EXHIBIT #1
Regular Council Meeting of 05/27/2008

2007 Annual Report

Department of Planning & Inspections
Dover, Delaware

Major Accomplishments

Eden Hill Under Construction

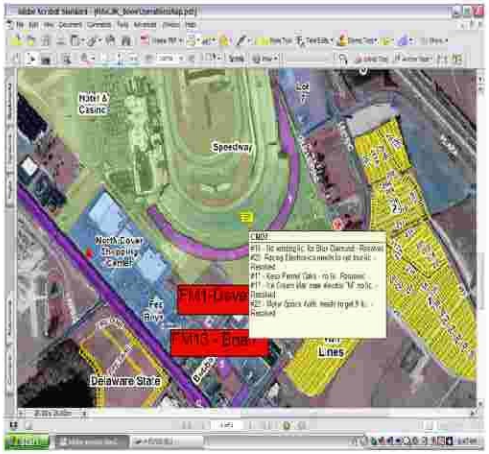




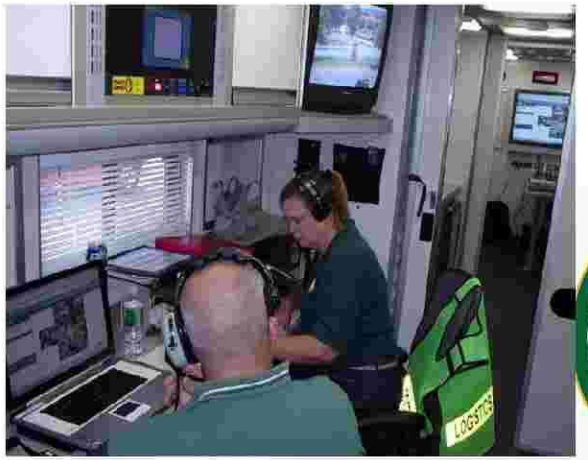


Major Accomplishments

Race Operations



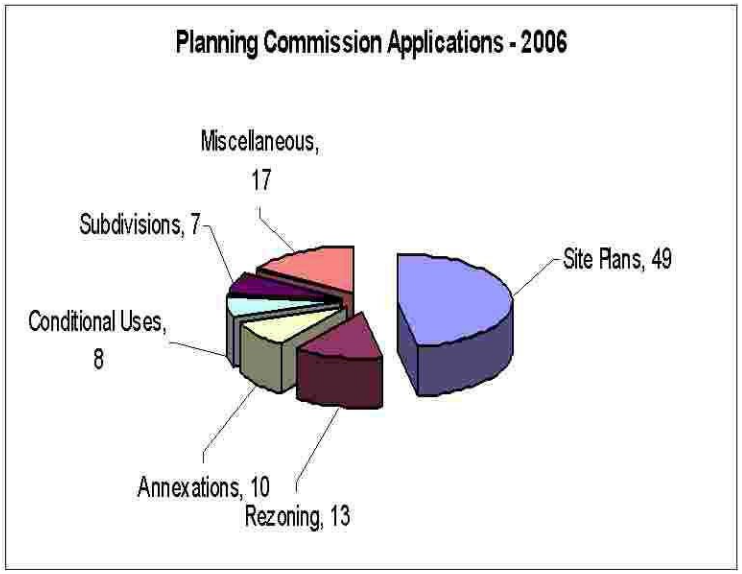


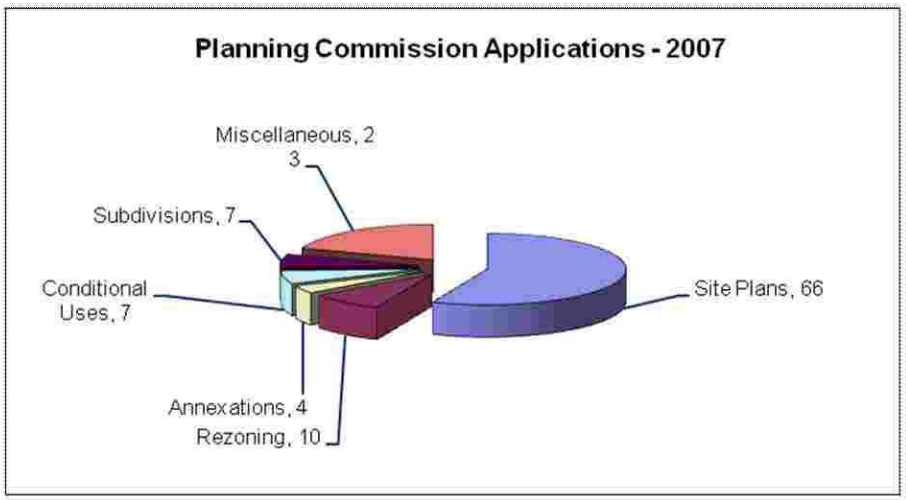


Major Accomplishments

- Zoning Text Amendments
  - Source Water Protection Overlay Zone
  - Administrative Waivers in RG-1 Zone
  - Portable Storage Units
  - Minimum Residential Driveway Width
  - Changes to IO (Institutional & Office Zone)
  - Changes to Daycare Requirements
  - Amendment to Site Plan Requirements

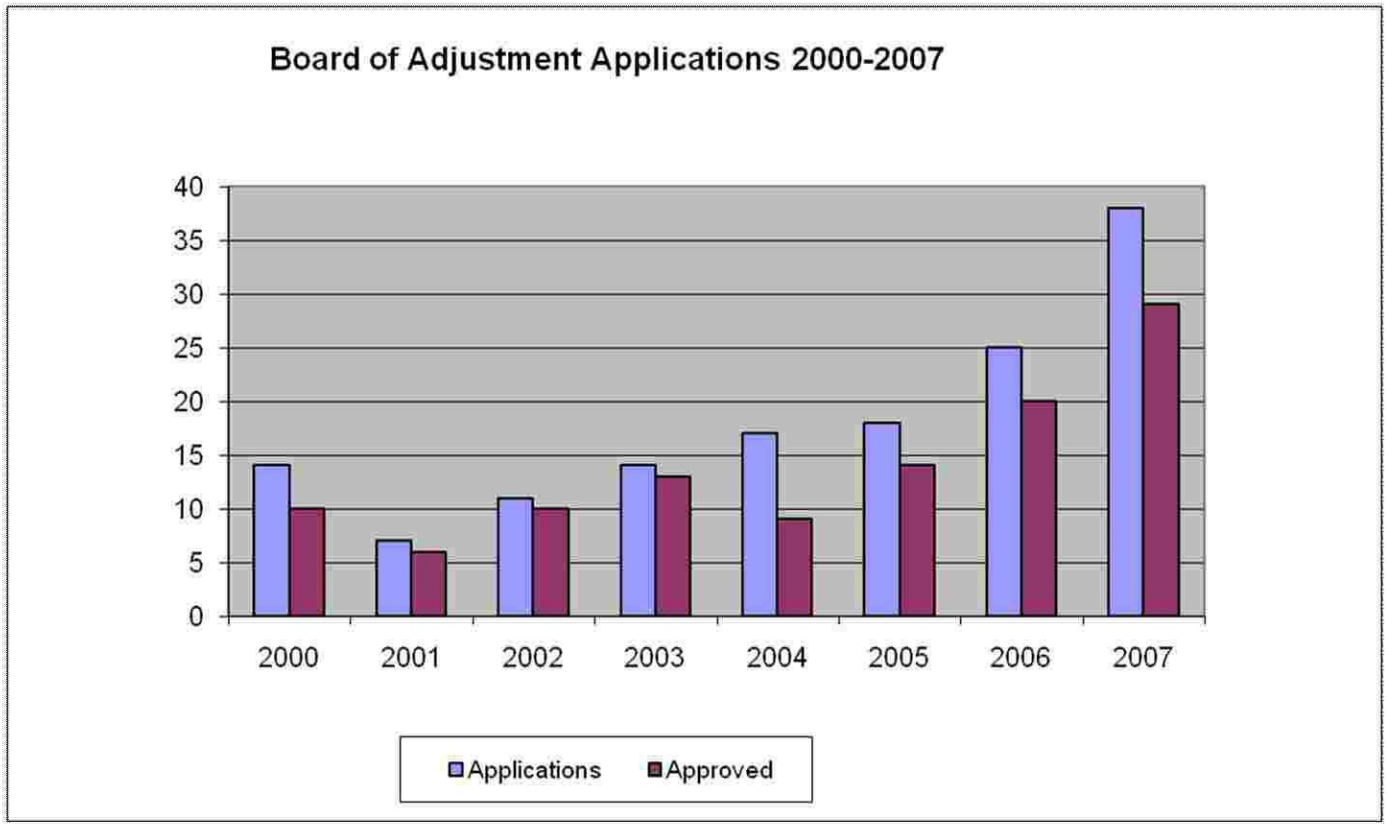
Planning Commission





2007 – 117 Applications to Planning Commission
2006 – 104 Applications to Planning Commission

Board of Adjustment



Community Development

- First State RC&D – Emergency Repairs - 10 houses
- Homeownership Assistance - 5 families
- Housing Rehabilitation Program - 5 houses
- Reconstruction of Streets and Curbs in Downtown Target Area
- House of Pride – Replacement of Heaters

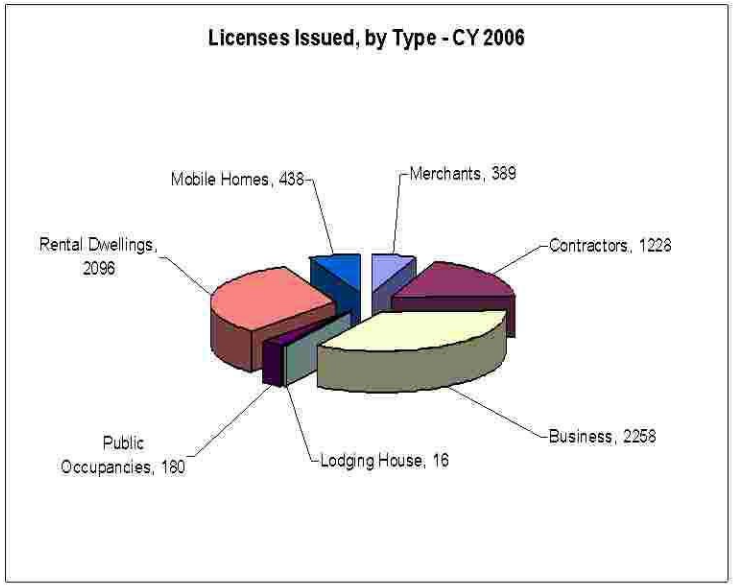
Weed & Seed
Community Prevention

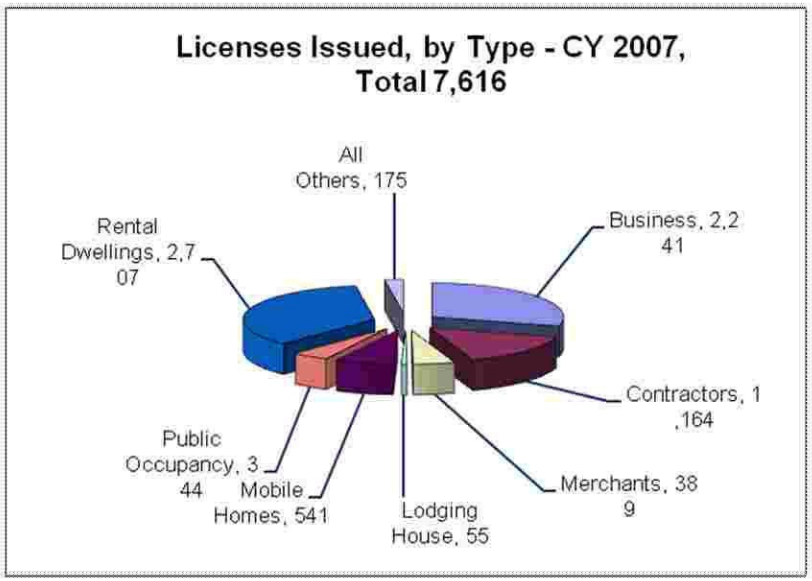
- Annual Black History Program – 90 youths
- Anti-violence Tennis Program – 160 youths
- After School Tutorial Program – 85 youths
- New After School Program at Central Middle School – 75 youths
- Playstation Too Program – 1,100 youths
- Camp Small Wonder – 94 youths

