

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE**

*Did not  
submit for  
Jan. mtg.*

**RESOLUTION**

**(04-01-01R)**

**A RESOLUTION AMENDING RESOLUTION 02-12-2R.**

**R E C I T A L S**

**WHEREAS**, to facilitate an efficient borrowing program the Maryland Environmental Service (the "Service") intends to expend money on some or all of the acquisition, design, engineering, permitting, construction, equipping, inspection and financing of a commercial solid waste transfer station project, and related facilities, to be located at the Western Acceptance Facility in Baltimore County, Maryland ("Project") prior to the issuance of debt by the Service for such project; and

**WHEREAS**, the Service intends to reimburse such expenditures from the proceeds of debt to be issued by the Service; and

**WHEREAS**, to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, and Section 1.150-2 of the Income Tax Regulations, it is necessary in order to reimburse such expenditures with the proceeds of tax-exempt debt, that the Board of Directors of the Service declare the official intent of the Service to make such a reimbursement of expenditures; and

**WHEREAS**, on December 19, 2002, the Board of Directors adopted Resolution 02-12-2R, which declared the official intent of the Board that the Service should reimburse itself with the proceeds of bonds or other debt obligations in an amount not to exceed \$2 million for the Project; and

**WHEREAS**, the Board now desires to amend Resolution 02-12-2R to increase the maximum amount of possible bonds or debt obligations to be issued by the Service.

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

1. The Service intends to expend money for all or part of the acquisition, design, engineering, permitting, construction, equipping, inspection and financing of the Project prior to the issuance of bonds or other debt obligations to reimburse such expenditures. The Service expects to reimburse itself with the proceeds of bonds or other debt obligations in an amount not to exceed Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000.00).

2. This Resolution shall take effect immediately.

**ADOPTED, this 29<sup>th</sup> day of January, 2004.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

**BY: \_\_\_\_\_  
JOHN S. SPARKMAN, ACTING DIRECTOR**

**BY: \_\_\_\_\_  
B. CONWAY GREGORY, DEPUTY DIRECTOR**

**BY: \_\_\_\_\_  
KENNETH A. HOWARTH, TREASURER**

**BY: \_\_\_\_\_  
BETH WOJTON, SECRETARY**

**ATTEST: \_\_\_\_\_  
BETH WOJTON, SECRETARY**

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE**

**RESOLUTION**

**(04-02-01R)**

**A RESOLUTION AMENDING RESOLUTION 02-12-2R.**

**R E C I T A L S**

**WHEREAS**, to facilitate an efficient borrowing program the Maryland Environmental Service (the "Service") intends to expend money on some or all of the acquisition, design, engineering, permitting, construction, equipping, inspection and financing of a commercial solid waste transfer station project, and related facilities, to be located at the Western Acceptance Facility in Baltimore County, Maryland ("Project") prior to the issuance of debt by the Service for such project; and

**WHEREAS**, the Service intends to reimburse such expenditures from the proceeds of debt to be issued by the Service; and

**WHEREAS**, to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, and Section 1.150-2 of the Income Tax Regulations, it is necessary in order to reimburse such expenditures with the proceeds of tax-exempt debt, that the Board of Directors of the Service declare the official intent of the Service to make such a reimbursement of expenditures; and

**WHEREAS**, on December 19, 2002, the Board of Directors adopted Resolution 02-12-2R, which declared the official intent of the Board that the Service should reimburse itself with the proceeds of bonds or other debt obligations in an amount not to exceed \$2 million for the Project; and

**WHEREAS**, the Board now desires to amend Resolution 02-12-2R to increase the maximum amount of possible bonds or debt obligations to be issued by the Service.

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

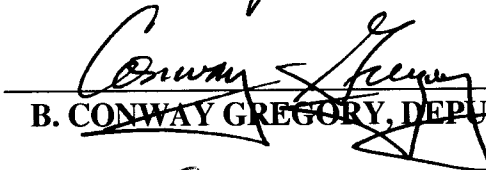
1. The Service intends to expend money for all or part of the acquisition, design, engineering, permitting, construction, equipping, inspection and financing of the Project prior to the issuance of bonds or other debt obligations to reimburse such expenditures. The Service expects to reimburse itself with the proceeds of bonds or other debt obligations in an amount not to exceed Two Million Nine Hundred Fifty Thousand Dollars (\$2,950,000.00).
2. This Resolution shall take effect immediately.

ADOPTED, this 26<sup>th</sup> day of February, 2004.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY:   
JOHN S. SPARKMAN, DIRECTOR

BY:   
B. CONWAY GREGORY, DEPUTY DIRECTOR

BY:   
KENNETH A. HOWARTH, TREASURER

BY:   
BETH WOJTON, SECRETARY

ATTEST:   
BETH WOJTON, SECRETARY

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION  
(04-02-2R)**

**A RESOLUTION** approving

An amendment to the Procurement regulations for the Maryland Environmental Service (the "Service"), modifying the amounts by which employees of the Service may make certain kinds of purchases, and generally relating to the Procurement System of the Service.

**R E C I T A L S**

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the power to adopt, formulate, revise and enforce rules and regulations.

Pursuant to the Act, the Service has adopted COMAR 14.27.03 establishing procurement regulations. Regulation .06D governs "small" procurements of the agency. The purpose of this change is to increase the maximum amount of purchases which require fewer than three bids or offers.

The Service considers the adoption of this Resolution to be in furtherance of the purposes of the Act and the Service.

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

1. The Service hereby adopts the following change to COMAR 14.27.03.06D:

**D. Small Procurement**

- (1) For a procurement estimated to be equal to or less than [\$1,000] \$2,500, the Service may solicit any number of bids or offers orally, and the Service may enter into either written or oral contracts.

- (2) For a procurement estimated to exceed [\$1,000] \$2,500, and be less than or equal to \$5,000, the Service shall obtain at least three verbal bids or offers.
  - (3) For a procurement estimated to exceed \$5,000 and be less than or equal to \$10,000, the Service shall obtain at least three written bids or offers.
2. The Director is hereby authorized and directed to submit the change to COMAR 14.27.03.06D for adoption in accordance with the Maryland Administrative Procedure Act, State Government Article, Title 10, Subtitle 1, Annotated Code of Maryland for review and for publication in the Maryland Register.
3. The Director is hereby authorized to make such stylistic or other changes to the proposed regulation change as are required to be made by the Maryland Division of State Documents or the Joint Committee on Administrative, Executive and Legislative Review of the General Assembly, and such changes shall be deemed to be approved and adopted by this Board without any further action or approval.

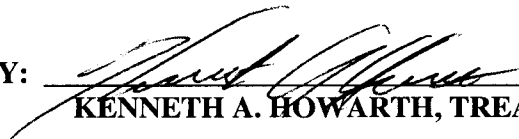
**ADOPTED, this 26<sup>th</sup> day of February, 2004.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

BY:   
**JOHN S. SPARKMAN, DIRECTOR**

BY:   
**B. CONWAY GREGORY, DEPUTY DIRECTOR**

BY:   
**KENNETH A. HOWARTH, TREASURER**

BY: Beth Wojton  
BETH WOJTON, SECRETARY

ATTEST: Beth Wojton  
BETH WOJTON, SECRETARY

**MARYLAND ENVIRONMENTAL SERVICE**

**BOARD OF DIRECTORS**

**RESOLUTION NO. 04-03-1R**

**A RESOLUTION**

reaffirming the creation and the boundaries of the Darlington Water Supply Service District (the "Service District"); adopting the Third Biennial Update to the Five-Year plan for the Service District; reauthorizing the assessment of charges against certain real property in the Service District, and adjusting the amount of such charges; authorizing certain fees; and generally relating to the updating and revising of the Five-Year Plan for the Service District.

**RECITALS**

The Service is authorized under its enabling legislation, Sections 3-101 through 3-130 of the Natural Resources Article of the Annotated Code of Maryland, as amended to date (the "Act"), to, among other things, establish service districts for the provision of services, facilities or property used or useful in connection with the supply of water.

