MARYLAND
ENVIRONMENTAL
SERVICE

BOARD OF DIRECTORS OF MARYLAND ENVIRONMENTAL SERVICE

R E S O L U T I O N

The Board of Directors of the Maryland Environmental Service (MES) on this 10th day of June, 1985, do hereby approve the Directors recommended level of 401K Savings Plan contributions to be made by MES on behalf of eligible employees during FY 1986.

MES shall continue to contribute an amount not to exceed 4.5% of compensation (as defined by the Plan) per pay period for each eligible employee throughout FY 1986.

This Resolution shall take effect on July 1, 1985.

Adopted this 10th day of June 1985.

MARYLAND ENVIRONMENTAL SERVICE

BY: John D. Seyffert, Director

177 Admiral Cochrane Dr.
Annapolis, MD 21401
(301) 224-7221

An Agency of
the Department of
Natural Resources

Director
John D. Seyffert

MARYLAND
ENVIRONMENTAL
SERVICE

June 10, 1985

MEMORANDUM

177 Admiral Cochrane Dr.
Annapolis, MD 21401
(301) 224-7221

TO: Edward A. Griffith, Corporate Treasurer
Dr. R. Kenneth Barnes, Corporate Secretary

FROM: John D. Seyffert, Director

SUBJECT: Maryland Environmental Service/Vanguard 401(K) Savings Plan

In early January we began making contributions to the MES/Vanguard 401(K) Savings Plan on behalf of eligible corporate employees. To start the plan, we made a special, lump-sum employer contribution of 2% of employees' base annual salary for all employees who would have been eligible to participate in the plan as of July 1, 1984. That contribution totaled $20,301.32.

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Natural Resources

All eligible employees receive a minimum employer contribution of 3%. For every whole percent of gross pay-period wages voluntarily contributed by an employee (to a maximum of 3%), MES matches that contribution by 50%. Beyond that initial 3%, employees can contribute an additional, unmatched 3%. Through the end of May 1985 (and including the lump sum contribution), the following amounts have been paid into the plan:

Director
John D. Seyffert

| EMPLOYER (Lump Sum, Minimum & Matching) | EMPLOYEES (Voluntary) | COMBINED Total |
|---|---|---|
| $38,095.16 | $17,117.86 | $55,213.02 |

The seven possible contribution options are as follows:

| EMPLOYEE VOLUNTARY CONTRIBUTION | MES MINIMUM CONTRIBUTION | MES MATCHING CONTRIBUTION | TOTAL CONTRIBUTIONS PER EMPLOYEE |
|---|---|---|---|
| 0% | 3% | 0% | 3% |
| 1% | 3% | .5% | 4.5% |
| 2% | 3% | 1% | 6% |
| 3% | 3% | 1.5% | 7.5% |
| 4% | 3% | 1.5% | 8.5% |
| 5% | 3% | 1.5% | 9.5% |
| 6% | 3% | 1.5% | 10.5% |

Of the 63 employees who have participated in the plan, only two have failed to make any voluntary contributions. Twenty seven employees (43%) have elected to contribute the maximum amount. Contributions are flowing into the fund options as follows:

| | | |
|---|---|---|
| Vanguard Money Market | - | 67.48% |
| Windsor Fund | - | 28.69% |
| Explorer Fund | - | 2.12% |
| High Yield Bond Fund | - | 1.71% |
| | | 100.00% |

The plan has been enthusiastically received by all employees, and can be considered successful upon the close of its first fiscal year of existence.

APJ/jr