RESOLUTION
OF THE BOARD OF DIRECTORS
OF THE
MARYLAND ENVIRONMENTAL SERVICE
ADOPTED APRIL 26, 1982

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 Act, as amended to date, is now codified as Sections 3-101 to 3-131, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (1974 Volume and 1981 Cumulative Supplement)

The Service was created by, exists under, and exercises the powers contained in, the Act, including (among others) the powers (i) to borrow money and to issue bonds or notes for the purposes 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 or other available money, or by pledge, mortgage, or deed of trust of certain of its facilities or properties, 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 unit, instrumentality or subdivision thereof, or with any municipality or person within or without the State of Maryland providing for or relating to the furnishing of services to 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

By Chapter 588 of the Laws of Maryland of 1974, the General Assembly enacted the Resource Recovery Loan Act of 1974 (the 'Loan Act") The Loan Act authorizes the Board of Public Works to borrow not in excess of $5,000,000, and authorizes the Board of Public Works to make grants of those funds to the Maryland Environmental Service to assist, among other things, in the

development of solid waste disposal facilities to be owned by the Service The Loan Act defines, in Section 6(e), the term "Solid Waste" to include "chemicals" and "waste solvents," and "similar materials "

The Board of Public Works, acting pursuant to the Loan Act, adopted a resolution on December 2, 1981, granting $2,500,000 to the Service, (the "Grant") payable from the proceeds of the State of Maryland's next general obligation bond issue The Grant is to be used to pay not more than 20% of the cost of a solid waste disposal facility for hazardous wastes, to be located at Hawkins Point, in the City of Baltimore, Maryland

The Service has determined that it is necessary to issue a $1,500,000 grant anticipation note to fund the construction of the project until the Grant proceeds are received by the Service

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 hazardous waste processing and disposal projects to be located at Hawkins Point, Baltimore, Maryland (collectively, the "Project") will result in dependable, effective and efficient disposal of solid and liquid hazardous wastes generated by various industries located in the State of Maryland (the "State"), improvement of the quality of the environment in the State and promotion of the health and welfare of the citizens of the State, that the issuance of the Note (hereinafter defined) to provide for the timely payment of the Costs of the Project (hereinafter defined) will facilitate the construction, operation and provision of the Project, and that the Costs of the Project to which the proceeds of the Note will be applied constitute "costs" within the meaning of the Act

Section 2 That, subject to the provisions of this Resolution, the issuance, sale and delivery of Maryland Environmental Service Grant Anticipation Note (Hawkins Point Project) (the "Note") is hereby authorized, provided that the principal amount of the Note shall not exceed $1,500,000 The Note shall constitute a general obligation of the Service as provided by Section 3-115 of the Act, payable from and secured by the grant of $2,500,000 authorized by the Board of Public Works of the State of Maryland, pursuant to a Resolution adopted by the Board of Public Works on December 2, 1981, and payable from and secured by the Pledged Revenues (hereinafter defined)

Section 3 It is hereby found and determined that the best interests of the Service will be served by selling the Note at a private (negotiated) sale, as authorized by the Act, upon the terms and conditions approved hereinafter The Note shall be sold to the Treasurer of the State of Maryland at a price equal to 100% of the principal amount thereof In connection with the issuance, sale and delivery of the Note, the officers and employees of the Service are authorized and empowered to execute and deliver to the purchaser of the Note such representations, warranties, certifications, projections, forecasts and statements as may be necessary or desirable to issue or sell such Note

Section 4 That, the Note is to be issued and delivered, and all moneys subject to or to become subject to this Resolution, including the Grant and 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 Treasurer, and with all those who shall, from time to time, hold the Note for the benefit of all such holders, as follows

ARTICLE I
DEFINITIONS

Section 1 01 Defintions The terms defined in this Article I shall, for all purposes of this Resolution and of all resolutions supplemental hereto now or hereinafter entered into in accordance with the provisions hereof, have the meanings specified herein unless the context clearly otherwise requires