Code Enforcement Inspections

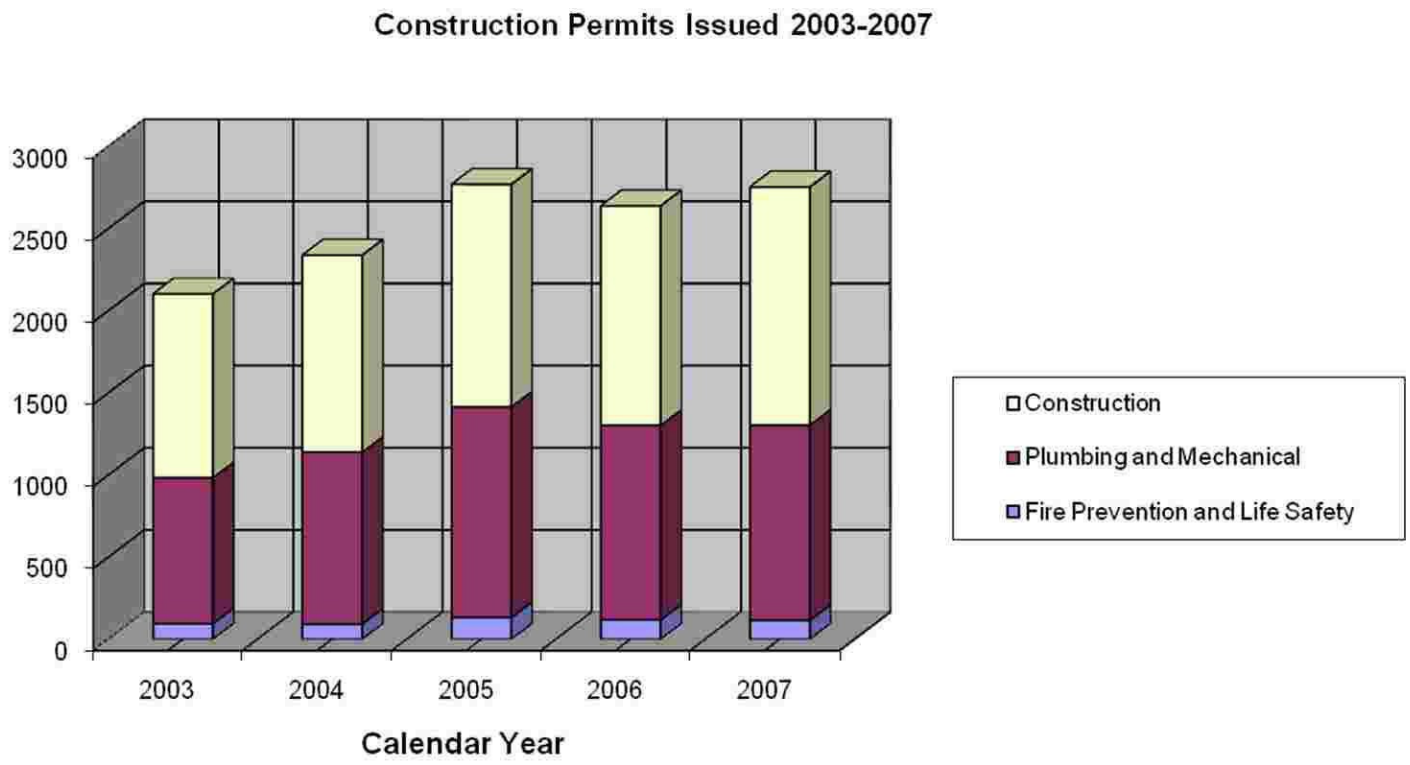
Case Type	Number
Annual Rental Housing Inspections	707
Property Maintenance Exterior	510
Tall Grass and Weeds	575
Abandoned Vehicle	138
Unregistered Vehicle	104
No Valid Rental Permit	182
Electric Service Termination	220
All Others	2,014
TOTAL	**4,450**

Licenses


Licenses Issued, by Type - CY 2006
Mobile Homes, 438
Merchants, 389
Rental Dwellings, 2096
Contractors, 1228
Public Occupancies, 180
Lodging House, 16
Business, 2258


Licenses Issued, by Type - CY 2007, Total 7,616
All Others, 175
Rental Dwellings, 2,707
Business, 2,241
Contractors, 1,164
Public Occupancy, 344
Mobile Homes, 541
Lodging House, 55
Merchants, 389

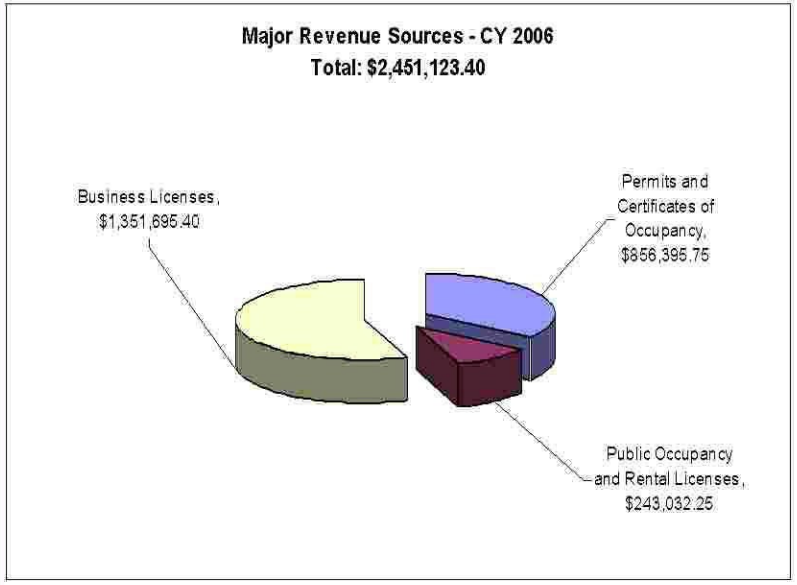
Construction Permits Issued 2003-2007

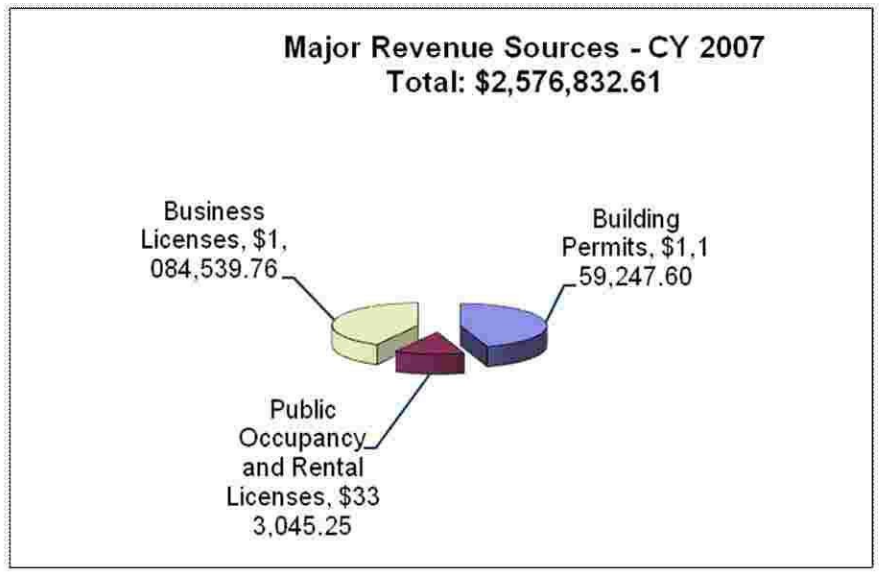


Construction Permits Issued 2003-2007

Calendar Year	2003	2004	2005	2006	2007
Fire Prevention and Life Safety	94	91	132	117	114
Plumbing and Mechanical	889	1047	1282	1185	1189
Construction	1118	1199	1354	1335	1449
TOTALS	2101	2337	2768	2637	2752

Sources of Revenue





PETITION TO AMEND COMPREHENSIVE PLAN AND ZONING DISTRICT
Before the Dover City Council
May 27, 2008

Applicants/Owners:	H&M Properties, LLC PO Box 1341 Dover, DE 19903
Location:	Northwest side of Commerce Way – inside the Enterprise Business Park
Property Addresses:	Commerce Way Dover, DE 19904
Tax Parcel ID #:	ED-05-076.10-02-07.03-000
Size:	13.967 ± acres of a 22.967 acre parcel
Present Use:	Vacant
Proposed Use:	Residential
Comprehensive Plan Designation:	Industrial & Public Utilities
Proposed Comprehensive Plan Designation:	High Density Residential
Present Zoning:	IPM (Industrial Park Manufacturing Zone)
Proposed Zoning:	RG-2 (General Residence Zone) permitting: single family detached dwellings, garden apartments.
Planning Commission Recommendation:	Following a public hearing on April 21, 2008, where two people spoke in favor of the application and one person submitted a letter in opposition, the Planning Commission recommended in favor of the application, with a vote of 8 to 1. (An excerpt from the minutes of this meeting are included in this report.)
File Number:	Z-08-03

This is an application to amend the Land Development Plan map of the Comprehensive Plan and the zoning of the subject parcel. The amendment is being requested by H&M Properties, LLC. The subject parcel is currently zoned IPM (Industrial Park Manufacturing Zone) and is part of the Enterprise Business Park. It is also adjacent to the Woodmill Apartments. The subject parcel is depicted on the Land Development Plan map as Industrial & Public Utilities. The applicant is requesting RG-2 (General Residence Zone) zoning, with the intent to construct garden apartment buildings on the site.

