RESOLUTION RATIFYING AND CONFIRMING SALE OF THE CITY OF DOVER, DELAWARE WATER AND SEWER REVENUE BONDS SERIES 2003 AND RELATED MATTERS

WHEREAS, The City of Dover (the "City") is authorized pursuant to Chapter 111, Volume 52, Laws of Delaware, as amended, and the City Charter, Chapter 158, Volume 36, Laws of Delaware, as amended (the "Enabling Acts") to issue revenue bonds for the purpose of financing and refinancing improvements to its water and sewer system;

WHEREAS, pursuant to the Enabling Acts, the City Council (the "Council") adopted a Resolution on February 27, 1989, (as amended by subsequent resolutions, the "Original Resolution") and pursuant to the Original Resolution, by Resolution adopted on April 14, 2003 (the Original Resolution as therein and herein supplemented is hereinafter referred to as the "Bond Resolution"), Council authorized the issuance of up to $10,285,000 of Water and Sewer Revenue Bonds to refinance certain outstanding bonds and to finance certain new water and sewer capital projects;

WHEREAS, the Council desires to ratify certain actions taken by the Mayor and Finance Director with respect to the Series 2003 Bonds (as defined below);

NOW THEREFORE, the Council hereby resolves as follows:

1. Defined Terms. All defined terms used herein, identified by initial capital letters and not otherwise defined herein, shall have the meanings assigned to them in the Bond Resolution.

2. Authorization of Series 2003 Bonds. The Council hereby ratifies and affirms the actions taken by the Mayor and Finance Director to cause the issuance of $7,980,000 aggregate principal amount of Bonds to be designated "The City of Dover Water and Sewer Revenue Bonds, Series 2003" (the "Series 2003 Bonds") for the purpose of (i) refunding, on a current refunding basis, certain outstanding Water and Sewer Revenue Bonds of the City identified on Schedule 2 hereto (the "Prior Bonds"); (ii) paying for certain water/wastewater capital projects (the "2003 Projects"); (iii) making a deposit to a debt service reserve fund; and (iv) paying the costs of issuance of the Series 2003 Bonds, all on the terms and subject to the conditions hereinafter set forth.

3. Payment and other Terms of Bonds; Form of Bonds.

(a) Maturities, Interest Rates. The Series 2003 Bonds shall be issued in denominations of $5,000 or integral multiples thereof, shall be dated October 15, 2003, and interest will be payable on each January 1 and July 1, commencing January 1, 2004, all as set forth on Schedule 1 appended hereto.

(b) Form of Bonds. The Series 2003 Bonds and the form for ordinary registration and transfer to appear thereon are to be substantially in the form attached hereto as

Exhibit A with necessary or appropriate variations, omissions and insertions as permitted or required by the Bond Resolution and the Insurer (as defined below).

4. Bond Insurance. The payments of the principal and interest on the Bonds when due is to be insured under, and to the extent provided in, a Financial Guaranty Insurance Policy, including any endorsements thereon (the 'Policy"), to be issued by MBIA Insurance Corporation (the "Insurer" or "MBIA") pursuant to its commitment letter dated September 24, 2003. The City agrees to be bound by the provisions attached hereto as Exhibit B.

5. Optional Redemption Provisions. The Series 2003 Bonds that mature on or before July 1, 2013 are not subject to optional redemption prior to their maturities. The Series 2003 Bonds which mature on or after July 1, 2014 are subject to optional redemption commencing on July 1, 2013, as a whole or in part at any time at the option of the City, at par, plus accrued interest thereon to the date fixed for redemption.

If less than all of the Series 2003 Bonds of any one maturity shall be called for redemption, the particular Series 2003 Bonds to be redeemed shall be selected by lot by the City in such manner as the City in its discretion may determine.

6. Book-Entry Form of Issue. The Series 2003 Bonds shall be issued in book entry form subject to the terms and conditions of a Letter of Representations to the Depository Trust Company ("DTC") substantially in the form of Exhibit C hereto. Notwithstanding anything to the contrary in the Bond Resolution, DTC and its participants, and the beneficial owners of the Series 2003 Bonds by their acceptance of the Series 2003 Bonds, have agreed that the City shall not have any liability for the failure of DTC to perform its obligations as set forth in this Resolution or in the "Rules" or "Procedures" of DTC; nor shall the City be liable for the failure of any participant to perform any obligation the participants may incur to a beneficial owner of any Bond.

7. Creation of Funds and Accounts; Deposit of Bond Proceeds. The City shall establish the following funds and accounts with respect to the Series 2003 Bonds and shall deposit the proceeds of the Series 2003 Bonds into said funds and accounts as follows:

(a) Series 2003 Redemption Account; Redemption Fund. The City shall establish an account called the "Series 2003 Redemption Account" within the Redemption Fund. The City shall irrevocably deposit into the Series 2003 Redemption Account $6,146,210.17 of the proceeds of the Series 2003 Bonds, to be used (or to purchase securities to be used) to redeem the Prior Bonds on November 14, 2003.

(b) Debt Service Reserve; Reserve Account. The City shall deposit in the Reserve Account an amount sufficient to bring the total amount on deposit in the Reserve Account up to the Maximum Annual Debt Service on all Bonds outstanding under the Bond Resolution.

(c) Construction Fund. The City shall establish an account called the "Construction Fund - Series 2003 Bonds" and shall deposit therein the balance of the Series 2003

Bond proceeds to be applied to pay costs of the 2003 Projects and the costs of issuing the Series 2003 Bonds.

8. Preliminary Official Statement and Official Statement. The Council hereby ratifies the use of the Preliminary Official Statement dated October 2, 2003 and the final Official Statement dated October 9, 2003 and their distribution to prospective purchasers.

The Council hereby authorizes and/or ratifies the actions taken by the Mayor and Finance Director in executing the Official Statement in the name of The City of Dover, supervising its distribution to the Underwriters, to municipal securities information repositories and to potential purchasers and in making changes from the Preliminary Official Statement to the date of delivery of the Bonds to make the information contained therein not contain any untrue statement of a material fact or omit to state a material fact necessary to make any statement therein, in light of the circumstances under which it was made, not misleading.

9. Sale of the Series 2003 Bonds. No responses were received as a result of the Notice of Sale that was published in the Delaware State News on May 7, 2003 in Dover, Delaware.

On October 9, 2003 the City entered into a Bond Purchase Agreement with Merrill Lynch & Co. and Oppenheimer & Co. Inc. (collectively, the "Underwriters") whereby the Underwriters agreed to purchase the Series 2003 Bonds at the purchase price set forth in Schedule 1. The other terms of the Bonds shall be as provided in the Official Statement.

The Council hereby approves and ratifies the actions of the Mayor and the Finance Director in entering into a Bond Purchase Agreement with the Underwriters.

