



Sussex County Council Public/Media Packet

**MEETING:
OCTOBER 2, 2012**

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**Sussex County Council
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Georgetown, DE 19947
(302) 855-7743**



SUSSEX COUNTY COUNCIL

AGENDA

OCTOBER 2, 2012

10:00 A.M.

Call to Order

Approval of Agenda

Approval of Minutes

Reading of Correspondence

Todd Lawson, County Administrator

1. Letters of Credit
 - A. Oakwood Village
 - B. Henlopen Landing, Phase 4
2. Administrator's Report

Susan Webb, Finance Director

1. Investment Policy
2. Memorandum of Understanding between Sussex County and the Friends of the Greenwood Library

Brad Whaley, Director of Community Development & Housing

1. Presentation of Delaware's Housing Locator Website

Steve Hudson, Director of Technical Engineering

1. Dewey Beach Water Tower
 - A. AT&T Lease Amendment #1

John Ashman, Director of Utility Planning

1. Request to Prepare and Post Notices – Route 26, Phase III Expansion of the Millville Sanitary Sewer District

Grant Requests

1. Beebe Medical Foundation for 25th Annual Beebe Ball
2. Town of Georgetown for Mayor's Return Day Reception

Introduction of Proposed Zoning Ordinances

Any Additional Business Brought Before Council

Executive Session – Job Applicants' Qualifications, Personnel, Pending/Potential Litigation, and Land Acquisition pursuant to 29 Del. C. §10004(b)

Possible Action on Executive Session Items

Sussex County Council meetings can be monitored on the internet at www.sussexcountyde.gov.

In accordance with 29 Del. C. §10004(e)(2), this Agenda was posted on September 25, 2012 at 4:50 p.m., at the time it was prepared by the County Administrator and at least seven (7) days in advance of the meeting. This Agenda is subject to change to include the addition or deletion of items, including Executive Sessions, which arise at the time of the Meeting.

Agenda items listed may be considered out of sequence.

SUSSEX COUNTY COUNCIL - GEORGETOWN, DELAWARE, SEPTEMBER 18, 2012

A regularly scheduled meeting of the Sussex County Council was held on Tuesday, September 18, 2012, at 10:00 a.m., in the Council Chambers, Sussex County Administrative Office Building, Georgetown, Delaware, with the following present:

Michael H. Vincent	President
Samuel R. Wilson, Jr.	Vice President
George B. Cole	Councilman
Joan R. Deaver	Councilwoman
Vance Phillips	Councilman
Todd F. Lawson	County Administrator
Susan M. Webb	Finance Director
Everett Moore	County Attorney

The Invocation and Pledge of Allegiance were led by Mr. Vincent.

**Call to
Order**

Mr. Vincent called the meeting to order.

**M 470 12
Amend
and
Approve
Agenda**

A Motion was made by Mr. Wilson, seconded by Mr. Phillips, to amend the Agenda by deleting "Job Applicants' Qualifications, Pending/Potential Litigation, and Land Acquisition" under "Executive Session"; and to approve the Agenda, as amended.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea

Minutes

The minutes of September 11, 2012 were approved by consent.

**Corre-
spondence**

Mr. Moore read the following correspondence:

CHANGING FATES EQUINE RESCUE OF DELAWARE, INC., LAUREL DELAWARE.

RE: Letter in appreciation of donation

**Delaware
Sea Level
Rise Vulner-
ability
Assessment**

Mrs. Deaver read into the record an email she received pertaining to the Delaware Sea Level Rise Vulnerability Assessment that was released the week of September 12, 2012. The Assessment states that there are 41,554 septic systems in Sussex County from 415 to 2,748 stand to be inundated, as do parts of the Wolf Neck Spray Irrigation fields and some 40 to 117 of the 316 public pumping stations. Also of note are a vast number of wells in the coastal zone that stand to be lost. It seems prudent that the Counties should enact zoning restrictions in the coastal zone to prevent more septic systems or other public

Sea Level (Cont.) Proclamation	or private sewage infrastructure in areas that are vulnerable. The Council presented a Proclamation entitled “Constitution Week” to the Daughters of the American Revolution of Milford.
Decorating Delmarva Presentation	Mark Cathell, Founder of Create 1 Dream Foundation, presented Decorating Delmarva “Holiday Festival of Lights” which will take place on the grounds of the U.S. 13 Dragway and Delaware International Speedway.

The 36 night event will consist of six major parts on a 2 mile drive through an animated holiday festival tour of the North Pole, holiday lights, and community built displays. The tour will conclude in an area recognized as Santa’s Village where guests will be able to park and visit vendor booths. The show will operate every Thursday, Friday, Saturday, and Sunday evening beginning November 15, 2012 through December 23, 2012. On December 25, 2012 the event will reopen and will operate every night through January 5, 2013 with a New Year’s Eve celebration on December 31, 2012.

This event is open to all local schools, charity groups, non-profit clubs and organizations, churches and volunteer fire companies located on the Peninsula. The focus of this event is to create a community atmosphere, as well as a financial vehicle to help support schools and non-profits in the area by allowing all groups in the area an opportunity to utilize the event for fundraising and to create a destination spot for Western Sussex County.

A few ways that organizations can participate:

1. An outdoor contest will be held for high schools, charity groups, non-profit clubs and organizations, that will show off their talents by preparing and building a holiday display to be showcased throughout the event route with \$5,000 being awarded to the winner of each division.
2. Selling advance tickets to the event, at a price of \$15.00 per car load with a \$5.00 donation for each sale going back to each respective organization.
3. Each organization participating will receive a complementary booth space for two nights in the festival area being held in Santa’s Village to participate in additional fundraising for their organization if they so choose. In the festival area guests will be able to park and walk around to visit the many food vendors, arts and crafts vendors, and local businesses.
4. Once hard ticket sales have ended which is the end of October, organizations participating in this event will be able to direct visitors to the decoratingdelmarva.com website to purchase tickets at which time they will be able to select the organization they would like to support to receive the \$5.00 donation for the ticket sale.

In closing, Mr. Cathell, requested that the Council consider supporting this event.

The Greater Lewes Community Village Presentation **Barbara Vaughn, spoke on behalf of the Greater Lewes Community Village and shared the Mission Statement of the Organization.**

Mission Statement: The Greater Lewes Community Village is a non-profit organization of residents to provide neighbors 50 and older living in the Lewes area the services, expertise, social interaction, and practical means to remain independently and safely in their homes as they age in place.

The community village concept emerged in 2002, in Beacon Hill, Massachusetts. Since that time over 200 villages have been started, 83 are in full use, with the remainder working hard to offer the services to those over the age of 50. The villages are connected by an organization called Village to Village, which has been an enormous help to the Lewes Village and has helped them to start developing partnerships with Beebe Medical Center, University of Delaware SeaGrant Program and local legal counsel.

Ms. Vaughn shared some numbers on the Lewes demographics:

- 70% of the population are over the age of 50
- 56% of the population are over the age of 60
- 31% of the population are over the age of 70

The Village provides members with up to date information on a wide variety of home service such as transportation, home repair, concierge services, and home health care. As the older population increases in Sussex County, the need for this type of organization will also increase.

Ms. Vaughn, in closing, asked the Council to consider supporting this organization.

Administrator's Report **Mr. Lawson read the following information in the County's Administrator's Report:**

1. Sussex County Property Taxes Due October 1, 2012

Sussex County reminds property owners that Monday, October 1, 2012, is the deadline to pay annual County property tax bills. Due to the fact that the usual September 30 deadline falls on a Sunday this year, the deadline will be extended to October 1. Payments postmarked after October 1 will be subject to a 1.5 percent penalty. Anyone with questions regarding their tax bill should contact the Treasury Division at 855-7760.