The requested plan amendment would change the land use category from Industrial & Public Utilities to High Density Residential.

Preliminary Land Use Services Review (PLUS)
This application was reviewed on February 27, 2008 by the Preliminary Land Use Services following a submission of the request for consideration of a Comprehensive Plan Amendment. The PLUS letter is attached to this report with the relevant sections highlighted.

Existing Property
The property is currently vacant and is part of the Enterprise Business Park.

Surrounding Land Uses:
This property is located on Commerce Way in the Enterprise Business Park, just north of Hazlettville Road. Other land surrounding the subject parcel within the Business Park is zoned IPM (Industrial Park Manufacturing Zone). North and west of the subject parcel are lands zoned RG-2 (General Residence Zone). To the north are single-family detached residences on Farmview Drive, and to the west are the Woodmill Apartments.

Comprehensive Plan:
In the *2003 Comprehensive Plan Update*, as amended in May 2005, September 2006 and March 2007, the Land Development Plan recommends that this property be used for Industrial uses. The applicant is requesting a change in the Comprehensive Plan to allow for High Density Residential uses.

Request for RG-2 (General Residence Zoning)
The types of permitted uses in the RG-2 (General Residence Zone) are outlined in Article 3 §2.

> Section 2. General residence zones (RG-1 and RG-2).
>
> 2.1*Uses permitted.* In a general residence zone, no building or premises shall be used, and no building or part of a building shall be erected, which is arranged, intended or designed to be used, in whole or in part, for any purpose, except the following:
>
> 2.11 Any use permitted in one-family residence zones, except that:
> Not more than one professional office or studio, other than accessory to a use otherwise permitted, shall be permitted for each 25 dwelling units or major fraction thereof on the lot. Such office or studio shall be only on the street floor of any building and on the floor immediately above the street floor only if there [shall] be direct access to such office or studio from outside the building.
>
> 2.12 Garden apartments limited to placement within the RG-2 district only.

2.13 Off-street parking accessory to uses located within the central commercial C-2 zone, provided that:

(a) Such parking is situated not more than 150 feet from the C-2 zone.

(b) Parking areas are screened by landscaping from adjoining properties used for residence.

(c) Illumination of parking areas is shielded from the view of adjoining properties used for residence.

Recommendation of the Planning Staff:

The rezoning requested requires a change in the Land Development Plan map of the *2003 Comprehensive Plan Update*. This entails changing the land use category classification from Industrial & Public Utilities to High Density Residential.

A similar application for this site was considered previously in 2006; however, the applicant withdrew the application after receiving State comments through the PLUS process and comments from the City's Planning Office. This application differs in two ways. First, the previous application was for the entire nearly 23-acre site, and the current application is for just under 14 acres of the site. Additionally, the previous proposal would have had access only off of Commerce Way, and the current proposal would include an expansion of Woodmill Apartments and have only a secondary access off of Commerce Way.

The City is currently in the process of completing the 2008 Comprehensive Plan Update, which is scheduled to be complete in November 2008. As a part of this process, both the issues of housing and economic development are being reviewed. As a part of the development of the Economic Development section of the Comprehensive Plan, the Planning Office, with the assistance of a working group made up of economic development professionals in the region, is reviewing the inventory of the various zoning districts that contribute to economic development opportunity in the City. This review is expected to yield recommendations as to whether the inventory of various zones (commercial, industrial and office) is sufficient to support the job growth that the City desires. The working group will also make recommendations to the Planning Office for the Comprehensive Plan regarding how the City can best market itself and its available land to bring quality jobs to the City. In discussing this application within the working group, the group was opposed to this rezoning, in that it would remove land from the inventory of land to support economic development.

Both affordable housing and economic development are needed in the City, and both issues are addressed in the City's Comprehensive Plan. In this case, there are two priority issues that compete: the need for affordable housing and the need for land to support economic development. As this site is one of the few "shovel ready" industrial sites in the City, staff believes that removing even a portion of the site from the City's industrial land base would be imprudent.

Amending the Land Use Plan map to classify the subject land as High Density Residential rather than its current Industrial & Public Utilities classification would detract from the goals of the Comprehensive Plan. Specifically, it conflicts with the goal stated in Table 1-1 on page 9 and Table 1-2 on page 10 "Create a more vibrant, growing economy with a broader range of job

opportunities through and increase in office and industrial development in appropriate and designated areas."

At this time, staff does not support the request for a Comprehensive Plan amendment (from Industrial to High Density Residential); nor does staff support the request for RG-2 (General Residence Zone) zoning in this location. Staff recommends that the Planning Commission forward a recommendation to City Council to deny the request for the Comprehensive Plan amendment and deny the rezoning of the property to RG-2 (General Residence Zone). Staff also recommends that this area be reviewed in the current Comprehensive Plan update process to determine if this change is warranted.

Staff recommendation was made prior to the public hearing before the Planning Commission. Following a public hearing before the Planning Commission, the Commission recommended in favor of the Comprehensive Plan amendment and rezoning with a vote of 8 in favor and one in opposition.

Planning Commission Public Hearing (including motion and dissenting opinion)

Z-08-03 Lands of H & M Properties, LLC located at Commerce Way: Land Development Plan Amendment, Land Use Type: Industrial to Industrial and Multi-Family Residential – Public Hearing and Recommendation to City Council on an application for a Land Development Plan Amendment to the *Comprehensive Plan Update 2003* as amended May 2005, September 2006 & March 2007 to change the land use type for a portion of a specific parcel of land. The subject area located on the north side of Commerce Way in the Enterprise Business Park is comprised of a 13.967 acre portion of a parcel consisting of 22.967 acres. The land use type is designated currently as industrial on Map 11-1. The applicant has proposed to rezone a portion of the property to a zoning classification that is identified as inconsistent with Map 11-1. The requested amendment is a change to the land use type to Residential High Density, for the subject area.

Rezoning Application: Public Hearing and Recommendation to City Council for a rezoning application involving the 13.967 acre portion of the total 22.967 acres ±. The property is currently zoned IPM (Industrial Park/Manufacturing Zone). The proposed zoning is RG-2 (General Residence Zone) with 9 acres remaining as IPM (Industrial Park/Manufacturing Zone) and. The owners of record are H & M Properties, LLC and the equitable owner is Investment Property Associates, LLC. Property Address: Commerce Way. Tax Parcel: ED-05-076.10-02-07.03-000. Council District 1.

Representatives: Mr. Jim McGinnis, Realtor representing H&M Properties; and Mrs. Laura Swiski, Engineer of the project.

Mr. McGinnis stated that this particular ground backs up to Woodmill Apartments. Woodmill Apartments are running about 97% full currently. The City of Dover and some people on the Planning Staff have said that Dover does need some affordable housing. This would extend Woodmill Apartments into this area by about thirteen (13) acres. They are buying twenty-two (22) to twenty-three (23)

acres if you approve it and giving nine (9) acres to the City to use for whatever they would like such as a library or a post office. He realizes that when he read the Planning Staff's recommendations that some groups of people have said that you need to keep it manufacturing ground.

Mr. McGinnis further stated that Enterprise Business Park was started back in 1980 and now he has a 150 square foot warehouse that is sitting empty except for Fed-Ex with another eleven (11) acres behind it that he has not found anyone who would be interested in buying it. Most of the buildings in the front part of the property are not warehouses they are doctors, accounting and insurance offices. Even in the warehouse next to the one he just spoke of houses Easter Seals and Department of Elections so it is not filling up and there seems to be a glut of warehouse space in the City of Dover. He believes they have about 300 acres east of town that they have had for about a half a dozen years and he does not see anything happening there. Taking thirteen (13) acres away from manufacturing and making it affordable housing does not hurt the City that much. Plus, the Woodmill Apartments that it is adjacent to, you would come through the Woodmill Apartments into this development and would not create a new entranceway through Commerce Way.

Mrs. Townshend stated that this is a request to change the Comprehensive Plan and rezone the properties. The Comprehensive Plan Amendment would consist of changing the 13.967 acre portion of the site from Industrial and Public Utilities in the Comprehensive Plan to High Density Residential. The rezoning request would rezone the 13.967 acres from IPM (Industrial Park Manufacturing to RG-2 (General Residence). This is similar to a Comprehensive Plan Amendment request we received in 2006 that the applicant after receiving State comments and DAC comments withdrew the application; however, it does differ as stated by Mr. McGinnis as first the previous application was for the entire twenty-three (23) acre site and the current application is for just under fourteen (14) acres which would leave a residual of approximately nine (9) acres of industrial land on the site.

Mrs. Townshend further stated that through the DAC process the Planning Staff has submitted comments and would note that this went through PLUS along with a compilation of Comprehensive Plan Amendments we received. This is one where the State recommended in opposition to it because of the idea of taking land out of an industrial classification as it is very difficult to get land into an industrial classification. The Planning Staff comments are also submitted in the report.

Mrs. Townshend read into record a correspondence letter from E. Stuart Outten Jr. President of Capitol Uniform & Linen Service that stated "Dear Planning Commission, this is a letter that expresses some of my concerns about the changes proposed for the Enterprise Business Park. I am sorry I can't be there, but I have a prior engagement that I cannot change. Concerns about changing Industrial Zoning to Residential Zoning:

1. It is a good idea to have industrial zoning separate from residential. The City of Dover Planning Committee had excellent foresight over twenty years ago when they zoned industrial and residential areas separately. Stay the course.
2. Families moving into the area in close proximity to an industrial zone will have

concerns about industrial use. Example: Truck traffic, noise, early start/late close, and safety for children.

3. Setbacks could or would be changed by making the existing industrial properties have a farther setback from residential property liens. This would not be fair to people who are already committed to the industrial park.
4. In addition, the cost of developing property could increase. Example: landscape screens could be required as well as other restrictions.
5. If property is currently zoned for industrial use; why re-zone to residential? Industrial property can spawn new business and jobs to stimulate our economy." – from Outten letter.

Mr. McGinnis stated that with regards to Mr. Outten's letter he recognizes how he feels and how the Staff feels; however, Woodmill Apartments are already bordering this property at this particular time. All they are asking for is an extension of their land for another thirteen (13) acres. To expand the park with tractor trailers from what he can see in selling some of the buildings and leasing them, it seems that the one bank on the one corner, several doctors offices, in fact about ten buildings have been built that are not industrial or manufacturing. The park has been changing and he does not see the need where thirteen (13) acres would hurt.

Mr. Tolbert questioned if Mr. Outten was the only one who expressed concerns? Responding to Mr. Tolbert, Mr. Friedman stated that he is the only one that wrote a letter, there are others who may speak during public hearing.

Mr. McGinnis stated that this application was forwarded to the Planning Commission from City Council and there was no one at City Council that spoke against it and he was unaware of this letter.

Mrs. Townshend stated that we have a working group of economic development professionals that have been meeting to discuss economic development in the context of the Comprehensive Plan and this application was mentioned at that working group. They were adamant that we should not be removing land out of industrial classification. Responding to Mrs. Townshend, Mr. McGinnis stated that in answer to that there is plenty of land that they will be annexing that will make good industrial sites along the railroad tracks.