"Act" shall mean the Maryland Environmental Service Act, consisting of Sections 1 to 33, inclusive, of Article 33B of the Annotated Code of Maryland (1971 Replacement Volume and 1972 Cumulative Supplement), enacted by Chapter 240 of the Laws of Maryland of 1970, as amended, such Act as amended to date being now codified as Sections 3-101 to 3-131, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (1974 Volume and 1981 Cumulative Supplement), and all future acts supplemental thereto or amendatory thereof

"Administrative Expenses" shall mean the reasonable and necessary expenses incurred by the Service with respect to this Resolution and the financing of the Costs of the Project

"Business Day" means a day other than a Saturday, Sunday or legal holiday observed in the State of Maryland

'Cost" or 'Costs of the Project', as applied to the Project or to any activity of the Service taken in connection with the Project, shall mean any cost authorized to be financed pursuant to the Act and shall include (1) the cost of construction or acquisition, including the purchase price of any existing portion of the Project or the cost of acquiring all right, title, or interest in all or any portion of the Project and the amount to be paid to discharge all obligations necessary to vest title to all or any portion of the Project in the Service, (2) the cost of any reconstruction, extension, enlargement, alteration, repair, or improvement (3) the cost of all lands, properties, rights, easements, interests, franchises, and permits acquired, (4) the cost of all labor, machinery and equipment, financing charges, interest prior to and during construction and for one year after completion of construction, (5) the cost of revenue estimates, engineering and legal services, plans, designs, specifications, surveys, investigations, demonstrations, studies, estimates of cost, other expenses necessary or incidental to determining the feasibility or practicability of any such acquisition, improvement, or construction (6) administrative expenses, and other expenses necessary or incidental to the financing herein authorized, and to the acquisition, operation, maintenance, improvement, construction of Project facilities, and the placing of these Project facilities, may be regarded as a part of the cost of the Project facilities

"Grant" shall mean the grant of $2,500,000 by the State of Maryland to the Service as authorized by a resolution adopted by the Board of Public Works of the State on December 2, 1981, such grant to be used for the acquisition, construction, and operation of the Project (as herein defined)

"Note" shall mean the issue of a grant anticipation note of the Service, designated "Maryland Environmental Service Grant Anticipation Note (Hawkins Point Project) authenticated and delivered under this Resolution

"Noteholders" shall mean registered holders of the Note, as such ownership is indicated on the registry books maintained by the Service

"Pledged Revenues" shall mean any revenues or moneys of the Service available for the payment of the principal of and the interest on the Note and not otherwise pledged pursuant to any agreements with the holders of particular bonds pledging any particular receipts or revenues or moneys

"Project" shall mean that portion of the hazardous waste disposal project of the Service located at Hawkins Point, in the City of Baltimore, Maryland which is known as "Hawkins Point - Site 1" and which is located on approximately 37 acres of land to be leased by the Service from the Maryland Port Administration, to be acquired, constructed, and operated by the Service for use as a hazardous waste disposal facility

"Resolution" shall mean this Resolution and any resolution adopted pursuant hereto

"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 State

Section 1 02 Rules of Construction The following rules shall apply to the construction of this Resolution unless the context otherwise requires

(a) Singular words shall connote the plural number as well as the singular and vice versa

(b) The Article and Section headings herein are solely for convenience of reference and shall not constitute a part of this Resolution nor shall they affect its meaning, construction or effect

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

(d) References to the Escrow Fund and Revenue Fund refer to the funds and accounts so designated which are created and established pursuant to this Resolution

(e) 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 Note authorized hereby, as are given to such words and terms by Section 3 of the Act, as amended

ARTICLE II

AUTHORIZATION AND DESCRIPTION OF NOTES

Section 2 01 Payment of Note from the Grant and Pledged Revenues The Service shall be obligated to pay the principal of and interest on the Note from the Grant and the Pledged Revenues