10. Qualified Tax Exempt Series 2003 Bonds. The City hereby designates the Series 2003 Bonds as "qualified tax exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986 (to the extent such bonds are not already "deemed designated" for such purposes). The Mayor and Finance Director are authorized to make such certifications and take all such other action as they deem appropriate to cause the Series 2003 Bonds to be "qualified tax exempt obligations" for such purposes.

11. Future Actions. The Mayor, Finance Director, Clerk of Council and other City officials are authorized and directed to take all actions necessary to issue the Series 2003 Bonds and carry out the terms and the purposes of this Resolution, including the making of any elections and the filing of any reports with the Internal Revenue Service, and the delivery of necessary closing documents and certificates.

The Clerk of Council shall maintain an official transcript of the proceedings relating to the sale of the Series 2003 Bonds including copies of the Preliminary Official Statement and Official Statement.

12. Effective Date. This Resolution shall be effective immediately upon its adoption according to law.

APPROVED by the Council of The City of Dover the ___ day of October, 2003

_____
City Clerk
The City of Dover

APPROVED by the Mayor of The City of Dover the ___ day of October, 2003.

_____
Mayor
The City of Dover

600873

SCHEDULE 1

The City of Dover, Delaware
$7,980,000 Water and Sewer Revenue Bonds
Series 2003

Maturity Date (July 1)	Principal Amount	Interest Rate	Price
2004	$ 160,000	1.10%	100.000
2005	1,345,000	1.30	100.000
2006	1,360,000	1.55	99.919
2007	620,000	2.00	100.034
2008	640,000	2.35	99.909
2009	655,000	2.70	99.945
2010	290,000	3.00	99.575
2011	300,000	3.30	99.726
2012	310,000	3.50	99.550
2013	320,000	3.60	99.347
2014	330,000	3.80	100.000
2015	155,000	3.90	99.808
2016	160,000	4.00	99.797
2017	165,000	4.10	99.683
2018	175,000	4.25	100.073
2019	180,000	4.30	99.542
2020	190,000	4.40	99.642
2021	200,000	4.50	99.751
2022	210,000	4.60	99.869
2023	215,000	4.70	100.000

Purchase Price/Bond Proceeds:

$7,980,000.00	Total Par Amount
(45,328.00)	(Less Underwriters' Discount)
(10,667.95)	(Less Original Issue Discount)
$7,924,004.05	Total Purchase Price/Bond Proceeds

PA&C-600873

SCHEDULE 2

Bonds to be Refunded

SUMMARY OF BONDS REFUNDED

City of Dover, Delaware
Water & Sewer Revenue Bonds,
Series 2003
FINAL

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Water & Sewer Revenue Refunding Bonds, 1986B, 1986B:					
SERIALS	07/01/2006	7.300%	125,000.00	11/14/2003	100.000
Water and Sewer Refunding Bonds, Series, 1993:					
SERIAL	07/01/2005	5.700%	985,000.00	11/14/2003	102.000
	07/01/2006	5.800%	915,000.00	11/14/2003	102.000
	07/01/2007	6.000%	325,000.00	11/14/2003	102.000
	07/01/2008	6.000%	350,000.00	11/14/2003	102.000
	07/01/2009	6.000%	370,000.00	11/14/2003	102.000
			2,945,000.00		
Water and Sewer Revenue Bonds, Series, 1993A:					
SERIAL	07/01/2005	4.625%	225,000.00	11/14/2003	102.000
	07/01/2006	4.750%	235,000.00	11/14/2003	102.000
	07/01/2007	4.875%	245,000.00	11/14/2003	102.000
	07/01/2008	4.900%	260,000.00	11/14/2003	102.000
	07/01/2009	5.000%	275,000.00	11/14/2003	102.000
	07/01/2010	5.000%	290,000.00	11/14/2003	102.000
	07/01/2011	5.100%	305,000.00	11/14/2003	102.000
	07/01/2012	5.100%	320,000.00	11/14/2003	102.000
	07/01/2013	5.200%	335,000.00	11/14/2003	102.000
	07/01/2014	5.200%	355,000.00	11/14/2003	102.000
			2,845,000.00		
			5,915,000.00		

EXHIBIT A

Form of Bond

No. R_____ $_____

STATE OF DELAWARE
KENT COUNTY
THE CITY OF DOVER
WATER AND SEWER REVENUE BOND, SERIES 2003

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
		October 15, 2003	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

THE CITY OF DOVER, in the County of Kent, State of Delaware, for value received, hereby promises to pay, solely from the sources hereinafter described, to the registered owner named above, or registered assigns or legal representative, the Principal Amount identified above on the Maturity Date stated above unless this Series 2003 Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for, and solely from the same sources, to pay interest on such Principal Amount from the interest payment date next preceding the date of registration and authentication of this Series 2003 Bond, unless this Series 2003 Bond is registered and authenticated as of an interest payment date, in which event this Series 2003 Bond shall bear interest from such interest payment date or unless this Series 2003 Bond is registered and authenticated prior to January 1, 2004, in which event this Series 2003 Bond shall bear interest from the Dated Date indicated above, or unless interest on the hereinafter referred to Bonds shall be in default in which event this Series 2003 Bond shall bear interest from the last date to which interest has been paid, at the rate specified above payable semiannually on January 1 and July 1 of each year, commencing January 1, 2004, until payment of such Principal Amount shall have been made.

Principal, and any premium, and interest with respect to this Series 2003 Bond shall be payable in lawful money of the United States of America. Interest shall be paid by check or draft mailed to the registered Owner as shown on the bond register on the fifteenth day of the month prior to the payment date. The Principal Amount shall be payable when due upon presentation and surrender of this Series 2003 Bond by the Registered Owner at the offices of the Registrar and Paying Agent.

In the event that this Series 2003 Bond is held by or registered in the name of a securities depository or other agent or nominee of a beneficial owner, by purchase of a Series 2003

Bond the Bondholder agrees that the City will have no responsibility or liability for any action or inaction by the depository or other agent or nominee in connection with the Series 2003 Bond.

This Bond is one of the Water and Sewer Revenue Bonds, Series 2003 of The City of Dover (the "Series 2003 Bonds"), and is issued by The City of Dover for the purpose of (i) refunding, on a current refunding basis, certain outstanding Water and Sewer Revenue Bonds of the City; (ii) paying for certain water/wastewater capital projects; (iii) making a deposit to a debt service reserve fund; and (iv) paying the costs of issuance of the Series 2003 Bonds, and is issued in full and strict accordance and compliance with all of the provisions of the Charter of The City of Dover, the Constitution and statutes of the State of Delaware (the "Enabling Acts"), and a Resolution of City Council adopted February 27, 1989, as amended, including by Resolutions adopted April 14, 2003 and October 13, 2003 (collectively, the "Resolution").