Colonel Welsh stated that he could see both sides. On one hand we have apartment buildings of affordable housing that is 97% filled and we have vacant buildings in the industrial area where there does not seem to be a real rush to build manufacturing sites. As Mr. McGinnis pointed out, most of the buildings that are existing there are service types of functions such as doctors' offices and banks that are there to serve the population and not there to serve manufacturing. While he recognizes the need to maintain an area that is zoned industrial, he looks at the number of people who are looking for affordable housing and it is not there. He wonders if it would not be wise to go with an expansion to the Woodmill Apartment acreage. One thing that he is concerned about is the offer to deed the nine (9) plus acres of land to the City and what the appearance of that might be that we are approving the change from industrial to residential because we were offered nine (9) acres of land.

Mrs. Townshend stated that the issue is that the nine (9) acres cannot be part of the decision making. The Rezoning and Comprehensive Plan Amendment application needs to stand on its own merits and have a finding of facts that supports the application.

Mr. McGinnis stated that four months ago when they were ready to do this, they wrote a letter to the City along with a copy to the press so that everyone knew about it. When we appeared before City Council, they wrote a story on it so there would not be any hidden deals.

Mr. Friedman stated that what attracted him to the idea is that it is not in an isolated residential area as it is in and among an industrial area that is totally built out and abuts a similar use. Once developed, it will look like it was part of the other development.

Mr. von Reider stated that he agreed that he hates to see large parcels like this get taken out of the potential use for what they were intended such as in this case, industrial. He would like to see this land rezoned to commercial office which he would find to be a good use for this land because it makes a better buffer between residential and manufacturing areas particularly because it is a single large parcel of land.

Mr. Shomo stated that we do need more affordable housing. He would agree with Colonel Welsh that he too is on the fence on what way to go with this application.

Mr. Nichols stated that one thing they need to look at is where will the stormwater go whether it is industrial or residential. Responding to Mr. Nichols, Mr. McGinnis stated that some of the things that the engineer has been doing on Governors Avenue are an example. They put a water garden in to collect the water that comes off the roof that has about six feet of stones in it with dirt on top so very little water runs out onto Governors Avenue.

Mr. Nichols further stated that the problem is that all of this water goes into the Puncheon Run where there is already a problem with the Puncheon Run and is a big problem whether it is industrial or residential all the water is going to flow in this direction.

Mrs. Townshend stated that she would like to address several of the comments that did come up from members of the Planning Commission and Mr. McGinnis that does not relate specifically to this site; but in the way that the Enterprise Business Park is developed in that it is zoned IPM (Industrial Park Manufacturing) which is the same zoning classification that General Foods has. In terms of the Comprehensive Plan, this is one of the issues that we have been looking at very closely and will be seeing when the draft comes forward with implementation items that would be essentially that we re-do our industrial zoning classifications so that we are getting what we want and that we have a business park zone rather than an industrial park zone that allows offices. The way that Enterprise Business Park has developed if you get a big industrial user there, it could cause conflicts with existing users there. There are uses there that are more industrial in nature such as Fed-Ex which has truck traffic and shipments

early morning and late night. What we want to see come out of the Comprehensive Plan is to have zoning classifications that better meet what we want for the City job producing land to be and is realistic in what we can expect.

Mr. Friedman opened a public hearing

Mr. Leonard Iacono – Equitable Owner of the Property – Stated that he would expand on some of the comments that Mr. McGinnis brought up. First of all, we have been involved with the property for quite some time probably over one year and he will tell you that their initial intent when they decided to try and purchase this property was to consider an industrial warehouse or commercial service type use. After extensive research, study, and marketability we found that there was absolutely no potential use of that nature for this property and then looked at our other options. More so as a potential buyer because he owns the Woodmill Apartments, he came up with the idea of expanding the existing apartment complex due to the demand and the fact that it would lend itself simply extending his existing property limits. As far as the offer of the nine acres, he will tell you how that came about; it is all about economics. He needed to put a certain amount of units in this property in order to equate to what he was paying for the property. Once he can get his value out of it, he realized that he had residual property left over that he did not need to utilize and so therefore he thought of the idea of offering this property to the City to use for whatever nature they would like. As far as stormwater management is concerned, watershed from apartment complexes is a lot less than what it would be for industrial property because most of the surface would be paved whereas for apartments it is not. Finally, there is a time element on this decision process. If the Planning Commission decides not to approve it then obviously he would not go forward with his purchase and the property would revert back to what it is. He does not have the opportunity to wait for the completion of the Comprehensive Study since he does not own the property he would lose his option to purchase if not decided soon.

Mr. Jack Melvin – 2 Teal Lane, Camden, DE – Stated that he is the owner of record of this said property; however, would not comment on this property. He is also the owner of the adjacent property, the seven acres to the south that presently houses Stock Building Supply and would like to make his comments related to the adjacent property and his feelings as a neighbor to this projected project. Prior to Stock Building Supply, he operated Delaware Lumber and Millwork at this site and then sold to Stock Building Supply; however, they did not buy the land or buildings and he is presently their landlord. He was an early identifier that Enterprise Business Park was a good place to locate a business in Dover, Delaware and he operated out there beginning in the early 90's through the landlord arrangement he has today. They are presently bound with him through the year 2018 on this property. His comments would be as the adjacent property owner that they operated next to Woodmill for the longest time and never have we had any problems with the residents complaining about the business operation and both businesses do the exact same thing. At the same time, he never had any problems with vandalism, loitering, or feeling that the multi-family was bothering the business end of it. He feels that as a business owner he sees no problem whatsoever having this multi-family next to him in fact the business complex that is currently Stock Building Supply was designed as part of Enterprise Business Park in a quadrant of a two hundred foot building that

backs up to this property. There is no activity that would be next to the apartments and there is a pine tree buffer that he planted eighteen years ago that is relatively large now along with a fence. He would recommend your consideration for approval.

Mr. Friedman closed the public hearing after seeing no one else wishing to speak.

Mr. von Reider questioned with regards to the secondary entrance onto Commerce Way, how do you make that a secondary entrance? Why can it not just be a main entrance for people who live closest to that entrance and use Commerce Way? Responding to Mr. von Reider, Mr. McGinnis stated that it would be up to the Fire Department to decide that and if they would want to put a gate across there and carry a key it would be fine with them.

Mrs. Townshend stated that they will be required to have a full street by Code because of the number of units they will have there. They will have to have two connections to a public street so they will have to have the Woodmill connection as well as the Commerce Way connection.

Mr. von Reider further stated that part of his dilemma is with regards to timing on this project in that you can say that the economy today demands more housing and is not demanding any industrial area; however, the economy changes and you wait for it. With the Comprehensive Plan underway and recommendations on the way, and if the Comprehensive Plan provision was out, there would be fairly little question; we would not recommend a rezoning on this property.

Responding to Mr. von Reider, Mrs. Townshend stated that the timing is a part of her concern in that Staff is going through a very intense evaluation of land use and land use policy in the City through the Comprehensive Plan. We have a lot of housing development that is a fact and a lot of people are coming here to retire; however, if we do not have land zoned to produce jobs then we are not going to keep young people here. They are going to go to college and go somewhere else where there are job opportunities. Right now, we have not had a lot of success in getting the jobs we want; however, if we do not have land for it, we are going to have even less success in the future.

Mr. DiMondi stated that we have shown maybe not so dedicated that certain degree of flexibility allowing for in roads. To suggest that we need to hold the line certainly does not do justice to the history of what we have done elsewhere in the City and in those areas is where we needed to hold the line as it was heavy industrial use. He does not see the two uses abutting one another, he does not see a conflict as what we exposed the City to when we rezoned and re-developed parts of Horsepond Road.

Colonel Welsh agreed that it would be nice to maintain this as an industrial park; however, he feels that the times dictate that we move forward with affordable housing for the City of Dover.

Colonel Welsh moved to forward to City Council a change from IPM (Industrial Park Manufacturing) to RG-2 (Residential General) for the property annotated to

include the Comprehensive Plan Amendment from Industrial and Public Utilities to High Density Residential, Seconded by Mr. DiMondi and the motion passed with a 8-1 vote with Mr. von Reider opposed.

Mrs. Townshend asked that Colonel Welsh state for the record his reasoning. Responding to Mrs. Townshend, Colonel Welsh stated that it is an extension of the existing apartment development and that it is not being used for anything else. There does not appear to be a great demand of people knocking at the door for industrial facilities and the City has a self professed need for affordable housing which this would represent. He would encourage development of the Garrison Industrial Tract.

Mr. von Reider stated that he feels that it is a loss of a single tract of land developable for business or other purposes. He feels that it is encroaching residential onto existing industrial property which is already there, exists, and is operational. He certainly hopes that residents of this community do not call the City complaining of noise. He would object to this application.



City of Dover
Utility Committee Meeting

Dover Wholesale Power Supply Budget

May 12, 2008



PACE

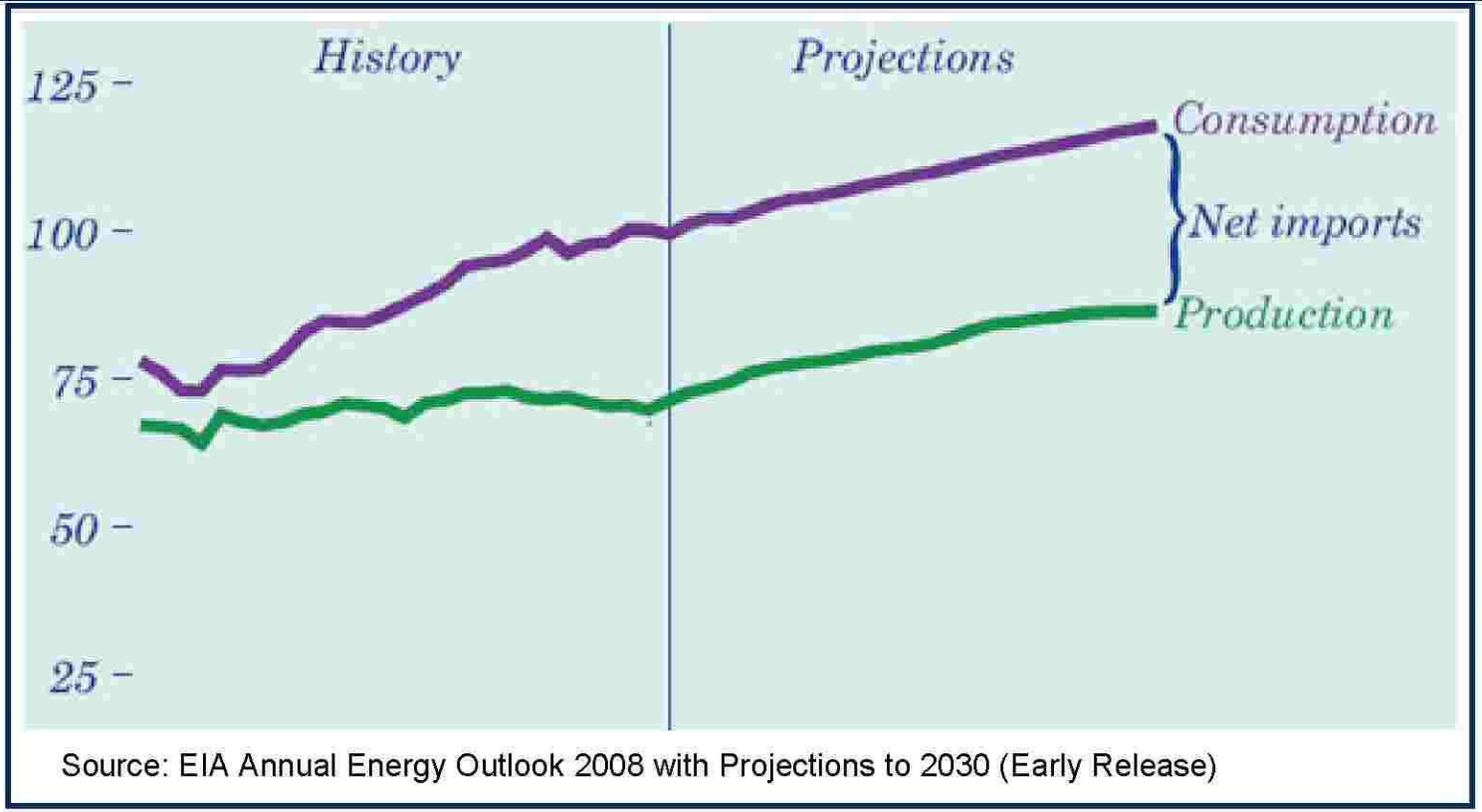
EXHIBIT #3
Regular Council Meeting of 05/27/2008