**Third Biennial Update**

In accordance with the Act, on October 23, 1997, this Board approved Resolution No. 97-10-1R. Resolution 97-10-1R provided for the creation of the Darlington Water Supply Service District (the "Service District"), the adoption of a Five-Year Plan, the acquisition, operation and maintenance of the Darlington Water System (the "System"), and the imposition upon each parcel of real property in the Service District of a charge to recover all costs incurred by the Service related to the Service District and the System (the "Charges"). On October 28, 1999, this Board approved Resolution No. 99-10-1R, which, among other things, reauthorized the assessment of Charges against certain real property in the service District, established the amount of such Charges for calendar years 2000 and 2001, and authorized and directed the Service to place Environmental Service Liens on any real property in the Service district for which a Charge is not paid when due, or to take any other action as is necessary to collect any moneys due to the Service related to the Service District.

Pursuant to section 3-106(i) of the Act, the Service is required to review, update, and readopt the Five-Year Plan for the Service District biennially after review by the municipalities and persons concerned. The Five-Year Plan may be updated and readopted by the Service only after at least one public hearing in each of the counties affected. The Service adopted the First Biennial Update to the Five-Year Plan by Board of Directors Resolution No. 00-02-1R on February 24,



2000. The Service adopted the Second Biennial Update to the Five-Year Plan by Board of Directors Resolution No. 02-04-2R on April 29, 2002. In accordance with the Act, the Service drafted the Third Biennial Update to the Five-Year Plan for the Service District ("The Third Biennial Update") attached hereto as Exhibit A. On March 3, 2004, the Service conducted a public information hearing in the community of Darlington in Harford County on the proposed Third Biennial Update. A report of the comments made at the public hearing was presented to this Board. The Service also sent the Third Biennial Update to the Harford County Department of Public Works, the Harford County Council, the Maryland Department of the Environment, the Maryland Department of Natural Resources, and the Maryland Office of Planning for review and comment. None of these agencies commented on the content of the Update.

### **Adjustment of Charges**

The Service has funded the costs of establishing the Service District, operating and maintaining the System, conducting necessary capital improvements, and administering the Service District, by charging each of the lots and parcels of real property in the Service District. For calendar year 2000, the Service charged each lot and parcel of real property in the Service District \$96.99 per calendar quarter for full water service, and \$118.33 per quarter per connection for calendar year 2001. As part of system upgrade that was completed in August 2003, MES equipped each customer service connection with an individual water meter. In order to recover sufficient funds to pay for the expense of owning and maintaining the water system, MES must adjust the Charge imposed in the Service District to a quarterly rate that is a combination of a fixed charge of \$50.10 and a variable charge of \$ 6.78 per 1000 gallons of water used. Implementation of this new rate is scheduled for January 2004, with the first bill due in April 2004.

In accordance with the Act, the Service held a public information hearing on the proposed Charges on March 3, 2004 in the community of Darlington. Notice of the public information hearing was made by publication in the Aegis newspaper on February 18 and February 25.

The Service considers the adjustment of the Charge to be in furtherance of the public purposes of the Act and the Service, and to be consistent with the Plan.

In addition, the Service must impose reasonable fees to pay for the expense of disconnecting, reconnecting and servicing water lines to individual lots and parcels of real property in the Service District.

### **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 creation of the Service District is hereby reaffirmed. The boundaries of the Service District shall remain the same as those set forth in the Five-Year Plan as is delineated in Attachment D of the First Biennial Update. The Service may permit a property within the

boundaries of the Service District that is not currently connected to the System to connect to the System in accordance with the Second Biennial Update.

3. The Third Biennial Update in substantially the form presented to this meeting is hereby approved, and the Director of the Service shall be, and hereby is, authorized to execute and deliver such Third Biennial Update substantially in the form approved hereby with such changes, omissions, insertions, and revisions as shall be deemed advisable by the Director, provided, however, that such changes, omissions, insertions and revisions shall not alter the substance of the actions authorized and approved by this Resolution. The Service is hereby directed to file such Third Biennial Update among the permanent records of the Service.

4. In accordance with the provisions of the Third Biennial Update, the Service District is hereby updated, revised, and adopted. The Director shall be, and hereby is, authorized to take any and all such actions as are necessary to implement the provisions of the Third Biennial Update.

5. The Service is hereby authorized to adjust the Charges for services and projects provided by the Service in the Service District, including without limitation, charges for all costs incurred by the Service in replacing the water system. Such Charges shall be imposed against each lot and parcel of real property located in the Service District in the amount of a fixed charge of \$50.10 and a variable charge of \$ 6.78 per 1000 gallons of water used. In accordance with the Act, the Service is hereby authorized and directed to impose an Environmental Service Lien on any real property in the Service District for which the Charge is not paid when due, and to take any other action as is necessary to collect any moneys due the Service in relation to the Service District.

6. The Service is hereby authorized to impose reasonable fees for disconnecting, reconnecting, or servicing a water line to a lot or parcel of real property located in the Service District.

7. The Director and other officers and employees of the Service shall be, and hereby are, authorized to take such other steps and to execute and deliver such other documents and certificates as the Director shall deem desirable to effect the establishment of the Third Biennial Update and the other matters contemplated by this Resolution.

8. The execution by the Director of the Service of any document authorized herein to be executed by the Director shall constitute conclusive evidence of approval by the Service of such document, and any and all changes thereto from the form presented to the Board herewith, by the Service.

9. This Resolution shall take effect immediately upon its adoption and the updated charges provided for in this Resolution shall be retroactive to January 1, 2004.

10. The provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held or determined to be illegal, invalid, unconstitutional or inapplicable to any person, property or circumstances, such illegality, invalidity, unconstitutionality,

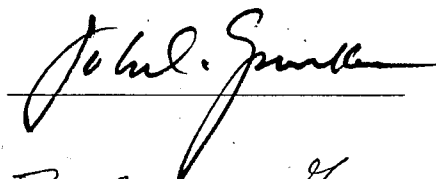
or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Resolution or their application to other persons, property or circumstances. It is hereby declared to be the intent of the Board of Directors of the Maryland Environmental Service that this Resolution would have been passed if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included herein, and as if the person, property or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted.

**ADOPTED THIS 26<sup>th</sup> DAY OF MARCH, 2004.**

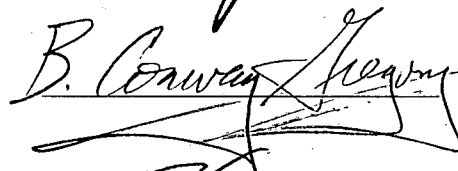
**MARYLAND ENVIRONMENTAL SERVICE**

SEAL

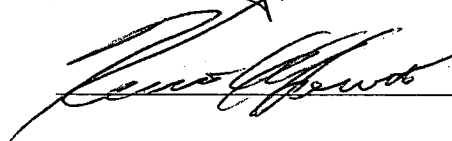
**John S. Sparkman  
Director**



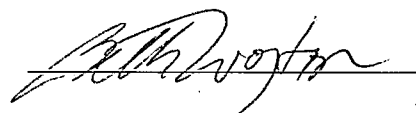
**B. Conway Gregory  
Deputy Director**




**Kenneth Howarth  
Treasurer**



**Beth Wojton  
Secretary**



**Leslie Jenkins Jackson  
Member**



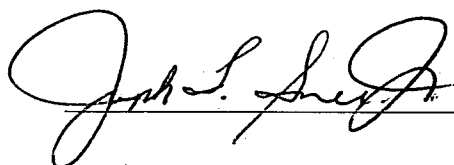
**Lawrence D. Shubnell  
Member**



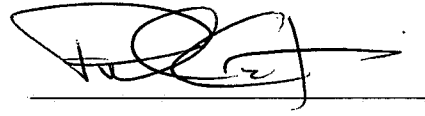
**William B.C. Addison, Jr.  
Member**

Not present during this portion

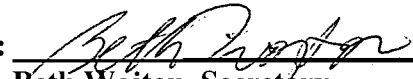
**Joseph F. Snee, Jr.  
Member**



**Paul W. Comfort**  
**Member**



A handwritten signature in black ink, appearing to read "Paul W. Comfort", written over a horizontal line.

