

BOARD MEETING MINUTES

A meeting of the Board of Directors of the Maryland Environmental Service was called to order at 9 00 a m on April 16, 1981, by the Director, Thomas D McKewen

Board Members Present Thomas D McKewen, Director
 Robert L Chaney, Secretary

Staff Members Present Joseph G Johns, Jr , Deputy Treasurer

Other Persons Present Ben Bialek, Assistant Attorney General
 Pamela Andersen

Mr Bialek presented to the Board of Directors of the Maryland Environmental Service the form of a resolution to supplement the resolution the Board adopted on December 28, 1978, and amended, supplemented, and restated on October 21, 1980. The form of the resolution is to amend Section 2, Section 5, Article II, Section 2 02, and Section 5, Article III, Section 3 01, of the aforesaid resolution to provide that the aggregate principle amount of Project Bonds issued and outstanding at any time shall not exceed \$1,250,000 00 and is to amend Section 5, Article I, Section 1 01 to provide that the tax free rate for the Project Bonds shall be one half per cent (1/2%) per annum plus fifty per cent (50%) of the prime rate in effect on the date of issue

Mr Johns explained that due to increased operation and maintenance costs caused by difficulties in obtaining an adequate wood chip supply, he is recommending the \$250,000 increase in the debt limitation. He also recommended authorizing the increase in the tax free rate of interest to 1/2 of the prime rate plus 1/2%. The rate now is 1/2 of the prime rate plus 1/4%. It is Mr Johns' opinion that this rate is still reasonable and competitive. When bids were originally solicited from the ten largest banks in Maryland, there were only two responses. The lowest was Maryland National Bank with a proposal to pay 1/2 of the prime rate plus 1/4%. The only other proposal was for 1/2 of the prime rate plus 2%. So 1/2 of the prime rate plus 1/2% is still much lower than the next lowest bid. If Maryland National Bank were to terminate the bond purchase agreement within 90 days because of need for more interest, which is within the terms of the agreement, MES would be forced to solicit bids again and the interest rate proposals could be much higher than 1/2 of the prime rate plus 1/2%.

Mr Johns informed the Board that he had been contacted by Glenn Hall of Maryland National Bank about the raise in the interest rate and had verbally approved the raise for the \$847,267 Series 'X' MES/WSSC Project Bond to be issued April 16, 1981. Written notification of the raise in interest rates will soon be received from Maryland National Bank. Mr Hall had also agreed to the increase in the debt limit.

Mr Chaney moved that in consideration for the increase in the debt limit and the security of having a reasonable interest rate, the Board adopt the following resolution. Mr McKewen seconded that motion and the motion carried unanimously. The Board then resolved as follows:

Resolution

A RESOLUTION supplemental to a Resolution of the Board of Directors of the Maryland Environmental Service adopted on December 28, 1978 (approved by the Secretary of Natural Resources on the same date) as amended, supplemented, and restated on October 21, 1980, authorizing the issuance, sale and delivery of Sludge Disposal Revenue Bonds (MES/WSSC Project) provided that the aggregate principal amount of Project Bonds issued and outstanding at any time shall not exceed \$1,250,000 00 and provided that the Tax Free Rate of such Bonds shall be one half (50%) of the Prime Rate in effect at issue plus one half per centum (1/2%) per annum

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

Section 1. That Section 2 is hereby amended to read as follows

Section 2 That, subject to the provisions of this Resolution, the issuance, sale and delivery from time to time of Sludge Disposal Revenue Bonds (MES/WSSC Project) (the Project Bonds') are hereby authorized, provided that the aggregate principal amount of Project Bonds issued and outstanding at any time shall not exceed \$1,250,000 00 The Project Bonds shall constitute general obligations of the Service as provided by Section 3-115 of the Act, payable from and secured by the Pledged Revenues (hereinafter defined) The issuance, sale and delivery of all series of Project Bonds which are outstanding on the date hereof are hereby ratified and confirmed

Section 2 That the first full paragraph of Section 5, Article II, Section 2 02 is hereby amended to read as follows

Section 2 02 Authorization of Project Bonds
There is hereby created for issuance under this Resolution one or more issues or series of revenue bonds which shall bear the descriptive title 'Maryland Environmental Service Sludge Disposal Revenue Bonds (MES/WSSC Project) The aggregate principal amount of Project Bonds issued and outstanding at any time shall not exceed \$1,250,000 00 Each series of Project Bonds shall mature within 90 days (inclusive of the day of delivery and the day of maturity) of its initial authentication and delivery Interest on each series of Project Bonds shall be payable on the date of maturity of such Project Bonds The principal of and interest

