as may be assigned by the Director of the Service. If the Secretary holds such a position, the above-referenced salary shall be in addition to the employee's salary.
3. This Resolution shall supercede that portion of the action of the Board of June 24, 2004, regarding the duties of the Secretary. This Resolution shall take effect August 1, 2005.

ADOPTED, this 28th day of July, 2005.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 

JAMES M. HARKINS, ACTING DIRECTOR

BY: 

BETH WOJTON, SECRETARY

BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
(05-09-1R)

A RESOLUTION authorizing

The formal ratification by the Maryland Environmental Service (the "Service") of the procurement of equipment; assignment of the equipment to a Project Reserve Fund (Internal Service Fund); and borrowing of moneys to finance the purchase of the assets.

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the powers (i) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service; (ii) to create and establish project reserve funds; and (iii) 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 or for any other purpose of the Service.

The Service considers the purchase of various vehicles for the use and support of certain projects to be in furtherance of the purposes of the Act and the Service.

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

1. The purchase of the vehicles (the "Assets") shall be, and hereby is, confirmed, authorized and directed pursuant to the provisions of the Act.

2. Certain procurements have been or will be initiated by the Service due to funding availability and project schedules.

3. With regard to the attached list entitled "Capital Equipment Expenditures" and totaling an amount not to exceed Five Hundred Ten Thousand Nine Hundred and Forty Dollars (\$510,940.00), the Board approves the following: (a) the purchase of the Assets; (b) assignment of the Assets to the Project Reserve Fund (Internal Service Fund) for lease or rental to MES projects, including, without limitation, to the Prince George's County Yard Waste Composting Facility project operated by the Service; (c) borrowing of moneys for a term not to exceed seven (7) years to finance the purchase of the Asset; (d) the use of interfund borrowing, as needed, but only on a temporary basis, to facilitate the purchase transaction; and (e) use of the proceeds of the permanent financing as appropriate to reimburse the interfund borrowing, including, without limitation, financing in the form of a Master Equipment Lease-Purchase Agreement.

4. The purchases shall be, and hereby are, adopted and authorized as set forth above, and the Director of the Service is hereby authorized to proceed as authorized and approved by this Resolution. The Service may make any substitutions of the Assets to any client-specific project it deems necessary.

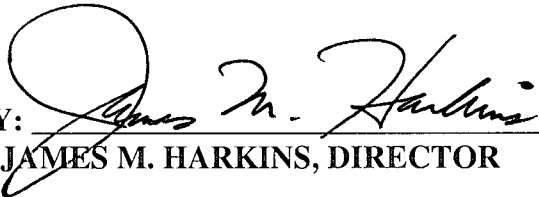
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5. This Resolution shall take effect immediately.

ADOPTED, this 22nd day of September, 2005.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JAMES M. HARKINS, DIRECTOR

BY: 
JOHN J. O'NEILL, SECRETARY

CAPITAL EQUIPMENT EXPENDITURES
(05-09-1R)

<u>No.</u>	<u>Description</u>	<u>Model</u>	<u>Estimated Cost</u>
1	Industrial Tub Grinder	Diamond Z 1352BL	\$ 510,940.00
		Total	\$ <u>510,940.00</u>

BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
05-09-2R

A RESOLUTION

Authorizing the salary and other benefits of the Treasurer of the Maryland Environmental Service ("Service").