Attest:   
**Beth Wojton, Secretary**

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE**

**RESOLUTION**

**(04-03-02R)**

**A RESOLUTION DECLARING**

**THE OFFICIAL INTENT OF THE MARYLAND ENVIRONMENTAL SERVICE TO REIMBURSE EXPENDITURES TO BE INCURRED WITH RESPECT TO THE EQUIPPING AND FURNISHING OF THE SERVICE'S NEW HEADQUARTERS BUILDING PROJECT WITH THE PROCEEDS OF DEBT TO BE INCURRED BY THE MARYLAND ENVIRONMENTAL SERVICE.**

**R E C I T A L S**

**WHEREAS**, to facilitate an efficient borrowing program the Maryland Environmental Service (the "Service") intends to expend money on some or all of the equipping and furnishing of the Service's new headquarters building, to be located on Najoles Road in Anne Arundel County, Maryland ("Project") prior to incurring of debt by the Service for such Project; and

**WHEREAS**, the Service intends to reimburse such expenditures from the proceeds of debt to be incurred by the Service; and

**WHEREAS**, to comply with applicable provisions of the Internal Revenue Code of 1986, as amended, and Section 1.150-2 of the Income Tax Regulations, it is necessary in order to reimburse such expenditures with the proceeds of tax-exempt debt, that the Board of Directors of the Service declare the official intent of the Service to make such a reimbursement of expenditures.

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

1. The Service intends to expend money for all or part of the equipping and furnishing of the Project prior to the issuance of bonds or incurring other

debt obligations to reimburse such expenditures. The Service expects to reimburse itself with the proceeds of bonds or other debt obligations in an amount not to exceed Four Hundred Thousand Dollars (\$400,000.00).

2. This Resolution shall take effect immediately.

ADOPTED, this 26<sup>th</sup> day of March, 2004.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY:   
JOHN S. SPARKMAN, DIRECTOR

BY:   
B. CONWAY GREGORY, DEPUTY DIRECTOR

BY:   
KENNETH A. HOWARTH, TREASURER

BY:   
BETH WOJTON, SECRETARY

ATTEST:   
BETH WOJTON, SECRETARY

MARYLAND ENVIRONMENTAL SERVICE

BOARD OF DIRECTORS

RESOLUTION NO. 04-04-1R

**A RESOLUTION AUTHORIZING**

Permanent financing by and between the KC – MES J.V., LLC and a lender (“Lender”) to be determined; authorizing the execution and delivery by the Maryland Environmental Service (the “Service”) of related instruments and documents, including, without limitation, a loan guarantee and a deed of trust; and providing generally for other matters in connection therewith.

**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 (2000 Replacement Volume, 2003 Supplement), as amended to date (the “Act”), including, (among others) the powers (i) to maintain one or more offices at a place or places it chooses, (ii) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service, and (iii), to make any contract or agreement the Service determines to be necessary or incidental to the performance of its duties and to the execution of the purpose of and the powers granted by the Act, including contracts with any person, on terms and conditions the Service approves.

The Service is the fee simple owner of a parcel consisting of approximately five (5) acres, more or less, on the east side of Najoles Road, near the intersection of Benfield Road, Millersville, Anne Arundel County, Maryland (the “Land”). In accordance with MES Board of Directors Resolution 02-08-2R, adopted August 15, 2002, and pursuant to the terms of an Operating Agreement (the “Operating Agreement”) dated September 30, 2002, the Service has become a member of the KC – MES Joint Venture, LLC (the “Joint Venture”). The Joint Venture includes as a member KC-Najoles Development Company, LLC (the “Developer”). Also pursuant to Resolution 02-08-2R, the Service has leased the Land to the Joint Venture for an initial term of forty (40) years. The Joint Venture has undertaken developed, planned, designed, constructed and obtained construction financing for a Class A, two-story office building consisting of approximately 43,000 square feet, more or less (the “Project”). Construction of the Project is nearly complete. The Service intends to lease from the Joint Venture, under the terms of an office lease, a minimum of 39,000 square feet, more or less, for use as the Service’s headquarters. The initial term of the office lease will be twenty (20) years.

Section 5.05.B(vii) of the Operating Agreement obligates the Developer to “[p]ackage and arrange construction and permanent financing on behalf of” the Joint Venture. The Operating Agreement also provides that the financing of the Project is a major decision which requires the written consent of the Service. In accordance with MES Board of Directors

Resolution 03-02-1R, adopted February 27, 2003, the Service consented to the construction financing for the Project from BB & T.

The Developer has solicited multiple proposals for permanent financing. The Developer has reviewed the proposals, and has recommended that the Joint Venture pursue further negotiations with two offerors, Jefferson Pilot Financial ("Jefferson Pilot"), and Allstate Investments, LLC. ("Allstate"), for permanent financing. The Joint Venture intends to obtain permanent financing from the Lender which, in the collective opinions of the Developer, and the Director and the Treasurer of the Service, offers the most favorable terms and conditions to the Joint Venture. The terms and conditions of the permanent financing will be no less favorable than those set forth in the Jefferson Pilot Proposal, attached hereto as Exhibit "1", or the Allstate Proposal, attached hereto as Exhibit "2."

The Service considers the implementation of the Project, the granting of its consent, and all other transactions contemplated by 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 finds and determines that the permanent financing of the Project pursuant to terms and conditions that are no less favorable than those set forth in the Jefferson Pilot Proposal or the Allstate Proposal, in a principal amount not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000.00), for a term not to exceed 240 months, and at an interest rate not to exceed 117 basis points over the Average Life Interpolated Treasury Bill (12 year), are in the best interests of the Service and the Joint Venture.
3. The Board, on behalf of the Service as member of the Joint Venture, hereby consents to the Joint Venture entering into a permanent loan agreement with either Jefferson Pilot or Allstate, on terms and conditions that are no less favorable to the Service and the Joint Venture than those presented in the Jefferson Pilot Proposal or the Allstate Proposal.
4. The Director of the Service is hereby authorized to execute, acknowledge and deliver such documents of the Service or the Joint Venture as are required by the Developer or the Lender to complete the permanent financing for the Project, with any changes, insertions and omissions therein as may be approved the Director, such approval to be conclusively evidenced by execution and delivery of such documents. The Director and the other officers of the Service are each hereby authorized to affix the official seal of the Service to the Financing Documents and attest the same.



5. The Director and the other officers of the Service shall be, and hereby are, authorized to take such other steps and to execute and deliver such other documents, certificates, papers, instruments, opinions, or affidavits and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution, and the terms and conditions of the construction financing authorized herein, including, without limitation, a loan guarantee of the Service and a deed of trust.
6. In adopting this Resolution the Board has relied upon the representations and recommendations presented to the Board by the Developer, which include the Developer's letter dated April 21, 2004 attached hereto as Exhibit "3."
7. The undersigned further certify that this Resolution has not been repealed or amended and remains in full force and effect.
8. The execution by the Director of the Service, or any other officer of the Service, of any document authorized herein to be executed by the Director or other officer shall constitute conclusive evidence of approval of such document, and any and all changes thereto from the form presented to the Board.
9. This Resolution shall take effect immediately upon its adoption.