Board Meeting-April 16, 1981
Page Three

on the Project Bonds shall be paid upon the presentation and surrender thereof at the principle office of Maryland National Bank in Annapolis, Maryland, or in the case of a successor Trustee, at the principal office of such Trustee

Section 3 That Section 5, Article III, Section 3 01 is hereby amended to read as follows

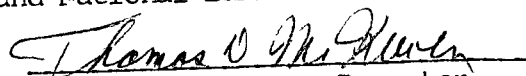
Section 3.01. Limitation on Authentication of Project Bonds. The principal amount of Project Bonds which may be outstanding at any time is limited to \$1,250,000 00 The Service shall not execute, and the Trustee shall not authenticate and deliver, any Project bonds, if the Principal amount of such Project Bonds, together with the principal amount of Project bonds outstanding, exceeds \$1,250,000 00


Section 4 That, the twenty-fourth full paragraph of Section 5, Article I, Section 1 01 is hereby amended to read as follows

'Tax Free Rate' shall mean (A) in the case of each series of the Project Bonds, one half per centum (1/2%) per annum plus fifty per centum (50%) of the Prime Rate in effect on the date of issue of the Project Bonds of such series, and (B) in the case of the Construction Bonds, the floating rate of interest equal to sixty-five per centum (65%) of the Prime Rate in effect from time to time

Section 5 That, this Supplemental Resolution is hereby declared to be a supplemental resolution adopted pursuant to and in accordance with Section 5, Article X, Section 10 01 of the December 28, 1978 Resolution, as amended, supplemented and restated on October 21, 1980 As provided in Section 10 01, this Supplemental Resolution shall become effective only upon approval of this Supplemental Resolution by Maryland National Bank, Trustee, and registered owner of all Bonds issued prior to this date

The foregoing Supplemental 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 April 16, 1981, such supplemental Resolution to be effective upon approval by Maryland National Bank


Thomas D McKewen, Director

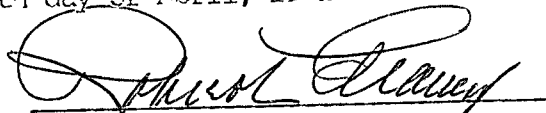

Robert L Charey, Secretary

(SEAI)

CERTIFICATE

I, the undersigned, Robert I. Charey, Secretary of the Maryland Environmental Service, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Board of Directors of the Maryland Environmental Service at a meeting duly called and held on April 16, 1981, at which the Director and the Secretary were present, and that said resolution has not been repealed, rescinded or amended since October 21, 1980, and is now in full force and effect and I do hereby further certify that said resolution, after having been introduced, fully read and discussed, was duly passed, all Directors present voting in the affirmative.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Maryland Environmental Service this 16th day of April, 1981.


Robert I. Charey, Secretary

(S 1)

ACCEPTANCE OF DUTIES BY THE TRUSTEE

Maryland National Bank, a national banking association, organized and existing under the laws of the United States of America, Trustee, hereby accepts the trusts under and the duties and obligations imposed upon the Trustee by the foregoing Resolution supplementing and amending the Resolution adopted by the Maryland Environmental Service on December 28, 1978, as amended.

MARYLAND NATIONAL BANK

By _____

Glen Hall
Regional Vice President

Dated April 16, 1981

APPROVAL OF REGISTERED ORDER

In reliance on the representations and information provided by the Maryland Environmental Service, the Maryland National Bank, the registered owner of all Sludge Disposal Revenue Bonds (MES/ISSC Project) issued by the Maryland Environmental Service prior to April 16, 1981, hereby approves the foregoing Supplemental Resolution for purposes of Section 5, Article X, Section 10 01 of the December 20, 1978, Resolution, as amended

MARYLAND NATIONAL BANK

By _____
Clem Hall
Regional Vice President

Dated April 16, 1981

APPROVAL OF SECRETARY OF NATURAL RESOURCES

The Secretary of Natural Resources has approved the foregoing
Resolution adopted by the Board of Directors of the Maryland Environmental
Service on April 16, 1981

Secretary of Natural Resources
State of Maryland

Jares E Coulter

Dated _____

The Chase Manhattan Bank N.A.