Section 2 02 Authorization of Note There is hereby created for issuance under this Resolution one grant anticipation note which shall bear the descriptive title "Maryland Environmental Service Grant Anticipation Note (Hawkins Point Project) The principal amount of the Note shall not exceed $1,500,000 The Note shall mature on the date upon which funds are made available to the Service from the Grant Interest on the Note shall be payable on the date of maturity of the Note The principal of and interest on the Note shall be paid upon the presentation and surrender thereof at the principal office of the Service

Section 2 03 Details of the Note The Note shall bear interest from the date of its authentication and delivery at the highest rate of interest that otherwise would have been obtainable from a legal investment of the Treasurer under the laws of the State of Maryland during the period of time in which the Note is outstanding

The Note shall be dated as of the date of its initial authentication and delivery, and shall be issued as a fully registered Note without coupons

The principal of and interest on the Note shall be paid in such 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

Section 2 04 Form of the Note The Note shall be substantially in the form set forth in Article VIII of this Resolution, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution

Section 2 05 Execution of Note The Note shall be executed on behalf of the Service by the manual signature of its Director, and the corporate seal of the Service shall be thereunto affixed and attested by the manual signature of its Secretary or, in the event of the unavailability of the Secretary, of its Deputy Director The Secretary of the Service hereby delegates such authority to the Deputy Director of the Service, and the Board of Directors of the Service hereby approves that delegation of authority

If any of the officers who shall have signed or sealed the Note shall cease to be such officer of the Service before the Note so signed and sealed shall have been actually 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 Note may be issued and delivered with the same force and effect as though the person or persons who signed or sealed such Note had not ceased to be such officer or officers of the Service, and also the Note may be signed and sealed on behalf of the Service by those persons who, at the actual date of the execution of such Note, shall be the proper officers of the Service, although at the nominal date of such Note any such person shall not have been such officer of the Service

ARTICLE III
APPLICATION OF NOTE PROCEEDS

Section 3 01 Application of Note Proceeds The Service covenants that the proceeds of Note shall be applied only to the payment of the Costs of the Project and that such proceeds shall be used for no other purpose The proceeds of the Note may be used to pay the Cost of any portion of the Project

ARTICLE IV
APPLICATION OF RECEIPTS AND REVENUES

Section 4 01 Pledge of Grant and Revenues To secure the full and timely payment of the principal of and the interest on the Notes, the Service hereby pledges, assigns, transfers and sets over to the Treasurer, and grants the Treasurer a security interest in the Grant and the Pledged Revenues (as defined in this Resolution) of the Service

The pleage of the Grant and revenues made by this Resolution is hereby covenanted to be for the equal and proportionate benefit and security of the present and future holders of the Note issued under this Resolution, without preference, priority or distinction as to lien or otherwise, except as otherwise herein provided

ARTICLE V
SECURITY FOR AND
INVESTMENT OF MONEYS

Section 5 01 Uninvested Funds All moneys received by the Service hereunder and not invested by the Service pursuant to the provisions of Section 5 02 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 Note, from time to time, as required by law

Section 5 02 Investment of Funds Moneys on deposit to the credit of the funds established pursuant to this Resolution may be retained uninvested as trust funds and shall be either deposited (but only after security required by law shall be given) by the Service in interest-bearing deposit accounts (which may be represented by certificates of deposit) in one or more national or state banks 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 Service in direct obligations of, or obligations unconditionally guaranteed by, the United States of America, or the State of Maryland or of any political subdivision thereof, or in obligations of the Federal National Mortgage Association, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Land Banks, Federal Home Loan Banks or as otherwise provided by law or in repurchase agreements for such obligations with any bank, trust company or dealer in government bonds reporting to, trading with and recognized as a primary dealer by a Federal Reserve Bank, acting as principal or agent, if such obligations are delivered to the Service or are supported by a safekeeping receipt issued by a depository satisfactory to the Service, provided that such repurchase agreements must provide that the value of the underlying such obligations shall be continuously maintained at a current market value of not less than the repurchase price, and provided, however, that in no event shall such moneys be invested in equity securities of private entities