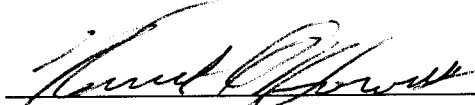
**ADOPTED, this 22<sup>nd</sup> day of April, 2004.**

**MARYLAND ENVIRONMENTAL SERVICE**

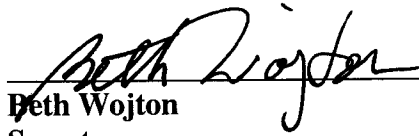
**SEAL**

  
\_\_\_\_\_  
**John S. Sparkman**  
**Director**

  
\_\_\_\_\_  
**B. Conway Gregory**  
**Deputy Director**



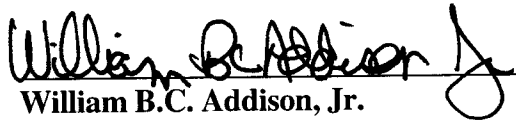
**Kenneth A. Howarth**  
Treasurer



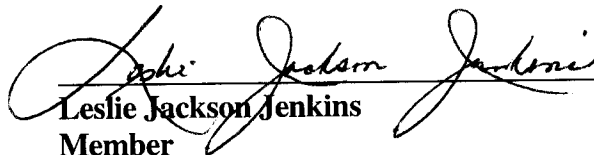
**Beth Wojton**  
Secretary



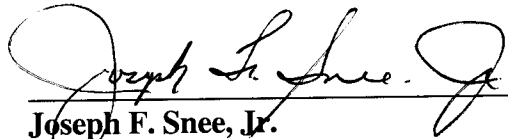
**Lawrence D. Shubnell**  
Member



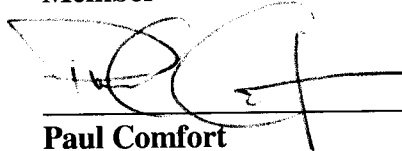
**William B.C. Addison, Jr.**  
Member



**Leslie Jackson Jenkins**  
Member

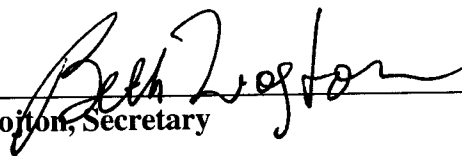


**Joseph F. Snee, Jr.**  
Member



**Paul Comfort**  
Member

Attest: \_\_\_\_\_

  
**Beth Wojton, Secretary**

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION 04-04-2R**

**A RESOLUTION ESTABLISHING**

**AN INCENTIVE COMPENSATION PROGRAM FOR THE CHIEF OF BUSINESS DEVELOPMENT AND MARKETING OF THE MARYLAND TIRE RECYCLING AND CRUMB RUBBER PRODUCTION PROJECT; ESTABLISHING CERTAIN GOALS FOR MEASURING THE PERFORMANCE OF THE CHIEF OF BUSINESS DEVELOPMENT AND MARKETING IN A FISCAL YEAR; AUTHORIZING THE PAYMENT OF CERTAIN INCENTIVE PAYMENTS TO THE CHIEF OF BUSINESS DEVELOPMENT AND MARKETING IF CERTAIN CRITERIA ARE MET; AND GENERALLY RELATING TO THE PAYMENT OF COMPENSATION TO A CERTAIN EMPLOYEE OF THE SERVICE.**

**R E C I T A L S**

Pursuant to §3-103.1(b) of the Natural Resources Article of the Annotated Code of Maryland, the Maryland Environmental Service ("Service") is directed and authorized to establish a personnel system that is based on merit and compensates employees based on performance. The Service, in accordance with Resolutions 99-10-6R and 99-10-7R, and after it extensively studied and reviewed various compensation programs of the private sector, government agencies, and non-profit entities, developed and implemented incentive programs for employees of the Service. These incentive programs are known as the BEST Program and the Executive Incentive Program.

The Service, in furtherance of its statutory mission to recover useable resources from solid waste, and pursuant to various Resolutions of the Board, including Resolution 02-04-1R adopted April 29, 2002, has developed and implemented the Maryland Tire Recycling and Crumb Rubber Production Project ("Project"). The primary function of the Project is to accept and recycle scrap tires into crumb rubber and other tire derived products. The Service charges a tipping fee for tires

that are accepted at the Project, and it also sells the crumb rubber and other tire derived products for negotiated prices. The Board anticipates and expects that the costs of developing, maintaining and operating the Project are to be recovered solely from the revenues of the Project.

The Board recognizes that the success of the Project is dependent on the Service hiring and retaining a well-qualified Chief of Business Development and Marketing to oversee the Project's marketing. In recognition of the unique nature of the Project, and because the Board further recognizes that incentives should only be paid to employees if defined performance goals are met or exceeded, the Board has determined to establish an incentive compensation program for the Chief of Business Development and Marketing:

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

1. In addition to his or her base pay, the Chief of Business Development and Marketing of the Project shall also be eligible to be paid incentive compensation. For Fiscal Year 2005, the amount of the incentive compensation shall be based on the Operating Net Income component set forth on the final FY 05 Operating Net Income Statement of the Project, as certified by the Treasurer of the Service. The Chief of Business Development and Marketing will be eligible to receive the net profits of the Project, not to exceed 20% of base pay. The Service shall deduct incentive compensation due to any other employees from Operating Net Income prior to determining the amount of net profits of the Project.
2. If the Chief of Business Development and Marketing of the Project becomes eligible for payment of incentive compensation under Section 1, the Service shall pay the compensation by November 30 of each year, provided the Chief of Business Development and Marketing is employed by the Service as of the date of the payment. No payment shall be due if the Chief of Business Development and Marketing is not actively employed by the Service on the date of the payment.
3. In addition to his or her base pay and incentive compensation as described under Sections 1

and 2 respectively, the Chief of Business Development and Marketing of the Project shall also be eligible for an additional incentive not to exceed \$37,000 per year for providing brokering services as described in the Chief of Business Development and Marketing's employment contract with the Service.

4. The Chief of Business Development and Marketing shall not be eligible to participate in, or receive payment through, either the BEST Program established pursuant to Resolution 99-10-6R or the Executive Incentive Program established pursuant to Resolution 99-10-7R. The Chief of Business Development and Marketing of the Project may not grieve any determination made by the Board or any Officer of the Service pursuant to this Resolution.
5. This Resolution shall take effect immediately. This Resolution shall continue in effect for subsequent fiscal years unless modified or rescinded by action of the Board of the Directors. Except as expressly set forth herein, this Resolution does not create any rights, vested or contingent.

**ADOPTED, this 22<sup>nd</sup> day of April 2004.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

BY:   
JOHN S. SPARKMAN, DIRECTOR

ATTEST : BY:   
BETH WOJTON, SECRETARY

# MARYLAND ENVIRONMENTAL SERVICE

## BOARD OF DIRECTORS

### RESOLUTION NO. 04-05-2R

#### A RESOLUTION AUTHORIZING

The execution and delivery by the Maryland Environmental Service (the "Service") of an Equipment Schedule No. 12 (the "Equipment Schedule No. 12"), a Takedown Schedule No. 8 (the "Takedown Schedule"), an Escrow Agreement (the "Escrow Agreement") and related instruments and documents; and providing generally for other matters in connection therewith.

#### RECITALS

The Service was created by, exists under, and exercises the powers contained in Section 3-101 through 3-130 of the Natural Resources Article of the Annotated Code of Maryland (2000 Replacement Volume, 2003 Supplement), as amended to date (the "Act"), including, (among others) the powers (i) to borrow money for the purpose of paying all or any part of the cost of any one or more projects or for any other purpose of the Service, (ii) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service, and (iii), to make any contract or agreement the Service determines to be necessary or incidental to the performance of its duties and to the execution of the purpose of and the powers granted by the Act, including contracts with any person, on terms and conditions the Service approves.