CHASE

June 8, 1981

Maryland National Bank
Annapolis
Maryland

Attention Mr. Glenn Fall
Regional Vice President

Re \$8,000,000 Maryland Environmental
Service Sludge Disposal Revenue
Bonds (MES/WSSC Construction Project)

We hereby consent to your approval of the attached Supplemental Resolution of the Board of Directors of the Maryland Environmental Service which was adopted at a meeting of such Board on April 16, 1981 to amend the Resolution authorizing the above-captioned bonds

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION)

BY *William J. Stroh*
Second Vice President

MINUTES OF BOARD OF DIRECTORS MEETING

April 20 1981

Members Present

Thomas D McKewen, Director
Robert L Chaney Secretary

Staff

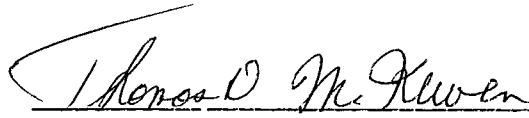
Ben Bialek Assistant Attorney General

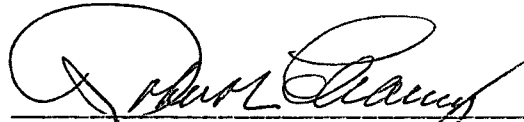
At an open meeting held on April 20 1981, at One East Redwood Street Baltimore, Maryland and for the reasons set forth in Maryland Register, Volume 8 Issue 5, at page 485, the Board of Directors adopted the form of the following resolution by a vote of all members of the Board there present

BE IT RESOLVED

That the regulation proposed for adoption in Maryland Register Volume 8, Issue 5 (March 6 1981) at Page 485 is adopted verbatim as it appears therein

SEAL


Thomas D McKewen, Director


Robert L Chaney Secretary

Board Meeting Minutes

A meeting of the Board of Directors of the Maryland Environmental Service was called to order at 12:15 p.m. on July 7, 1981 by the Director Thomas D. McEwen.

Board Members Present: Thomas P. Caven, Director
P. Bennett, Thomas, Secretary

Staff Members Present: Joseph G. Johns, Jr., Deputy Treasurer

Other Persons Present: Len Bialek, Assistant Attorney General
Parela Anderser, Esq.

Mr. Bialek presented to the Board of Directors of the Maryland Environmental Service the form of a resolution to supplement the resolution the Board adopted on December 28, 1978 and amended, supplemented and restated on October 21, 1980. The form of the resolution is to amend Section 2, Section 5, Article II, Section 2.02 and Section 5, Article III, Section 3.01 of the aforesaid resolution to provide that the aggregate principal amount of the ES/SSC Project Bonds issued and outstanding at any time shall not exceed \$1,500,000.00 and is to amend Section 5, Article I, Section 1.01 to provide that the tax-free rate for the ES/SSC Project Bonds shall be sixty per cent (60%) of the Maryland National Bank's prime rate in effect on the date of issue.

Mr. Bialek also presented to the Board of Directors the form of a resolution to supplement the resolution the Board adopted on March 13, 1973 as amended, supplemented and restated on June 1, 1979. The form of the resolution is to amend Section 2D, Article II, Section 2.02C, Article III, Section 3.01 and Article III, Section 3.02C(2) of the aforesaid resolution to provide that the aggregate principal amount of the ES/DC Project Bonds issued and outstanding at any time shall not exceed \$1,500,000.00 and is to amend Article I to provide that the tax-free rate for the ES/DC Project Bonds shall be sixty per cent (60%) of the Maryland National Bank's prime rate in effect at issue.

Mr. Johns explained that the Executive Committee of the Board of Directors of the Maryland National Bank had finally approved ES's request for an increase in the credit line for the ES/SSC and ES/DC Project Bonds. The Bank had increased credit to \$1,500,000.00 instead of the \$1,250,000.00 originally requested. The interest rate approved is sixty per cent (60%) of Maryland National Bank's prime rate instead of the 1/2 of the prime rate plus 1/2 anticipated. This is a net increase in interest costs of 1/2 assuming base prime rate to be 20%. This is still a very competitive rate in Mr. John's opinion since the current govt. rate for best customers is 65% of prime. The increase in the credit line is necessary to accommodate the increased bond sales going on for the ES/SSC and ES/DC bonds as has to be increased recently. Mr. Johns recommended approval of the increased credit line and the new interest rate.

Mr. Johns moved that the Board adopt the following resolutions: to provide that the interest rate in consideration for the extension of the credit line be as recorded; that notice of the motion be given to all members. The Board then resolved as follows:

Board Meeting Minutes

A meeting of the Board of Directors of the Maryland Environmental Service was called to order on September 16, 1981 by the Director, Thomas D McKewen

Board Members Present	Thomas D McKewen, Director
	R Kenneth Barnes, Secretary
Staff Members Present	Joseph G Johns, Secretary
Other Persons Present	James K Robinson, Assistant Attorney General

Mr Robinson presented to the Board of Directors of the Maryland Environmental Service the form of a resolution to supplement the resolution the Board adopted on December 28, 1978 and amended, supplemented and restated on October 21, 1980, and amended again on July 7, 1981. The proposed amendment would change the July 7, 1981 amendment slightly. The form of the resolution is to amend Section 5, Article I, Section 101 to provide that the tax free rate for the MES/WSSC Project Bonds shall be a floating rate of interest of sixty percent (60%) of the Maryland National Bank's prime rate in effect from time to time.