R E C I T A L S

By Chapter 196 of the 1993 Acts of the General Assembly, the Service is established as an instrumentality of the State of Maryland. Section 3-103(b)(1) of the Natural Resources Article of the Annotated Code of Maryland (Maryland Environmental Service Act, or "Act") provides that there shall be a Treasurer of the Service, who shall be appointed by the Director of the Service with the approval of the Governor of Maryland. The Treasurer is also a member of the Board of Directors of the Service. The duties of the Treasurer are set forth in Section 3-103(e)(1) of the Act:

The Treasurer shall develop and maintain a detailed and accurate accounting system for all financial transactions of the Service, and he shall perform other duties relating to the financial affairs of the Service as required by law or by a directive of the Board. Unless any money of the Service is otherwise held by or payable to a trustee appointed pursuant to a resolution authorizing the issuance of bonds or notes or under a trust agreement securing the bonds or notes, the Treasurer shall receive money of the Service until otherwise prescribed by law, he shall deposit the money as soon as it is received to the credit of the Service in any financial institution in which the State Treasurer is authorized to deposit State funds. He shall disburse money for the purposes of the Service according to law, only upon his warrant. He shall make arrangements for the payment of the interest on and principal of the Service debt. Upon entering the performance of his duties, the Treasurer shall be covered by a surety bond in accordance with the provisions of law concerning the State Employees Surety Bond Committee.

Pursuant to Section 3-103(b)(1) of the Act, the Treasurer of the Service shall receive such compensation as may be determined by the Board of Directors of the Service.

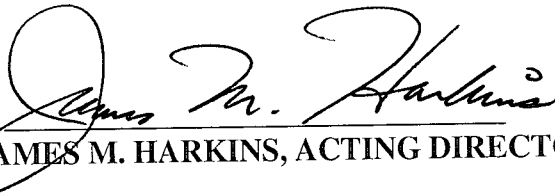
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE, THAT:

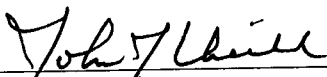
1. For performance of the Treasurer's duties and responsibilities, the Treasurer shall be paid a salary of \$ 5,400.00 per annum.
2. The Treasurer may also hold a separate position as an employee of the Service, and perform such other duties, which are separate from his duties as Treasurer, as may be assigned by the Director of the Service. If the Treasurer holds such a position, the above-referenced salary shall be in addition to the employee's salary.
3. Resolution 96-10-1R is hereby repealed. This Resolution shall supercede that portion of the action of the Board of June 24, 2004, regarding the duties of the Treasurer. This Resolution shall take effect immediately.

ADOPTED, this 29th day of September, 2005.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JAMES M. HARKINS, ACTING DIRECTOR

BY: 
JOHN O'NEILL, SECRETARY

BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
RESOLUTION
(05-09-3R)

A **RESOLUTION AMENDING**, Resolution 96-04-1R, as previously amended by Resolution 97-06-1R, Resolution 98-01-1R, Resolution 99-01-1R, Resolution 99-10-2R, and Resolution 01-09-1R; and generally relating to the financial affairs of the Service.

R E C I T A L S

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the power to fix, alter, charge, and collect rates, fees, and charges for the use of or for the services furnished by the Service or its projects, including administrative and overhead expenses. On April 25, 1996, the Board adopted Resolution 96-04-1R. Resolution 96-04-1R provided *inter alia*, for the adoption and use of an Indirect Cost Recovery Methodology for the Service. The Resolution also included an attachment which detailed the Service's Indirect Cost Recovery Methodology. Resolution 96-04-1R was subsequently amended by Resolution 97-06-1R, Resolution 98-01-1R, Resolution 99-01-1R, Resolution 99-10-2R, and Resolution 01-09-1R. The Service has determined to further amend the Indirect Cost Recovery Methodology.