The Service is the fee simple owner of a parcel consisting of approximately five (5) acres, more or less, on the east side of Najoles Road, near the intersection of Benfield Road, Millersville, Anne Arundel County, Maryland (the "Land"). In accordance with MES Board of Directors Resolution 02-08-2R, adopted August 15, 2002, and pursuant to the terms of an Operating Agreement (the "Operating Agreement") dated September 30, 2002, the Service has become a member of the KC - MES Joint Venture, LLC (the "Joint Venture"). The Joint Venture includes as a member KC-Najoles Development Company, LLC (the "Developer"). Also pursuant to Resolution 02-08-2R, the Service has leased the Land to the Joint Venture for an initial term of forty (40) years. The Joint Venture has undertaken, developed, planned, designed, constructed and obtained construction financing for a Class A, two-story office building consisting of approximately 43,000 square feet, more or less (the "Project"). Construction of the Project is nearly complete, and the Developer is actively arranging for permanent financing for the Project. The Service intends to lease from the Joint Venture, under the terms of an office lease, a minimum of 39,000 square feet, more or less, for use as the Service's headquarters. The initial term of the office lease will be twenty (20) years.

Section 5.05.B of the Operating Agreement obligates the Service, and not the Developer, to arrange, coordinate and pay for telecommunications, cabling, networking, other connectivity needs, interior design services above and beyond the baseline interior improvement

specifications, furniture, office supplies, computers and other office equipment (the "Furniture, Fixtures & Equipment"). The Service intends to finance the purchase and installation of the Furniture, Fixtures & Equipment through a borrowing pursuant to the terms of the 2000 Master Equipment Lease-Purchase Agreement dated as of August 7, 2000, by and between the Service and Koch Financial Corporation (the "Master Lease"). In order to allow the Service to expend some of the borrowed funds subsequent to the date of the closing of the borrowing, Koch Financial Corporation has agreed to place a portion of the borrowed funds in an escrow account until required by the Service. The use of the borrowed funds in the escrow account shall be governed by the Escrow Agreement.

The Service considers the implementation of the Project, the acquisition of the Furniture, Fixtures & Equipment, and all other transactions contemplated by 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 finds and determines that the financing of the Furniture, Fixtures & Equipment pursuant to the terms of the Master Lease, Equipment Schedule No. 12, Takedown Schedule No. 8, and the Escrow Agreement (collectively, the "Financing Documents") in substantially the forms presented to this meeting and incorporated in this Resolution, in an amount not to exceed Three Hundred Seventy-five Thousand Dollars (\$375,000.00), for a term not to exceed 6 years, and at an interest rate not to exceed Four and Seventeen Hundredths Percent (4.17%) per annum, are in the best interests of the Service. Copies of the form of Equipment Schedule No. 12, Takedown Schedule No. 8, and the Escrow Agreement are attached hereto as Exhibits "A," "B," and "C," respectively.
3. The Financing Documents and the acquisition and financing of the Furniture, Fixtures & Equipment under the terms and conditions as substantially described in the Financing Documents and this Resolution are hereby approved. The Director of the Service is hereby authorized to execute, acknowledge and deliver the Financing Documents with any changes, insertions and omissions therein as may be approved the Director, such approval to be conclusively evidenced by such execution and delivery of the Financing Documents. The Director, Deputy Director, Treasurer, and Secretary of the Service is each hereby authorized to affix the official seal of the Service to the Financing Documents and attest the same.
4. The Director and the other officers of the Service shall be, and hereby are, authorized to take such other acts and to execute and deliver such other documents, certificates, papers, instruments, opinions, or affidavits, and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution, and the Financing Documents.

5. The undersigned further certify that this Resolution has not been repealed or amended and remains in full force and effect.
6. The execution by the Director of the Service, or any other officer of the Service, of any document authorized herein to be executed by the Director or other officer shall constitute conclusive evidence of approval of such document, and any and all changes thereto from the form presented to the Board.
7. This Resolution shall take effect immediately upon its adoption.

ADOPTED, this 25<sup>th</sup> day of May, 2004.

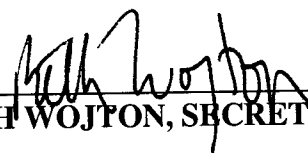
SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY:   
JOHN S. SPARKMAN, DIRECTOR

BY:   
B. CONWAY GREGORY, DEPUTY DIRECTOR

BY:   
KENNETH A. HOWARTH, TREASURER

BY:   
BETH WOJTON, SECRETARY



**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION 04-05-3R**

**A RESOLUTION**

**AMENDING RESOLUTION 03-09-3R; MODIFYING THE INCENTIVE  
COMPENSATION PROGRAM FOR THE EXECUTIVE DIRECTOR OF  
THE MARYLAND ENVIRONMENTAL SERVICE RECYCLING GROUP;  
AND GENERALLY RELATING TO THE PAYMENT OF  
COMPENSATION TO A CERTAIN EMPLOYEE OF THE SERVICE.**

**R E C I T A L S**

Pursuant to §3-103.1(b) of the Natural Resources Article of the Annotated Code of Maryland, the Maryland Environmental Service ("Service") is directed and authorized to establish a personnel system that is based on merit and compensates employees based on performance. The Service, in accordance with Resolutions 99-10-6R and 99-10-7R, and after it extensively studied and reviewed various compensation programs of the private sector, government agencies, and non-profit entities, developed and implemented incentive programs for employees of the Service. These incentive programs are known as the BEST Program and the Executive Incentive Program.

The Service, in furtherance of its statutory mission to recover useable resources from solid waste, and pursuant to various Resolutions of the Board, including Resolution 02-04-1R adopted April 29, 2002, has developed and implemented the Maryland Tire Recycling and Crumb Rubber Production Project ("Project"). The primary function of the Project is to accept and recycle scrap tires into crumb rubber and other tire derived products. The Service charges a tipping fee for tires that are accepted at the Project, and it also sells the crumb rubber and other tire derived products for negotiated prices. The Board anticipates and expects that the costs of developing, maintaining and operating the Project are to be recovered solely from the revenues of the Project.

On September 18, 2003, the Board adopted Resolution 03-09-3R, which established an

incentive compensation program for the Director of the Maryland Tire Recycling and Crumb Rubber Production Project ("Director"). In that Resolution the Board recognized that the success of the Project is dependent on the Service hiring and retaining a well-qualified manager to oversee the Project's operation and marketing. In recognition of the unique nature of the Project, and because the Board further recognized that incentives should only be paid to employees if defined performance goals are met or exceeded, the Board established an incentive compensation program for the Director of the Project.

Since Resolution 03-09-3R was adopted the duties and responsibilities of the Director of the Project have changed. In addition to his duties managing the Project, the Director of the Project is now the Executive Director of the Service's Recycling Group. The Recycling Group includes important agency activities that are not expected to generate revenue. The Board has therefore determined that the incentive compensation program previously established for the Executive Director of the Recycling Group should also be modified.

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

1. Section 1 of Resolution 03-09-3R is hereby deleted and replaced with the following:

In addition to his or her base pay, the Executive Director of the Recycling Group shall also be eligible to be paid incentive compensation. For Fiscal Year 2005, the amount of the incentive compensation shall be based on the Operating Net Income component set forth on the final FY 05 Operating Net Income Statement of the Project, as certified by the Treasurer of the Service. The Executive Director of the Recycling Group will be eligible to receive the net profits of the Project, not to exceed an amount equal to 20% of the first 75% of the Director's base pay.

2. Section 3 of Resolution 03-09-3R is hereby deleted and replaced with the following:

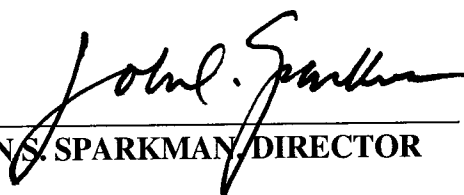
The Executive Director of the Recycling Group shall be eligible to participate in, and receive payment through, the Executive Incentive Program established pursuant to Resolution 99-10-7R. The Incentive Plan Payment for other eligible employees is determined by multiplying their base pay by an equal percentage. However, the amount of any Incentive Plan Payment paid to the Executive Director of the Recycling Group shall be determined by multiplying his or her base pay by one-fourth (25%) of the equal percentage applied to the other eligible employees.