M 471 12 Adopt Loan Resolution (Johnson's Corner) **A Motion was made by Mr. Cole, seconded by Mr. Phillips, to Adopt a Loan Resolution "AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS JOHNSON'S CORNER SANITARY SEWER DISTRICT" (in the**

M 471 12 **principle amount of \$2,000,000.00).**

Adopt

Loan

Resolution

(continued)

Motion Adopted: 5 Yeas.

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**

M 472 12
Adopt
Loan
Resolution
(Millville
Expansion)

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to Adopt a Loan Resolution “AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS MILLVILLE SEWER EXPANSION FACILITY” (in the principle amount of \$4,000,000.00).

Motion Adopted: 5 Yeas.

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**

M 473 12
Adopt
R 015 12

A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to Adopt Resolution No. R 015 12 “TO SUBMIT A REQUEST FOR A REGIONAL WASTEWATER PLANNING GRANT TO THE CLEAN WATER ADVISORY COUNCIL FOR MATCHING FUNDS TO FINANCE A WASTEWATER RATE STUDY FOR SUSSEX COUNTY”.

Motion Adopted: 5 Yeas.

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**

Website
Redesign
Request for
Quotes

Tom Glenn, Director of Information Technology, representing the Sussex County Website Redesign Committee, presented the recommendation of the committee based on the responses from the Request for Quotes (RFQ).

The County website, in its current form, was launched in 2008. At the time, it was an update to a previous website design that had been in place since about 2004-2005. The new website is to be optimized for mobile devices, such as smart phones and tablets. The County wants to create a more simplistic, easier to understand interface so that constituents can find the services and information they need quickly and easily.

The committee evaluated four vendors and selected the one that scored the highest in their ranking system. The committee ranked the vendors based on factors such as capacity to perform required services, price, and project methodology.

Website Redesign Request for Quotes (continued) **Digital Eye has been selected as the vendor, because the committee believes they have a good, sound project methodology and offer the best overall approach to the project. Digital Eye has been creating and designing websites since 1995.**

Funding for this project was approved by Council with its adoption of the FY 2013 Budget back in June.

Council questioned Mr. Glenn about the cost of this project, how far does this upgrade advance the website into the future and what changes will be seen with this upgrade.

In response to the questions, Mr. Glenn stated that the contract price for the project is \$49,800; this includes utilizing the current County website; gathering statistics from the current website to see what the most utilized aspects of the site are; enables the website to interact with the Tyler Systems ERP Software so that the constituents would have more services available to them online; and a new design to make it easier for constituents to navigate.

Mr. Lawson stated that the current website has approximately 4,000 visits a day with almost 60,000 unique page visits; this is a tremendous amount of traffic that runs through the site. One of the goals of this upgrade is to provide better customer service through an internet format, so if someone can conduct business with the County and not have to drive to the Administration Building to do it, both parties will benefit.

M 474 12 Authorize Website Redesign/ Digital Eye, LLC **A Motion was made by Mr. Cole, seconded by Mr. Phillips, based upon the recommendation of the Sussex County Website Redesign Committee, that the Sussex County Council hereby authorize the County Administrator, or his designee, to execute a contract in an amount not to exceed \$49,800 with Digital Eye LLC of Wilmington, Delaware for the performance of services related to the Sussex County Website Redesign Project.**

Motion Adopted: 5 Yeas.

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**

Airport Wetland Mitigation Project/ Change Order Nos. 3 & 4 **Juel Gibbons, County Project Manager, presented Change Order Nos. 3 & 4 for Contract No. 11-06 for the Airport Wetland Mitigation Project. These change orders are for string line trimming and mowing, to remove invasive plant species, and herbicide treatment. Change Order No. 3 is in the amount of \$6,980.66 and Change Order No. 4 is in the amount of \$5,790.00. The total for Change Order No. 3 & 4 is \$12,770.66, bringing the total contract price to \$441,808.24.**

M 475 12 Approve **A Motion was made by Mr. Cole, seconded by Mrs. Deaver, based upon the recommendation of the Sussex County Engineering Department that**

Change Order Nos. 3 & 4/Airport Wetland Mitigation Project (continued) **Change Order Nos. 3 & 4 for Sussex County Project No. 11-06, Airport Wetland Mitigation Project be approved, which increases the contract amount by \$12,770.66 for a new total of \$441,808.24.**

Motion Adopted: **5 Yeas.**
Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Nay; Mr. Wilson, Nay;
Mr. Vincent, Yea**

Old Business (C/U No. 1941) **Under Old Business, the Council discussed Conditional Use No. 1941 filed on behalf of Delaware Electric Cooperative, Inc.**

The Planning and Zoning Commission held a Public Hearing on this application on August 9, 2012 at which time the Commission recommended that the application be approved with the following conditions.

- A. No Storage facilities shall be constructed on the site.**
- B. Lighting on the facility will consist only of perimeter lighting for security purposes. All lighting shall be downward screened so that it does not shine on neighboring properties or roadways.**
- C. One unlighted sign, not to exceed 32 square feet in size, shall be permitted.**
- D. The site shall be secured by fencing. A locked 38 foot wide gate will permit access to the site from East Trap Pond Road, with a “Knox Box” to accommodate emergency access by the local fire company.**
- E. If the solar electric generation facility is non-operational for a period of 12 months, the Delaware Electric Cooperative, Inc. or assigns must return the site to its original state within a 12 month period.**
- F. The Final Site Plan shall be subject to the review and approval of the Sussex County Planning and Zoning Commission.**

The County Council held a Public Hearing on this application on August 21, 2012 at which time action was deferred.

The Council discussed the application and the conditions recommended by the Planning and Zoning Commission.

M 476 12 Amend Condition “F” **A Motion was made by Mrs. Deaver, seconded by Mr. Cole to amend Condition “F” (recommended by the Planning and Zoning Commission) to read as follows:**

The Final Site Plan shall be subject to the review and approval of the Sussex County Planning and Zoning Commission with a landscaping plan to screen the site from neighboring houses.

Motion Adopted: **5 Yeas.**

Vote by Roll Call: **Mrs. Deaver, Yea; Mr. Cole, Yea;**

M 476 12
(continued)

Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea

M 477 12
Adopt
Ordinance
No. 2276/
(C/U
No. 1941)

A Motion was made by Mr. Cole, seconded by Mrs. Deaver, to Adopt Ordinance No. 2276 entitled “AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR A SOLAR ELECTRIC GENERATION FACILITY TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN GEORGETOWN HUNDRED, SUSSEX COUNTY, CONTAINING 40 ACRES, MORE OR LESS” (Conditional Use No. 1941) filed on behalf of Delaware Electric Cooperative, Inc., with the following conditions, as amended:

- A. No Storage facilities shall be constructed on the site.
- B. Lighting on the facility will consist only of perimeter lighting for security purposes. All lighting shall be downward screened so that it does not shine on neighboring properties or roadways.
- C. One unlighted sign, not to exceed 32 square feet in size, shall be permitted.
- D. The site shall be secured by fencing. A locked 38 foot wide gate will permit access to the site from East Trap Pond Road, with a “Knox Box” to accommodate emergency access by the local fire company.
- E. If the solar electric generation facility is non-operational for a period of 12 months, the Delaware Electric Cooperative, Inc. or assigns must return the site to its original state within a 12 month period.
- F. The Final Site Plan shall be subject to the review and approval of the Sussex County Planning and Zoning Commission with a landscaping plan to screen the site from neighboring houses.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea

Grant
Requests

Mrs. Webb presented grant requests for the Council’s consideration.

M 478 12
Council-
manic
Grant

A Motion was made by Mr. Wilson, seconded by Mr. Phillips, to give \$1,000.00 from Mr. Vincent’s Councilmanic Grant Account to the Nanticoke River Arts Council for various programs.

Motion Adopted: 5 Yeas.

Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea

M 479 12
Council-

A Motion was made by Mrs. Deaver, seconded by Mr. Phillips, to give \$750.00 from Mrs. Deaver’s Councilmanic Grant Account to the Historic

- manic Grant (continued)** **Lewes Farmers Market for operating expenses.**
- Motion Adopted:** **5 Yeas.**
- Vote by Roll Call:** **Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**
- M 480 12 Councilmanic Grant** **A Motion was made by Mr. Cole, seconded by Mr. Phillips, to give \$1,000.00 from Mr. Cole's Councilmanic Grant Account to the Town of Millville for festival expenses.**
- Motion Adopted:** **5 Yeas.**
- Vote by Roll Call:** **Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**
- Introduction Of Proposed Ordinance** **Mrs. Deaver introduced the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR LAND APPLICATION OF CLASS "B" SANITARY WASTE, NON-SANITARY FOOD PROCESSING RESIDUALS, AND POTABLE WATER IRON RESIDUALS TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN CEDAR CREEK HUNDRED, SUSSEX COUNTY, CONTAINING 259.08 ACRES, MORE OR LESS" (Conditional Use No. 1946) filed on behalf of Clean Delaware, LLC.**
- The Proposed Ordinance will be advertised for Public Hearing.**
- Additional Business** **Under Additional Business, Dan Kramer commented on the Decorating Delmarva Presentation given on this date before Council.**
- M 481 12 Go Into Executive Session** **At 10:51 a.m., a Motion was made by Mr. Cole, seconded by Mr. Phillips to recess the Regular Session and to go into Executive Session for the purpose of discussing issues relating to personnel.**
- Motion Adopted:** **5 Yeas.**
- Vote by Roll Call:** **Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**
- Executive Session** **At 10:55 a.m., an Executive Session of the Sussex County Council was held in the Caucus Room of the Council Chambers for the purpose of discussing issues related to personnel. The Executive Session concluded at 11:09 a.m.**
- M 482 12 Reconvene** **At 11:13 a.m., a Motion was made by Mr. Cole, seconded by Mrs. Deaver, to come out of Executive Session to reconvene the Regular Session.**

Regular Session (continued)	Motion Adopted: 5 Yeas. Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea
E/S Action	No action was required on Executive Session items.
M 483 12 Recess	At 11:14 a.m. a Motion was made by Mr. Wilson, seconded by Mr. Cole to recess until 1:30 p.m. Motion Adopted: 5 Yeas. Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea
M 484 12 Reconvene	A Motion was made by Mrs. Deaver, seconded by Mr. Cole, to reconvene at 1:37 p.m. Motion Adopted: 5 Yeas. Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea; Mr. Phillips, Yea; Mr. Wilson, Yea; Mr. Vincent, Yea
Public Hearing/ C/U No. 1942	<p>A Public Hearing was held on the Proposed Ordinance entitled “AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR STORAGE, MAINTENANCE AND GENERAL OFFICE FOR CONTRACTING /EXCAVATING SERVICES TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BROADKILL HUNDRED, SUSSEX COUNTY, CONTAINING 10.56 ACRES, MORE OR LESS” (Conditional Use No. 1942) filed on behalf of Douglas L. Boozer.</p> <p>Shane Abbott, Assistant Director of Planning and Zoning, reported that the Planning and Zoning Commission held a Public Hearing on this application on August 23, 2012 at which time the Commission recommended that the application be deferred. On September 13, 2012, the Commission recommended that the application be approved with the following conditions:</p> <ul style="list-style-type: none">A. There will only be one unlighted sign on the premises that shall not exceed 32 square feet on each side.B. Any security lights shall only be installed on the buildings and shall be screened so that they do not shine on neighboring properties.C. The hours of operation shall be 6:00 a.m. to 6:00 p.m., Monday through Friday, and 7:00 a.m. to 2:00 p.m. on Saturday.D. All loading areas, storage areas and trash container areas shall be

**Public
Hearing/
C/U
No. 1942
(continued)**

screened by the existing wooded vegetation currently located on the site, with a minimum vegetated buffer of at least 50 feet from all property lines. The buffer area shall be shown on the Final Site Plan.

- E. As stated by the Applicant, all repair work shall be performed inside of the building.**
- F. All entrances and roadway improvements required by DelDOT shall be completed by the Developer as required by DelDOT.**
- G. Stormwater management and erosion and sediment control facilities shall be constructed in accordance with all applicable State and County requirements and shall be maintained utilizing best management practices.**
- H. The Final Site Plan shall be subject to the review and approval of the Planning and Zoning Commission.**

See the minutes of the Planning and Zoning Commission dated August 23, and September 13, 2012.

Mr. Abbott read a summary of the Commission's Public Hearing.

Mr. Abbott reported that, following the Commission's Public Hearing, a letter was received from the Sussex Conservation District stating the soil type on the site; that the Applicant will be required to follow recommended erosion and sediment control practices during any construction and maintain vegetation after any construction; that no storm flood hazard area or tax ditch are affected; that it would not be necessary for any off-site drainage improvements but may be necessary for on-site drainage improvements.

The Council found that Mark Davidson of Pennoni Associates, Inc. was present along with the Applicant, Douglas Boozer.

Mr. Davidson provided an Exhibit Packet for consideration.

Mr. Davidson stated that Conditional Use application is in an Agricultural Residential District on 10.56 acres located on Huff Road for Boozer's Excavation Company; that property is located on the south side of Huff Road approximately 2000 feet west of Route 30, approximately 2 ½ miles east of Sand Hill Road; that the site is predominantly wooded and the parcels surrounding the site are predominantly wooded as well; that according to the State Strategies the site is located in a Level 4; that the Applicant has lived along Huff Road for approximately 19 years; that Mr. Davidson owns 23 acres of land directly across from the site which has a Conditional Use to operate his surveying business; that the Applicant is a Licensed Class "A" Percolation Tester, Class "B" Septic Designer, and Class "C" Septic Installer all with DNREC; that the Applicant is a Certified Construction Reviewer with the State of Delaware and is also licensed to construct Stormwater Sediment and Erosion Control in the State of Delaware; that the Applicant has been in business for approximately 12

**Public
Hearing/
C/U
No. 1942
(continued)**

years; that according to the 2007 Comprehensive Plan, the site is located in a Low Density Area; that the Applicant's excavating business performs lot clearing, final grading, excavates footers, foundations, digs basements, underground storage tanks, small demolition jobs, test pits, along with farming on a few farms in the Georgetown area; that currently the Applicant has five (5) employees; the site will provide the Applicant a place to store equipment, perform maintenance on his equipment and office space for employees to meet before heading to the job sites; that the site currently has a DelDOT entrance; that they have proposed a 50 foot wide buffer around the entire property; that a septic system has been approved for the site; that they currently do not have a need for a septic system, so a porta-toilet is going to be utilized; that an existing well is located on the site as permitted by DNREC; that the Applicant is in acceptance of the conditions that were imposed by the Planning & Zoning Commission.

Mr. Davidson added that, along with some of the support letters that were submitted with the application, he feels that the Applicant is an asset to the neighborhood.

There were no additional public comments and the Public Hearing and public record were closed.

**M 485 12
Amend
Condition
"E"**

A Motion was made by Mrs. Deaver, seconded by Mr. Cole to amend Condition "E" to read as follows:

As stated by the Applicant, all repair work shall be performed inside of the building and that all maintenance shall be for the Applicant's own use, on his own equipment.

Motion Adopted: 5 Yeas.

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**

**M 486 12
Adopt
Ordinance
No. 2277/
(C/U
No. 1942)**

A Motion was made by Mr. Wilson, seconded Mrs. Deaver, to Adopt Ordinance No. 2277 entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR STORAGE, MAINTENANCE AND GENERAL OFFICE FOR CONTRACTING /EXCAVATING SERVICES TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN BROADKILL HUNDRED, SUSSEX COUNTY, CONTAINING 10.56 ACRES, MORE OR LESS" (Conditional Use No. 1942) filed on behalf of Douglas L. Boozer, with the following conditions:

- A. There will only be one unlighted sign on the premises that shall not exceed 32 square feet on each side.
- B. Any security lights shall only be installed on the buildings and shall be screened so that they do not shine on neighboring properties.

