MARYLAND ENVIRONMENTAL SERVICE

BOARD OF DIRECTORS

RESOLUTION NO. 97-08-1R

A RESOLUTION AMENDING

Resolution 96-11-1R; confirming the authority of the Maryland Environmental Service (the "Service") to borrow an aggregate principal amount not to exceed $2,000,000 for the purpose of establishing a revolving line of credit (the "Loan"); providing for the Loan to be an obligation of the Service payable from amounts received pursuant to agreements between the Service and customers of the Service including, without limitation, the Maryland Port Administration ("MPA"), and from such other revenues as may be received by the Service; and providing generally for other matters related to the Loan.

RECITALS

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 through 3-130 of the Natural Resources Article of the Annotated Code of Maryland (1997 Replacement Volume) as amended to date (the "Act"), including (among others) the powers (i) to borrow money and issue bonds or notes for the purpose of paying all or any part of the cost of any one or more projects and to provide for the security of 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 the facilities of any project of the Service.

On November 21, 1996, the Board approved Resolution 96-11-1R (the "1996 Resolution"). The 1996 Resolution authorized the Service to borrow an amount not to exceed $2,000,000 from NationsBank N.A. to establish a revolving line of credit (the "Loan") at an interest rate specified in the 1996 Resolution. The 1996 Resolution further authorized the Director and other officers of the Service to execute and deliver Loan Documents (as defined in the 1996 Resolution) and to pledge as collateral certain property described in the 1996 Resolution, or such other substitute collateral as the Director and the Treasurer deem prudent.

By its express terms, the 1996 Resolution limited use of the proceeds of the Loan to pay for costs associated with the raising of the dikes of the Hart-Miller Island Dredged Material Containment Facility. The Service has determined that the remaining proceeds of the Loan should be made available for costs associated with other projects or activities of the Service. The Service will repay amounts borrowed under the Loan from revenues received from the project for which the Loan proceeds are expended, or from such other revenues of the Service as are available to it.

The purpose of this Resolution is to amend the 1996 Resolution to authorize the use of proceeds from the Loan to be made available for costs associated with other projects or activities of the Service. The Service considers this Resolution to be in furtherance of the public purposes of the Act and the Service.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE, that:

1. Capitalized terms used and not defined herein shall have the meanings set forth in the Title and the Recitals to this Resolution.

2. The Board hereby confirms its approval and authorization of (a) the Loan, and (b) the Loan Documents, including, without limitation, all terms and conditions contained therein.

3. Section 2 of the 1996 Resolution is hereby amended to be as follows:

The borrowing of a principal amount not to exceed $2,000,000, from NationsBank, N.A. to establish a revolving line of credit shall be, and hereby is, authorized and directed pursuant to the provisions of the Act to provide funds for the payment of all or any part of the cost of the Project, or for any other project or activity of the Service, as provided in the Act and the Loan Documents.

4. Section 4 of the 1996 Resolution is hereby amended to read as follows

The Loan shall be made under, secured in accordance with, and have the terms set forth in the Loan Documents approved by the Director, Treasurer and Counsel of the Service. The Service is authorized to incur obligations to repay the Obligation, and to repay the Obligation from revenues received from projects of the Service and from other revenues of the Service. The Service is further authorized to pledge as security for the Loan the property identified in Exhibit "A" to this Resolution, and to pledge such substitute Collateral as the Director and Treasurer deem prudent and as may be required by the Loan Documents.

5. All recitals, terms and conditions of the 1996 Resolution that are inconsistent with this Resolution are hereby amended to reflect these amendments. All other recitals, terms and conditions of the 1996 Resolution shall remain in effect.

6. This Resolution shall take effect immediately upon its adoption.

ADOPTED THIS 14TH DAY OF AUGUST, 1997

MARYLAND ENVIRONMENTAL SERVICE

SEAL

James W. Peck
Director _____

Catherine Pieper Stevenson
Deputy Director _____

Kenneth Howarth
Treasurer _____

Carolyn D. Davis
Secretary _____

Attest: _____
Carolyn D. Davis, Secretary