Summary

- For the 2008 / 2009 budget power supply costs increased 5.4% over last year's budget. This increase was primarily caused by:
  - Extraordinary increases in wholesale energy prices
  - Higher cost of purchased generation capacity to meet self-gen shortfall
- By proactively managing these challenges Dover has contained the cost increases to its rate payers saving the rate payers millions of dollars.
  - 13% increase in power supply costs was mitigated via risk management, saving rate payers $5.2M
  - Additional savings associated with active energy management, reduced management fees, reduced generation plant O&M and higher emissions sales revenues further reduced the necessary budget increase
- Regional energy prices are rising
  - Fuel, generation and environmental related costs continue to rise
  - Dover is located in a high-priced capacity constrained region
- The City of Dover is planning ahead and will continue to use every available approach to managing cost for the City's rate-payers

Challenges

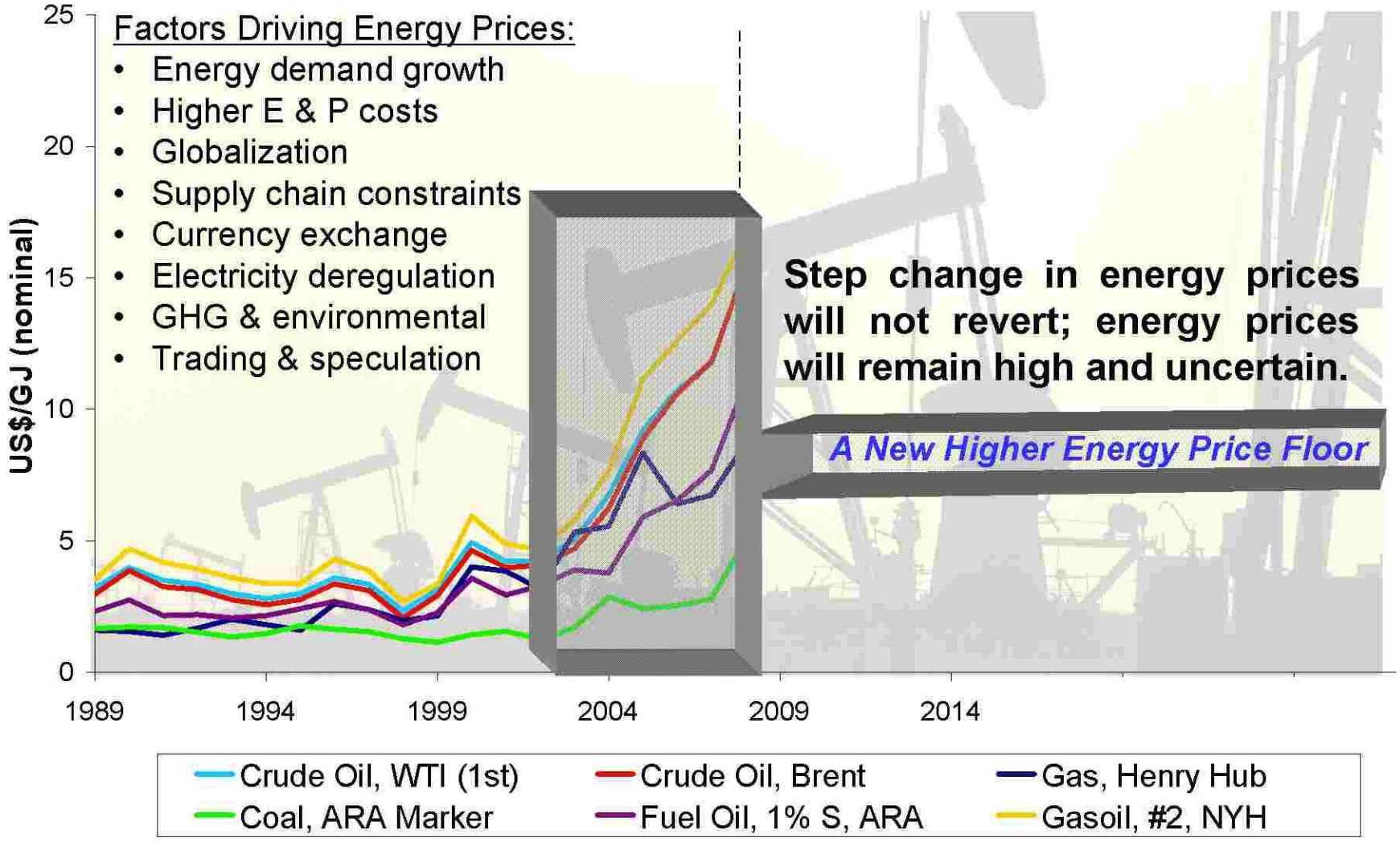
U.S. Energy Imports Continue to Increase



Source: EIA Annual Energy Outlook 2008 with Projections to 2030 (Early Release)

- US crude oil production declined 13% since 2000
- US total coal production flat since 2000 while Appalachian coal has experienced declines
- US natural gas production basically flat since 2000
- Significant increases in non-hydro renewables, but starting from small base

A New, Higher Price Floor for Energy



Ratepayers facing steep increases across US & Region

State,
Constellation reach truce

[BG&E] 1.1 million residential customers, … will pay 85 percent more for electricity than in 2005

Baltimore Sun, March 30, 2008

Power co-op
raises rates

Delaware Electric Coop has raised electric rates by 8.86 percent

Delaware Online, March 30, 2008

Dominion
Pursues 18 Percent … Hike

…largest one-time rate increase … since the 1970s … necessary to offset … fuel [purchases]