The Series 2003 Bonds that mature on or before July 1, 2013 are not subject to optional redemption prior to their maturities. The Series 2003 Bonds which mature on or after July 1, 2014 are subject to optional redemption commencing on July 1, 2013, as a whole or in part at any time at the option of the City, at par, plus accrued interest thereon to the date fixed for redemption.

If less than all of the Series 2003 Bonds of any one maturity shall be called for redemption, the particular Series 2003 Bonds to be redeemed shall be selected by lot by the City in such manner as the City in its discretion may determine.

Notice of redemption shall be mailed by certified mail, postage prepaid, to the registered owner (as shown on the books of the Registrar on the Record Date selected by the City) of the Series 2003 Bonds to be redeemed not less than thirty days prior to the intended redemption date; however, any failure to give notice shall not invalidate the redemption of the Series 2003 Bonds for which proper notice has been given. All Series 2003 Bonds called for redemption shall cease to bear interest from the date designated in the redemption notice and shall cease to be entitled to the lien and benefits of the hereinafter described Resolution provided that funds sufficient for their redemption are on deposit on the redemption date.

The City may issue Parity Bonds to finance the construction, completion, repair and improvement of water and waste water facilities or the refunding of outstanding Bonds upon meeting certain conditions set forth in the Resolution which Parity Bonds shall rank on a parity with the Series 2003 Bonds and other Bonds issued under the Resolution in the lien and benefits of the Resolution.

This Series 2003 Bond is not a general obligation or debt of The City of Dover but is payable solely from the Net Operating Revenue of the Water and Sewer Facilities as provided in the Resolution and the owner hereof has no right to compel the levy of any tax for the payment of this Series 2003 Bond or the interest to accrue hereon. The City of Dover covenants and agrees with the holder of this Series 2003 Bond that it will keep and perform all of the covenants of this Series 2003 Bond and the Enabling Acts. The City of Dover has pledged the Net Operating Revenue of the Water and Sewer Facilities to the payment of principal and interest on this Series 2003 Bond.

The Series 2003 Bonds are issuable in the form of registered bonds without coupons in the denominations of $5,000 or any integral multiple thereof. The owner of any registered Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the

City duly executed by the registered owner or his duly authorized attorney) at the office of the Paying Agent and Registrar of the City, in exchange for an equal aggregate principal amount of registered Bonds, of the same maturity and of any other authorized denominations in the manner, subject to the conditions and upon the payment of the charges provided in the Enabling Acts.

Any transfer of this Series 2003 Bond must be registered, upon the Bond Register kept for that purpose at the office of the Paying Agent and Registrar of the City by the registered owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this Series 2003 Bond together with a written instrument of transfer satisfactory to the City duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new registered bond or bonds, of the same series and maturity and in the same aggregate principal amounts, shall be issued to the transferee in exchange herefore as provided in the Resolution free of charge except for any applicable transfer tax or other governmental charge. The City may deem and treat the person in whose name this Series 2003 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes, as provided in the Resolution.

IN TESTIMONY WHEREOF, the Council of The City of Dover has caused this Series 2003 Bond to be executed with the manual or facsimile signatures of its Mayor and Finance Director, and has caused the City's corporate seal to be printed or affixed hereto, all as of the 15th day of October, 2003.

_____
Mayor, The City of Dover

(SEAL)

_____
Finance Director, The City of Dover

Form of

CERTIFICATE OF AUTHENTICATION

This Bond is one of the registered Bonds of an issue or series of Bonds entitled The City of Dover Water and Sewer Revenue Bonds, Series 2003.

THE CITY OF DOVER

As Bond Registrar

Date of Authentication: October 15, 2003

By:_____
Donna Mitchell
Finance Director

Form of

ASSIGNMENT

For the value received, the undersigned sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute _____ attorney to transfer the said Bond on the books kept for registration of said Bonds, with full power of substitution in the premises.

DATED:

_____

Signature of Registered Owner

NOTICE: The signature(s) to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member of firm of the New York Stock Exchange or a commercial bank or trust company.

Form of

ASSIGNMENT

For the value received, the undersigned sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute _____ attorney to transfer the said Bond on the books kept for registration of said Bonds, with full power of substitution in the premises.

DATED:

_____
Signature of Registered Owner

NOTICE: The signature(s) to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member of firm of the New York Stock Exchange or a commercial bank or trust company.

STATEMENT OF INSURANCE

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at The City of Dover, Delaware.

The Insurer, in consideration of the payment of the premium and subject to the terms of the policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to The City of Dover, Delaware or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as the term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration) and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

$7,980,000
THE CITY OF DOVER, DELAWARE
WATER AND SEWER REVENUE BONDS, SERIES 2003

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Inured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefore. The policy does not insure against the loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

The policy is non-cancelable for any reason. The premium on the policy is not refundable for any reason including the payment prior to maturity of the Obligations.

MBIA INSURANCE CORPORATION

EXHIBIT B

Bond Insurance Provisions

Section B-1. Notice Requirements.

(a) Any notices given by any party should also be given to the Insurer, Attn: Insured Portfolio Management.

(b) The Insurer must be given notice of any amendment to the Bond Resolution that does not require Bondholder consent (e.g. to cure ambiguities, correct formal defects or add to the security of the financing).

(c) The Insurer shall receive (i) 15 business days notice of any advance refunding of the Series 2003 Bonds and (ii) an accountant's report with respect to the sufficiency of the amounts deposited in escrow to defease the Series 2003 Bonds.

(d) In connection with the issuance of additional Bonds, the Issuer shall deliver to the Insurer a copy of the disclosure document, if any, circulated with respect to such additional Bonds.

(e) Copies of any amendments made to the documents executed in connection with the issuance of the Series 2003 Bonds which are consented to by the Insurer shall be sent to Standard & Poor's Corporation.

(f) The Insurer shall receive notice of the resignation or removal of the Paying Agent and the appointment of a successor thereto.

(g) The Insurer shall receive copies of all notices required to be delivered to Bondholders and, on an annual basis, copies of the Issuer's audited financial statements and Annual Budget.

(h) Any notice that is required to be given to a holder of a Series 2003 Bond or to the Paying Agent pursuant to the Bond Resolution shall also be provided to the Insurer. All notices required to be given to the Insurer under the Bond Resolution shall be in writing and shall be sent by registered or certified mail addressed to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504 Attention: Surveillance.

Section B-2. Consents Required.

(a) The prior consent of the Insurer is required for all amendments of the Bond Resolution that require Bondholder consent.

(b) The Insurer's consent must be obtained prior to the issuance of any additional bonds and/or execution of a supplemental bond resolution if the additional bonds are issued for a reason other than (1) a refunding to obtain savings; or (2) the issuance of additional bonds pursuant to the "Parity Bonds" provisions of the Bond Resolution.