Mr Robinson also presented to the Board of Directors the form of a resolution to supplement the resolution the Board adopted on March 13, 1973 as amended, supplemented, and restated on June 1, 1979 and amended again by the Board on July 7, 1981. The form of this resolution now presented is to change that July 7, 1981 amendment slightly. It would amend Article I to provide that the tax free rate for the MES/DC Project Bonds shall be a floating rate of interest of sixty per cent (60%) of the Maryland National Bank's prime rate in effect from time to time.

Mr Johns explained that the Executive Committee of the Board of Directors of the Maryland National Bank had approved an increase in the credit line for the MES/WSSC and MES/DC Project Bonds contingent on a raise in the interest rate to a floating sixty per cent (60%) of Maryland National's prime rate. Unfortunately, due to a misunderstanding, when the forms of resolutions raising the interest rate were presented to the Board at its July 7, 1981 meeting, they failed to state that it was a floating rate rather than fixed rate. The forms of the resolutions presented today would make the changes from fixed to a floating rates. It is Mr John's opinion that that is still a very competitive rate and should be accepted by the Board.

Mr Barnes moved that the Board adopt the following resolutions changing the interest rates for the MES/WSSC and MES/DC Project Bonds. Mr McKewen seconded that motion and the motion carried unanimously. The Board then resolved as follows:

Resolution

A RESOLUTION supplemental to a Resolution of the Board of Directors of the Maryland Environmental Service adopted on December 28, 1978 (approved by the Secretary of Natural Resources on the same date) as amended, supplemented and restated on October 21, 1980, and amended on July 7, 1981 authorizing the issuance, sale and delivery of Sludge Disposal Revenue Bonds (MES/WSSC Project) provided that the tax free rate of such Bonds shall be a floating rate of interest equal to sixty per centum (60%) of the Maryland National Bank's Prime Rate in effect from time to time.

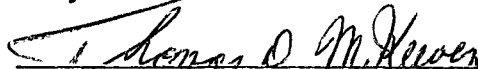
BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE

Section 1 That, the twenty-fourth full paragraph of Section 5, Article I, Section 1 01 is hereby amended to read as follows


"Tax Free Rate" shall mean (A) in the case of each series of the Project Bonds, the floating rate of interest equal to sixty per centum (60%) of the Maryland National Bank's Prime Rate in effect from time to time, and (B) in the case of the Construction Bonds, the floating rate of interest equal to sixty-five per centum (65%) of the Prime Rate in effect from time to time

Section 2 That, this Supplemental Resolution is hereby declared to be a supplemental resolution adopted pursuant to and in accordance with Section 5, Article X, Section 10 01 of the December 28, 1978 Resolution, as amended, supplemented and restated on October 21, 1980 As provided in Section 10 01, this Supplemental Resolution shall become effective only upon approval of this Supplemental Resolution by Maryland National Bank, Trustee, and registered owner of all Bonds issued prior to this date

The foregoing Supplemental 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 September 16, 1981, such supplemental Resolution to be effective upon approval by Maryland National Bank


Thomas D McKewen, Director


(SEAL)


R Kenneth Barnes, Secretary

CERTIFICATE

I, the undersigned, R Kenneth Barnes, Secretary of the Maryland Environmental Service, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by the Board of Directors of the Maryland Environmental Service at a meeting duly called and held on September 16, 1981, at which all Directors were present, and that said resolution has not been repealed, rescinded or amended since its adoption and is now in full force and effect, and I do hereby further certify that said resolution after having been introduced fully read and discussed was duly passed, all Directors voting in the affirmative

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Maryland Environmental Service this 16th day of September, 1981

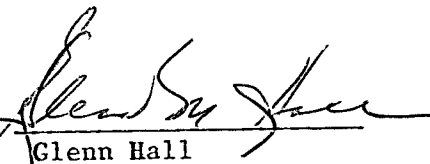

R Kenneth Barnes, Secretary
Maryland Environmental Service

(SEAL)

Consent of Holder of Project Bonds

Maryland National Bank, as holder of the outstanding MES/WSSC Project Bond Series "AA" and "BB" and the MES/WSSC Construction Bond, hereby consents to the adoption by the Service of the foregoing Resolution dated September 16, 1981

MARYLAND NATIONAL BANK

By 
Glenn Hall
Vice President

DATED