The securities purchased with the moneys in each such fund shall be deemed a part of such fund for the purpose of determining the amount of money in such Fund and, the securities therein shall be valued at their cost or market, whichever is lower The Service 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 Service shall effect such redemption or sale, employing, in the case of a sale, any commercially reasonable method of effecting the same

Section 5 03 Balance of Funds Any balance in the funds created under this Resolution or otherwise held by the Service after the Note issued hereunder and secured hereby, together with the interest thereon, has been paid in full and all amounts due to the Service (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 VI
PARTICULAR COVENANTS OF THE SERVICE

Section 6 01 Payment of Note The Service will promptly pay the principal of, and the interest on, the Note issued hereunder and secured hereby at the place, on the date and in the manner specified herein and in said Note, according to the true intent and meaning thereof As provided by Section 3-115 of the Act, the Note shall constitute a general obligation of the Service (to the extent permitted by the Constitution of the State of Maryland and the Act), payable solely from the Grant and the Pledged Revenues

Section 6 02 Maintenance of Existence 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 The Service 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 Note

Section 6 03 Further Assurances 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 6 04 Encumbrance of Grant and Pledged Revenues The Service will not sell, lease or otherwise dispose of or encumber any agreements pledged as security for the Note, or the Grant proceeds, or the Pledged Revenues, or any of the payments or receipts derived therefrom, or proceeds thereof, 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 the foregoing

Section 6 05 Compliance with Act The Service covenants that it will comply with any and all requirements of the Act and the Loan Act

Section 6 06 Use of Grant Proceeds The Service hereby covenants to apply any and all of the proceeds of the Grant, upon its receipt, to the repayment of the principal of and interest on the Note

ARTICLE VII
SUPPLEMENTAL RESOLUTIONS

Section 7 01 Adoption of Supplemental Resolutions 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 Treasurer and all holders from time to time of the Note Any supplemental resolution adopted in accordance with the provisions of this Article shall thereafter form a part of this Resolution 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

ARTICLE VIII
FORM OF NOTE

Section 8 01 Form of Note Subject to the provisions of this Resolution, the Note shall be substantially in the following form

UNITED STATES OF AMERICA

STATE OF MARYLAND

MARYLAND ENVIRONMENTAL SERVICE

GRANT ANTICIPATION NOTE

(Hawkins Point Project)

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"), and for value received, hereby promises to pay to the Treasurer of the State of Maryland, the principal amount of $1,500,000 00 on the maturity date as specified herein, with the interest thereon at the highest rate of interest that otherwise would have been obtainable from a legal investment of the Treasurer under the laws of the State of Maryland during the period of time in which this Note is outstanding

The maturity date of this Grant Anticipation Note shall be the date upon which funds are made available to the Service from the Grant as identified herein

This Grant Anticipation Note has been duly issued by the Service under and pursuant to the laws of the State of Maryland, particularly Sections 3-101 to 3-131, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (1974 Volume and 1981 Cumulative Supplement) (the "Act"), and pursuant to a Resolution adopted by the Board of Directors of the Service on April 26, 1982, (the "Resolution")

This Grant Anticipation Note constitutes a general obligation (as provided by the Act and to the extent permitted by the Constitution of the State of Maryland) of the Service This Note, pursuant to and within the limitations of the Resolution, is payable from the Pledged Revenues, which term is used herein as defined in the Resolution and which includes solely (1) revenues from a grant of $2,500,000 (the "Grant") as authorized by the Board of Public Works of the State of Maryland on December 2, 1981, to be obtained

from the sale by the State of bonds pursuant to the Resource Recovery Loan Act of 1974 (Chapter 588 of the 1974 Laws of Maryland), and (2) any other revenues or monies of the Service available for the payment of the principal and interest hereon and not otherwise pledgeo pursuant to any agreement with the holders of particular obligations of the Service pledging any particular revenues or monies