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

1. The Attachment to Resolution 96-04-1R, as previously amended is hereby changed to read as follows:

Overhead and General and Administrative (G & A) Costs

- Overhead and G & A costs will be accumulated into four cost pools. The four cost pools will be (1) G & A, (2) Environmental Operations Group Overhead, (3) Technical and Environmental Services Group Overhead, and (4) Recycling Group Overhead. Multiple cost centers will be used to record, manage and control costs and then accumulated for recovery.
- The recovery of G &A and overhead costs incurred on or before June 30, 2005, shall be made in accordance with the methodology adopted by Resolution 01-09-1R. The recovery of G & A and overhead costs incurred after June 30, 2005 shall be in accordance with the following methodology set forth in this resolution.
- The overhead rate for each Group shall be computed by dividing the Group's total billable labor costs for a fiscal year by the Group's total overhead costs for the same fiscal year. The actual base recovery rate for each Group will be confirmed by the Service' independent auditors as part of the Service's regular fiscal year end audit.
- The base recovery rate for G & A costs will be adjusted to meet the following customer criteria:
 1. For that portion of total billable labor costs that exceeds \$418,900 in a fiscal year and is less than \$837,800, the recovery rate will be 75% of the base rate.
 2. For that portion of total billable labor costs that equals or exceeds \$837,800 in a fiscal year, and is less than \$1,196,900, the recovery rate will be 50% of the base rate.
 3. For that portion of total billable labor cost that equals or exceeds \$1,196,900 in a fiscal year, and is not more than \$1,436,400, the recovery rate will be 25% of the base rate.
 4. For that portion of total billable labor costs that equals or exceeds 1,436,400, the recovery rate will be 10% of the base rate.
 5. A base recovery rate of 5% will be applied to contract labor (not to include subcontract labor).
- Notwithstanding the foregoing, the Director and the Treasurer are authorized to impose a G & A and overhead recovery rate of 54.7% for those projects or activities of the Service which require extensive oversight and administrative support., or which are conducted primarily by personnel who are not part of one of the three Groups for which a cost pool has been created. The Director and the Treasurer are also authorized to reduce the actual amount of overhead charged to a MES client if (a) the total amount of overhead charges to the client in a fiscal year exceeds \$1.4 million, and (b) the client is not charged the alternative G & A and overhead rate previously set forth in this paragraph.
- The most recent audited base recovery rate will be adjusted by the Service for any known or required changes to the rate components. Any adjustment will include retention of two thirds (2/3) of any recovery of costs in excess of actual overhead and G & A costs in a fiscal year. This adjusted recovery rate will then be used by the Service for the next full budget cycle

(second fiscal year after the audited year), and will be applied to fiscal year 2005 results for setting the overhead and G & A rates for fiscal year 2007.

Working Capital Charge

- In addition to the other charges set forth herein, the Service shall charge a rate of three percent (3%) of the labor index to each project for which a Service client has not provided an operating advance. This charge shall be known as the "Working Capital Charge". For purposes of this section, the labor index shall be total billable labor costs for the project.
- The rate of the Working Capital Charge shall not be subject to annual audit adjustment. The Board shall, from time to time, review and adjust, in its sole discretion, the rate of the Working Capital Charge.

Fringe Benefit Costs

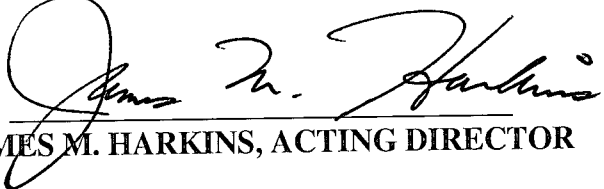
- Fringe benefit costs will be accumulated in a single cost center cost pool.
- The base index for recovering fringe benefits is the Service's total labor costs.
- The actual fringe benefits recovery rate for a fiscal year will be confirmed by the Service's independent auditors as part of the regular fiscal year end audit.
- The most recent audited base recovery rate will be adjusted by the Service for any known or required changes to the rate components. Any adjustment will include retention of two thirds (2/3) of any recovery of costs in excess of actual fringe benefit costs in a fiscal year. This adjusted recovery rate will then be used by the Service for the next full budget cycle (second fiscal year after the audited year), and will be applied to fiscal year 2005 results for setting the fringe benefit recovery rate for fiscal year 2007.

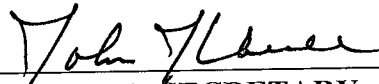
For purposes of this methodology, normal accounting accruals which are consistent with generally accepted accounting principles will be actual costs.