(c) The Insurer's prior written consent is required for any acceleration of principal payments.

(d) The City shall not, without the prior written consent of MBIA, enter into any agreement nor shall it consent to or participate in any arrangement pursuant to which Series 2003 Bonds are tendered or purchased for any purpose other than the redemption and cancellation or legal defeasance of such Series 2003 Bonds.

Section B-3. Events of Default and Remedies.

(a) The Insurer, acting alone, shall have the right to direct all remedies in the event of a default. Events of Default include:

1. the City's failure to pay principal when due;
2. the City's failure to pay interest when due;
3. the City's failure to observe any other covenant or condition of the Bond Resolution and such failure continues for 30 days and
4. the City's declaration of bankruptcy.

(b) The Insurer shall be recognized as the registered owner of each bond which it insures for the purposes of exercising all rights and privileges available to bondholders. For bonds which it insures, the Insurer shall have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a bondholder in accordance with applicable provisions of the Bond Resolution.

Section B-4. Defeasance

(a) Defeasance requires the deposit of:

1. Cash
2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government
   Series -- " SLGs")
3. Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities
4. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
5. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.
6. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.

a. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

b. Farmers Home Administration (FmHA)

Certificates of beneficial ownership

c. Federal Financing Bank

d. General Services Administration
Participation certificates

e. U.S. Maritime Administration
Guaranteed Title XI financing

f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(b) The Insurer shall be provided with an opinion of counsel acceptable to the Insurer that the Series 2003 Bonds have been legally defeased and that the escrow agreement establishing such defeasance operates to legally defease the Series 2003 Bonds within the meaning of the Bond Resolution relating to the Series 2003 Bonds.

Section B-5. Criteria For Current Refundings.

(a) The period between closing on the refunding bonds and redemption of the refunded bonds shall not exceed 60 days.

(b) The proceeds of the refunding issue shall be sufficient to redeem the refunded bonds without reinvestment income (i.e. gross funded).

(c) Should the proceeds be invested, such investment(s) must mature in an amount and at such time so that sufficient cash will be available to effect the redemption. The Trustee must verify and confirm this in writing to the Insurer.

(d) Investments, to be held in a fiduciary account, must be limited to:

1. Cash
2. Direct obligations of the U.S. Treasury.
3. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and have a rating by S&P of AAAm-G or AAAm. If the money market fund has been rated by Moody's, it must be rated Aaa as well. Investments in money market funds are limited to 10 days.

Section B-6. Permitted Investments for Indentured Funds.

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership
2. Farmers Home Administration (FmHA)
   Certificates of beneficial ownership
3. Federal Financing Bank
4. Federal Housing Administration Debentures (FHA)
5. General Services Administration
   Participation certificates
6. Government National Mortgage Association (GNMA or "Ginnie Mae")
   GNMA - guaranteed mortgage-backed bonds
   GNMA - guaranteed pass-through obligations
   (not acceptable for certain cash-flow sensitive issues.)
7. U.S. Maritime Administration
   Guaranteed Title XI financing
8. U.S. Department of Housing and Urban Development (HUD)
   Project Notes
   Local Authority Bonds
   New Communities Debentures - U.S. government guaranteed debentures
   U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
   Senior debt obligations
2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
   Participation Certificates
   Senior debt obligations

3. Federal National Mortgage Association (FNMA or "Fannie Mae")
   Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA or "Sallie Mae")
   Senior debt obligations

5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
   Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.

(e) Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

(g) Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to MBIA (Investment Agreement criteria is available upon request).

(h) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

(k) Repurchase Agreements for 30 days or less must follow the following criteria. Repurchase Agreements which exceed 30 days must be acceptable to MBIA (criteria available upon request)

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

1. Repos must be between the municipal entity and a dealer bank or securities firm
   a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Services, or
   b. Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.

2. The written repo contract must include the following:
   a. Securities which are acceptable for transfer are:
      (l) Direct U.S. governments, or
      (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)
   b. The term of the repo may be up to 30 days
   c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).
   d. Valuation of Collateral
      (l) The securities must be valued weekly, marked-to-market at current market price plus accrued interest
         (a) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the municipal entity:
   a. Repo meets guidelines under state law for legal investment of public funds.

Additional Notes

(i) There is no list of permitted investments for non-indentured funds. Your own credit judgment and the relevant circumstances (e.g., amount of investment and timing of investment) should dictate what is permissible.

(ii) Any state administered pool investment fund in which the issuer is statutorily permitted or required to invest will be deemed a permitted investment.

(iii) DSRF investments should be valued at fair market value and marked to market at least once per year. DSRF investments may not have maturities extending beyond 5 years, except for Investment Agreements approved by the Insurer.

Section B-7. Payments Under the Policy

(a) In the event that, on the second Business Day, and again on the Business Day, prior to the payment date on the Series 2003 Bonds, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Series 2003 Bonds due on the second following or following, as the case may be, Business Day, the Paying Agent shall immediately notify the Insurer or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

(b) If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify the Insurer or its designee.

(c) In addition, if the Paying Agent has notice that any Bondholder has been required to disgorge payments of principal or interest on the Series 2003 Bonds to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Paying Agent shall notify the Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

(d) The Paying Agent is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Series 2003 Bonds as follows:

1. If and to the extent there is a deficiency in amounts required to pay interest on the Series 2003 Bonds, the Paying Agent shall (a) execute and deliver to U.S. Bank Trust National Association, or its successors under the Policy (the "Insurance Paying Agent"), in form satisfactory to the Insurance Paying Agent, an instrument appointing the Insurer as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to the Insurer of the claims for interest to which such deficiency relates and which are paid by the Insurer, (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from the Insurance Paying Agent with respect to the claims for interest so assigned, and (c) disburse the same to such respective Holders; and

2. If and to the extent of a deficiency in amounts required to pay principal of the Series 2003 Bonds, the Paying Agent shall (a) execute and deliver to the Insurance Paying Agent in form satisfactory to the Insurance Paying Agent an instrument appointing the Insurer as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to the Insurer of any of the Obligation surrendered to the Insurance Paying Agent of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent is received), (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the

tenor of the Policy payment therefor from the Insurance Paying Agent, and (c) disburse the same to such Holders.

(e) Payments with respect to claims for interest on and principal of Series 2003 Bonds disbursed by the Paying Agent from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Series 2003 Bonds, and the Insurer shall become the owner of such unpaid Obligation and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

(f) Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent hereby agree for the benefit of the Insurer that:

1. They recognize that to the extent the Insurer makes payments, directly or indirectly (as by paying through the Paying Agent), on account of principal of or interest on the Series 2003 Bonds, the Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in this Indenture and the Series 2003 Bonds; and

2. They will accordingly pay to the Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in this Indenture and the Obligation, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Series 2003 Bonds to Holders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

Section B-8. Miscellaneous.

