

Maryland Environmental Service - Board of Directors

January 10, 1973

The Board of Directors of Maryland Environmental Service convened a special meeting dated this 10th day of January, 1973, for the purpose of discussing the Sludge Processing Project which the Service will execute pursuant to an agreement with the District of Columbia. The Board reviewed copies of the contract between Maryland Environmental Service and the District of Columbia, the Maryland Environmental Service contract with Bevard Brothers, Inc., for hauling sludge, the Maryland Environmental Service-U. S. Department of Agriculture contract for composting research of sludge at Beltsville, the construction contract between Maryland Environmental Service-F. E. Gregory and Sons, Inc. for construction of a pad to hold sludge at Beltsville, the Maryland National Bank commitment letter and other pertinent documents related to the project. Discussion was held concerning the terms and amount of the note Maryland Environmental Service proposes to give to Maryland National Bank for front money to finance the project. After discussion, Mr. Evan Crossley moved to vote on the approval of a Board Resolution authorizing the note and loan. The motion was seconded by Mr. Robert Chaney. The Board unanimously approved the note and loan and passed the following resolution pursuant thereto:

BE IT RESOLVED this 10th day of January, 1973, that the Director, Maryland Environmental Service, is hereby authorized and empowered, pursuant to Article 33B of the Annotated Code of Maryland (1971 Replacement Volume) to agree to and accept the terms and conditions of a loan commitment letter of the Maryland National Bank dated January 10, 1973, copy of which is attached hereto and made a part hereof and to execute on behalf of the Maryland Environmental Service the necessary evidences of indebtedness and all legal documents necessary to consummate the transaction.

BE IT FURTHER RESOLVED that the Agreement dated December 11, 1972, and the supplemental agreement dated January 2, 1973, by and between the Maryland Environmental Service and the District of Columbia, copies of which are attached hereto and made a part hereto are hereby ratified.

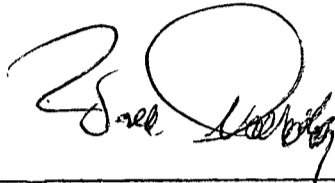
BE IT FURTHER RESOLVED that in furtherance of this resolution, the Secretary is hereby authorized to execute Maryland National Bank's Corporate Certificate of Authority to Borrow designating the Director of the Maryland Environmental Service as authorized signed of instruments, agreements, notes, and other documents required by the Maryland National Bank in connection with the aforementioned borrowing copy of which is attached hereto and made part hereof.

BE IT FURTHER RESOLVED that the Secretary is authorized to execute Maryland National Bank's form entitled Certificate of Authority for Corporate Account, copy of which is attached hereto and made part hereof, authorizing the establishment of a corporate checking account in the Maryland National Bank, designating authorized signers of such corporate account as the Treasurer of the Maryland Environmental Service and either the Director or Deputy Director of the Maryland Environmental Service, two signatures required, Treasurer's signature always required.

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BE IT FURTHER RESOLVED that the Treasurer of the Maryland Environmental Service be and he is hereby authorized to invest the proceeds of the aforementioned borrowing on the day of receipt thereof in his discretion in accordance with applicable provisions of Article 33B of the Annotated Code of Maryland.

IN WITNESS WHEREOF, the Secretary of the Board of Directors does hereby set his hand and seal this 10th day of January, 1973.



Evan Crossley, Secretary

MARYLAND ENVIRONMENTAL SERVICE'
BOARD OF DIRECTORS MEETING

The Board of Directors of Maryland Environmental Service convened a special meeting dated this 10th day of January, 1973, for the purpose of discussing the Sludge Processing Project which the Service will execute pursuant to an agreement with the District of Columbia. The Board reviewed copies of the contract between Maryland Environmental Service and the District of Columbia, the Maryland Environmental Service contract with Bevard Brothers, Inc., for hauling sludge, the Maryland Environmental Service-U.S. Department of Agriculture contract for composting research of sludge at Beltsville, the construction contract between Maryland Environmental Service--F. F. Gregory and Sons, Inc. for construction of a pad to hold sludge at Beltsville, the Maryland National Bank commitment letter and other pertinent documents related to the project. Discussion was held concerning the terms and amount of the note Maryland Environmental Service proposes to give to Maryland National Bank for front money to finance the project. After discussion, Mr. Even Crossley moved to vote on the approval of a Board Resolution authorizing the note and loan. The motion was seconded by Mr. Robert Chaney. The Board unanimously approved the note and loan and passed the following resolution pursuant thereto:

Be it resolved this 10th day of January, 1973, that the Director, Maryland Environmental Service, is hereby authorized and empowered, pursuant to Article 33B of the Annotated Code of Maryland (1971 Replacement Volume) to agree to and accept the terms and conditions of a loan commitment letter of the Maryland National Bank dated January 10, 1973, copy of which is attached hereto and made a part hereof and to execute on behalf of the Maryland Environmental Service the necessary evidences of indebtedness and all legal documents necessary to consummate the transaction.

Be it further resolved that the agreement dated December 11, 1972, and the supplemental agreement dated January 2, 1973, by and between the Maryland Environmental Service and the District of Columbia, copies of which are attached hereto and made a part hereof are hereby ratified.

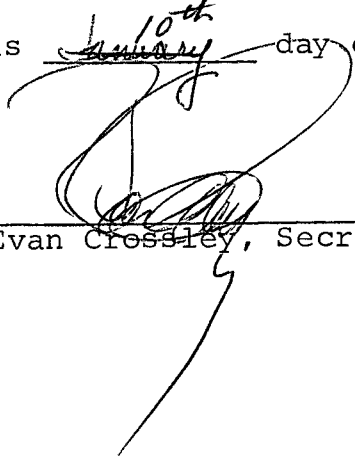
Be it further resolved that in furtherance of this resolution, the Secretary is hereby authorized to execute Maryland National Bank's Corporate Certificate of Authority to Borrow designating the Director of the Maryland Environmental Service as authorized signer of instruments, agreements, notes, and other documents required by the Maryland National Bank in connection with the aforementioned borrowing, copy of which is attached hereto and made part hereof.