2. All other terms of Resolution 96-04-1R, as amended by Resolution 97-06-1R, Resolution 98-01-1R, Resolution 99-01-1R, Resolution 99-10-2R and Resolution 01-09-1R remain the same.

ADOPTED, this 29th day of September, 2005.

SEAL

BY: 
JAMES M. HARKINS, ACTING DIRECTOR

BY: 
JOHN O'NEILL, SECRETARY

MARYLAND ENVIRONMENTAL SERVICE

BOARD OF DIRECTORS

RESOLUTION NO. 05-12-1R

A RESOLUTION AMENDING

MES Resolution 04-12-1R ("2004 Resolution").

RECITALS

The Maryland Environmental Service ("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 (2005 Replacement Volume, 2005 Supplement), as amended to date (the "Act"), including, (among others) the powers (i) to borrow money for the purpose of paying all or any part of the cost of any one or more projects or for any other purpose of the Service, (ii) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service, and (iii), to make any contract or agreement the Service determines to be necessary or incidental to the performance of its duties and to the execution of the purpose of and the powers granted by the Act, including contracts with any person, on terms and conditions the Service approves.

The Service owns and operates the Western Acceptance Facility at 3310 Transway Road, Halethorpe, Maryland 21227 (the "WAF"). At the WAF, the Service currently accepts residential solid waste and recyclable materials from haulers designated by Baltimore County (the "County"), and from citizens of Baltimore County. MES then loads the residential solid waste onto transfer vehicles for transfer to other facilities for final disposal. MES also arranges for the marketing and removal of the recyclable material accepted at the WAF. The County reimburses to MES the costs incurred by MES in providing these services.

The Service, with the County's approval, has initiated construction, and intends to operate an open top trailer transfer facility ("OTTF") at the WAF. The Service has executed an agreement with BFI Waste Services, Inc ("BFI") whereby BFI will deliver commercial solid waste to the OTTF ("OTTF Operating Agreement"). MES will then transfer the commercial solid waste onto larger BFI vehicles for transportation by BFI to a final disposal site. BFI will pay to MES a fee for MES providing this service.

On December 16, 2004, the Board adopted MES Resolution 04-12-01. The 2004 Resolution established the terms of financing by and between the Service and SunTrust Leasing Corporation ("SunTrust"), including the borrowing from SunTrust of an amount not to exceed Four Million One Hundred Thousand Dollars (\$4,100,000.00), as described in a proposal from SunTrust attached to the 2004 Resolution ("SunTrust Proposal"). The 2004 Resolution further authorized the Service to execute and deliver related instruments and documents, including,

without limitation, one or more a lease financing agreements, one or more equipment schedules, and an escrow agreement (the "Financing Documents").

The Service has determined that it should borrow additional funds from SunTrust, as described in a proposal from SunTrust dated December 19, 2005 ("2005 SunTrust Proposal"). The Service considers the implementation of the OTTTF, the borrowing of funds, the granting of its consent, and all other transactions contemplated by this Resolution, 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. Section 2 of the 2004 Resolution is hereby amend to be as follows:

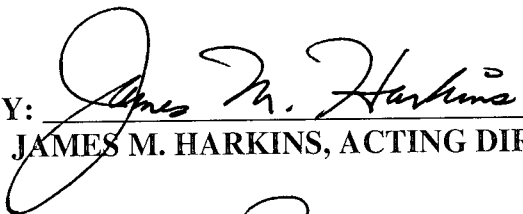
The Board hereby finds and determines that the financing of the OTTTF pursuant to the terms of the SunTrust Proposal and the 2005 SunTrust Proposal, in substantially the form presented to this meeting and incorporated in this Resolution, in a total principal amount not to exceed Four Million Three Hundred Sixty Thousand Dollars (\$4,360,000.00), for a term not to exceed 15 years (5 years for equipment), and at an interest rate not to exceed 6.30% per annum, except as otherwise provided in the 2005 SunTrust Proposal, are in the best interests of the Service.
3. The Board hereby consents to the Service entering into one or more financing agreements with SunTrust, on terms and conditions that are equal to or more favorable to the Service than those presented in the 2005 SunTrust Proposal.
4. The Director of the Service is hereby authorized to execute, acknowledge and deliver such documents of the Service as are required by SunTrust to complete the financing for the OTTTF, with any changes, insertions and omissions therein as may be approved the Director, such approval to be conclusively evidenced by execution and delivery of such documents. The Director and the other officers of the Service are each hereby authorized to affix the official seal of the Service to the Financing Documents and attest the same.
5. The Director 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, agreements, certificates, papers, instruments, opinions, or affidavits and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution, and the terms and conditions of the financing authorized herein.