(a) Reimbursements to Insurer. The City agrees to reimburse the Insurer immediately and unconditionally upon demand, to the extent permitted by law, for all reasonable expenses, including attorneys' fees and expenses, incurred by the Insurer in connection with (i) the enforcement by the Insurer of the City's obligations, or the preservation or defense of any rights of the Insurer, under the Bond Resolution and any other document executed in connection with the issuance of the Series 2003 Bonds, and (ii) any consent, amendment, waiver or other action with respect to the Resolution or any related document, whether or not granted or approved, together with interest on all such expenses from and including the date incurred to the date of payment at Citibank's Prime Rate plus 3% or the maximum interest rate permitted by law, whichever is less. In addition, the Insurer reserves the right to charge a fee in connection with its review of any such consent, amendment or waiver, whether or not granted or approved .

(b) Use of Insurer's Name. The City agrees not to use MBIA's name in any public document including, without limitation, a press release or presentation, announcement or forum without MBIA's prior consent. In the event that the City advised by counsel that it has a legal obligation to disclose MBIA's name in any press release, public announcement or other

public document, the City shall provide MBIA with at least three (3) business days' prior written notice of its intent to use MBIA's name together with a copy of the proposed use of MBIA's name and of any description of a transaction with MBIA and shall obtain MBIA's prior consent as to the form and substance of the proposed use of MBIA's name and any such description.

EXHIBIT C

Letter of Representations to The Depository Trust Company

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

The City of Dover, Delaware

[Name of Issuer]

Nov. 8 1995.

[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

The City of Dover, Delaware

(Issuer)

By: _____

(Authorized Officer's Signature)

Mike C. Karia

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: _____

SCHEDULE A

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

City of Dover

PETITION TO AMEND ZONING DISTRICT
Before The Dover City Council
October 13, 2003

Applicants/Owners	MCCK, LLC C/o Dr. J. McClements 50 S. Prestwick Court Dover, DE 19904
Location:	Southeast corner of Kenton Road and Denny's Road
Size:	Area of Rezoning: 38.2617 acres +/- Total Property: 263.13 acres +/-
Present Zoning:	RM-1 (Medium Density Residence Zone)
Proposed Zoning:	RM-2 (Medium Density Residence Zone) Permitting one family detached dwellings, one-family lot-line dwellings, duplex dwellings, multiplex dwellings, townhouses, rooming houses, garden apartments, agricultural uses, and public buildings. Permitted through the Conditional Use process: places of worship, schools, philanthropic and eleemosynary institutions, hospitals and sanitariums, funeral homes, public utilities, country clubs, annual membership clubs, Planned Neighborhood Design developments and planned senior citizen housing developments.
Present Use:	Vacant land and Woodland areas
Proposed Use:	Residential
File Number:	Z-03-05

Findings and Recommendations of the Dover Planning Commission

This petition was considered at the September 15, 2003 meeting of the Planning Commission. The following members were present: Chairman Friedman, Mr. Nichols, Mrs. Horsey, Mr. Sadusky, Mr. Holt, Mr. Winsley, Mr. DiMondi, Col. Welsh, and Mr. Von Reider.

The Planning Commission recommends that this request for rezoning from RM-1 to RM-2 be approved. The motion for approval passed 9-0 of those members present. In taking this position, the Commission considered the following points:

Description of Property:

This 263.13 acre +/- parcel includes woodland and wetland areas. Part of the southern boundary of the property is the Maidstone Branch. The FEMA Flood Plain Maps indicate floodplain areas on the property.

Surrounding Land Uses:

The area of petition consists of a tract of 38.2617 acres +/- of the larger parcel. This area to be considered for rezoning is located adjacent to the intersection of Kenton Road and Denney's Road. The surrounding area is zoned for residential uses. The land to the west, northwest, and north of this property is not within the City of Dover; it is under the jurisdiction of Kent County. These areas are zoned AR (Agriculture Residential Zone) and include a number of single family dwellings and the subdivisions of Planters Woods and Winding Ridge. To the northeast is Carlisle Village (also zoned AR). Within the City of Dover, to the east is Maple Glen zoned R-8 (One Family Residence Zone) and to the south is Baltray zoned R-15 (One Family Residence Zone), The Retreat zoned RM-2 (Medium Density Residence Zone) and R-10 (One Family Residence Zone), and Fox Meadows zoned RM-2 (Medium Density Residence Zone).

Comprehensive Planning:

The Land Development Plan of the *1996 Comprehensive Plan* shows this area as Low Density Residential (up to 4 dwelling units per acre) with the area immediately adjacent to the Maidstone Branch as "Dedicated Open Space, Environmentally Sensitive Lands, & Recreation." Environmentally Sensitive Lands are discussed on pages 7-21 and 7-22 of the *1996 Comprehensive Plan.*

Also at the time of the *1996 Comprehensive Plan*, a Deed Restriction was placed on the larger subject parcel relating to the residential density of the property by the property owner. (See attached.) With this Deed Restriction, "the gross residential density of the subject land shall not exceed two (2) dwelling units per gross acre of the Subject Land. The Subject Land is the larger parcel approximately 264.6141 acres of land. Staff notes that while the existing zoning of RM-1 and the proposed zoning of RM-2 allow for higher densities of dwelling units, the property would be subject to the restriction of two dwelling units per gross acre. With this rezoning request and concepts for future development of the site to be located on a portion of the property, it appears that this density limitation will be complied with.

The *Comprehensive Plan Update 2003** shows this area as Residential Low Density. Within the larger parcel and adjacent to the waterway, there are also areas identified as Open Space/Conservation/Recreation. Additional information is provided in the text of the Plan Update regarding the Residential Low Density classification. (see attached text) *The *Comprehensive Plan Update 2003* was adopted by the Planning Commission on September 16, 2003 and adopted by the City Council on September 22, 2003. In a letter dated October 2, 2003, the Office of State Planning Coordination certified the comprehensive plan.

Request for RM-2 (Medium Density Residence Zone)
The types of permitted uses are outlined in Article 3 §7.1.

> Article 3 §6.1 Uses Permitted. In an RM-2 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 purposes, except the following:
> (a)Any use permitted in One-Family Residence Zones;
> (b)One-family lot-line dwellings, not to exceed one such dwelling per lot;
> (c)Duplex dwellings;
> (d)Multiplex dwellings;
> (e)Townhouses;
> (f)Rooming houses accommodating not more than five (5) roomers;
> (g) Garden Apartments.

The maximum gross residential density in RM-2 is eight (8) dwelling units per acre.