Be it further resolved that the Secretary is authorized to execute Maryland National Bank's form entitled Certificate of Authority for Corporate Account, copy of which is attached hereto

and made part hereof, authorizing the establishment of a corporate checking account in the Maryland National Bank, designating authorized signers of such corporate account as the Treasurer of the Maryland Environmental Service and either the Director or Deputy Director of the Maryland Environmental Service, two signatures required, Treasurer's signature always required.

Be it further resolved that the Treasurer of the Maryland Environmental Service be and he is hereby authorized to invest the proceeds of the aforementioned borrowing on the day of receipt thereof in his discretion in accordance with applicable provisions of Article 33B of the Annotated Code of Maryland.

IN WITNESS WHEREOF, the Secretary of the Board of Directors
does hereby set its hand and seal this January^{10th} day of January,
1973.



Evan Crossley, Secretary

Maryland Environmental Service - Board of Directors

March 13, 1973

The Board of Directors of the Maryland Environmental Service was called to order at 10 a.m. on Tuesday, March 13, 1973, by the Agency Director, Thomas D. McKewen.

Board Members Present: Thomas D. McKewen, Director
Robert Chaney, Treasurer
Evan Crossley, Secretary

Staff Members Present: Reed W. McDonagh, Deputy Director
Michael Long, Chief of Administrative Services
S. Michael Floam, Special Assistant Attorney General
Harold Wright, Fiscal Officer

Also Present: Harry Weitzel, Vice President Maryland National Bank
Theodore Berger, Regional Vice President, Maryland National Bank
Edward Clarke, Piper & Marbury (Counsel to Maryland National Bank)
Gordon Calvert, Piper & Marbury (Counsel to Maryland National Bank)

A Resolution authorizing and providing for the issuance by Maryland Environmental Service of its revenue bond designated "Sludge Disposal Revenue Bond, 1973 Series" in the principal amount of \$1,750,000 was presented to the Board by Edward Clarke of Piper and Marbury, counsel to the Maryland National Bank. Discussion was held concerning the Resolution and several corrections relevant to the Resolution were agreed upon.

Mr. Robert Chaney expressed the Board's appreciation to Mr. Edward Clarke for his time and patience in dealing with this transaction.

Mr. Thomas D. McKewen moved to vote on the adoption of the Resolution presented to the Board with the amendments to which the Board and the representatives of the lender have agreed.

The motion was seconded by Mr. Robert Chaney. The Board unanimously passed the following Resolution:

RESOLUTION

A RESOLUTION authorizing and providing for the issuance by Maryland Environmental Service of its revenue bond designated "Sludge Disposal Revenue Bond, 1973 Series" in the principal amount of \$1,750,000 pursuant to the provisions of Sections 1 to 33, inclusive, of Article 33B of the Annotated Code of Maryland (1971 Replacement Volume and 1972 Cumulative Supplement) in order to finance a solid waste disposal project as set forth in an agreement between Maryland Environmental Service and the District of Columbia providing, among other things, for the disposal of sludge in order to reduce pollution of the environment within the State of Maryland; making certain findings, among others, concerning the public benefit and purpose of the revenue bond; providing that such revenue bond shall constitute a general obligation of the Service as provided by Section 13 of the Act and shall be payable from revenue derived from payments to

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the Service under the Service Contract with the District of Columbia and related contracts and shall not ever constitute a debt or a pledge of the faith and credit or the taxing power of the State of Maryland or of any political subdivision thereof; providing that neither the Service nor the State of Maryland nor any political subdivision thereof shall be obligated to pay the same or the interest thereon except from revenues or other moneys of the Service available therefor; prescribing the terms, conditions, security, form and tenor of such bond; authorizing the private sale of such bond; providing that Maryland National Bank, purchaser of the bond, shall act as Trustee under this Resolution as a Trustee for all moneys received by the Service hereunder; establishing the interest rate on such bond; providing for the delivery of such bond; confirming the authorization, execution and delivery of (i) an agreement between the Service and the District of Columbia, dated December 11, 1972, as supplemented by an agreement dated January 2, 1973, and (ii) an agreement between the Service, the District of Columbia and Washington Suburban Sanitary Commission dated March 23, 1973, all relating to sludge processing and disposal; providing for the creation of an Escrow Fund by the Service to be held by the Trustee as Escrow Agent and providing for the deposit of the bond proceeds in such Escrow Fund and the disbursement thereof; providing for the investment of the moneys held by the Trustee; providing remedies in the event of default; and generally providing for and determining various matters in connection with the authorization, issuance, security, sale and payment of such revenue bond.

RECITALS

By Chapter 240 of the Laws of Maryland of 1970, the General Assembly of Maryland enacted Sections 1 to 32, inclusive, of Article 33B of the Annotated Code of Maryland (1971 Replacement Volume), such sections, as amended to date (including amendments enacted by Chapter 619 of the Laws of Maryland of 1971), constituting Sections 1 to 33, inclusive, of said Article 33B (1971 Replacement Volume and 1972 Cumulative Supplement) and being hereinafter collectively referred to as the "Act." The Service was created by, exists under, and exercises the powers contained in, the Act, including (among others) the power (i) to borrow money and to issue bonds or notes for the purpose of paying all or any part of the cost of any one or more projects and to secure the payment of such bonds or notes or any part thereof by pledge or deed of trust of all or any part of its revenues, and in general to provide for the security for 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 agency, 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 or the facilities of any project of the Service, or in connection with the services or facilities provided by any water supply project, solid waste disposal project or wastewater purification project owned or controlled by the other contracting party, including contracts for the construction and operation of any project which is in this State or in an adjoining state.

The Service has determined to issue its revenue bond to finance a solid waste disposal project in order to implement, in part, the "Blue Plains Interim Treatment Program," and thus assist in the control and reduction of pollutant levels in the Potomac River, the bed of which lies entirely within the State of Maryland.

On December 11, 1972, Maryland Environmental Service ("Service") entered into an agreement with the District of Columbia ("District") in regard to certain sludge processing and disposal. On January 2, 1973, the Service and the District entered into an agreement supplementing the original agreement dated December 11, 1972. The agreements dated December 11, 1972 and January 2, 1973, are collectively referred to as the "Service Contract."

On January 10, 1973, Maryland National Bank presented the Service with a Commitment Letter in regard to the proposed borrowing by the Service of \$1,750,000; the terms of the letter dated January 10, 1973, were accepted by the Service on January 10, 1973, and such letter is referred to as the "Commitment Letter."