6. The undersigned further certify that neither this Resolution nor the 2004 Resolution have been repealed or amended, except as expressly described herein, and both remain in full force and effect.
7. The execution by the Director of the Service, or any 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 Board.
8. This Resolution shall take effect immediately upon its adoption.


20th
ADOPTED, this ~~14th~~ day of December, 2005.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JAMES M. HARKINS, ACTING DIRECTOR

BY: 
JOSEPH C. ZIMMERMAN, TREASURER

BY: 
JOHN O'NEILL, SECRETARY

SunTrust Leasing Corporation
29 West Susquehanna Avenue – Suite 400
Towson, Maryland 21204
Tel (410) 307-6647
Fax (410) 307-6702
mike.horkey@suntrust.com

Michael J. Horkey
Vice President



Monday, December 19, 2005

Ms. Lisa Ward
Maryland Environmental Service
259 Najoles Road
Millersville, MD 21401

**RE: Updated Tax-Exempt Real Property and Equipment
General Obligation Note Financing
VIA E-MAIL**

Dear Ms. Ward:

SunTrust Leasing Corporation ("SLC") is pleased to present to the Maryland Environmental Service its proposal for equipment financing. The terms and conditions of our proposal are outlined as below:

BORROWER:

Maryland Environmental Service, MD. Borrower is a state or political subdivision within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code").

LENDER:

SunTrust Leasing Corporation, or its Assignee

TYPE OF FINANCING:

Full Faith and General obligation Master Loan Agreement. Said Agreement shall be a net Loan arrangement whereby Borrower is responsible for all costs of operation, maintenance, insurance and taxes on the property to be refinanced. **The Agreement will not be based on the annual appropriation of funds.**

EQUIPMENT TYPE:

Real Property in the amount of \$473,718.00 and General Equipment of \$374,726.00

BANK QUALIFICATION:

Lessee reasonably anticipates the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2006 will not exceed ten million (\$10,000,000.00) dollars.

REPAYMENT OPTIONS

Repayment Option	Note Term	Approximate Amount	Note Rate*	Note Payment
1	Approximately 15 Years	\$217,157.00	Tax-exempt 4.10%	Twenty-nine (29) payments of \$9,817.62 collected semiannually commencing on 1/13/06.
2	Approximately 15 Years	\$256,561.00	Taxable 6.30%	Twenty-nine (29) payments of \$13,230.82 collected semiannually commencing on 1/13/06.
2	5 Years	\$374,726.00	Tax-exempt 3.85%	Ten (10) payments of \$40,811.82 collected semiannually commencing on 1/13/06.

*To qualify for these rates, it is assumed that both tax-exempt schedules will be serialized or "combined" into one schedule.

COST OF ISSUANCE:

The above rates do not take into consideration certain costs of issuance that will be paid by the Lessee. These fees include, but may not be limited to, Lessee's and Lessor's attorney fees.

ESCROW FUNDING:

SLC has assumed funding of an escrow account for this transaction on or about. The Equipment Acquisition Fund will be used to pay equipment vendors/contractors and any escrow expenses.