Recommendation of the Planning Staff:
The Planning Staff recommends that the rezoning from RM-1 to RM-2 be approved. The proposed zoning classification will allow for a higher residential density on the land area available for development. The RM-2 allows for the residential housing type of garden apartments. The natural features of this large parcel suggest a conservation-oriented approach to the design of any future development on the site. Conservation techniques would include clustering of units in certain areas of the parcel to avoid impacting other natural areas. The property will also be subject to the Deed Restriction limiting the gross residential density to two dwelling units per gross acre of the subject land.

Public Comments:
The following appeared and spoke in regards to the rezoning application:

- Ken Clendaniel, property owner of 3867, 3847, and 3737 Denny's Road noted concerns with the view from this property, traffic on nearby roads due to existing and recent development, and implications of any road widening projects.
- Michelle Brown, 105 Portrush Court noted concerns with quality of the proposed development, lack of sidewalks in the area, protection of natural areas, and adherence of the development activities to the proposed plan.
- Steve Spangler, a resident of Baltray noted concerns with the potential garden style apartments in an area with mostly single family dwellings. He is also interested in the proposed land preservation proposal.
- Ed Adams, 11 Hemstead Court, The Meadows spoke in favor of the rezoning noting the concept of a 55+ age restricted community was a good one.

Agency Comments from DAC Report:

- Department of Public Works has no objections to the rezoning.
- DelDOT has no objections to the rezoning. Their comments note that additional right-of-way may be required when the land is developed.

- Kent Conservation District has no objections to the rezoning. Their comments note that a detailed Sediment and Stormwater Management Plan is required prior to land disturbing activities.

Advisory Comments to the Applicant:

1) The applicant shall be aware that approval of the Rezoning does not represent Subdivision or Site Plan approval. A separate application process for Subdivision or Site Plan approval is required for the development of this property.

2) The development of this property will be subject to the provisions of City of Dover Code Chapter 7.5 Flood Damage Prevention for those areas impacted by the flood plain in addition to the Land Subdivision Regulations and Zoning Code.

3) Staff in researching this property found a deed restriction given as Kent County Recorder of Deeds Record Book 177, page 330 "Declaration of MCCK Limit Partnership." This limits "the gross residential density of the Subject Land shall not exceed two (2) dwelling units per gross acre of the Subject Land."

Attachments to the Report:

- Development Advisory Committee Application Review Commentary (comment sheets) from the following:
  - Department of Public Works
  - Delaware Department of Transportation
  - Kent Conservation District
- Declaration of Restrictions by MCCK Limited Partnership
- Comprehensive Plan Update 2003 page 138 – Land Development Plan, Residential Land Uses
- Exhibit Location Map
- Letter dated September 12, 2003 from City Solicitor re: Declaration of Restrictions – Village of Northgate

CITY OF DOVER PUBLIC WORKS

CITY OF DOVER

DEVELOPMENT ADVISORY COMMITTEE

APPLICATION REVIEW COMMENTARY

STAFF D.A.C. MEETING DATE: August 28, 2003

APPLICATION: Lands of MCCK, LLC: Northgate Village – Rezoning from RM-1 to RM-2

FILE#: Z-03-05 **REVIEWING AGENCY:** City of Dover Public Works

CONTACT PERSON: Scott Koenig or Andrew Riggi **PHONE#:** 736-7025

THE SUBJECT PROPOSAL HAS BEEN REVIEWED FOR CODE COMPLIANCE, PLAN CONFORMITY AND COMPLETENESS IN ACCORDANCE WITH THIS AGENCY'S AUTHORITY AND AREA OF EXPERTISE.

THE FOLLOWING ITEMS HAVE BEEN IDENTIFIED AS ELEMENTS WHICH NEED TO BE ADDRESSED BY THE APPLICANT:

CITY AND STATE CODE REQUIREMENTS:

1. Our office has no objection to the proposed rezoning of the parcel from RM-1 to RM-2.

RECOMMENDATIONS SUGGESTED AS CONDITIONS OF APPROVAL TO MEET CODE OBJECTIVES:

ADVISORY COMMENTS TO THE APPLICANT:

IF YOU HAVE ANY QUESTIONS OR NEED TO DISCUSS ANY OF THE ABOVE COMMENTS, PLEASE CALL THE ABOVE CONTACT PERSON AND THE PLANNING DEPARTMENT AS SOON AS POSSIBLE.

CITY OF DOVER

DEVELOPMENT ADVISORY COMMITTEE

APPLICATION REVIEW COMMENTARY

D.A.C. MEETING DATE: August 28, 2003

DELDOT

APPLICATION: Lands of MCCK, LLC: Northgate Village Rezoning

FILE#: Z-03-05 REVIEWING AGENCY: DelDOT

CONTACT PERSON: Richard A. Woodhall PHONE#: 760-2262

THE SUBJECT PROPOSAL HAS BEEN REVIEWED FOR CODE COMPLIANCE, PLAN CONFORMITY AND COMPLETENESS IN ACCORDANCE WITH THIS AGENCY'S AUTHORITY AND AREA OF EXPERTISE.

THE FOLLOWING ITEMS HAVE BEEN IDENTIFIED AS ELEMENTS WHICH NEED TO BE ADDRESSED BY THE APPLICANT:

CITY & STATE CODE REQUIREMENTS:
No objection

RECOMMENDATIONS SUGGESTED AS CONDITIONS OF APPROVAL TO MEET CODE OBJECTIVES:

ADVISORY COMMENTS TO THE APPLICANT:
When and if this land is developed, right of way dedication may be required.
Additional comments about the rezoning may be forthcoming from Bill Brockenbrough.

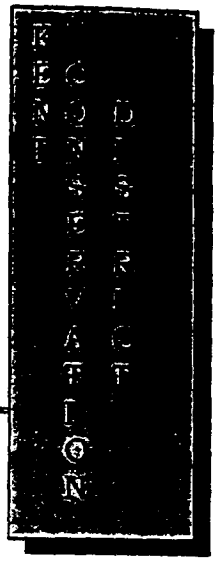
If you have any questions or need to discuss any of the above comments, please call the above contact person and the planning department as soon as possible.

CITY OF DOVER

DEVELOPMENT ADVISORY COMMITTEE

APPLICATION REVIEW COMMENTARY

D.A.C. MEETING DATE: August 28, 2003



APPLICATION: *Northgate Village*

FILE #: *Z-03-05* **REVIEWING AGENCY:** *Kent Conservation District*

CONTACT PERSON: *Jared Adkins* **PHONE #:** *697-2600, ext. 3*

THE SUBJECT PROPOSAL HAS BEEN REVIEWED FOR CODE COMPLIANCE, PLAN CONFORMITY AND COMPLETENESS IN ACCORDANCE WITH THIS AGENCY'S AUTHORITY AND AREA OF EXPERTISE.