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
MARYLAND ENVIRONMENTAL SERVICE

Section 1: That, acting pursuant to the Act, it is hereby found and determined that implementation of the sludge processing and disposal project in accordance with the Service Contract will result in dependable, effective and efficient disposal of solid wastes generated by the "Blue Plains Interim Treatment Program"; improvement of the quality of water resources in the Potomac River basin; and, promotion of the health and welfare of the citizens of the State of Maryland.

Section 2: That, the issuance, sale and delivery of a \$1,750,000 principal amount Sludge Disposal Revenue Bond, 1973 Series (the "Bond"), is hereby authorized, subject to the provisions of this Resolution, such Bond to constitute a general obligation of the Service as provided by Section 13 of the Act, payable from and secured by the Pledged Revenues (hereinafter defined).

It is hereby found and determined that the best interests of the Service will be served by selling the Bond at private sale, as authorized by the Act, upon terms and conditions approved hereinafter. The Bond is hereby sold to Maryland National Bank at the par amount thereof. In view of the unique nature of the sludge disposal project and its financing, a public sale of the Bond would be impracticable and could result in a substantially higher interest rate.

Section 3: That, the Bond is to be issued and delivered, and all revenues subject to or to become subject to this Resolution, including the Pledged Revenues (hereinafter defined), are to be held and applied upon and subject to the following covenants, conditions, uses and trusts; and the Service, for itself and its successors, does hereby covenant and agree to and with the Bank, in both its capacity as purchaser of the Bond and as Trustee and with all those who shall, from time to time, hold the Bond, or any of them, for the benefit of all such holders, as follows:

ARTICLE I

DEFINITIONS

The terms defined in this Article I shall, for all purposes of this Resolution and of all resolutions supplemental hereto now or hereafter entered into in accordance with the provisions hereof, have the meanings specified herein unless the context clearly otherwise requires:

Act:

"Act" shall mean the Environmental Service Act, consisting of Sections 1 to 33, inclusive, of Article 33B of the

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Annotated Code of Maryland (1971 Replacement Volume and 1972 Cumulative Supplement), enacted by Chapter 240 of the Laws of Maryland of 1970, as amended, and all future acts supplemental thereto or amendatory thereof.

Administration Expenses:

"Administration Expenses" shall mean the reasonable and necessary expenses incurred with respect to the Service Contract, this Resolution and the financing of the Project, including any expenses paid to the Trustee under this Resolution.

Agreement of October 18, 1971:

"Agreement of October 18, 1971" shall mean the agreement entitled "Agreement - Blue Plains Interim Treatment Program" dated as of October 18, 1971, entered into by and between the District, the Washington Suburban Sanitary Commission and Fairfax County, Virginia, as principal parties thereto, and assented to by certain other participating user jurisdictions.

Authorized Service Representative:

"Authorized Service Representative" shall mean a person at the time designated to act on behalf of the Service by written certificate furnished to the Bank (or any other holder, from time to time, of the Bond) and the Trustee containing the specimen signature of such person and signed on behalf of the Service by its Director or Deputy Director, and its Secretary.

Bank:

"Bank" shall mean the Maryland National Bank, a national banking association organized and existing under the laws of the United States of America, its successors and assigns.

Bond or Bonds:

"Bond" shall mean the Bond of the Service designated "Sludge Disposal Revenue Bond, 1973 Series" authenticated and delivered under this Resolution, or the Bonds for which the Bond may be exchanged in accordance with this Resolution.

Counsel:

"Counsel" shall mean an attorney at law satisfactory to the Bank.

District:

"District" shall mean the District of Columbia.

Escrow Agent:

"Escrow Agent" shall mean the Trustee acting in its capacity as Escrow Agent having custody and control of the Escrow Fund as provided in Article IV of this Resolution.

Escrow Fund:

"Escrow Fund" shall mean the fund created and held by the Escrow Agent as provided in Section 4.01 of this Resolution.

Pledged Revenues:

"Pledged Revenues" shall mean (i) the payments to be made by the District of Columbia (together with all other payments to be made) pursuant to the Service Contract, (ii) the payments to be made by entities other than the District of Columbia and assigned to the Service by Section 512 of the Service Contract, and (iii) any other revenues or moneys of the Service available therefor and not otherwise pledged, subject only to any agreements with the holders of particular obligations of the Service pledging any particular revenues or moneys.

Project:

"Project" shall mean the solid waste disposal project of the Service described in Exhibit A to the Service Contract and related improvements and any substitutions therefor, to be acquired by the Service and to be financed under the Service Contract and this Resolution for operation by the Service as a solid waste disposal project as defined in the Act.

Resolution:

"Resolution" shall mean this Resolution and any resolution supplemental hereto or amendatory hereof and any resolution adopted pursuant hereto.

Revenue Fund:

"Revenue Fund" shall mean the fund created under Section 5.01 of this Resolution.

Service:

"Service" shall mean the Maryland Environmental Service, a body politic and corporate, constituting an instrumentality of the State of Maryland created by the Act and performing an essential governmental function of such State.

Service Contract:

"Service Contract" shall mean the agreement entitled "Agreement Between Maryland Environmental Service and District of Columbia for Sludge Processing and Disposal" dated as of December 11, 1972, as supplemented by the agreement entitled "Agreement Between Maryland Environmental Service and District of Columbia Supplementing Their Control [Contract] for Sludge Processing and Disposal Dated December 11, 1972" dated January 2, 1973. "Service Contract" shall include the agreement between the Service, the District and the Washington Suburban Sanitary Commission ("Commission") dated March 23, 1973, clarifying and confirming the obligations of the Commission to the Service under the December 11, 1972 and January 2, 1973 agreements referred to in the preceding sentence.

Trustee:

"Trustee" shall mean Maryland National Bank, in its capacity as such Trustee, and its successor or successors as Trustee hereunder.

In addition, unless the context or use indicates another or different meaning or intent, all words and terms not defined in this Article I shall have the same meanings, respectively, in this Resolution and with respect to the Bond authorized hereby, as are given to such words and terms by Section 3 of the Act, as amended.

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ARTICLE II

AUTHORIZATION AND DESCRIPTION OF BOND

Section 2.01. The Service shall be obligated to pay the principal of and interest on the Bond out of the Pledged Revenues pledged for the payment thereof under this Resolution.