3. Section 2 of Resolution 03-09-3R is not changed, and shall remain in effect.
4. This Resolution shall take effect July 1, 2004. This Resolution shall continue in effect for subsequent fiscal years unless modified or rescinded by action of the Board of the Directors. Except as expressly set forth herein, this Resolution does not create any rights, vested or contingent.

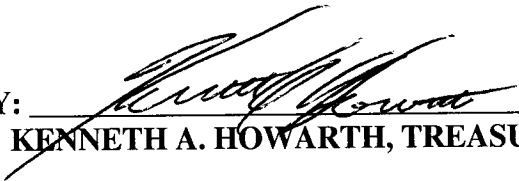
**ADOPTED, this 25<sup>th</sup> day of May, 2004.**

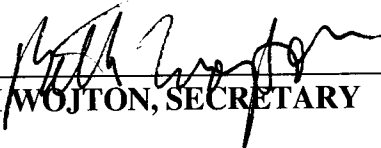
**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

BY:   
JOHN S. SPARKMAN, DIRECTOR

BY:   
B. CONWAY GREGORY, DEPUTY DIRECTOR

BY:   
KENNETH A. HOWARTH, TREASURER

BY:   
BETH WOJTON, SECRETARY

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION 04-05-4R**

**A RESOLUTION**

**AMENDING RESOLUTION 99-10-7R; AND GENERALLY RELATING TO  
THE PAYMENT OF COMPENSATION TO A CERTAIN EMPLOYEE OF  
THE SERVICE.**

**R E C I T A L S**

Pursuant to §3-103.1(b) of the Natural Resources Article of the Annotated Code of Maryland, the Maryland Environmental Service ("Service") is directed and authorized to establish a personnel system that is based on merit and compensates employees based on performance. The Service, in accordance with Resolution 99-10-7R, and after it extensively studied and reviewed various compensation programs of the private sector, government agencies, and non-profit entities, developed and implemented an Executive Incentive Program for certain senior level employees of the Service.

Since Resolution 99-10-7R was adopted the Service has reorganized. The job titles of certain individuals in the Executive Incentive Program have changed. Additionally, the Executive incentive Program now includes certain senior level positions that did not exist when Executive Incentive Program was implemented. The purpose of this Resolution is to update the Executive Incentive Program to include those positions.

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

1. Section 4 of Resolution 99-10-07R is hereby deleted and replaced with the following:

Only the following officers and employees of the Service are eligible for an

Incentive Plan payment:


- (i) The Director and Deputy Director of the Service;
  - (ii) The Chief of Staff and the Chief Financial Officer;
  - (iii) Except as set forth in Section 2 below, the Group Executive Directors.
2. The Executive Director of the Recycling Group may participate in the Executive Incentive Program only as permitted in accordance with Resolutions 03-09-03R and 04-05-03R.
3. All other provisions of Resolution 99-10-07R are not changed, and shall remain in effect.
4. This Resolution shall take effect immediately. This Resolution shall continue in effect for subsequent fiscal years unless modified or rescinded by action of the Board of the Directors. Except as expressly set forth herein, this Resolution does not create any rights, vested or contingent.

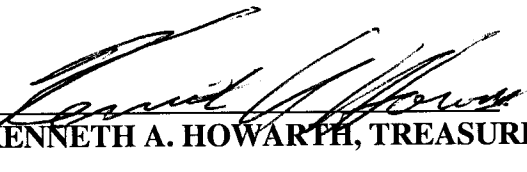
ADOPTED, this 25<sup>th</sup> day of May, 2004.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY:   
JOHN S. SPARKMAN, DIRECTOR

BY:   
B. CONWAY GREGORY, DEPUTY DIRECTOR

BY:   
KENNETH A. HOWARTH, TREASURER

BY: Beth Wojton  
BETH WOJTON, SECRETARY

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION 04-05-5R**

**A RESOLUTION**

**AMENDING RESOLUTION 99-06-01R; AND GENERALLY RELATING  
TO THE PAYMENT OF COMPENSATION TO CERTAIN EMPLOYEES  
OF THE SERVICE.**

**R E C I T A L S**

Pursuant to §3-103.1(b) of the Natural Resources Article of the Annotated Code of Maryland, the Maryland Environmental Service ("Service") is directed and authorized to establish a personnel system that is based on merit and compensates employees based on performance. The Service, in accordance with Resolution 99-06-01R, and after it extensively studied and reviewed various compensation programs of the private sector, government agencies, and non-profit entities, developed and implemented an Executive Compensation Program for certain senior level employees of the Service.

Since Resolution 99-06-01R was adopted the Service has reorganized and reassigned certain job duties. The job titles of certain individuals in the Executive Compensation Program have changed. Additionally, by action of the Board on June 26, 2003, the minimum and maximum amounts to be paid to individuals in the Executive Compensation Program were increased. The purpose of this Resolution is to update the Executive Compensation Program to reflect these changes.

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

1. Section 7 of Resolution 99-06-01R is hereby deleted and replaced with the following:  
Effective the first full pay period of Fiscal Year 2005, the minimum and maximum annual salaries for Executive Employees listed below shall be as



adopted by the Board on June 26, 2003.

Director  
Deputy Director  
Treasurer  
Secretary  
Chief of Staff  
Chief Financial Officer  
Group Executive Director

2. All other provisions of Resolution 99-06-01R are not changed, and shall remain in effect.
3. This Resolution shall take effect immediately. This Resolution shall continue in effect for subsequent fiscal years unless modified or rescinded by action of the Board of the Directors.

**ADOPTED, this 25<sup>th</sup> day of May, 2004.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

BY: 

**JOHN S. SPARKMAN, DIRECTOR**

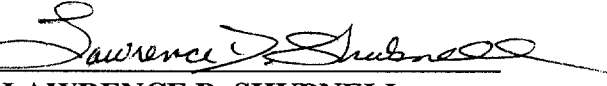
BY: 

**B. CONWAY GREGORY, DEPUTY DIRECTOR**

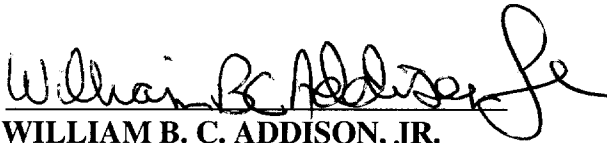
BY: 

**KENNETH A. HOWARTH, TREASURER**

BY:   
BETH WOJTON, SECRETARY

BY:   
LAWRENCE D. SHUBNELL

BY: Not Present  
JOSEPH F. SNEE

BY:   
WILLIAM B. C. ADDISON, JR.

BY:   
LESLIE JACKSON JENKINS

BY:   
PAUL W. COMFORT

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION 04 06 1R**

**A RESOLUTION**

**AMENDING RESOLUTION 99 10 06R, AND GENERALLY RELATING  
TO THE PAYMENT OF COMPENSATION TO CERTAIN EMPLOYEES  
OF THE SERVICE**

**R E C I T A L S**

Pursuant to §3 103 1(b) of the Natural Resources Article of the Annotated Code of Maryland the Maryland Environmental Service ( Service ) is directed and authorized to establish a personnel system that is based on merit and compensates employees based on performance The Service in accordance with Resolution 99 10 06R and after it extensively studied and reviewed various compensation programs of the private sector government agencies and non profit entities developed and implemented an employee incentive program called the BEST Program for certain employees of the Service One component of the BEST Program is BEST Plus Pursuant to the BEST Plus component the Director is authorized to make an additional payment to individual employees who have made extraordinary contributions to achieving the BEST Program goals

The current BEST Plus component does not permit an employee to be paid an incentive payment unless it is part of the BEST Program The purpose of this Resolution is to enable the Service to pay a performance incentive payment to those employees who have demonstrated extraordinary service regardless of whether the service is related to achieving the BEST goals

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF  
DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE THAT**

**1** Section 4 of Resolution 99 10 06R is hereby deleted and replaced with the following

The Director is hereby authorized to make an additional payment to individual employees who have demonstrated extraordinary performance. This payment shall be known as the Performance Incentive payment. The Director shall establish fair and equitable criteria for determining which employees may be eligible for a Performance Incentive payment. The criteria for which employees will be evaluated during a fiscal year may not be modified during that fiscal year.