**M 486 12
Adopt
Ordinance
No. 2277/
(C/U
No. 1942)
(continued)**

- C. The hours of operation shall be 6:00 a.m. to 6:00 p.m., Monday through Friday, and 7:00 a.m. to 2:00 p.m. on Saturday.**
- D. All loading areas, storage areas and trash container areas shall be screened by the existing wooded vegetation currently located on the site, with a minimum vegetated buffer of at least 50 feet from all property lines. The buffer area shall be shown on the Final Site Plan.**
- E. As stated by the Applicant, all repair work shall be performed inside of the building and that all maintenance shall be for the Applicant's own use, on his own equipment.**
- F. All entrances and roadway improvements required by DelDOT shall be completed by the Developer as required by DelDOT.**
- G. Stormwater management and erosion and sediment control facilities shall be constructed in accordance with all applicable State and County requirements and shall be maintained utilizing best management practices.**
- H. The Final Site Plan shall be subject to the review and approval of the Planning and Zoning Commission.**

Motion Adopted: 5 Yeas.

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**

**Public
Hearing/
C/U
No. 1943**

A Public Hearing was held on the Proposed Ordinance entitled "AN ORDINANCE TO GRANT A CONDITIONAL USE OF LAND IN AN AR-1 AGRICULTURAL RESIDENTIAL DISTRICT FOR AN AUTOMOTIVE REPAIR SHOP/GARAGE TO BE LOCATED ON A CERTAIN PARCEL OF LAND LYING AND BEING IN LEWES AND REHOBOTH HUNDRED, SUSSEX COUNTY, CONTAINING 1.565 ACRES, MORE OR LESS" (Conditional Use No. 1943) filed on behalf of Charles L. Williams.

Shane Abbott, Assistant Director of Planning and Zoning, reported that the Planning and Zoning Commission held a Public Hearing on this application on August 23, 2012 at which time the Commission recommended that the application be deferred. On September 13, 2012, the Commission deferred action again.

See the minutes of the Planning and Zoning Commission dated August 23, and September 13, 2012.

Mr. Abbott read a summary of the Commission's Public Hearing.

Mr. Abbott reported that, following the Commission's Public Hearing, a letter was received from the Sussex Conservation District stating the soil type on the site; that the Applicant will be required to follow recommended erosion and sediment control practices during any construction and

**Public
Hearing/
C/U**

No. 1943

(continued)

maintain vegetation after any construction; that it would not be necessary for any off-site or on-site drainage improvements; that no storm flood hazard area or tax ditch are affected.

The Council found that John Brady, Attorney and Charles Williams, Applicant, were present on behalf of the application. Mr. Brady stated that a few form letters received by the Planning & Zoning Commission and County Council had a lot of misinformation about this application. The letter states that the Applicant was applying for a zoning change which is incorrect; this is an application for a Conditional Use of an existing garage that was built and in compliance with all County Codes over 4 ½ years ago.

Mr. Brady stated that this past spring, the Sussex County Planning & Zoning Department received complaints against the Applicant's garage. At that time Planning & Zoning visited the site and ruled that if the Applicant wanted to use the garage for commercial purposes the Applicant would have to apply for a Conditional Use; that the Applicant's medical condition does not allow him to work; that the Applicant built the garage so that his friends could visit and work on their vehicles in a safe indoor environment; that at the present time there are no restrictions on the amount of vehicles on the property or hours of operation; that if the Conditional Use is granted, the property owners on Martin's Farm Road would benefit because restrictions would be applied to the use.

Mr. Brady addressed a few items that were mentioned before the Planning & Zoning Commission: that there are no abandoned cars on the property; that the garage is fully enclosed; that the doors would remain closed while vehicle maintenance is in operation; that neighbors have stated that no businesses should be on Martin's Farm Road even though 24 houses away there is another Conditional Use that runs a small engine repair shop with similar hours as the Applicant has proposed; that the County Code does not state a size limit as long as the appropriate permits are obtained; that the Applicant is a volunteer Minister at a local church in Oak Orchard; that the Conditional Use would be to allow a mechanic on-site to accept remuneration for services provided at the garage; at the present time the Applicant is allowed to use the garage for these services but under the County Code the Applicant is not allowed to accept any remunerations.

Charles Williams, Applicant, clarified that the building permit for the pole building was obtained in November 2007 and the Certificate of Occupancy was issued in January 2008; that several neighbors are concerned about the character of some of the potential customers and that it might increase crime in the area if the application is approved; that there have been complaints of noise, which isn't even an issue for conditional use; that the signs posted along Martin's Farm Road state "Stop Zoning Change from AR-1 to C-1" which are incorrect; that the pole building is in compliance with the Fire Marshall's office; that several of the area residents that are in opposition of this Conditional Use have brought vehicles, tractors, and other small machinery to the Applicants garage for minor repairs at no cost

**Public
Hearing/
C/U
No. 1943
(continued)**

to them.

Mrs. Deaver questioned if the Applicant was receiving payments for services being provided.

In response to the question, Mr. Brady, stated that in the past there were a couple of monetary transactions for services that transpired, however Planning & Zoning conducted an investigation earlier this year and advised the Applicant that he was not permitted to accept monetary transactions for service unless he had a Conditional Use on the property.

Council discussed the use of the existing driveway which is a recorded easement with a residential entrance and questioned if this application is approved would DelDOT require an upgraded entrance.

Everett Moore, County Attorney, responded that if DelDOT requires the Applicant to make improvements to the existing entrance which would encroach on surrounding property owner's land and was not in the right of way of DelDOT, the neighbor could deny access to his property for the required improvement. At that time, the Applicant would have to institute an action if they so desire.

Public comments were heard.

The Council found that Sam Schlegal, a friend, Steve Scarfo, a nearby neighbor, Joseph Harris, a nearby neighbor, Bruce Hayes, a nearby neighbor, Jim Grimmis, a friend, and Chris Bennett, mechanic, were present in support of the application stating that the Applicant is beneficial to the community with the services he is able to offer; that the Conditional Use would not infringe or take away from the quality of life in the area; that lawnmowers in the area are louder than the activities that take place on the property; that the application would have a minimal impact to the residents on Martin's Farm Road.

There were no additional comments in support of the application.

Seth Thompson, Attorney, representing Margaret Foulke, a nearby neighbor in opposition of the application, stated that this application is not appropriate under the law in terms of granting this Conditional Use. The purpose of a Conditional Use as identified in the County Code should be for public use (character and essential and desirable for the general convenience and welfare); that the County Code references the purpose of a Conditional Use is to look to the importance of the Comprehensive Plan; that in the 2008 County Comprehensive Plan Update, under Future Land Use, it specifically identifies auto repair as a more intense commercial use that should be avoided in low density rural areas; that the Conditional Use needs to be in compliance and in accordance with the approved Comprehensive Plan; that granting this Conditional Use would not be permissible under the Comprehensive Plan; that DelDOT's report states

**Public
Hearing/
C/U
No. 1943
(continued)**

that traffic will increase by at least 40 percent; that Martin's Farm Road has multiple curves that are not conducive to towing vehicles; that the application does not comply with the County Code and is not in compliance with the Comprehensive Plan.

The Council found that Margaret Foulke, Ronald Walker, Jr., Ronald Walker Sr., Paul Holton, Jr., Louise Capano, Marlene Henry, John & Carol Kane, and George DeFrehn were present and spoke in opposition to this application expressing concerns about the amount of traffic that visits the site on a daily basis; child safety; depreciation of property values; noise; the loss of privacy; the impact on the residential area; abandoned vehicles; and safety concerns along Martin's Farm Road.