Section 2.02. There is hereby created for issuance under this Resolution a series of revenue bonds in the aggregate principal amount of \$1,750,000, to be evidenced by a single Bond which shall bear the descriptive title "Maryland Environmental Service Sludge Disposal Revenue Bond, 1973 Series." The Bond shall be dated the date of delivery of and payment for such Bond; shall be issued as a fully registered bond without coupons in the denomination of \$1,750,000, exchangeable, upon not less than 30 days' prior written notice by the holder thereof, for coupon bonds in the denomination of \$5,000 each, registrable as to principal only, or for fully registered bonds without coupons in the denomination of \$5,000 or any multiple thereof; and shall bear interest at the rate of 4 per centum (4%) per annum, such interest being payable on July 15, 1973, and thereafter on October 15, 1973, January 15, 1974, April 15, 1974, July 15, 1974, October 15, 1974, January 15, 1975, and May 15, 1975. The bond shall be payable in installments as follows:

<u>Amount</u>	<u>Due</u>
\$100,000	July 15, 1973
100,000	October 15, 1973
100,000	January 15, 1974
100,000	April 15, 1974
200,000	July 15, 1974
200,000	October 15, 1974
200,000	January 15, 1975
750,000	May 15, 1975

In order to facilitate the more expeditious accomplishment of the Project, the Bank, on February 5, 1973, advanced \$150,000 of the total loan of \$1,750,000 to the Service as a preliminary advance, without in any way waiving any of the rights or requirements reserved to the Bank in the Commitment Letter. The Bond authorized by this Resolution shall be issued in the full aggregate principal amount of \$1,750,000 in partial consideration for the surrender and cancellation of the Sludge Processing Revenue Bond, Series A, No. 1, in the principal amount of \$150,000, dated February 5, 1973. The Bond to be issued pursuant to this Resolution shall bear interest from the date of such Bond except that, as to the principal amount of \$150,000 representing the principal amount of the surrendered and cancelled Sludge Processing Revenue Bond, Series A, No. 1, interest shall be paid from February 5, 1973.

Section 2.03. The Bond shall be substantially in the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution. All the Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto. The registered Bond without coupons shall be numbered No. "R-1."

The principal of and interest on the Bonds shall be paid in any coin or currency of the United States of America

which, at the respective times of payment, is legal tender for the payment of public and private debts at the principal office of the Trustee in Annapolis, Maryland, or at the principal office of its successor as Trustee.

UNITED STATES OF AMERICA
STATE OF MARYLAND
MARYLAND ENVIRONMENTAL SERVICE

No. R-1

\$1,750,000.00

SLUDGE DISPOSAL REVENUE BOND, 1973 SERIES

Maryland Environmental Service, a body politic and corporate constituting an instrumentality of the State of Maryland, organized and existing under and by virtue of the laws of the State of Maryland (the "Service"), for value received, hereby promises to pay to Maryland National Bank or its registered assigns, the principal amount of \$1,750,000 in installments of principal as follows:

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<u>Principal Installment</u>	<u>Date Due</u>
\$100,000	July 15, 1973
100,000	October 15, 1973
100,000	January 15, 1974
100,000	April 15, 1974
200,000	July 15, 1974
200,000	October 15, 1974
200,000	January 15, 1975
750,000	May 15, 1975

with interest thereon at the rate of four per centum (4%) per annum from February 5, 1973, to the date of this bond on \$150,000 principal amount and on the entire principal amount of \$1,750,000 from the date of this bond until the principal amount is paid, such interest being payable on July 15, 1973; October 15, 1973; January 15, 1974; April 15, 1974; July 15, 1974; October 15, 1974; January 15, 1975; and, May 15, 1975. Payment of the principal and the interest on this revenue bond shall be made in lawful money of the United States of America at the principal office of Maryland National Bank in Annapolis, Maryland.

This revenue bond has been duly issued by the Service under and pursuant to the laws of the State of Maryland, particularly the Maryland Environmental Service Act contained in Sections 1 to 33, inclusive, of Article 33B of the Annotated Code of Maryland (1971 Replacement Volume and 1972 Supplement) and pursuant to resolutions adopted by the Board of Directors of the Service on January 10, 1973, and March 13, 1973.

This revenue bond represents a series of revenue bonds constituting general obligations (as provided by the Act and to the extent permitted by the Constitution of the State of Maryland) of the Service payable from and secured by a pledge of, equally and ratably with all other revenue bonds of this issue, (i) the payments to be made by the District of Columbia (together with all other payments to be made) pursuant to a certain agreement, dated December 11, 1972, as supplemented by an agreement dated January 2, 1973 (together, the "Service Contract"), between the Service and the District of Columbia in connection with certain sludge processing and disposal (such payments shall include payments by Washington Suburban Sanitary Commission (the "Commission") pursuant to an agreement between the Service, the District of Columbia and the Commission dated March 23, 1973, clarifying and confirming the obligations of

the Commission to the Service under the Service Contract); and (iii) any other revenues or moneys of the Service available therefor and not otherwise pledged, subject only to any agreements with the holders of particular obligations of the Service pledging any particular revenues or moneys (collectively, the "Pledged Revenues").

Payments of principal and interest hereon shall be made upon presentation of this revenue bond to the Trustee. The Trustee shall thereupon make a notation in the schedule attached to this revenue bond as to the payment of such installment of principal or interest, as the case may be.

This revenue bond shall be registered as to principal and interest on the books of the Service to be kept for that purpose at the principal office of the Trustee and such registration shall be noted hereon. This revenue bond shall be transferrable only upon said books at said office by the registered holder hereof in person or by his duly authorized attorney.

Upon not less than thirty (30) days' prior written notice to the Service by the registered holder hereof, this revenue bond may be converted into, and exchanged for, coupon revenue bonds in the denomination of \$5,000 each, registrable as to principal only, or for fully registered revenue bonds without coupons in the denomination of \$5,000 or any multiple thereof.