Escrow Agent will be selected by Lessee subject to SLC's credit approval. SLC to review and approve escrow disbursements prior to Escrow Agent disbursing of funds. It is assumed that all interest earnings will accrue for benefit of Lessee. This proposal also does not take into consideration the application of any interest earnings from the escrow fund of the account.

REIMBURSEMENT:

If Borrower intends to be reimbursed for any equipment cost associated with this Agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under the Treasury Regulation Section 1.150.2.

INSURANCE:

The Borrower shall furnish confirmation of all risk physical damage insurance coverage for the full cost of the property plus one million (\$1,000,000.00) dollars combined single limit property damage and bodily injury insurance covering the property. SLC shall be named as loss payee and additional insured on such coverage.

In lieu of the aforementioned and as may be required by State Law, the Lessee shall be insured via the Maryland Tort Claims Account.

PERFORMANCE BOND:

N/A

AUTHORIZED SIGNORS:

The Borrower's governing board shall provide SLC with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute all necessary documents used therein.

- LEGAL OPINION:** The Borrower's counsel shall furnish SLC with an opinion covering this transaction and the documents used herein. This opinion shall be in a form and substance satisfactory to SLC.
- TAX OPINION:** The Borrower's counsel shall furnish SLC with a tax opinion covering this transaction. This opinion shall be in a form and substance satisfactory to SLC.
- LEGAL TITLE:** Title to the equipment will be in the name of Borrower. Lender may require that it be granted a security interest or lien on all collateral being refinanced.
- DOCUMENTATION:** Lender's form of documentation will be used and will remain substantially the same as the sample document provided herein. If the Borrower is required to use their own form of documentation, Borrower will bear all legal costs incurred by Lender in having the documents reviewed and revised, if necessary, by Lender's counsel.
- PROPOSAL EXPIRATION:** This proposal must be accepted by December 23, 2005. If acceptance is received by this date, the quoted Note Rates will remain fixed if funding takes place by January 3, 2006. If acceptance is not received by December 23, 2005, or funding does not take place by January 3, 2006, the Note Rates and Note Payment Amounts will be adjusted to market conditions three (3) days prior to funding. Once set, the Lease Rate will remain fixed for the Lease Term.
- FINANCIAL STATEMENTS:** Borrower shall provide to Lender three (3) years of current financial statements, budgets, demographics, and proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Borrower to continue this Agreement as may be reasonably requested by Lender.

This proposal is subject to final credit approval by the Credit/Investment Committee of SunTrust Bank and approval of the loan documents in SunTrust Leasing Corporation's sole discretion. To render a credit decision, Borrower shall provide SLC with the information requested above.

Upon receipt of the signed proposal, we will endeavor to provide you with a timely commitment. It is a pleasure to offer this proposal to Maryland Environmental Service and we look forward to your favorable acknowledgment.

Very truly yours,



Michael J. Horkey
Vice President

AGREED TO AND ACCEPTED BY:

_____ (Name)

_____ (Title)

_____ (Date)

MARYLAND ENVIRONMENTAL SERVICE

BOARD OF DIRECTORS

RESOLUTION NO. 05-12-2R

A RESOLUTION

Repealing Resolution 04-09-14; creating a certain project reserve fund to be known as the ECI Co-Generation Facility Maintenance Fund ("ECI Maintenance Fund"); authorizing the transfer of funds from an existing project reserve fund to the ECI Maintenance Fund; authorizing the use of such funds by the Maryland Environmental Service ("Service"); and generally relating to the management of the monies of the Service.

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 (2005 Replacement Volume, 2005 Supplement), as amended to date (the "Act"), including, (among others) the powers (i) to acquire, construct, reconstruct, rehabilitate, improve, maintain, and operate water, wastewater and solid waste projects within or without the State, (ii) to create and establish project reserve funds, and (iii), to pay into such project reserve fund moneys appropriated or otherwise made available by the State for the purposes of such funds, and any other moneys which may be received or otherwise made available to the Service from any other source or sources which the Service has designated for deposit into such funds.