There were no additional comments in opposition of the application.

The Public Hearing was closed and the Public Record will remain open for the Council to review the Site Visit Findings Report requested from Planning and Zoning Staff.

**M 487 12
Defer
Action on/
C/U
No. 1943**

A Motion was made by Mrs. Deaver seconded by Mr. Cole, to defer action on Conditional Use No. 1943 filed on behalf of Charles L. Williams.

Motion Adopted: 5 Yeas.

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**

**M 488 12
Adjourn**

A Motion was made by Mr. Cole, seconded by Mr. Wilson, to adjourn at 3:50 p.m.

Motion Adopted: 5 Yeas.

**Vote by Roll Call: Mrs. Deaver, Yea; Mr. Cole, Yea;
Mr. Phillips, Yea; Mr. Wilson, Yea;
Mr. Vincent, Yea**

Respectfully submitted,

**Kelly A. Collins
Administrative Secretary**



M&T Bank

M and T Bank

Trade Finance Operations

1800 Washington Boulevard 8th Floor, MC-MD1-MP37

Baltimore, MD 21230

Tel: Letters of Credit: (410) 244-4475 / 4587

Tel: Collections: (410) 244-4566

SWIFT: MANTUS33INT

**Irrevocable
Standby Letter of Credit
No. SB9505040001**

Amendment no. 3

Dated October 11, 2011

Beneficiary:

Sussex County Council

P.O. Box 589

Georgetown, DE 19947, United States

Applicant:

OAKWOOD VILLAGE AT LEWES LLC

257 E CAMDEN WYOMING AVE

CAMDEN, DE 199341298 United
States

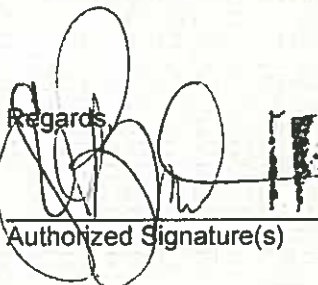
We amend our Standby Letter of Credit subject to the following terms and conditions. This amendment forms an integral part of the original instrument. All other terms and conditions remain unchanged.

Amended Terms:

Expiry date has been amended to: October 08, 2012

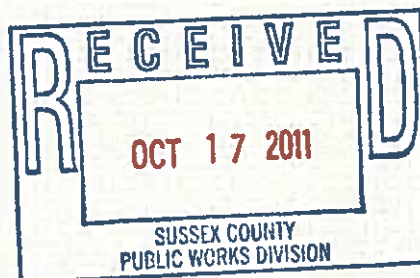
Unless otherwise instructed herein, all correspondence and inquiries regarding this transaction should be directed to our Customer Service Center at the above address, telephone: . Please indicate our reference number in all your correspondence or telephone inquiries.

Regards,


Authorized Signature(s)

John Blader
Officer

ORIGINAL





M&T Bank

M and T Bank

Finance Operations

1800 Washington Boulevard 8th Floor, MC-MD1-MP37
Baltimore, MD 21230

Tel: Letters of Credit: (410) 244-4475 / 4587

Tel: Collections: (410) 244-4566

SWIFT: MANTUS33INT

438

Was 1-2325 B

**Irrevocable
Standby Letter of Credit
No. SB9505040001**

Amendment no. 3

Dated October 11, 2011

Beneficiary:

Sussex County Council

P.O. Box 589

Georgetown, DE 19947, United States

Applicant:

OAKWOOD VILLAGE AT LEWES LLC

257 E CAMDEN WYOMING AVE

CAMDEN, DE 199341298 United
States

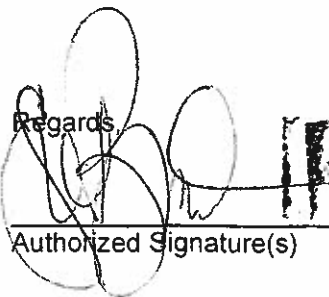
We amend our Standby Letter of Credit subject to the following terms and conditions. This amendment forms an integral part of the original instrument. All other terms and conditions remain unchanged.

Amended Terms:

Expiry date has been amended to: October 08, 2012

Unless otherwise instructed herein, all correspondence and inquiries regarding this transaction should be directed to our Customer Service Center at the above address, telephone: . Please indicate our reference number in all your correspondence or telephone inquiries.

Regards,


Eric Blader
Officer

Authorized Signature(s)

ORIGINAL

438

Reduced
1 - 2325 B

WILMINGTON
TRUST

September 29, 2010

Sussex County Council
P O Box 589
Georgetown, DE 19947

RE: Wilmington Trust Company Letter of Credit No. 1-2325B (as amended) for the account of
Oakwood Village at Lewes, LLC

Sir or Madam:

After your acceptance and approval, the above-referenced Letter of Credit is amended by (1) reducing the aggregate amount of the Letter of Credit from \$481,317.00 to \$47,637.00 and (2) deleting paragraph 7 in its entirety and replacing it with:

7. The expiry of this Credit shall be extended without amendment for an additional period of one year from the expiry date set forth above and for additional one year periods from each anniversary of such expiry date, unless at least thirty (30) calendar days prior to such expiry date or any anniversary of such date, Bank notifies you in writing by registered or certified mail that Bank elects not to so renew this Credit. Each extension shall be measured from the then relevant expiry date even though such date be not a business day in Wilmington, Delaware, for Bank. In the event Bank elects not to renew this Credit and upon receipt of such notice, you may draw under this Credit in accordance with the terms hereof. Notwithstanding the foregoing, in no event will the expiry date of this Credit be extended beyond August 8, 2011. This Letter of Credit will automatically terminate on the date Sussex County Council accepts documented evidence that the project has been constructed in compliance with design standards of Chapter 99 of the Code of Sussex County.

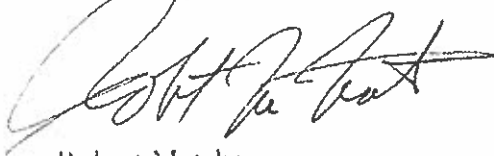
All other terms and conditions remain the same.

Continued on Next Page



After your acceptance, indicated by signing and returning the enclosed copy of this amendment letter, this amendment letter should be attached to and shall become a part of the original above-referenced letter of credit.

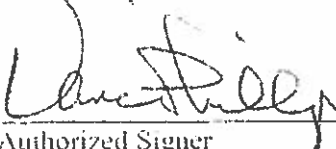
Sincerely,



Robert Matsko
Vice President

THIS AMENDMENT LETTER ACCEPTED
THIS 5th DAY OF October, 2010

Sussex County Council

By:  (SEAL)
Authorized Signer



Commercial Banking Division
302-651-1000

Letter of Credit No. 1-2325B

August 8, 2007

Sussex County Council
P.O. Box 589
Georgetown, DE 19947

**RE: IRREVOCABLE COMMERCIAL LETTER OF CREDIT NO. 1-2325B
OAKWOOD VILLAGE**

Sir or Madam:

We hereby open our Irrevocable Documentary Standby Letter of Credit (hereinafter "Credit") in favor of Sussex County Council, Sussex County, Delaware at the request of and for the account of Oakwood Village at Lewes, LLC for the aggregate total sum of **FOUR HUNDRED EIGHTY ONE THOUSAND THREE HUNDRED SEVENTEEN AND 00/100 U.S. DOLLARS (\$481,317.00)** available by your sight draft(s) drawn on Wilmington Trust Company (hereinafter "Bank"), Wilmington, Delaware.