Reference is hereby made to the resolutions of the Board of Directors of the Service adopted on January 10, 1973 and March 13, 1973, for a full and complete statement of the provisions, among others, with respect to the custody and application of the proceeds of this revenue bond, the disposition of the Pledged Revenues pledged as security for the payment of this revenue bond and the interest thereon, the nature and extent of the security and the rights of the holder of this revenue bond, the terms and conditions on which, and the purposes for which, this revenue bond is issued and the rights, duties and obligations of the Service and the Trustee thereunder, to all of which the holder hereof, by acceptance of this revenue bond assents.

In case an "Event of Default", as defined in Article VIII of the resolution of the Board of Directors of the Service adopted on March 13, 1973, shall occur, all installments of principal of this revenue bond shall become due and payable, without notice to the Service or other procedural requirements.

Prepayment of all or any portion of any installment of principal on this revenue bond is permitted, without payment of any redemption premium or penalty, if written notice of any such prepayment is given to the holder of this revenue bond not less than seven (7) days prior to the date of such prepayment.

This revenue bond shall not be deemed to constitute a debt or a pledge of the faith and credit of the State of Maryland or of any political subdivision thereof, but such revenue bond shall be payable solely from the Pledged Revenues. Neither the Service nor the State of Maryland nor any political subdivision thereof shall be obligated to pay this revenue bond or the interest thereon except from such Pledged 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 of or the interest on such revenue bond.

No covenant or agreement contained in this revenue bond or the resolution authorizing this revenue bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the Service in his individual capacity, and neither the members of the Board of Directors of the Service nor any official executing this revenue bond nor any officer of the Service shall be liable personally on this revenue bond or be subject to any personal liability or accountability by reason of the issuance of this revenue bond.

This revenue bond shall not be entitled to any benefit under the resolution authorizing the same, or be valid or become obligatory for any purpose, until this revenue bond shall have been authenticated by the execution by the Trustee, or its successor as Trustee, of the Certificate of Authentication inscribed hereon.

It is hereby certified and recited by the Service that all acts, conditions and things necessary to be done, precedent to and in the issuance of the revenue bonds of the issue of which this bond is a part in order to make them the legal, valid and binding obligations of the Service in accordance with their terms, have been done, have happened, and have been performed in regular and due form as required by law, and that the issuance of such revenue bonds does not exceed or violate any constitutional, statutory or other limitation (including, without limitation, contractual limitations of any sort whatsoever) upon the amount of the indebtedness prescribed for the Service by law, and that the Pledged Revenues are available for pledge and may be legally pledged by the Service and have been so pledged, this revenue bond being intended as a confirmation of the existence and effect of such pledge.

IN WITNESS WHEREOF the Director of Maryland Environmental Service has manually executed this revenue bond on behalf of Maryland Environmental Service and has caused its seal to be attached hereto and attested by the manual signature of its Secretary, all as of the 13th day of March, 1973.

ATTEST:

MARYLAND ENVIRONMENTAL SERVICE

Secretary

By _____
Thomas D. McKewen, Director

(SEAL)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This bond is the fully registered revenue bond without coupons designated "Sludge Disposal Revenue Bond, 1973 Series" described in the resolution of the Board of Directors of the Service adopted on March 13, 1973.

MARYLAND NATIONAL BANK,
as Trustee

By _____
Authorized Officer

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Section 2.04. The Bond shall be executed on behalf of the Service by the manual signature of its Director and its corporate seal shall be thereunto affixed and attested by the manual signature of its Secretary.

If any of the officers who shall have signed or sealed the Bond shall cease to be such officer of the Service before the Bond so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Service, such signature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery and such Bond may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bond had not ceased to be such officer or officers of the Service; and also the Bond may be signed and sealed on behalf of the Service by those persons who, at the actual date of the execution of such Bond, shall be the proper officers of the Service, although at the nominal date of such Bond any such person shall not have been such officer of the Service.

ARTICLE III

DELIVERY OF BOND

Section 3.01. The principal amount of Bonds which may be executed by the Service and authenticated and delivered by the Trustee and secured by this Resolution is limited to \$1,750,000 aggregate principal amount. This Resolution creates and shall constitute a continuing, irrevocable and exclusive claim upon and pledge of the Pledged Revenues to the extent provided in this Resolution, to secure the full and final payment of the principal of and interest on the Bond.

Section 3.02. The Bond shall forthwith be executed by the Service and delivered to the Trustee for authentication and thereupon the Bond shall be authenticated by the Trustee and shall be delivered to or upon the order of the Director of the Service or the Deputy Director of the Service, such order to be sealed with the seal of the Service, but only upon (i) the surrender and cancellation by Maryland National Bank of Sludge Processing Revenue Bond, Series A, No. 1, dated February 5, 1973, in the principal amount of \$150,000 and (ii) the receipt by the Trustee of the proceeds of sale of the Bond, namely, \$1,600,000, for deposit to the credit of the Escrow Fund.

ARTICLE IV

ESCROW FUND

Section 4.01. There is hereby created an Escrow Fund to be held by the Trustee as Escrow Agent. The proceeds from the sale by the Service of the Bond shall be paid to the Trustee, and the Trustee shall deposit the same in the Escrow Fund to be held by the Trustee in accordance with the provisions of this Article IV until applied in payment of any item of the cost of the Project.

Section 4.02. (a) The Trustee as Escrow Agent shall make payments from the Escrow Fund to pay the cost of the Project upon the receipt by the Escrow Agent from time to time of requisitions signed by an Authorized Service Representative, stating with respect to each payment to be made (1) the requisition number, (2) the name and address of the person, firm, or corporation (which may be the Service) to whom payment is due, (3) the amount to be paid, (4) the purpose for which the obligation, item of cost, or expense mentioned therein has

been properly incurred, is a proper charge against the Escrow Fund as a cost of the Project and has not been the basis of any previous withdrawal.

(b) In addition to such payments, the Trustee as Escrow Agent shall pay from the Escrow Fund to the Service upon its requisitions therefor, signed by an Authorized Service Representative, at one time or from time to time, a sum or sums aggregating not more than \$50,000, exclusive of reimbursements as hereinafter in this Section authorized, such sums and such reimbursements to be used by the Service as a revolving fund for the payment of the costs of the Project which cannot conveniently be paid as herein otherwise provided. Such moneys shall be deemed to be a part of the Escrow Fund until paid out. The revolving fund shall be reimbursed by the Trustee as Escrow Agent from time to time for such expenses so paid by payments from the Escrow Fund upon requisition of the Service, filed with the Trustee and similarly signed, specifying the items enumerated in subsection (a) of this Section.