Washington Post, May 7, 2008

Con Ed
Seeks to Increase … Up to 17%

…by 17 percent for … residential … and by 10.7 percent for … business

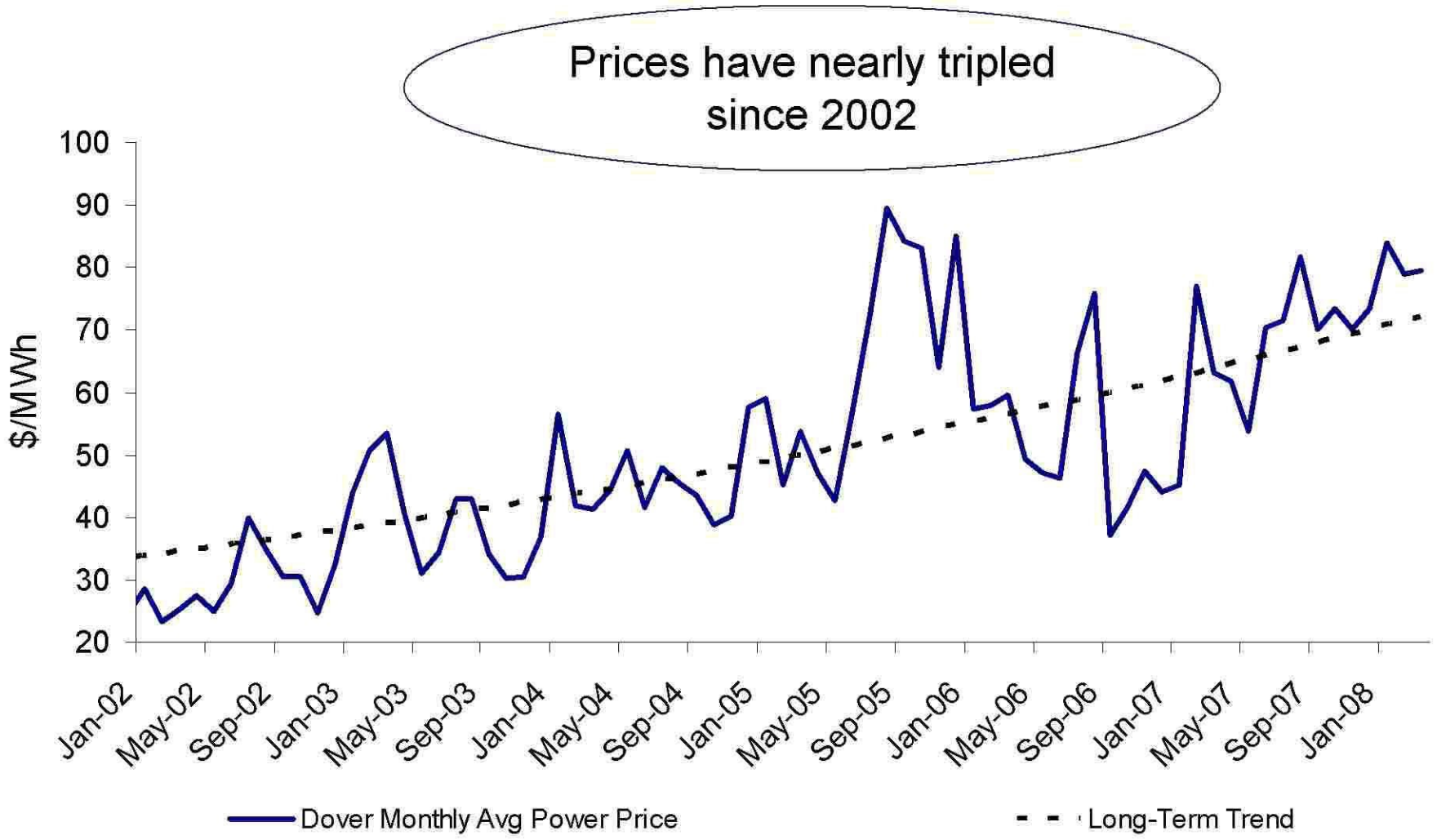
The New York Times, May 5, 2007

Ameren
requests 12.1% … rate increase

Ameren Corp., will file … for a 12.1 percent … rate increase

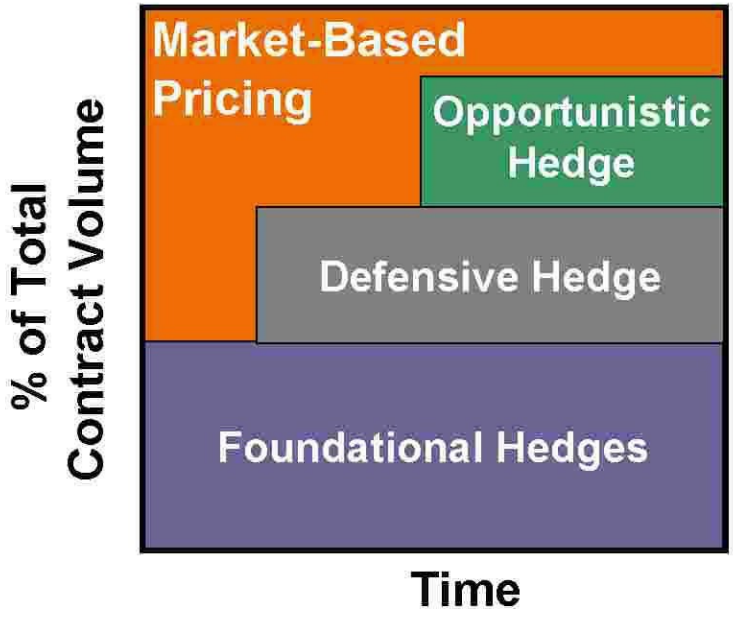
St. Louis Business Journal, April 4, 2008

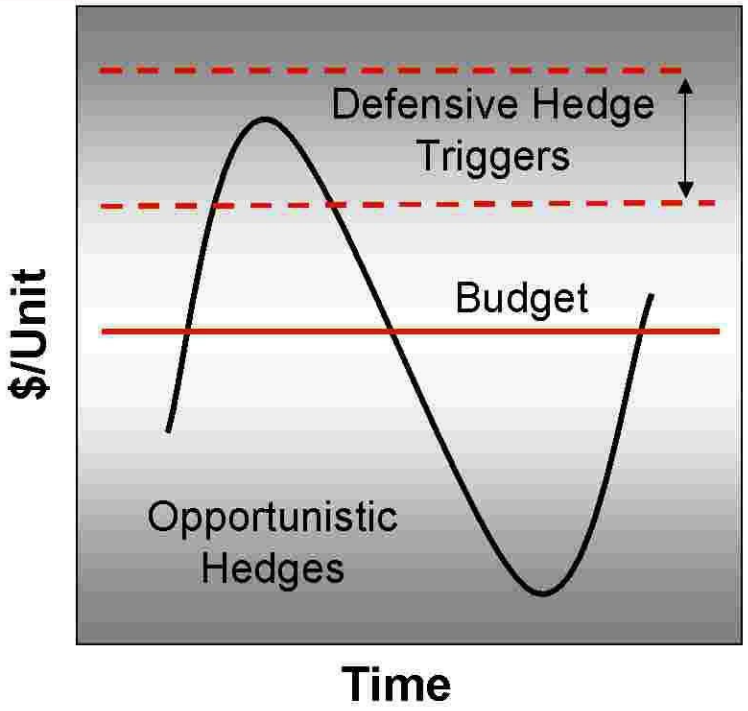
Wholesale Power Market Prices for Dover



Managing the Challenges

Risk Management





Developed systematic program based on Dover's risk tolerances:

- Improves budget certainty
- Creates opportunity to participate in favorable price changes, while minimizing exposure to adverse market conditions
- Keeps decision making with Dover

Energy Management



Reducing time & resources by bolting on an Energy Management function that manages $2 billion in transactions.



Reducing counterparty premiums by utilizing the competitive wholesale marketplace and maintaining a diverse set of counterparties.



Minimizing costs associated with balancing real time load against forecasted load by utilizing sophisticated load forecasting systems.



Mitigating contract risks by leveraging deep commercial and legal expertise.

Benefits of Dover's Generation Assets

Hedge energy price volatility

- High priced peaking units lead to a more than tripling in prices.
- Dover's generation hedges this exposure
  - Displacing higher priced units
  - Generating revenues at high prices providing a hedge

Hedge capacity price

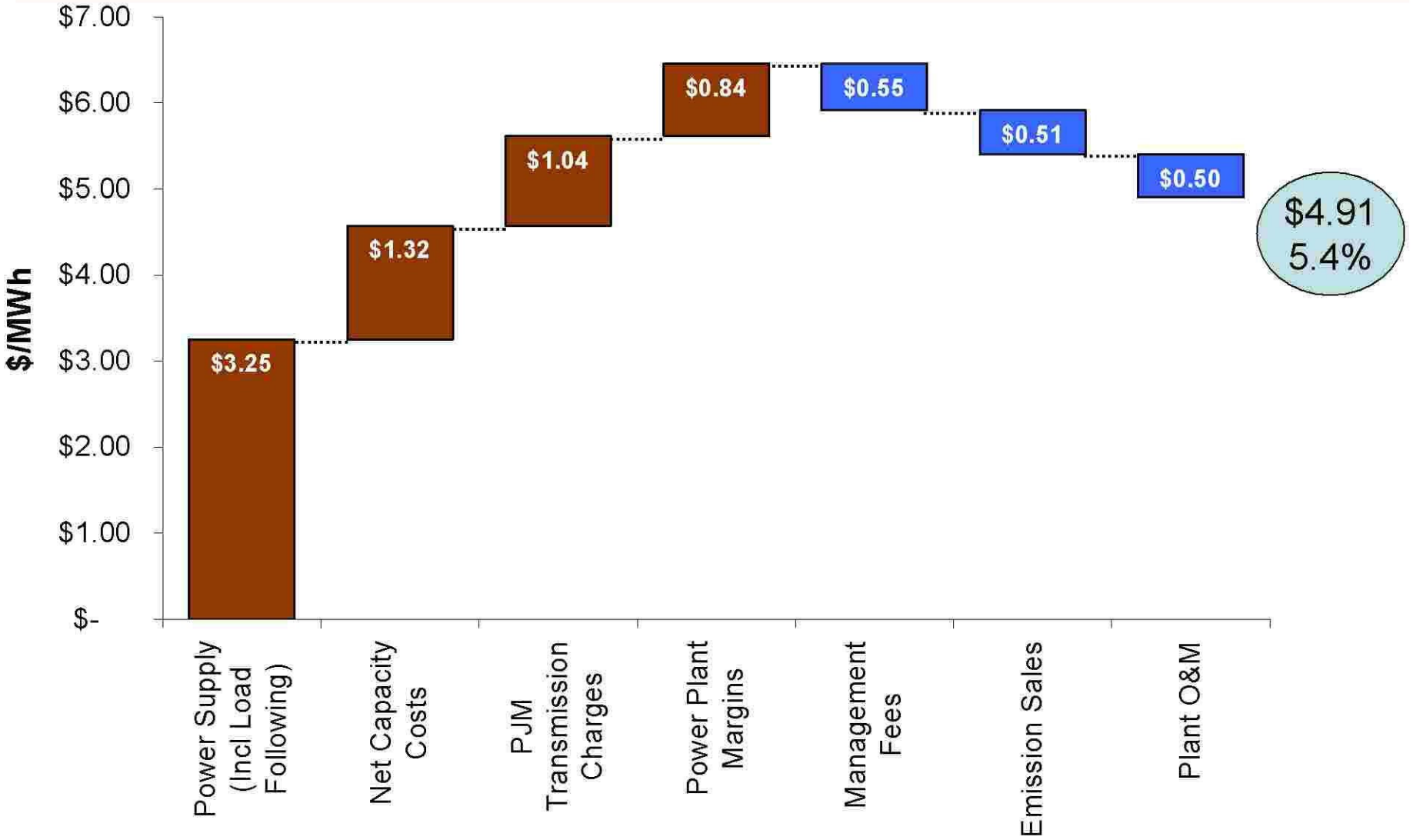
- PJM East experiences high capacity prices
- Dover's generation covered 97% of its capacity obligation for the 2007/2008 and …
- … will cover 87% of the capacity obligation for the 2008/2009

Provide emission allowances revenues

- Dover's generation provide excess NOX and SO2 allowance creating revenue for Dover.
- Over last several years Dover has sold excess allowances for $1 million plus on an annual basis.

Impact to 2008/2009 Budget

Budget Variances: FY 08/09 Budget Versus FY 07/08 Budget



Effect of Dover's Proactive Management on FY08/09 Rates

- Without risk management, customers would be experiencing a 13% increase in power supply costs (budgeted market prices) however, …
- … risk management contained cost increase to 5.4%.
- In aggregate, the hedge positions have saved the rate payers $5.2 million on a year over budget year basis.
- In addition, if generation assets were retired the rate payers would bear an additional $5 million cost and wholesale energy costs would have increased 8% on a year over budget year basis.
- In summary, Dover has been able to manage through extraordinary energy price increases through proactive management of risk, and the optimization of the plant values.

Beulah Gray
722 Forest Street
Dover, DE 19904

May 27, 2008

To Whom It May Concern:

I am Beulah Gray, City of Dover property owner since 1943 at 520 Fulton Street, moving to 722 Forest Street in 1962.

I became widowed here in April, 1967, currently living alone. I had heart surgery at Jefferson Hospital in Philadelphia, PA and lived outside my home 17 months for health care assistance. During this period there was storm water damage in my home. The entire kitchen area had mold; the wood frame rotted behind the aluminum siding; roof; and floors. The contractor assessed the problem and prepared plans that were submitted to the City, inspected and approved. The kitchen area was completely demolished, treated, re-built and extended four feet and the six foot back porch screened in. Permit fees were paid. Work was done May 2005 through October 2005.

Early March 2008, after lunch, a young man with a clipboard and pen in hand, rang my doorbell, without an appointment or visible ID badge or city vehicle, etc., saying "I need to come in to inspect your property for work done 2005; office records were not updated.: I did NOT admit him inside. From the street all four sides around my property are clearly exposed, openly visible.

Several days later I received a letter from Acting Assessor, Cheryl Russell, stating an increase is placed on my property from $96,700 to $104,800 for 2008. I went to the City office to report this visitor came to my house. She said, she wanted to inspect the property herself and measure. I requested a Senior Citizen Discount application for City Taxes, also a review date with council any Day Monday through Friday after my therapy at Kent General Hospital 9:30 to 10:30 a.m. daily. Following Cheryl Russell's visit to inspect, I received another letter of more increase to $105,700.