This Credit is subject to the following terms and conditions:

1. Effective Date: August 8, 2007
2. Expiry Date: August 8, 2008
3. Sight draft(s) drawn hereunder will be presented to Wilmington Trust Company at its main office located at 1100 N. Market Street, Rodney Square North, Wilmington, DE 19890 and must bear the clause "Drawn under Wilmington Trust Company Letter of Credit No. 1-2325B dated August 8, 2007".
4. Sight draft(s) drawn hereunder must be accompanied with the following statements ("Document(s)") signed by an authorized representative of Sussex County Council:

"Oakwood Village at Lewes, LLC has failed to complete the roads and storm water management system at Oakwood Village. Demand is hereby made in the amount of the enclosed draft."

Subdivision Name: Oakwood Village

5. Performance must be completed by the Developer by the Expiration Date of this Letter of Credit. If satisfactory performance has not occurred by the Expiration Date of this Letter of Credit, Sussex County Council shall be entitled to draw funds from this Letter of Credit, as reasonable as necessary to complete construction or to procure others to perform the work in accordance with the approved construction plans on file with the Sussex County Engineer.
6. This Credit must accompany any drawing hereunder for endorsement of the drawing amount and shall be returned to the beneficiary unless it is fully utilized.
7. The expiry of this Credit shall be extended without amendment for an additional period of one year from the expiry date set forth above and for additional one year periods from each anniversary of such expiry date, unless at least thirty (30) calendar days prior to such expiry date or any anniversary of such date, Bank notifies you in writing by registered or certified mail that Bank elects not to so renew this Credit. Each extension shall be measured from the then relevant expiry date even though such date be not a business day in Wilmington, Delaware, for Bank. In the event Bank elects not to renew this Credit and upon receipt of such notice, you may draw under this Credit in accordance with the terms hereof. Notwithstanding the foregoing, in no event will the expiry date of this Credit be extended beyond August 8, 2010. This Letter of Credit will automatically terminate on the date Sussex County Council accepts documented evidence that the project has been constructed in compliance with design standards of Chapter 99 of the Code of Sussex County.
8. Partial drawings are permitted. Drafts drawn in favor of the Sussex County Council shall not relieve the Developer of completing construction of the project.
9. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement referred to herein or in which this Credit is referred to or to which this Credit relates and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement, without the express written approval of the Sussex County Council.
10. Credit is to be: Irrevocable and not transferable.
11. We hereby engage with you that the sight draft(s) drawn in compliance with this Credit shall be duly honored upon presentation to us at Wilmington Trust Center, Rodney Square North, 1100 North Market Street, Wilmington, Delaware, 19890, on or before the above stated expiry date or any extension thereof as above provided.
12. This Credit shall be governed by and construed in accordance with the Laws of the State of Delaware and shall also, to the extent not inconsistent with such code, be

Wilmington Trust Company
Letter of Credit No. 1-2325B
August 8, 2007
Page 3

subject to the International Standby Practices 1998, International Chamber of
Commerce Publication No. 590.

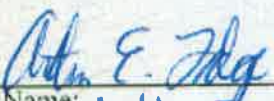
Very truly yours,

WILMINGTON TRUST COMPANY

By:

Print Name:

Title:


Arthur E. Lodge
V.P.

1-2325 H - \$1,173,125.00 - 'PW' 'Released'
" " B 1,173,125.00
" " C - \$161,554.00 8/8/10 PW
SCA 438

February 6, 2009

Mr. Arthur E. Lodge
Wilmington Trust Company
1100 N. Market Street
Rodney Square North
Wilmington, DE 19890

REF: **IRREVOCABLE COMMERCIAL LETTER OF CREDIT NO. 1-2325C
IN FAVOR OF - SUSSEX COUNTY COUNCIL
OAKWOOD VILLAGE
AGREEMENT NO. 438**

Dear Mr. Lodge:

Be advised, the Developer is requesting release of the Letter of Credit for the above referenced project. Please accept this correspondence as confirmation of the Developer's request and Sussex County's approval to release the Letter of Credit for the above referenced project. Attached is the original Letter of Credit.

Should you require additional information, please do not hesitate to contact me.

Sincerely,

SUSSEX COUNTY ENGINEERING DEPARTMENT

Gary L. Fleetwood
Construction Coordinator

glf

Attachments

xc: Mr. I. Thomas Baker
Mr. Paul Jones

May 5, 2009

Mr. Arthur E. Lodge
Wilmington Trust Company
22205 Dupont Boulevard
Georgetown, DE 19947

REF: **OAKWOOD VILLAGE PHASE I
IRREVOCABLE COMMERCIAL LETTER OF CREDIT NO. 1-2325A
IN FAVOR OF SUSSEX COUNTY COUNCIL
AGREEMENT NO. 438**

Dear Mr. Lodge:

Be advised, the Developer is requesting release of Letter of Credit No. 1-2325A for the above referenced project. Please accept this correspondence as confirmation of the Developer's request and Sussex County's approval to release the Letter of Credit for the above referenced project. Attached, please find the original Letter of Credit.

Should you require additional information, please do not hesitate to contact me.

Sincerely,

SUSSEX COUNTY ENGINEERING DEPARTMENT

Gary L. Fleetwood
Construction Coordinator

glf

Attachment

xc: Mr. I. Thomas Baker
 Mr. J. Paul Jones

438
1-2325A
Released



Commercial Banking Division
302-651-1000

Letter of Credit No. 1-2325A

August 8, 2007

Sussex County Council
P.O. Box 589
Georgetown, DE 19947

**RE: IRREVOCABLE COMMERCIAL LETTER OF CREDIT NO. 1-2325A
OAKWOOD VILLAGE**

Sir or Madam:

We hereby open our Irrevocable Documentary Standby Letter of Credit (hereinafter "Credit") in favor of Sussex County Council, Sussex County, Delaware at the request of and for the account of Oakwood Village at Lewes, LLC for the aggregate total sum of ONE MILLION ONE HUNDRED SEVENTY THREE THOUSAND ONE HUNDRED TWENTY FIVE AND 00/100 U.S. DOLLARS (\$1,173,125.00) available by your sight draft(s) drawn on Wilmington Trust Company (hereinafter "Bank"), Wilmington, Delaware.

This Credit is subject to the following terms and conditions:

1. Effective Date: August 8, 2007
2. Expiry Date: August 8, 2008
3. Sight draft(s) drawn hereunder will be presented to Wilmington Trust Company at its main office located at 1100 N. Market Street, Rodney Square North, Wilmington, DE 19890 and must bear the clause "Drawn under Wilmington Trust Company Letter of Credit No. 1-2325A dated August 8, 2007".
4. Sight draft(s) drawn hereunder must be accompanied with the following statements ("Document(s)") signed by an authorized representative of Sussex County Council:

"Oakwood Village at Lewes, LLC has failed to complete the sanitary sewer, pumping station and force mains at Oakwood Village. Demand is hereby made in the amount of the enclosed draft."

Subdivision Name: Oakwood Village

5. Performance must be completed by the Developer by the Expiration Date of this Letter of Credit. If satisfactory performance has not occurred by the Expiration Date of this Letter of Credit, Sussex County Council shall be entitled to draw funds from this Letter of Credit, as reasonable as necessary to complete construction or to procure others to perform the work in accordance with the approved construction plans on file with the Sussex County Engineer.
6. This Credit must accompany any drawing hereunder for endorsement of the drawing amount and shall be returned to the beneficiary unless it is fully utilized.
7. The expiry of this Credit shall be extended without amendment for an additional period of one year from the expiry date set forth above and for additional one year periods from each anniversary of such expiry date, unless at least thirty (30) calendar days prior to such expiry date or any anniversary of such date, Bank notifies you in writing by registered or certified mail that Bank elects not to so renew this Credit. Each extension shall be measured from the then relevant expiry date even though such date be not a business day in Wilmington, Delaware, for Bank. In the event Bank elects not to renew this Credit and upon receipt of such notice, you may draw under this Credit in accordance with the terms hereof. Notwithstanding the foregoing, in no event will the expiry date of this Credit be extended beyond August 8, 2010. This Letter of Credit will automatically terminate on the date Sussex County Council accepts documented evidence that the project has been constructed in compliance with design standards of Chapter 99 of the Code of Sussex County.
8. Partial drawings are permitted. Drafts drawn in favor of the Sussex County Council shall not relieve the Developer of completing construction of the project.
9. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement referred to herein or in which this Credit is referred to or to which this Credit relates and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement, without the express written approval of the Sussex County Council.
10. Credit is to be: Irrevocable and not transferable.
11. We hereby engage with you that the sight draft(s) drawn in compliance with this Credit shall be duly honored upon presentation to us at Wilmington Trust Center, Rodney Square North, 1100 North Market Street, Wilmington, Delaware, 19890, on or before the above stated expiry date or any extension thereof as above provided.