Payment of principal and interest on this Grant Anticipation Note shall be made at the time when the Treasurer makes available to the Service the proceeds of the Grant, and upon presentation of this Grant Anticipation Note to the Service

This Grant Anticipation Note shall not be deemed to constitute or create a debt or a pledge of the faith and credit of the State of Maryland or of any political subdivision thereof, but such Note shall be payable solely from the Pledged Revenues Neither the Service nor the State of Marylano nor any political subdivision thereof shall be obligated to pay this Note or the interest hereon except from such Pledged Revenues, and neither the full faith and credit nor the taxing power of the State of Maryland nor any political subdivision thereof is pledged to the payment of the principal of or the interest on such Note

This Note 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 Service and such registration shall be noted hereon This Note shall be transferable only upon said books at said office by the registered holder hereof in person or by his duly authorized attorney

No covenant or agreement contained in this Grant Anticipation Note or the Resolution 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 Note nor any officer of the Service nor the Assistant Attorney General assigned to the Service shall be liable personally on this Note or be subject to any personal liability or accountability by reason of this issuance of this Note

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 this Note in order to make it a legal, valid and binding obligation of the Service in accordance with its terms, have been done, have happened, and have been performed in regular and due form as required by law, and that the issuance of this Note 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

IN WITNESS WHEREOF the Director of the Maryland Environmental Service has manually executed this Grant Anticipation Note on behalf of the Maryland Environmental Service, and has caused its seal to be attached hereto and attested by the manual signature of its Deputy Director, all as of the ____ of April, 1982

ATTEST

MARYLAND ENVIRONMENTAL SERVICE

_____

By _____

Deputy Director

Director

(SEAL)

Section 8 02 <u>Registration and Transfer</u> The Service shall cause to be kept a register in which, subject to such reasonable regulations as it may prescribe, the Service shall provide for the registration of the Note and the registration of transfers of the Note entitled to be registered or transferred as herein provided

The Note shall be transferable only upon the Note Register at the written request of the holder's duly authorized officer or his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Service duly executed by the registered holder or his attorney duly authorized in writing Upon the

surrender for transfer of any such registered Note, the Service shall execute and deliver, in the name of the transferee, a new fully registered Note of the same issue and the same aggregate principal amount as the surrendered Note

For every such transfer of the Note, the Service may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer, which sum or sums shall be paid with respect to such transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer

ARTICLE IX
REDEMPTION OF NOTE

Section 9 01 Applicability of Article Any redemption of the Note shall be made in the manner provided in this Article The Note is redeemable in whole at any time upon five (5) Business Days notice at a price equal to the principal amount thereof plus accrued interest thereon to the date of prepayment

Section 12 02 Notice of Redemption In the case of any redemption, the Service shall give notice to Noteholders that such Note will be due and payable on the date of redemption (specifying such date) at the redemption price (specifying such price), together with interest accrued to the date of payment of the redemption price, and that all interest on the Note so called will cease to accrue after the date of payment of such price

Such notice shall be given to the registered owner of the Note at his address as the same may appear on the registry books, at least (5) Business Days prior to the date fixed for redemption, by telephone, confirmed by a written notice to the Noteholder

Any notice herein required may be omitted if the holder of the Note called for redemption gives to the Service a written waiver of such notice

Section 12 04 Payment of Redeemed Note If notice of redemption has been duly given or waived as herein provided, then the Note called for redemption shall be due and payable on the redemption date specified in said notice at the redemption price Payment of the redemption price, together with accrued interest, shall be made to or upon the order of the holder of the Note called for redemption in accordance with Section 2 02 hereof Moneys for payment of the redemption price shall be paid by the Service