By virtue of Executive Order 01.01.1971.11, and policy of the Board of Public Works of Maryland, the Service has been directed to operate and maintain solid waste, water and wastewater facilities owned by the State of Maryland. The Service is reimbursed by the State through the Department of Management and Budget for the costs the Service incurs in providing these services. In order to have funds available for emergency or other repairs and improvements to these environmentally sensitive State-owned solid waste, water and wastewater facilities, the Board, pursuant to Resolution 03-09-2R, authorized the Service to establish and maintain a Reimbursable Projects Contingency Fund ("Contingency Fund"). The Service was authorized to transfer certain specified amounts of money to the Contingency Fund, but only upon the approval of the Secretary of Budget and Management. The total amount in the Contingency Fund could not exceed \$1 million.

The Board subsequently amended the resolution by adopting Resolution 04-09-1R. Resolution 04-09-1R established a sub-account of the Contingency Fund, authorized an amount not to exceed \$300,000 per year to be deposited to the sub-account, and directed that funds in the sub-account could only be utilized for the maintenance of the turbines and associated equipment at the Eastern Correctional Institute Co-Generation Facility ("ECI Sub-account"). The Service estimates that an amount in excess of \$1 million will be required in Fiscal Year 2008 to rehabilitate the turbines at the Co-Generation Facility. However, the amendment did not change the maximum amount of the Contingency Fund.

The Service, in consultation with officials of the Department of Management and Budget, has determined that it should create a separate project reserve fund for the amounts being held in the ECI Sub-account. The Service considers the creation of the ECI Maintenance Fund, the transfer of moneys from the Contingency Fund to the ECI Maintenance Fund, and all other transactions contemplated by this Resolution, to be in furtherance of the public purposes of the Act and the Service.

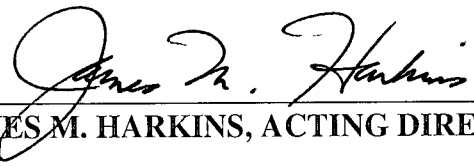
NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE, that:

1. There is an ECI Co-Generation Facility Maintenance Fund. The ECI Maintenance Fund shall be a project reserve fund, as permitted pursuant to Section 3-103(h) of the Act. The Service will transfer from the Contingency Fund to the ECI Maintenance Fund the sum of \$300,000.
2. Subject to the approval of the Secretary of Budget and Management, the Service shall transfer \$300,000 from the FY 2005 State reimbursable unearned revenue to the ECI Maintenance Fund. In subsequent fiscal years the Service may, with the approval of the Secretary of Budget and Management, transfer State reimbursable unearned revenue to the ECI Maintenance Fund in amounts that do not exceed \$300,000 per fiscal year. The total amount of the ECI Maintenance Fund may not exceed \$1,500,000 at any time.
3. Monies in the ECI Maintenance Fund may only be expended for maintenance of the turbines and associated equipment at the Eastern Correctional Institute Co-Generation Facility. Monies in the ECI Maintenance Fund may not be expended without the prior approval of (a) the Board of Directors of the Service and (b) the Secretary of Budget and Management.
4. Resolution 04-09-1R is hereby repealed. The Board confirms that monies in the sub-account established pursuant to Resolution 04-09-1R shall be retained by the Service and transferred to the ECI Maintenance Fund in accordance with Section 1 of this Resolution.
5. In accordance with Section 3-103(h)(3) of the Act, the Service shall expend monies in ECI Maintenance Fund and the Contingency Fund in accordance with the provision of the Act.
6. This Resolution shall take effect immediately upon its adoption.

ADOPTED, this 14th day of December, 2005.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 
JAMES M. HARKINS, ACTING DIRECTOR

BY: 
JOSEPH C. ZIMMERMAN, TREASURER

BY: 
JOHN O'NEILL, SECRETARY