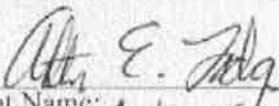
Wilmington Trust Company
Letter of Credit No. 1-2325A
August 8, 2007
Page 3

12. This Credit shall be governed by and construed in accordance with the Laws of the State of Delaware and shall also, to the extent not inconsistent with such code, be subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590.

Very truly yours,

WILMINGTON TRUST COMPANY

By:


Print Name: Arthur E. Lodge
Title: V.P.



Commercial Banking Division
302-651-1000

Letter of Credit No. 1-2325C

August 8, 2007

Sussex County Council
P.O. Box 589
Georgetown, DE 19947

**RE: IRREVOCABLE COMMERCIAL LETTER OF CREDIT NO. 1-2325C
OAKWOOD VILLAGE**

Sir or Madam:

We hereby open our Irrevocable Documentary Standby Letter of Credit (hereinafter "Credit") in favor of Sussex County Council, Sussex County, Delaware at the request of and for the account of Oakwood Village at Lewes, LLC for the aggregate total sum of ONE HUNDRED SIXTY ONE THOUSAND FIVE HUNDRED FIFTY FOUR AND 00/100 U.S. DOLLARS (\$161,554.00) available by your sight draft(s) drawn on Wilmington Trust Company (hereinafter "Bank"), Wilmington, Delaware.

This Credit is subject to the following terms and conditions:

1. Effective Date: August 8, 2007
2. Expiry Date: August 8, 2008
3. Sight draft(s) drawn hereunder will be presented to Wilmington Trust Company at its main office located at 1100 N. Market Street, Rodney Square North, Wilmington, DE 19890 and must bear the clause "Drawn under Wilmington Trust Company Letter of Credit No. 1-2325C dated August 8, 2007".
4. Sight draft(s) drawn hereunder must be accompanied with the following statements ("Document(s)") signed by an authorized representative of Sussex County Council:

"Oakwood Village at Lewes, LLC has failed to complete the storm water management system at Oakwood Village. Demand is hereby made in the amount of the enclosed draft."

Subdivision Name: Oakwood Village

5. Performance must be completed by the Developer by the Expiration Date of this Letter of Credit. If satisfactory performance has not occurred by the Expiration Date of this Letter of Credit, Sussex County Council shall be entitled to draw funds from this Letter of Credit, as reasonable as necessary to complete construction or to procure others to perform the work in accordance with the approved construction plans on file with the Sussex County Engineer.
6. This Credit must accompany any drawing hereunder for endorsement of the drawing amount and shall be returned to the beneficiary unless it is fully utilized.
7. The expiry of this Credit shall be extended without amendment for an additional period of one year from the expiry date set forth above and for additional one year periods from each anniversary of such expiry date, unless at least thirty (30) calendar days prior to such expiry date or any anniversary of such date, Bank notifies you in writing by registered or certified mail that Bank elects not to so renew this Credit. Each extension shall be measured from the then relevant expiry date even though such date be not a business day in Wilmington, Delaware, for Bank. In the event Bank elects not to renew this Credit and upon receipt of such notice, you may draw under this Credit in accordance with the terms hereof. Notwithstanding the foregoing, in no event will the expiry date of this Credit be extended beyond August 8, 2010. This Letter of Credit will automatically terminate on the date Sussex County Council accepts documented evidence that the project has been constructed in compliance with design standards of Chapter 99 of the Code of Sussex County.
8. Partial drawings are permitted. Drafts drawn in favor of the Sussex County Council shall not relieve the Developer of completing construction of the project.
9. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement referred to herein or in which this Credit is referred to or to which this Credit relates and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement, without the express written approval of the Sussex County Council.
10. Credit is to be: Irrevocable and not transferable.
11. We hereby engage with you that the sight draft(s) drawn in compliance with this Credit shall be duly honored upon presentation to us at Wilmington Trust Center, Rodney Square North, 1100 North Market Street, Wilmington, Delaware, 19890, on or before the above stated expiry date or any extension thereof as above provided.
12. This Credit shall be governed by and construed in accordance with the Laws of the State of Delaware and shall also, to the extent not inconsistent with such code, be

Wilmington Trust Company
Letter of Credit No. 1-2325C
August 8, 2007
Page 3

subject to the International Standby Practices 1998, International Chamber of
Commerce Publication No. 590.

Very truly yours,

WILMINGTON TRUST COMPANY

By: Arthur E. Lodge
Print Name: Arthur E. Lodge
Title: V. P.

438-1
EXP. Phase 1

GENERAL SURETY RIDER

To be attached and form a part of

Type of Bond: Subdivision

Bond No. : 6495326

Dated effective: 11/26/2007

(MONTH, DAY, YEAR)

executed by: George & Lynch, Inc., as Principal,
(PRINCIPAL)

and by: Safeco Insurance Company of America, as Surety,
(SURETY)

and in favor of : Sussex County Council.
(OBLIGEE)

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to decrease the bond amount from \$215,870.00 to \$24,734.00.

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

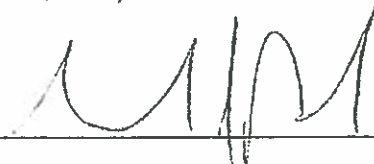
This rider is effective 6/18/2010

(MONTH, DAY, YEAR)

Signed and Sealed 6/18/2010

(MONTH, DAY, YEAR)

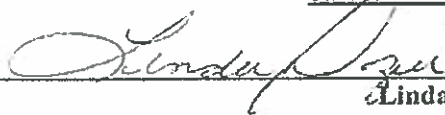
BY: _____



George & Lynch, Inc.
PRINCIPAL

Corporate Secretary
TITLE

BY: _____



Safeco Insurance Company of America
SURETY

Linda Dozier, ATTORNEY-IN-FACT

RECEIVED

POWER
OF ATTORNEY

No. 9723

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*****KEVIN P. ADAMS; LINDA DOZIER; BRIAN J. LORIGAN; MICHAEL J. MITCHELL; MARTIN J. PURCELL;
Philadelphia, Pennsylvania*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 25th day of September, 2009

Dexter R. Legg

Timothy A. Mikolajewski

Dexter R. Legg, Secretary

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
 - (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
 - (iii) Certifying that said power-of-attorney appointment is in full force and effect,
- the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 18 day of June, 2010.