(c) Provided, however, that as to both subsections (a) and (b) above, the Escrow Agent shall make no payment from the Escrow Fund without the prior written consent of the Bank in its capacity as registered owner of the Bond, if (i) the Service has failed to make any payment of principal or interest on the Bond, when due, or (ii) the Trustee shall be advised or acquire knowledge of any facts affecting either the future cash flow of the Project or any other material financial aspect of the Project which indicates that the Service will not be able to provide for any payment of principal and interest of the Bond, when due (such facts shall include, without limitation, the non-availability of funds to the District of Columbia or other participating entity caused by the failure of any appropriation or otherwise), or (iii) such payment will result in the disbursement from the Escrow Fund of a total amount (taking into account all prior payments from the Escrow Fund and the amount of \$150,000 previously advanced on February 5, 1973) exceeding \$1,575,000 unless prior to such disbursement there shall have been received from each of the parties to the Agreement of October 18, 1971 (other than the District and the Commission) and from any other entities making payments to meet the cost of the Project, an agreement and/or opinion of counsel in form satisfactory to the Bank in its capacity as registered owner of the Bond, providing that each such party and entity is unconditionally bound to make payments to the District under the October 18, 1971 Agreement, without set-off, and the obligations to make such payments are absolute, irrevocable and unconditional.

Section 4.03. Upon completion of the Project or at any time prior to the payment of all moneys from the Escrow Fund, the Service may direct the Escrow Agent to pay all or any part of the balance in the Escrow Fund to the Bank as a payment to reduce the principal amount of the Bond. In the event the Escrow Agent is directed by the Service to make any such payment, such payment shall be allocated to outstanding and unpaid installments of principal on the Bond in such manner as the Bank shall determine in its capacity as registered owner of the Bond; provided, however, that the Service shall be entitled to credit for any earnings actually realized on such moneys prior to their application to such principal installments.

Section 4.04. In the event that the Service fails to make any payment of principal or interest on the Bond, when due, the Trustee is hereby directed in its capacity as Escrow Agent to apply the balance of any moneys then on deposit in the Escrow Fund to the payment of outstanding and unpaid principal installments on the Bond. The Trustee is hereby authorized and directed to make any and all transfers, and to effect any and all transactions, to carry out the direction of this paragraph,

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which is intended to provide additional security to the Bank as purchaser of the Bond:

No further action by the Service shall be required to authorize the Bank to take the action authorized by this Section and the Service hereby covenants and agrees to indemnify the Bank, its agents, servants and employees, from any and all cost, expense, damages, liabilities, or obligations that may result from the exercise by the Bank of its rights as registered owner of the Bond and of its duties as Escrow Agent pursuant to this Section of the Resolution.

ARTICLE V

APPLICATION OF RECEIPTS AND REVENUES

Section 5.01. There is hereby created a Revenue Fund, which shall be held by the Trustee for the further security of the holders from time to time of the Bond, from time to time. The Service hereby assigns, transfers and sets over to the Trustee all the Pledged Revenues of the Service from the Project, including (without limitation) all payments to the Service under the Service Contract, and the Service hereby directs payment to the Trustee of any and all amounts payable to the Service under the terms of the Service Contract or any related agreement.

Section 5.02. If at any time there occurs an Event of Default as defined in Article VIII of this Resolution, the moneys deposited from time to time by the Trustee in the Revenue Fund shall be applied by it without further authorization from the Service as follows:

(a) to make payments of principal and interest on the Bond and

(b) to pay from time to time such amounts as may be necessary to pay or provide for Administration Expenses.

Upon authorization from the Service moneys in the Revenue Fund shall be applied to pay any and all other costs and expenses of the Project. If (i) the Service is not in default as determined in accordance with Article VIII of this Resolution and (ii) the Trustee has not been advised or acquired knowledge of any facts affecting either the future cash flow of the Project or any other material financial aspect of the Project which indicates that the Service will not be able to provide for any payment of principal and interest of the Bond, when due (such facts shall include, without limitation, the non-availability of funds to the District of Columbia or other participating entity caused by the failure of any appropriation or otherwise), then the Service may draw upon the moneys in the Revenue Fund for use as the Service so directs.

Section 5.03. The Trustee shall also pay from the Revenue Fund all Administration Expenses which shall be the reasonable and necessary expenses incurred by the Service with respect to the Resolution and the Bond and the financing of the Project, including the payment of any expenses, costs, liabilities or obligations incurred by the Bank in its capacity as Trustee and Escrow Agent under this Resolution.

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ARTICLE VI

SECURITY FOR AND
INVESTMENT OF MONEYS

Section 6.01. All moneys from time to time received by the Trustee or by the Escrow Agent and held in any fund created under this Resolution or otherwise shall be held in trust by the Trustee for the benefit of the holders from time to time of the Bond. Moneys in the Escrow Fund shall be invested as provided in this Article VI unless the Trustee shall be furnished an opinion of counsel that moneys in the Escrow Fund are not subject, as proceeds of the Bond, to (i) any provisions of Maryland law prescribing permitted investments for Bond proceeds or (ii) Section 103(d) of the Internal Revenue Code and the applicable regulations thereunder.

Section 6.02. All moneys received by the Trustee hereunder and not invested by the Trustee pursuant to the provisions of Section 6.03 hereof, to the extent not insured by the Federal Deposit Insurance Corporation, shall continuously be secured, for the benefit of the Service and the holders of the Bond, from time to time, as required by law.

Section 6.03. Moneys on deposit to the credit of the Revenue Fund, and (to the extent provided above, the Escrow Fund) may be retained uninvested as trust funds and shall, upon receipt from time to time of a certificate of the Service so directing, be either deposited (but only after security required by law shall be given) by the Trustee in interest-bearing deposit accounts (which may be represented by certificates of deposit) in one or more national or state banks (which may include the Trustee) having a combined capital and surplus of not less than \$10,000,000 or (if and to the extent then permitted by law) invested by the Trustee in direct obligations of, or obligations guaranteed by, the United States of America, or the State of Maryland, or in obligations of the Federal National Mortgage Association, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Land Banks or Federal Home Loan Banks or as otherwise provided by law.