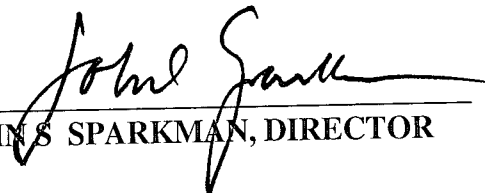
2 All other provisions of Resolution 99 10 06R are not changed and shall remain in effect. Eligibility for the Performance Incentive payment shall be the same as for the BEST Program.

3 This Resolution shall take effect July 1, 2004. Notwithstanding its effective date for employee performance which occurs during Fiscal Year 2004, the Service is authorized to make BEST Plus payments in accordance with Resolution 99 10 06R. This Resolution shall continue in effect for subsequent fiscal years unless modified or rescinded by action of the Board of the Directors. Except as expressly set forth herein, this Resolution does not create any rights, vested or contingent.

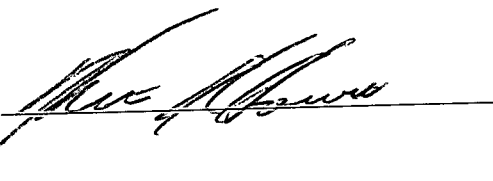
ADOPTED, this 24<sup>th</sup> day of June, 2004

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY   
JOHN S. SPARKMAN, DIRECTOR

BY   
CONWAY GREGORY, DEPUTY DIRECTOR

BY 

KENNETH A HOWARTH, TREASURER

BY *Beth Wojton*  
BETH WOJTON, SECRETARY

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION 04 09 1R**

**A RESOLUTION  
AMENDING RESOLUTION 03 09 2R**

**R E C I T A L S**

The Service was created by exists under and exercises the powers contained in Sections 3 101 to 3 130 inclusive of the Natural Resources Article of the Annotated Code of Maryland (the Act ) including (among others) the powers (i) to acquire construct reconstruct rehabilitate improve maintain and operate water wastewater and solid waste projects within or without the State (ii) to create and establish project reserve funds and (iii) to pay into such project reserve funds moneys appropriated and made available by the State for the purposes of such funds and any other moneys which may be received or otherwise made available to the Service from any other source or sources which the Service has designated for deposit into such funds

By virtue of Executive Order 01 01 1971 11 and policy of the Board of Public Works of Maryland the Service has been directed to operate and maintain solid waste water and wastewater facilities owned by the State of Maryland The Service is reimbursed by the State through the Department of Management and Budget for the costs the Service incurs in providing these services In order to have funds available for emergency or other repairs and improvements to these environmentally sensitive State owned solid waste water and wastewater facilities the Board pursuant to Resolution 03 09 2R (the Resolution ) authorized the Service to establish and maintain a contingency fund (the Fund ) In accordance with the Resolution only unexpended monies that have previously been appropriated by the General Assembly and made available to the Service for the operation and maintenance of State owned water and wastewater facilities shall be deposited into the Fund

The Service now desires to modify the amount of monies that may be retained and the uses for which monies in the Fund may be utilized The Service considers the use of monies in the Funds to be in furtherance of the purposes of the Act and the Service

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
THE MARYLAND ENVIRONMENTAL SERVICE, THAT**

- 1 Section 2 of the Resolution is hereby amended to be as follows

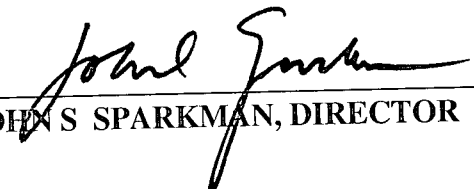
Subject to the approval of the Secretary of Budget and Management the Service shall transfer \$250 000 from FY 2003 State reimbursable unearned revenue to the Fund In subsequent fiscal years the Service may with the approval of the Secretary of Budget and Management transfer State reimbursable unearned revenue to the Fund in amounts that do not exceed the lesser of \$250 000 or fifty percent (50%) of the total State reimbursable unearned income for that fiscal year Additionally the Service may with the approval of the Secretary of Budget and Management transfer State reimbursable unearned revenue to the Fund in amounts that do not exceed \$300 000 per fiscal year but such funds may only be expended for maintenance of the turbines and associated equipment at the Eastern Correctional Institute Co Generation Facility The Service will account for such monies in a separate sub account of the Fund The total amount of the Fund may not exceed \$1 million at any time


- 2 All other terms and conditions of the Resolution shall remain unchanged
- 3 This Resolution shall take effect immediately

ADOPTED, this 30<sup>th</sup> day of September, 2004

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY   
JOHN S. SPARKMAN, DIRECTOR

BY   
~~B CONWAY GREGORY, DEPUTY DIRECTOR~~

BY   
BETH WOJTON, SECRETARY

BY   
KENNETH A HOWARTH, TREASURER



**MARYLAND ENVIRONMENTAL SERVICE**

**BOARD OF DIRECTORS**

**RESOLUTION NO. 04-12-1R**

**A RESOLUTION APPROVING**

The terms of financing by and between the Maryland Environmental Service (the "Service") and SunTrust Leasing Corporation ("SunTrust"); authorizing the execution and delivery by the Service of related instruments and documents, including, without limitation, one or more a lease financing agreements, one or more equipment schedules, and an escrow agreement (the "Financing Documents"); and providing generally for other matters in connection therewith.

**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 (2000 Replacement Volume, 2004 Supplement), as amended to date (the "Act"), including, (among others) the powers (i) to borrow money for the purpose of paying all or any part of the cost of any one or more projects or for any other purpose of the Service, (ii) to acquire, purchase, hold, lease as lessee, and use any franchise and any property, real, personal or mixed, tangible or intangible, or any interest therein necessary to carry out the purposes of the Service, and (iii), to make any contract or agreement the Service determines to be necessary or incidental to the performance of its duties and to the execution of the purpose of and the powers granted by the Act, including contracts with any person, on terms and conditions the Service approves.

The Service owns and operates the Western Acceptance Facility at 3310 Transway Road, Halethorpe, Maryland 21227 (the "WAF"). At the WAF, the Service currently accepts residential solid waste and recyclable materials from haulers designated by Baltimore County (the "County"), and from citizens of Baltimore County. MES then loads the residential solid waste onto transfer vehicles for transfer to other facilities for final disposal. MES also arranges for the marketing and removal of the recyclable material accepted at the WAF. The County reimburses to MES the costs incurred by MES in providing these services.

The Service, with the County's approval, intends to construct and operate an open top trailer transfer facility ("OTTTF") at the WAF. The Service has executed an agreement with BFI Waste Services, Inc ("BFI") whereby BFI will deliver commercial solid waste to the OTTTF ("OTTTF Operating Agreement"). MES will then transfer the commercial solid waste onto larger BFI vehicles for transportation by BFI to a final disposal site. BFI will pay to MES a fee for MES providing this service.

The Service intends to secure financing for development, construction and equipping of the OTTTF from SunTrust substantially in accordance with the terms and conditions set forth in a

letter from SunTrust to the Service dated December 10, 2004 (the "SunTrust Proposal," attached hereto as Exhibit "1").