I was given a review date, 9:45 a.m. May 14, 2008. I phoned immediately to the office, I could not be there 9:45 a.m. from my therapy appointment at the hospital. I was told to be there and bring a doctor's excuse. I am not three years-old or in kindergarten, I am 89 adult years-old and consider this lack of respect to any senior citizen to deny a more convenient arrangement for aged persons needing regular care that was explained in advance.

I do not believe this work to be a $10,000 enhancement.

Beulah Gray

Cc: Councilmen:
Eugene Ruane
Reuben Salters
Kenneth Hogan
William McGlumphy
James McGiffin
Timothy Slavin
Thomas Leary
Councilwomen:
Sophia Russell
Beverly Williams

City of Dover

Cheryl A. Russell, Assistant City Assessor

Tel: 302-736-7022
Fax: 302-736-4450
Email:
crussell@dover.de.us

May 15, 2008 Received 19 may 08

Beulah Gray
722 Forest St.
Dover, DE 19904

CERTIFIED MAIL-RETURN RECEIPT REQUESTED
#7099 3220 0003 2442 8036

Re: 722 Forest St. ED05-07612-01-24.00

Dear Ms. Gray,

This letter is to officially inform you of the recommendation of the City of Dover Council's Committee on Tax Appeals, regarding the above referenced property.

Date of Appeal Hearing: May 14, 2008

Effective for tax year: 2008

Recommendation: (x) Deny the 2008 Appeal

Final Market Value Appealed - $105,700

Requested Value - $102,000

Committee on Tax Appeals:

Councilman Eugene Ruane, Chairman
Councilman Rueben Salters
Councilman Kenneth Hogan

This recommendation will be heard by full City Council on Tuesday May 27, 2008 at 7:30 PM. At this time, City Council will vote on the recommendations of the Appeals Board.

Cheryl Russell
Acting City Assessor

BYLAWS
OF
DOWNTOWN DOVER PARTNERSHIP CORPORATION

ARTICLE I

Statement of purpose

The purpose of this corporation is to promote the public welfare of the residents of the City of Dover, Delaware by promoting and furthering in any way, the development of the economic, cultural, and historic resources of the downtown area of the City of Dover, and to provide for the residents, to the extent that the common good and general welfare of the community is served. In particular the goal of the corporation is to improve the opportunities for job creation, broaden the tax base through the development of the commercial and residential potential of the Central Dover area, and to maintain and restore the historic architectural and community qualities of the downtown area consistent with the goals of the National Main Street Program.

ARTICLE II

SECTION 1. Control. The entire and complete control of the corporation, including all powers contemplated or provided by the laws of Delaware for members of non-stock corporations, shall be vested in a Board of Directors.

SECTION 2. Board of Directors. The Board of Directors shall consist of fifteen (15) directors, appointed from two (2) categories.

1. First Category. Six (6) individuals, either elected or appointed, from within the government of the City of Dover or

state government. These individuals shall include the City Manager, the City Planner, members of City Council and one representative from state government.

2. Second Category. Nine (9) individuals from the private sector with strong ties and commitment to revitalization of the downtown dover area; these individuals should not now hold full-time elected or appointed public office. These individuals must include a resident of the downtown Dover area or an adjoining neighborhood, a downtown cultural arts representative, a downtown business owner, a downtown retailer, a real estate professional whose practice includes the downtown Dover area, a financial services professional whose practice includes the downtown Dover area, the chief executive officer of Bayhealth or his/her designee, and the president of Wesley College or his/her designee.

SECTION 3. Appointment and term of Office. Individuals in the first category shall be nominated by the Mayor and confirmed by City Council and will serve on the Board at the pleasure of the Mayor and Council. Vacancies in this category will be appointed by the Mayor and confirmed by City Council.

Individuals in the first category shall remain as Board Members so long as deemed appropriate by the Mayor and City Council, and so long as they continue to be either elected or appointed officials within the government of the City of Dover.

The individuals in the second category will be nominated, by the Mayor and confirmed by the City Council. Vacancies in this category will be nominated by the Mayor and confirmed by City Council.

Individuals in the second category shall serve a term of three (3) years. These members shall be eligible for re-appointment to the Board. For the initial Board of Directors only, the individuals in the second category shall be divided into three classes of three individuals. The first class shall serve a term of one (1) year. The second class shall serve a term of two (2) years. The third class shall serve a term of three (3) years, after which each class will all serve three year terms.

SECTION 4. Meetings. An annual meeting of the Board of Directors shall be held during the second week in June of each year, beginning with the year 2008, at such time and place as may be designated by the Board of Directors. Special meetings shall be held at the written request of the president or any two (2) Directors of the Board. Directors shall be notified by the Secretary of all meetings at least seven (7) days prior to the date of the meeting.

SECTION 5. Quorum. A majority of the members of the Board of Directors shall constitute a quorum of the transaction of business at any meeting of the Board.

SECTION 6. Manner of Acting. The act of a majority of the Directors at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law or by these bylaws.

SECTION 7. Compensation. Directors shall not receive any salaries for their services as Directors.

ARTICLE III

Membership

Membership in this corporation shall be limited, at all times, to the members of the Board of Directors.

ARTICLE IV

Functions

The Board shall conduct the business of the corporation, including, *inter alia*:

1. Hiring and firing the Executive Director;

2. Amending the bylaws of the corporation;

3. Determining the goals, general policies and physical strategy of the corporation;

4. Selecting projects and approving the overall budget of said projects;

5. Approving the administrative budget of the corporation at the Annual Meeting;

6. Approving the Annual Report of the corporation;

7. Approving the Annual Financial Statement of the corporation; and

8. Electing officers and filling vacancies in said offices as may occur from time to time during the year.

ARTICLE V

Officers

SECTION 1. Officers. The officers of the corporation shall be a President, a Vice President, a Secretary, a Treasurer, and such assistants as may be elected by the Board of Directors. The officers shall perform such duties as described in this Article

and shall receive no compensation for these stated services. The Treasurer need not be a member of the Board of Directors.

SECTION 2. Election and Term of Office. The Officers of the corporation shall be elected annually by the Board of Director at the regular annual meeting of the Board of Directors. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected.

SECTION 3. Removal. Any Officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the Officer so removed.

SECTION 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. President. The President shall:

1. Call all regular meetings of the Board;

2. Preside at all meetings of the Board;

3. Make appointments to all committees;

4. Serve as a member of any committee;

5. Perform other duties as are prescribed to the office of the President;

6. Supervise and control all of the business and affairs of the corporation;

7. Sign, with the Secretary, or any other proper officer of the corporation authorized to so act by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these bylaws or by statute to some other officer or agent of the corporation; and

8. Generally shall perform all duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. Vice-President. In the absence of the President or in the event of his/her inability or refusal to act, the Vice-President shall perform the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

SECTION 7. Secretary. The Secretary or his/her designee shall:

1. Keep the minutes of the meetings of the Board of Directors in one or more books provided for this purpose;

2. Insure that all notices are duly given in accordance with the provisions of these bylaws or as required by law;

3. Be custodian of the corporate records and of the seal of the corporation; and

4. Insure that the seal of the corporation is affixed

to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws.

SECTION 8. Treasurer. If required by the Board of Directors, the Treasurer shall give bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He/she shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the Finance Director of the City of Dover, and, in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned him/her by the President or by the Board of Directors.

ARTICLE VI

Committees

SECTION 1. Committees. There shall be five standing committees: Marketing and Promotion, Organization, Design, Economic Development/Revitalization, and Parking. The Board of Directors, by resolution, may designate and appoint one or more additional committees. Each of which shall consist of three or more members; at least one member of the Committee shall be a member of the Board of Directors. Said committees shall act in an advisory capacity and shall not have nor exercise the authority of the Board of Directors in the management of the corporation.

SECTION 2. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors and until his/her successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

SECTION 3. Chairman. One member shall be appointed chairman by the President.

SECTION 4. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 5. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

SECTION 6. Rules. Each committee may adopt rules for its own government not inconsistent with these bylaws or with rules adopted by the Board of Directors.

SECTION 7. Marketing and Promotion Committee. The Marketing and Promotion Committee will work to create a positive image for the downtown Dover area by promoting the downtown area as an exciting place to live, work, shop and invest.

SECTION 8. Organization Committee. The Organization Committee will work to encourage cooperation and leadership-building in the business community. The Committee will also implement a systematic process to raise funds for the

corporation's programs, projects and general operating fund.

SECTION 9. Design Committee. The Design Committee will work to improve the appearance of the downtown Dover area and to educate the public and private sector about good design principles.

SECTION 10. Economic Development/Revitalization Committee. The Economic Development/Revitalization Committee will work to rebuild and diversify the downtown Dover area's economy.

SECTION 11. Parking Committee. The Parking Committee will work to develop parking in the downtown Dover area and provide oversight over the parking lots owned and/or managed by the corporation.

ARTICLE VII

SECTION 1. Executive Director. He/she shall be responsible for the coordination of the corporation's policies and such other duties as the Board of Directors may require. The Executive Director shall report directly to the President.

SECTION 2. Terms of Appointment. The Executive Director shall be appointed by the Board of Directors for an indefinite term and shall serve at the pleasure of the Board of Directors. In lieu of an appointed Executive Director, the City Council may at its pleasure, have the city planner serve as the Executive Director who shall manage the daily operations of the Partnership's programs. The city planner, with the confirmation of the Partnership Board, may designate a member of his/her staff to serve as the Executive Director.

SECTION 3. Partnership Staff. The Executive Director may

hire staff in accordance with an approved administrative budget. In addition, the planning office, at the discretion of City Council, may provide staff and related office services to the Corporation under the supervision of the city planner. All city employees performing services for the Corporation shall be subject to the hiring and compensation practices of the City of Dover. The City of Dover reserves the right to hire contractual services for support of the Corporation. Other city departments may assist the partnership, under the supervision of the city manager and city planner and in cooperation with the Planning Office. The city planner shall designate a primary staff person who shall be responsible for staff support to the Corporation. The Corporation shall utilize the services of the city solicitor as required.

ARTICLE VIII

Reports and Budgets

SECTION 1. Annual Reports. The Board of Directors shall direct the Executive Director to prepare an Annual Report of the Activities of the Corporation to be submitted for action at the Annual Meeting. Said report shall thence be forwarded to the City and released to the public dissemination.

SECTION 2. Annual Financial Statement. The Board of Directors shall direct the Executive Director to prepare an Annual Financial Statement of the corporation to be submitted for action at the Annual Meeting. Said statement shall thence be forwarded to the City and released to the public dissemination.

SECTION 3. Administrative Budget. The Board of Directors shall direct the Executive Director to prepare an Administrative

Budget of the corporation to be submitted for action at the Annual Meeting.