The securities purchased with the moneys in each such Fund shall be deemed a part of such Fund and, for the purpose of determining the amount of money in such Fund, the securities therein shall be valued at their cost or market, whichever is lower. The Trustee shall not be liable or responsible for any loss resulting from any such investment or resulting from the redemption or sale of any such investment as herein authorized. If at any time it shall become necessary that some of or all the securities purchased with the moneys in any such Fund be redeemed or sold in order to raise moneys necessary to comply with the provisions of this Resolution, the Trustee shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same.

The Service covenants that it will not make, or permit the Trustee to make, any use of the proceeds of the Bond or of any moneys on deposit to the credit of the Revenue Fund or the Escrow Fund which may be deemed to be proceeds of the Bonds pursuant to Section 103(d) of the Internal Revenue Code and the applicable regulations thereunder which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning of said Section and said regulations, and that it will comply with the requirements of said Section and said regulations, as the same may be amended from time to time, so long as the Bond remains outstanding.

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Section 6.04. Any balance in any of the Funds created under this Resolution or otherwise held by the Trustee after the Bond issued hereunder and secured hereby, together with the interest thereon, has been paid in full and all amounts due to the Trustee (including amounts due as Administration Expenses) have been paid, shall be paid over to the Service, unless it is in default hereunder, in which case the balance shall be paid over to the person or persons determined to be legally entitled to the same.

ARTICLE VII

PARTICULAR COVENANTS OF THE SERVICE

Section 7.01. The Service will promptly pay the principal of, and the interest on, the Bond issued hereunder and secured hereby at the place, on the dates and in the manner specified herein and in said Bond, according to the true intent and meaning thereof. As provided by Section 13 of the Act, the Bond shall constitute a general obligation of the Service (to the extent permitted by the Constitution of the State of Maryland and the Act), payable primarily from the Pledged Revenues.

Section 7.02. The Service will at all times maintain its corporate existence or assure the assumption of its obligations under this Resolution by any public body succeeding to its powers under the Act, and it will use its best efforts to maintain, preserve and renew all the rights and powers provided to it by the Act; and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Project and the Bond.

Section 7.03. So long as the Bond is outstanding, the Service will enforce (i) the obligation of the District to pay, or cause to be paid, all the payments and other costs and charges payable by the District under the Service Contract, (ii) the obligation of Washington Suburban Sanitary Commission to pay all the payments and other costs and charges payable by the Commission under the Service Contract as clarified and confirmed by the Agreement between the Service and the Commission dated March 23, 1973, and (iii) the obligation of any other entity to make payments under the Service Contract or the Agreement of October 18, 1971. The Service will not enter into any agreement with the District amending the Service Contract without the prior written consent of the Bank.

Section 7.04. The Service will from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to carry out the purpose of this Resolution.

Section 7.05. Except for the contemplated assignment to the Bank, the Service will not sell, lease or otherwise dispose of or encumber its interest in the Service Contract, the October 18, 1971 Agreement or any agreements pledged as security for the Bond, or any of the payments or receipts derived therefrom, and will promptly pay or cause to be discharged or make adequate provision to satisfy and discharge any lien or charge on any part of such payments or receipts.

Section 7.06. The Service covenants that, in order to perfect the interest of the Trustee in the payments to be made under the Service Contract, appropriate Financing Statements, naming the Trustee as assignee of the contract rights

represented by such Service Contract, will be filed in the appropriate state and county offices as required by the provisions of the Uniform Commercial Code, as amended. The Service and the Trustee will file such necessary continuation statements from time to time as may be required pursuant to the provisions of said Uniform Commercial Code to protect the interest of the Trustee and the Bank as registered owner of the Bond.

Section 7.07. The Service covenants that it will annually provide the Bank a copy of the Service's annual financial statement as prepared and certified by an independent certified public accountant, as soon as practicable following the last day of the Service's fiscal year.

Section 7.08. The Service represents that the schedule previously furnished to the Bank giving the estimated revenues under the Service Contract and dates of receipt thereof by the Service, and the estimated payouts to meet costs of the Project and the dates thereof, is true and correct to the best of the knowledge of the Service. The Service further covenants that it will notify the Bank in writing of any information or facts that any matters stated in such schedule have changed, or will (in the reasonable expectation of the Service) be subject to change, such notice to be given within ten (10) days of the receipt of any information or basis for belief by the Service.

Section 7.09. The Service covenants that it will comply with any and all requirements of the Act.

ARTICLE VIII
DEFAULT

Section 8.01. An "Event of Default" shall be deemed to have occurred if (i) the Service shall default in the due and punctual payment of a principal installment on this Bond or of any installment of interest on this Bond when and as the same shall become due; or (ii) the Service shall default in the performance of any other provision of the Bond or of the Resolution authorizing such Bond and such default shall continue for thirty (30) days after written notice of such default has been given to the Service by the Bank.

ARTICLE IX
TRUSTEE

Section 9.01. This Resolution shall constitute a trust agreement for the benefit of the holders of the Bonds from time to time upon the acceptance of the duties of the Trustee by execution of the form of acceptance appearing at the end of this Resolution.

ARTICLE X
SUPPLEMENTAL RESOLUTIONS

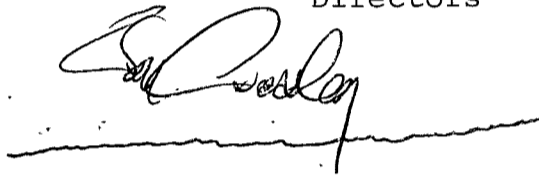
Section 10.01. A supplemental resolution of the Service, amending or modifying this Resolution may be adopted at any time by the Service, but any such supplemental resolution shall become effective only upon approval thereof by the Bank or other registered owner from time to time of the Bond. Any supplemental resolution adopted in accordance with the provisions of this Article shall thereafter form a part of this Resolution

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and all terms and conditions contained in any such supplemental resolution as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

The foregoing Resolution of the Board of Directors of the Maryland Environmental Service was adopted at a meeting of such Board of Directors duly called and held on March 13, 1973, such Resolution to be effective on the date of its adoption.

Directors

A handwritten signature in cursive script, appearing to read "S. Wesley", is written over a horizontal line. The signature is written in dark ink and is somewhat stylized.