THE FOLLOWING ITEMS HAVE BEEN IDENTIFIED AS ELEMENTS WHICH NEED TO BE ADDRESSED BY THE APPLICANT:

CITY AND STATE CODE REQUIREMENTS:

- *Kent Conservation District has no objection to rezoning this site.*

RECOMMENDATIONS SUGGESTED FOR AS CONDITIONS OF APPROVAL TO MEET CODE OBJECTIVES:

ADVISORY COMMENTS TO THE APPLICANT:

- *A detailed Sediment and Stormwater Management Plan must be approved by our office prior to any land disturbing activity (i.e. clearing, grading, filling, etc.) over 5000 square feet.*

Tax Parcel Nos. ED-05-066.00-01-03.00-000
ED-05-066.00-01-01.00-000
ED-05-066.00-01-09.00-000

011996013536

Prepared by/Return to:
Mark F. Dunkle, Esquire
Prickett, Jones, Elliott, Kristol & Schnee
26 The Green
Dover, DE 19901

0 00177 0330

DECLARATION

This Declaration is made this 30th day of April, 1996, by MCCK LIMITED PARTNERSHIP, a Delaware Limited Partnership, hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of that certain tract of land situate in the City of Dover, containing 264.6141 gross acres (more or less) known as the Village of Northgate subdivision, having been approved for subdivision by the City of Dover Planning Commission in 1991 and recorded in the Recorder of Deeds Office in Kent County, Delaware, in Plat Book 28, Page 42 on June 18, 1991 (said tract hereinafter referred to as the "Subject Land"); and

WHEREAS, Declarant desires to impose upon the Subject Land and bind itself, its successors and assigns, to the following covenants and restrictions.

NOW, THEREFORE, know all men by these presents, that Declarant does hereby covenant and declare that it shall hold and stand seized of the Subject Land under and subject, nevertheless, to the following restrictive covenants which Declarant does hereby agree shall be covenants running with the land and which shall be binding upon Declarant, its successors and assigns, upon the Subject Land only, which said restrictive covenants are hereby imposed for the benefit of the City of Dover, a political subdivision of the State of Delaware, its successors and assigns:

1. Density. The gross residential density of the Subject Land shall not exceed two (2) dwelling units per gross acre of the Subject Land.

1. Density. The gross residential density of the Subject Land shall not exceed two (2) dwelling units per gross acre of the Subject Land.

2. Modification. The foregoing restriction shall not be altered or modified, in whole or in part, except by approval of both the City of Dover and the Declarant, its successors and assigns.

3. Amendments. The Declarant, its successors and assigns or the legal owners of the Subject Land may record such other and additional or supplemental covenants and restrictions as otherwise permitted by law without the consent of the City of Dover, provided such covenants and restrictions do not increase the gross residential density beyond two (2) dwelling units per gross acre of the Subject Land.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be duly executed the day and year first above written.

SIGNED, SEALED & DELIVERED
IN THE PRESENCE OF:

DECLARANT

By _____ (SEAL)
Jonathan W. Kolker, President
Arundel Lumber Company, Inc.,
General Partner,
MCCK LIMITED PARTNERSHIP

Attest _____

0 00127 0331

STATE OF DELAWARE :
: SS.
KENT COUNTY :

BE IT REMEMBERED, that on this 30th day of April, 1996, personally came before me, a Notarial Officer for the State and County aforesaid, Jonathan W. Kolker, President, Arundel Lumber Company,Inc., General Partner of MCCK LIMITED PARTNERSHIP, a Delaware Limited Partnership, party to this Instrument, known to me personally to be such, and acknowledged this Instrument to be his act and deed and the act and deed of said corporation, that the signature of the President thereto is in his own proper handwriting and the seal affixed is the common and corporate seal of said corporation, and that his act of sealing, executing, acknowledging and delivering said Instrument was duly authorized by a resolution of the Board of Directors of said corporation.

GIVEN under my hand and seal of office the day and year aforesaid.

Mark F. Dunkle

NOTARIAL OFFICER

My Commission Expires ATTORNEY-AT-LAW
Admitted by Supreme Court of Delaware to practice law and authorized to perform notarial acts pursuant to 29 Del. Code, Ch. 43.

MARK F. DUNKLE
Attorney - At - Law

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STATE DOCUMENT
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JUL 11 3 36 PM '96

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R.M. WARNER, JR.
RECORDER OF DEEDS
KENT CO. DELAWARE

of police, fire, sanitation, school transportation, sewer, water, and electric services easier and less expensive.

5. Proper separation of incompatible land uses through physical distance and buffering creates stronger neighborhoods.

Goals: *Residential Land Uses*

To develop and maintain an adequate supply of housing of varying type, size, and densities that are aesthetically pleasing and located within neighborhoods designed or redesigned to promote convenience, conservation, and access to the greater community, but which are properly buffered through distance and landscaping from incompatible land uses.

Policies: *Residential Land Uses*

1. Establish residential density limitations Citywide while allowing greater flexibility in the types of housing units permitted.

2. Require linkage streets and sidewalks between adjoining residential subdivisions and street right-of way stubs to adjoining vacant developable land.

3. Promote the efficient use of land and delivery of City services through encouraging the favorable zoning of vacant tracts already located within developed neighborhoods and the re-development of existing neighborhoods.

4. Encourage the separation of residential areas from incompatible uses through buffering distances and the use of transitional zoning categories such as office zoning.

Recommendations: *Residential Land Uses*

The following is a summary description of the various residential densities permitted in Dover as reflected on the Comprehensive Land Development Plan:

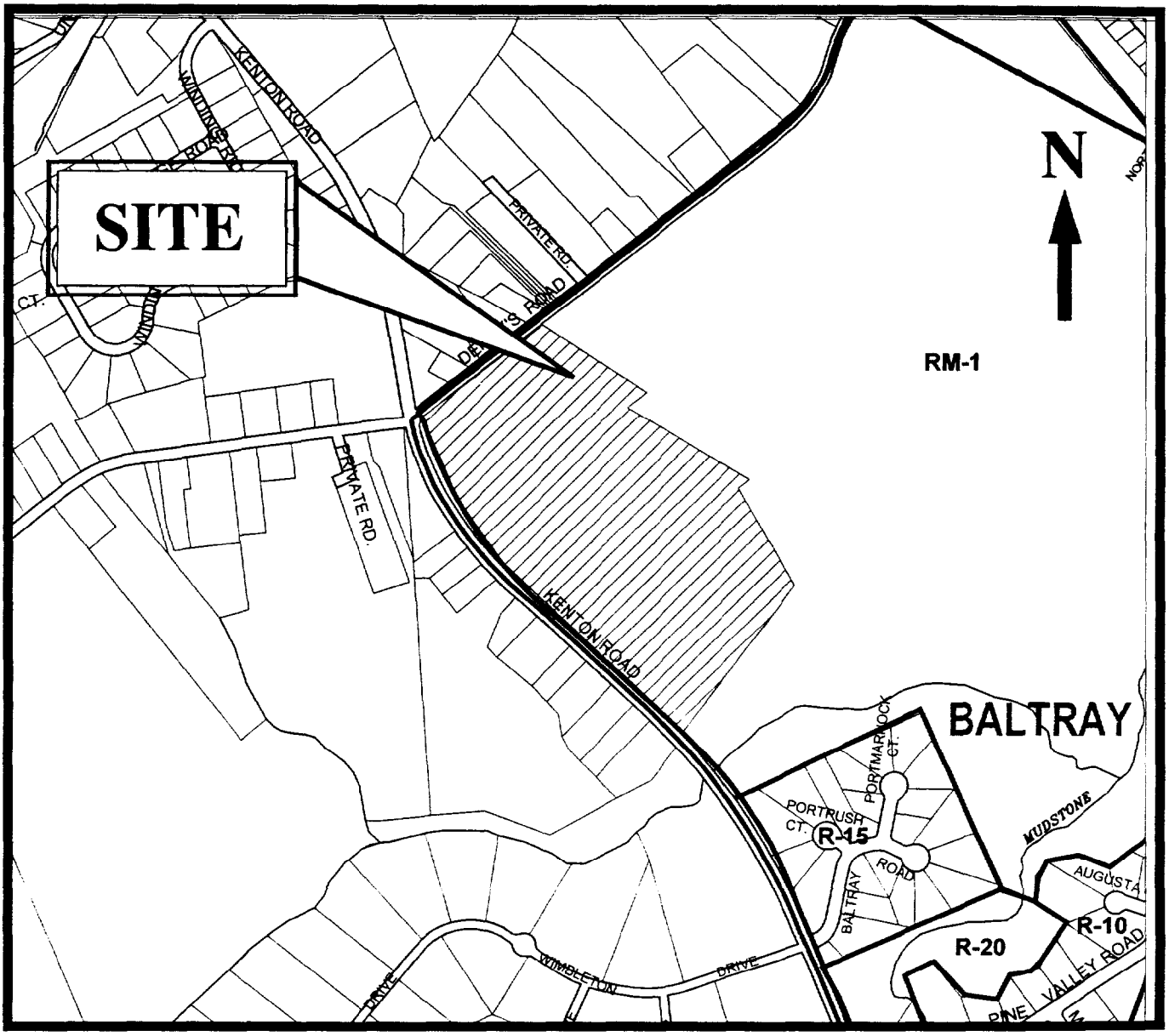
Recommendation for Low Density Residential
Low-density residential land uses involve a maximum gross density of four (4) dwelling units per acre. Usually expressed as homogeneous single family developments, provisions are made via the *Zoning Ordinance* to permit variety in housing types through the Planned Neighborhood Design Option, provided density caps are maintained. Specific low-density residential zoning districts include: A (Agricultural); R-20 (One Family Residence); R-15 (One Family Residence); and R-10 (One Family Residence). There are a number of properties in the northwestern portion of the City which have been voluntarily deed restricted to 2 dwelling units per acre or less. Zoning districts allowing other housing styles may be appropriate on these parcels to allow the clustering of development on one portion of these sites while maintaining the integrity of significant natural features elsewhere on the parcels, provided the voluntary density caps are maintained.

The Comprehensive Land Development Plan recommends that low-density residential uses be directed toward peripheral suburban/rural fringe areas and in locations with significant environmental constraints. Vacant tracts involving vast woodland areas, wetlands, and areas impacted by the regulatory 100 Year Flood Plain have been designated for low density residential uses where more intensive uses would be inappropriate. Low-density residential uses

City of Dover

Application No. Z-03-05

Department of Planning & Inspections



Applicant: Lands of MCCK,LLC: Northgate Village

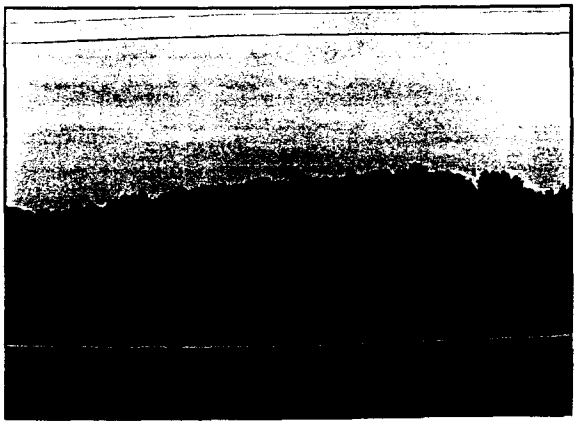
Owner: MCCK,LLC.

Date: 9-15-03

Tax Parcel No. ED-05-066.11-01-01.00

Site Area: 38.2617 Acres

From: RM-1 **To:** RM-2



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September 12, 2003

Dawn Melson, Acting Planner
Department of Planning and Inspection
City of Dover City Hall
P.O. Box 475
Dover, Delaware 19903-0475

VIA FAX (736-4217) and U.S. MAIL

RE: **Declaration of Restrictions-Village of Northgate**

Dear Dawn:

I read the above Declaration of Restrictions dated April 30, 1966 for the Village of Northgate subdivision. The pertinent restriction that you asked me about deals with density and requires "gross residential density of the Subject Land shall not exceed two (2) dwelling units per gross acre of the Subject Land." Regarding modification of the restrictions, it is provided that they cannot be modified or altered "except by approval of both the City of Dover and the Declarant, its successors and assigns." Successors and assigns would of course include the original developer and also all of the subsequent and present lot owners in the development. Thus, in my opinion, the density restriction could only be altered if agreed upon in writing by the Declarant, all of the lot owners in the development, and Dover City Council.

As you know, the City does not become involved in private deed restrictions and takes no action whatsoever to enforce private deed restrictions. This is left completely up to the parties affected by the restrictions. The wording of these restrictions is most unusual because they are for the benefit of the City and also the density restriction could not be altered without the consent of Council.

Your question was whether the Planning Commission could consider re-zoning as applied for which would permit greater density than provided for in the deed restrictions. I believe that the Planning Commission can re-zone the property to a zoning category which would permit greater density than provided for in the deed restrictions. As we have done in the past, I do not think the Planning Commission should consider or rule upon the private deed restrictions. However, enforcement of the deed restrictions, if the developer chooses to violate the density requirement, would be up to the individual owners of lots in the subdivision and also in this particular case, City Council.

Very truly yours,

NICHOLAS H. RODRIGUEZ

NHR:rp