The Service considers the implementation of the Project, the granting of its consent, and all other transactions contemplated by 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 finds and determines that the financing of the OTTTF pursuant to the terms of the SunTrust Proposal, in substantially the form presented to this meeting and incorporated in this Resolution, in a total principal amount not to exceed Four Million One Hundred Thousand Dollars (\$4,100,000.00), for a term not to exceed 15 years (5 years for equipment), and at an interest rate not to exceed 4.55% per annum, are in the best interests of the Service.
3. The Board hereby consents to the Service entering into one or more financing agreements with SunTrust, on terms and conditions that are equal to or more favorable to the Service than those presented in the SunTrust Proposal.
4. The Director of the Service is hereby authorized to execute, acknowledge and deliver such documents of the Service as are required by SunTrust to complete the financing for the OTTTF, with any changes, insertions and omissions therein as may be approved the Director, such approval to be conclusively evidenced by execution and delivery of such documents. The Director and the other officers of the Service are each hereby authorized to affix the official seal of the Service to the Financing Documents and attest the same.
5. The Director and the other officers of the Service shall be, and hereby are, authorized to take such other steps and to execute and deliver such other documents, agreements, certificates, papers, instruments, opinions, or affidavits and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution, and the terms and conditions of the financing authorized herein.
6. The undersigned further certify that this Resolution has not been repealed or amended and remains in full force and effect.
7. The execution by the Director of the Service, or any other officer of the Service, of any document authorized herein to be executed by the Director or other officer shall constitute conclusive evidence of approval of such document, and any and all changes thereto from the form presented to the Board.

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

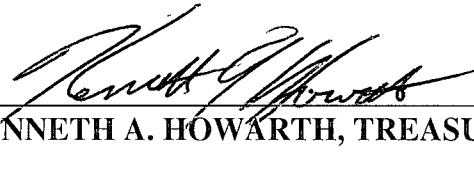
ADOPTED, this 16<sup>th</sup> day of December, 2004.


SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY:   
JOHN S. SPARKMAN, DIRECTOR

BY:   
B. CONWAY GREGORY, DEPUTY DIRECTOR

BY:   
KENNETH A. HOWARTH, TREASURER

BY:   
BETH WOJTON, SECRETARY

**SunTrust Leasing Corporation**  
29 West Susquehanna Avenue - Suite 400  
Towson, Maryland 21204  
Tel (410) 307-6647  
Fax (410) 307-6702  
[mike.horkey@suntrust.com](mailto:mike.horkey@suntrust.com)

**Michael J. Horkey**  
Vice President



Friday, December 10, 2004

Ken Howarth  
Chief Financial Officer  
Maryland Environmental Service  
259 Najoles Road  
Millersville, MD 21401

**RE: Updated Tax-Exempt Real Property and Equipment  
General Obligation Note Financing  
VIA E-MAIL**

Dear Mr. Howarth

SunTrust Leasing Corporation ("SLC") is pleased to present to the Maryland Environmental Service its proposal for equipment financing. The terms and conditions of our proposal are outlined as below:

**BORROWER:** Maryland Environmental Service, MD. Borrower is a state or political subdivision within the meaning of Section. 103(c) of the Internal Revenue Code of 1986, as amended (the "Code").

**LENDER:** SunTrust Leasing Corporation, or its Assignee

**TYPE OF FINANCING:** Full Faith and General obligation Master Loan Agreement. Said Agreement shall be a net Loan arrangement whereby Borrower is responsible for all costs of operation, maintenance, insurance and taxes on the property to be refinanced. **The Agreement will not be based on the annual appropriation of funds.**

**EQUIPMENT TYPE:** Real Property in the amount of \$3,508,117.00 and General Equipment of \$549,467.00.

**BANK QUALIFICATION:** Lessee reasonably anticipates the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2004 or 2005 will not exceed ten million (\$10,000,000.00) dollars.

*REAL PROPERTY INCLUDES  
\$50,000 IN CAPITALIZATION  
INVESTMENT*  
*[Signature]*

**REPAYMENT OPTIONS**

Repayment Option	Loan Term	Approximate Refinance Amount	Lease Rate	Lease Payment
1	5 Years	\$549,467.00	TBD	To Be Determined two (2) weeks prior to actual funding.
2	15 Years	\$3,508,117.00	4.39%	Thirty (30) payments of \$160,868.14 collected semiannually in arrears.
3	15 Years	\$3,508,117.00	4.55%	Twenty-nine (29) payments of \$134,506.82 followed by one (1) payment of \$1,325,524.82 collected semiannually in arrears.

**COST OF ISSUANCE:**

*Included in Finance Amount*

The above rates do not take into consideration certain costs of issuance that will be paid by the Lessee. These fees include, but may not be limited to, Lessee's and Lessor's attorney fees.

**ESCROW FUNDING:**

*[Signature]*

SLC has assumed funding of an escrow account for this transaction on or about January 4, 2005. The Equipment Acquisition Fund will be used to pay equipment vendors/contractors and any escrow expenses.

Escrow Agent will be selected by Lessee subject to SLC's credit approval. SLC to review and approve escrow disbursements prior to Escrow Agent disbursing of funds. It is assumed that all interest earnings will accrue for benefit of Lessee. This proposal also does not take into consideration the application of any interest earnings from the escrow fund of the account.

**REIMBURSEMENT:**

If Borrower intends to be reimbursed for any equipment cost associated with this Agreement, intent for reimbursement from the proceeds of this Agreement must be evidenced, and must qualify under the Treasury Regulation Section 1.150.2.

**INSURANCE:**

The Borrower shall furnish confirmation of all risk physical damage insurance coverage for the full cost of the property plus one million (\$1,000,000.00) dollars combined single limit property damage and bodily injury insurance covering the property. SLC shall be named as loss payee and additional insured on such coverage.

In lieu of the aforementioned and as may be required by State Law, the Lessee shall be insured via the Maryland Tort Claims Account.

**PERFORMANCE BOND:**

N/A

**AUTHORIZED SIGNORS:**


The Borrower's governing board shall provide SLC with its resolution or ordinance authorizing this Agreement and shall designate the individual(s) to execute all necessary documents used therein.

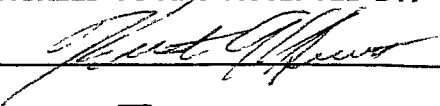
- LEGAL OPINION:** The Borrower's counsel shall furnish SLC with an opinion covering this transaction and the documents used herein. This opinion shall be in a form and substance satisfactory to SLC.
- TAX OPINION:** The Borrower's counsel shall furnish SLC with a tax opinion covering this transaction. This opinion shall be in a form and substance satisfactory to SLC.
- LEGAL TITLE:** Title to the equipment will be in the name of Borrower. Lender may require that it be granted a security interest or lien on all collateral being refinanced.
- DOCUMENTATION:** Lender's form of documentation will be used and will remain substantially the same as the sample document provided herein. If the Borrower is required to use their own form of documentation, Borrower will bear all legal costs incurred by Lender in having the documents reviewed and revised, if necessary, by Lender's counsel.
- PROPOSAL EXPIRATION:** If funding does not take place January 4, 2005 the Lease Rate and Lease Payment Amount will be adjusted to market conditions three (3) days prior to funding. Once set, the Lease Rate will remain fixed for the Lease Term.
- FINANCIAL STATEMENTS:** Borrower shall provide to Lender three (3) years of current financial statements, budgets, demographics, and proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of Borrower to continue this Agreement as may be reasonably requested by Lender.

This proposal is subject to final credit approval by the Credit/Investment Committee of SunTrust Bank and approval of the loan documents in SunTrust Leasing Corporation's sole discretion. To render a credit decision, Borrower shall provide SLC with the information requested above.

Upon receipt of the signed proposal, we will endeavor to provide you with a timely commitment. It is a pleasure to offer this proposal to Maryland Environmental Service and we look forward to your favorable acknowledgment.

Very truly yours,

  
Michael J. Horkey  
Vice President  
[mike.horkey@suntrust.com](mailto:mike.horkey@suntrust.com)

**AGREED TO AND ACCEPTED BY:**  
 (Name)  
T. GIBASUBIA (Title)  
12/10/04 (Date)  
OPTION 1 & 2 (Desired Repayment Option)