Maryland Environmental Service - Board of Directors

June 20, 1973

The Board of Directors of the Maryland Environmental Service held a brief meeting on Wednesday, June 20, 1973. Those present were:

Robert Chaney, Treasurer
Evan Crossley, Secretary

Also present were:

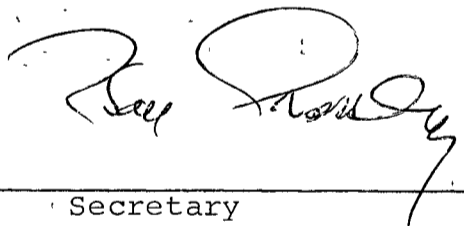
Reed W. McDonagh, Deputy Director
Michael Long, Chief of Administrative Services

The first item of business was the establishment of an employee benefit program for the Maryland Environmental Service Corporation employees who are not eligible for State benefits. Michael Long presented what had been done so far. The Board agreed that such a program should be initiated which would provide holidays the same as the State's, a vacation program the same as the State's and a medical insurance program. The Board agreed to fund one-half of the cost of the medical insurance program, with the employees paying the remaining one-half. It being assumed that funds would be available from normal corporate sources.

Robert Chaney asked about an audit. Michael Long reported that Harold Wright had received two estimates and we were now waiting for a third estimate from Ernst and Ernst. Mr. Chaney felt that the Service should have a nationally recognized firm prepare the audit.

There was a brief discussion about the 5% overhead charged by the Service and the Service might retain this as a working fund. Mr. Chaney felt that Section 17 of Article 33B gave us this power and asked that Michael Floam give an opinion on this.

Meeting was adjourned.


Secretary

MARYLAND ENVIRONMENTAL SERVICE
BOARD OF DIRECTORS

RESOLUTION

(Authorizing Establishment of Payroll Checking Account)

RESOLVED, that Maryland National Bank (the Bank) is designated as a depository of this Corporation and that a "Payroll Account" checking account be opened and maintained in the name of this Corporation with the Bank; and

RESOLVED, that the Bank is directed to pay all checks, drafts, notes, acceptances or other orders for the payment of money, including those drawn to the individual order of a signer, from such account which are signed by the following persons:

Robert L. Chaney, Treasurer, and

Thomas D. McKewen, Director, or
Reed W. McDonagh, Deputy Director, or
Michael T. Long, Chief of Administration, or
Harold O. Wright, Fiscal Officer

(Two signatures required, one of which in any and all events shall be Robert L. Chaney, Treasurer.)

and they are authorized to endorse all notes, drafts, checks, bills, certificates of deposit, or other instruments, owned or held by this Corporation for deposit in said account, or for collection by the Bank and that any and all endorsements made for or on behalf of this Corporation upon such checks, drafts, notes or instruments for deposit or collection made with the Bank may be by written or stamped endorsements of this Corporation without any designation of the person making such endorsement.

RESOLVED, that the names, titles and/or signatures of authorized signers may be superseded from time to time by the execution of a new Signature Card tendered to the Bank, properly certified by the Secretary.

RESOLVED, that the Secretary of this Corporation is authorized and directed to deliver and certify to the Bank a certified copy of these resolutions and that the same are in conformity with the charter and by-laws of this Corporation, together with a certificate or signature card setting forth the names and certifying to the signatures of the present officers of this Corporation and of persons other than officers who are authorized to sign as above set forth, and the Bank shall be free from all liability and fully protected in relying on such certifications of the Secretary and shall be indemnified and saved harmless from any claims, demands, expenses, attorney's fees, loss, damage or liability whatsoever resulting from, or growing out of, honoring the signature of any person so certified, or refusing to honor any signature not so certified until the actual receipt by the Bank of a written notice purporting to be under the seal of this Corporation and purportedly signed by the Director or Secretary of this Corporation notifying the Bank of any change of such officers or other authorized signers.

Thomas D. McKewen, Director

Robert L. Chaney, Treasurer

Evan Crossley

Evan Crossley, Secretary

Date Adopted

MARYLAND ENVIRONMENTAL SERVICE
BOARD OF DIRECTORS

RESOLUTION

(Authorizing Establishment of General Checking Account)

RESOLVED, that Maryland National Bank (the Bank) is designated as a depository of this Corporation and that a "General Account" checking account be opened and maintained in the name of this Corporation with the Bank; and

RESOLVED, that the Bank is directed to pay all checks, drafts, notes, acceptances or other orders for the payment of money, including those drawn to the individual order of a signer, from such account which are signed by the following persons:

Robert L. Chaney, Treasurer, and

Thomas D. McKewen, Director, or
Reed W. McDonagh, Deputy Director, or
Michael T. Long, Chief of Administration, or
Harold O. Wright, Fiscal Officer

(Two signatures required, one of which in any and all events shall be Robert L. Chaney, Treasurer).

and they are authorized to endorse all notes, drafts, checks, bills, certificates of deposit, or other instruments, owned or held by this Corporation for deposit in said account, or for collection by the Bank and that any and all endorsements made for or on behalf of this Corporation upon such checks, drafts, notes or instruments for deposit or collection made with the Bank may be by written or stamped endorsements of this Corporation without any designation of the person making such endorsement.

RESOLVED, that the names, titles and/or signatures of authorized signers may be superseded from time to time by the execution of a new Signature Card tendered to the Bank, properly certified by the Secretary.

RESOLVED, that the Secretary of this Corporation is authorized and directed to deliver and certify to the Bank a certified copy of these resolutions and that the same are in conformity with the charter and by-laws of this Corporation, together with a certificate or signature card setting forth the names and certifying to the signatures of the present officers of this Corporation and of persons other than officers who are authorized to sign as above set forth, and the Bank shall be free from all liability and fully protected in relying on such certifications of the Secretary and shall be indemnified and saved harmless from any claims, demands, expenses, attorney's fees, loss, damage or liability whatsoever resulting from, or growing out of, honoring the signature of any person so certified, or refusing to honor any signature not so certified until the actual receipt by the Bank of a written notice purporting to be under the seal of this Corporation and purportedly signed by the Director or Secretary of this Corporation notifying the Bank of any change of such officers or other authorized signers.

Thomas D. McKewen, Director

Robert L. Chaney, Treasurer

Evan Crossley

Evan Crossley, Secretary

Directors

Date Adopted

12/10/13

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