Section 12 05 Partial Redemption of Note In case part but not all of an outstanding Note shall be redeemed, the registered owner thereof or his attorney shall make a notation to evidence the reduction of the principal amount of such Note by such redemption on such Note forthwith after payment of the principal amount thereof so called for redemption The Service shall execute and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his attorney, without charge therefor, for the unredeemed portion of the principal amount of the Note so surrendered, a Note of any denomination or denominations authorized by this Resolution Notes so presented and surrendered shall be cancelled upon the surrender thereof

Section 4 That, the foregoing Resolution shall take effect immediately

MARYLAND ENVIRONMENTAL SERVICE

(SEAL)

By R Kenneth Barnes

Dated April 26, 1982

UNITED STATES OF AMERICA
STATE OF MARYLAND
MARYLAND ENVIRONMENTAL SERVICE

GRANT ANTICIPATION NOTE
(Hawkins Point Project)

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"), and for value received, hereby promises to pay to the Treasurer of the State of Maryland, the principal amount of $1,500,000 00 on the maturity date as specified herein, with the interest thereon at the highest rate of interest that otherwise would have been obtainable from a legal investment of the Treasurer under the laws of the State of Maryland during the period of time in which this Note is outstanding

The maturity date of this Grant Anticipation Note shall be the date upon which funds are made available to the Service from the Grant as identified herein

This Grant Anticipation Note has been duly issued by the Service under and pursuant to the laws of the State of Maryland, particularly Sections 3-101 to 3-131, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (1974 Volume and 1981 Cumulative Supplement) (the "Act"), and pursuant to a Resolution adopted by the Board of Directors of the Service on April 26, 1982, (the "Resolution)

This Grant Anticipation Note constitutes a general obligation (as provided by the Act and to the extent permitted by the Constitution of the State of Maryland) of the Service This Note, pursuant to and within the limitations of the Resolution, is payable from the Grant and the Pledged Revenues, which terms are used herein as defined in the Resolution and which include solely (1) revenues from a grant of $2,500,000 (the "Grant") as authorized by the Board of Public Works of the State of Maryland on December 2, 1981, to be obtained from the sale by the State of bonds pursuant to the Resource Recovery Loan Act of 1974 (Chapter 588 of the 1974 Laws of Maryland), and (2) any other revenues or monies of the Service available for the payment of the principal and interest hereon and not otherwise pledged pursuant to any agreement with the holders of particular obligations of the Service pledging any particular revenues or monies

Payment of principal and interest on this Grant Anticipation Note shall be made at the time when the Treasurer makes available to the Service the proceeds of the Grant, and upon presentation of this Grant Anticipation Note to the Service

This Grant Anticipation Note shall not be deemed to constitute or create a debt or a pledge of the faith and credit of the State of Maryland or of any political subdivision thereof, but such Note shall be payable solely from Grant and the the Pledged Revenues Neither the Service nor the State of Maryland nor any political subdivision thereof shall be obligated to pay this Note or the interest hereon except from the Grant and the Pledged Revenues, and neither the full faith and credit nor the taxing power of the State of Maryland nor any political subdivision thereof is pledged to the payment of the principal of or the interest on such Note

This Note 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 Service and such registration shall be noted hereon This Note shall be transferable only upon said books at said office by the registered holder hereof in person or by his duly authorized attorney

No covenant or agreement contained in this Grant Anticipation Note or the Resolution 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 Note nor any officer of the Service nor the Assistant Attorney General assigned to the Service shall be liable personally on this Note or be subject to any personal liability or accountability by reason of this issuance of this Note

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 this Note in order to make it a legal, valid and binding obligation of the Service in accordance with its terms, have been done, have happened, and have been performed in regular and due form as required by law, and that the issuance of this Note 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

IN WITNESS WHEREOF the Director of the Maryland Environmental Service has manually executed this Grant Anticipation Note on behalf of the Maryland Environmental Service, and has caused its seal to be attached hereto and attested by the manual signature of its Deputy Director, all as of the 29th of April, 1982

ATTEST

MARYLAND ENVIRONMENTAL SERVICE

By

Deputy Director

Director

(SEAL)