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 Bark 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

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 paragrah of Section 5, Artice 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

(SEAL)

Robert L Charey, Secretary

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

(SEAL)

ACCEPTANCE OF DUTIES BY THE TRUSTEE

aryland 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 _____

Glenn Hall
Regional Vice President

Dated April 16, 1981

APPROVAL OF REGISTERED OWNER

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/WSSC 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 _____
Glenn 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

_____
James R Coulter

Dated _____

The Chase Manhattan Bank N A

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 _____
Second Vice President