ARTICLE IX

Execution of Instruments

SECTION 1. Checks, Drafts, and Orders for Payment of Money. All checks, drafts, and orders of payment of money shall be signed in the name of the corporation and shall be signed by the Treasurer or Assistant treasurer and the President or Vice-President of the corporation.

SECTION 2. Contracts. When the execution of any contract, conveyance or other instrument has been authorized, without specification of the executing officer, the President and the Secretary or Treasurer may execute the same in the name and on behalf of the corporation, and may affix the corporate seal thereto. The Board of Directors shall have the power to designate the officers and agents who shall have the authority to execute any instrument on behalf of this corporation.

SECTION 3. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors shall designate.

ARTICLE X

Gifts

The Board of Directors may accept on behalf of the corporation, any contribution, gift, bequest, or devise for the general purposes of, or for, any special purpose of the corporation.

ARTICLE XI

Internal Revenue Service Status

The corporation shall have no capital stock and is not organized for gain or profit, but is exclusively an organization for public, educational, charitable and philanthropic purposes.

ARTICLE XII

Corporate Seal

The Board of Directors shall provide a corporate seal.

ARTICLE XIII

Amendment of Bylaws

These bylaws may be amended by a vote of two-thirds of all of the Directors serving on the Board of Directors or by unanimous consent given in writing.

ARTICLE XIV

SECTION 1. Rules. Unless otherwise specified, the Board shall observe Roberts Rules of Order in the conduct of all of its business.

SECTION 2. Suspension of the Rules. The Board may approve suspension of the rules by a vote of two-thirds of its members.

ARTICLE XV

Conflict of Interest

No director, officer,or employee of the corporation shall have or shall acquire any interest, direct or indirect, in any project which the corporation is promoting, or in any contract or proposed contract for materials or services or in any lease, mortgage, sale, or contract of any nature whatever relating to any

such project or to the corporation, without forthwith making written and complete disclosure to the corporation of all material facts, including the nature and extent of his interest, and such disclosure shall be entered in writing upon the minute book of the corporation. No Director who has such an interest shall vote on any matter relating to such interest.

ARTICLE XVI

Indemnification

Each person who is or was a director or officer of the corporation shall be indemnified by the corporation as of right to the full extent permitted or authorized by the general corporation law of Delaware against any liability, cost or expense asserted against such director or officer and incurred by such director and officer in any such person's capacity as a director or officer, or arising out of any such person's status as a director or officer. The corporation may, but shall not be obligated to, maintain insurance, at its expense, to protect itself and any such person against any such liability, cost or expense.

CERTIFICATE OF INCORPORATION

OF

DOWNTOWN DOVER PARTNERSHIP CORPORATION

The undersigned, in order to form a non-profit corporation for the purpose hereinafter stated, under and pursuant to the provisions of the General Corporation Law of the State of Delaware, certifies as follows:

ARTICLE I

The name of the corporation is Downtown Dover Partnership Corporation.

ARTICLE II

The registered office of the corporation is City Hall, 15 Loockerman Street Plaza, Dover, Delaware. The corporation's registered agent at such address is the City Manager of the City of Dover.

ARTICLE III

This corporation is formed for the purpose of helping to promote the public welfare of the residents of the City of Dover, Delaware by promoting and furthering the development of the economic, cultural and historic resources in the downtown area of the City of Dover, and to provide for the residents, to the extent that the common good and general welfare of the community is served. The corporation shall at all times be operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted or hereafter amended, including, for such purposes, the making of distributions to organizations that also qualify as Section 501(c)(3) exempt organizations. All funds, whether income or principal, and whether acquired by gift or contribution or otherwise, shall be devoted to said purposes. The business and objectives to be carried out and promoted by the corporation shall include, but shall not be limited to the following:

Section 1. To improve the opportunities for job creation, and to broaden the tax base through the development of the commercial and residential potential of the Central Dover area, and to maintain and restore the historic, architectural and community qualities of the downtown area consistent with the goals of the National Main Street Program.

Section 2. To provide services and take action necessary or appropriate to assist the City of Dover, or any agency thereof, in carrying out the powers of the city established by Article I, Section 2 of the Charter of the City of Dover. More particularly, said purposes shall include the following:

1. To carry out projects which promote the public welfare by revitalizing the economy of the central Dover area.

2. To create a positive image for the downtown Dover area by promoting the downtown area as an exciting place to live, work, shop and invest.

3. To encourage cooperation and leadership building in the business community.

4. To improve the appearance of the downtown Dover area and to educate the public and private sector about good design principles.

5. To rebuild and diversify the downtown Dover area's economy.

6. To develop parking in the downtown Dover area and provide oversight over the parking lots owned and/or managed by the corporation.

7. To advise the City of Dover concerning policies affecting economic development and to recommend changes in said policies, in order to improve the climate for business and commerce in the central Dover area, and thereby promote economic growth and stabilization.

8. To identify opportunities and means for bringing about new or sustained private economic activities in the central Dover area, thereby helping to maintain and expand employment and to stimulate retention and strengthening of the City's tax base.

9. To elicit and maximize private capital commitments from the private and business community.

Section 3. To serve as a connection between private development interests and the City of Dover and thereby facilitate a working relationship between such entities as will ultimately promote the public welfare.

Section 4. The corporation shall be organized so as to be a broadly-based, publicly-oriented organization, the aim of which is to derive support primarily from the private sector. Additional support will also be sought from the City of Dover and Federal, State or Local grant or loan programs.

Section 5. The corporation shall be organized and operated exclusively for the public purposes set forth herein, and its activities shall be carried on primarily in the central Dover area, City of Dover, State of Delaware, for the benefit of the City of Dover and its residents. No part of the net earnings of this Corporation shall inure to the benefit of any member of the corporation, nor to any Director or officer of the corporation, nor to any other private persons, except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes. Such net earnings, if any, of this corporation shall be used to carry out the nonprofit corporate purposes set forth in Section 2 above.

Section 6. No substantial part of the activities of this corporation shall constitute the carrying on of propaganda or otherwise attempting to influence legislation, or any initiative or referendum before the public. The corporation shall not participate in, or intervene in (including by publication or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office. The corporation shall not be authorized to accept gifts or contributions other than those which further the purpose herein specified.

ARTICLE IV

The corporation shall have power to do any and all such acts as are necessary or conducive to the attainment of any of the objectives and purposes herein set forth, to the same extent and as fully as any natural person might or could do. Notwithstanding any other provision of these articles, the corporation shall not have the power to carry on any activity, the existence of which would cause it to fail to qualify as an organization exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent United States Internal Revenue law.

ARTICLE V

In order to carry out the purposes of the corporation, and limited exclusively to such purposes, the corporation shall have the following specific powers:

1. To engage in any activity and to enter into any type of contract, in its own name, which will aid the City in its programs for the benefit to the City and its residents.

2. To assist in the performance of the powers and authorities granted to the City under the provisions of Article I, Section 2 of the Charter of the City of Dover.

3. To enter into a contract or contracts with the City of Dover or any agency thereof for the performance of the purposes for which the corporation was established.

4. To apply for and accept any loans, grants or assistance of any character from the United States of America, the State of Delaware, the City of Dover, or any private source.

5. To purchase, lease, exchange, acquire by gift, devise, grant, bequest or otherwise, and to hold, develop, improve, invest, sell, assign, grant or in any way encumber or dispose of any interest in personality or land, improved or unimproved, and to carry out any business undertaking or venture, either alone or in conjunction with others, which may be lawfully conducted under the laws of the State of Delaware within the State of Delaware and within the United States or its possessions, subject to the terms and limitations of the purpose for which the corporation is

formed.

6. To borrow money and issue evidence of indebtedness in furtherance of any or all of the objects of its business and to secure the same by mortgage, pledge or other lien on the corporation's property and assets.

7. To provide financial incentives for businesses including, but not limited to, equity investments, loans, interest subsidies, and bank guarantees.

8. To execute legal instruments that are necessary to carry out the corporate purposes stated herein.

ARTICLE VI

Section 1. The corporation shall have no capital stock and shall pay no dividends.

Section 2. The affairs of the corporation shall be managed by a Board of Directors which shall exercise all corporate powers. The Board of Directors shall consist of fifteen (15) directors. The members of the Board shall be selected and designated as provided in this corporation's Bylaws. The members of the Board of Directors shall serve for such terms and shall have qualifications as may be set forth in the Bylaws of the corporation.

Section 3. The members of the Board of Directors shall also be members of the corporation.

Section 4. The Board of Directors shall be authorized to adopt and amend bylaws which shall provide, among other things, for the qualification of directors, removal, change of number and powers, duties and liabilities of directors, and for the operation and control of the corporation and such other matters deemed necessary or advisable by the Board of Directors, except as limited or otherwise provided in the Certificate of Incorporation, the Bylaws, or in the laws of the State of Delaware.

Section 5. None of the members of the Board of Directors, nor any officers, shall receive any compensation for serving in that capacity, but any person may be paid such compensation as the Board of Directors shall from time to time deem reasonable for services rendered the corporation and any person may be reimbursed for any expenses, disbursements, or liabilities made or incurred by such persons for or on account of the corporation or in connection with the management and conduct of the affairs of the corporation. Indemnification rights, however, shall be provided for in the bylaws.

Section 6. The mailing address of said Board of Directors shall be the City of Dover, P.O. Box 475, Dover, Delaware.

ARTICLE VII

In the event of the dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary, or by operation of law, the assets of the corporation shall be distributed to such non-profit corporations, including the City of Dover, which are organized and operated in furtherance of the objects and purposes for which this corporation is organized and operated, and those other entities which, in the judgment of the City of Dover, most closely approach the purpose of this corporation, and which organization qualifies for tax exemption under the provisions of the Internal Revenue Code, either as a charitable corporation under Section 501(c)(3), or as a municipal corporation under the provisions of the Internal Revenue Code, as amended from time to time.

ARTICLE VIII

Neither proxy or mail voting shall be permitted on any matter before the Board.

ARTICLE IX

The corporation reserves the right to amend, change or repeal any of the provision contained in this certificate of corporation in the manner now or hereafter prescribe by the laws of the State of Delaware; provided, however, that any such action shall be calculated exclusively to carry out the objects and purposes for which the corporation is formed. Any amendment, change or repeal of any of the provisions contained in this certificate of incorporation shall take effect thirty (30) days after such action by the Board of Directors unless the City Council of the City of Dover shall veto such action by majority vote at a regular meeting of Council within the thirty (30) day period.

The incorporator of the corporation is William W. Pepper Sr., Deputy City Solicitor, 414 South State Street, Dover, Delaware.

I, THE UNDERSIGNED, being the incorporator hereinbefore named for the purpose of forming the corporation pursuant to corporation law of the Delaware Code do make this certification hereby declaring and certifying that this is my act and the facts stated are true and I, accordingly, have hereunto set my hand and seal this

_____ day of _____, A.D. _____ , in the presence of

Signed and sealed in the
presence of:

_____ _____

WILLIAM W. PEPPER SR.

SWORN TO and SUBSCRIBED before me this _____ day of _____, _____.