Dexter R. Legg

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	1,428,845,322	1,279,500,807
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	92,116,690	107,478,497
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	340,182,924	298,265,665
4. Commissions payable, contingent commissions and other similar charges	40,489,072	47,391,929
5. Other expenses (excluding taxes, licenses and fees)	48,066,199	86,460,664
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	14,670,798	16,320,234
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 792,191,590 and including warranty reserves of \$ 0)	699,372,356	668,650,865
10. Advance premium	4,978,188	10,473,801
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	1,290,475	2,164,995
12. Ceded reinsurance premiums payable (not of ceding commissions)	122,040,162	325,514,565
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		430,979
14. Amounts withheld or retained by company for account of others	(662,266)	6,237,273
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)		177,619,584
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	49,946,080	
19. Payable to parent, subsidiaries and affiliates	208,947,023	61,023,001
20. Payable for securities	10,807,518	
21. Liability for amounts held under uninsured plans		1,529,215
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities	121,302,113	15,334,697
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	3,180,292,675	3,182,407,771
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	3,180,292,675	3,182,407,771
27. Aggregate write-ins for special surplus funds	23,709,935	3,399,895
28. Common capital stock	5,000,000	5,000,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	348,118,108	348,118,108
33. Unassigned funds (surplus)	772,283,856	415,307,334
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	1,147,111,899	789,825,437
36. Totals (Page 2, Line 26, Col. 3)	4,327,404,574	3,952,233,208

DETAILS OF WRITE-IN LINES		
2301. Other liabilities	72,743,884	18,896,953
2302. Collateral held for securities loaned	21,713,248	
2303. Retroactive reinsurance reserves	13,690,406	(3,562,256)
2399. Summary of remaining write-ins for Line 23 from overflow page	13,154,575	
2399. Totals (Lines 2301 through 2303 plus 2399) (Line 23 above)	121,302,113	15,334,697
2701. SSAP10R incremental change	20,679,635	
2702. Special surplus from retroactive reinsurance	3,030,276	3,399,895
2703.		
2799. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2799) (Line 27 above)	23,709,935	3,399,895
3001.		
3002.		
3003.		
3099. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3099) (Line 30 above)		

State of MassachusettsCounty of Suffolk

ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations herein contained, amended or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that (1) state law may differ, or (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Gary Richard Gregg
(Signature)
Gary Richard Gregg
(Printed Name)
1.
President and Chief Executive Officer
(Title)

Dexter R. Legg
(Signature)
Dexter Robert Legg
(Printed Name)
2.
Secretary
(Title)

Michael Joseph Fallon
(Signature)
Michael Joseph Fallon
(Printed Name)
3.
Chief Financial Officer and Treasurer
(Title)

Subscribed and sworn to (or affirmed) before me on this
1st day of February, 2010, by



a. Is this an original filing?

[X] Yes [] No

b. If no: 1. State the amendment number
2. Date filed
3. Number of pages attached

438 - 1

Exp. Phase 1

Id# 6495326

AGREEMENT BOND FORM

A BOND TO ACCOMPANY AND FOR:

OAKWOOD VILLAGE AT LEWES (Project Name)

AGREEMENT NO. 438 (Expanded Phase 1 - Roads and Stormwater Inside the ROW)

KNOWN ALL MEN BY THESE PRESENTS THAT,

GEORGE & LYNCH, INC. (Contractor), 150 Lafferty Lane, Dover, in the County of Kent and the State of Delaware, as principal, on behalf of OAKWOOD VILLAGE AT LEWES,

LLC (Developer), 257E Camden Wyoming Ave., Camden, in the County of Kent and the State of Delaware and Safeco Insurance Company of America (Surety)

in the County of Montgomery and State of

Pennsylvania as surety legally authorized to do business in the State of Delaware, are held firmly bound unto the Sussex County Council, a political subdivision of the State of Delaware, in the sum of Two Hundred Fifteen Thousand Eight Hundred Seventy Dollars (\$215,870), to be paid to the said Sussex County Council, for the uses aforesaid, for which payment well and truly to be made, we do bind ourselves, our and each and every of our heirs, executors, administrators, successors, and assigns, jointly and severally for and in the whole firmly by these presents.

NOW THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

If the said above bounden DEVELOPER who has executed an AGREEMENT with Sussex County, a certain contract designated by the parties thereto as, AGREEMENT No. 438 and dated the ^{29th} ~~TBD~~ day of November in the year of our Lord Two Thousand Seven (2007). For the furnishing of certain material and/or services within the said Sussex County, Delaware, shall well and truly provide and furnish all the materials, appliances and tools and perform all the work and labor required under and pursuant to the terms and conditions of said AGREEMENT, and of the proposal, plans and specifications contained therein and shall also indemnify and keep harmless the said County, its employees, appointed or elected officials, agents, successors or assigns, from all costs, damages, and expenses growing out of or by reason of the work and completion of the above mentioned AGREEMENT, and shall well and truly pay all and every person furnishing material or performing labor in and about said AGREEMENT, all and every sum or sums of money due him, them or any of them, for all such labor and materials for which the AGREEMENT is liable; then this obligation shall be void or else to be and remain in full force and virtue

Sealed with our Seals and dated this _____ day of November in the year of our Lord
Two Thousand seven (2007).

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF:

DEVELOPER

Corporate Seal

ATTEST [Signature] (Oakwood Village at Lewes, LLC)

By Brian P. Lessard

Title Authorized Member

CONTRACTOR

Corporate Seal

ATTEST [Signature] (George & Lynch, Inc.)

By [Signature]

Title V. President

SURETY

Corporate Seal



POWER
OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
Safeco Plaza
Seattle, WA 98185

KNOW ALL BY THESE PRESENTS:

No. 9723

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

*****KEVIN P. ADAMS; LINDA DOZIER; MICHAEL J. MITCHELL; MARTIN J. PURCELL; Philadelphia, Pennsylvania*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 25th day of July 2007

STEPHANIE DALEY-WATSON, SECRETARY

TIM MIKOLAJEWSKI, SENIOR VICE-PRESIDENT, SURETY

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Stephanie Daley-Watson, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 29th day of November 2007



STEPHANIE DALEY-WATSON, SECRETARY

Safeco® and the Safeco logo are registered trademarks of Safeco Corporation.

FINANCIAL STATEMENT — DECEMBER 31, 2006

Assets		Liabilities	
Cash and Bank Deposits.....	\$ 86,659,875	Unearned Premiums.....	\$ 706,885,899
*Bonds — U.S Government.....	134,111,814	Reserve for Claims and Claims Expense.....	1,563,240,516
*Other Bonds.....	2,821,326,707	Funds Held Under Reinsurance Treaties.....	139,204
*Stocks.....	523,881,548	Reserve for Dividends to Policyholders.....	2,116,676
Real Estate.....	0	Additional Statutory Reserve.....	—
Agents' Balances or Uncollected Premiums.....	626,775,902	Reserve for Commissions, Taxes and Other Liabilities.....	1,094,254,631
Accrued Interest and Rents.....	40,188,467	Total	\$3,366,636,926
Other Admitted Assets.....	289,094,036	Special Surplus Funds.....	\$ (504,853)
		Capital Stock.....	5,000,000
		Paid in Surplus.....	260,561,321
		Unassigned Surplus.....	890,344,955
Total Admitted Assets	\$4,522,038,349	Surplus to Policyholders	1,155,401,423
		Total Liabilities and Surplus	\$4,522,038,349



* Bonds are stated at amortized or investment value; Stocks at Association Market Values.
Securities carried at \$124,431,457 are deposited as required by law.

I, TIM MIKOLAJEWSKI, Senior Vice-President of SAFECO Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2006, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 2007.

Tim Mikolajewski
Senior Vice-President

Released
Bond
649530

438-1

May 5, 2009

Ms. Ann Breene
Safeco Insurance Company of America
1767 Sentry Parkway West
Suite 230
Blue Bell, PA 19422

REF: **AGREEMENT BOND NO. 6495327
IN FAVOR OF – SUSSEX COUNTY COUNCIL
OAKWOOD VILLAGE PHASE I EXPANDED
SANITARY SEWER SYSTEM——
AGREEMENT NO. 438-1**

Dear Ms. Breene:

Be advised, the Developer is requesting release of the Agreement Bond for the above referenced project. Please accept this correspondence as confirmation of the Developer's request and Sussex County's approval to release the Agreement Bond for the above referenced project. Attached is the original Agreement Bond.

Should you require additional information, please do not hesitate to contact me.

Sincerely,

SUSSEX COUNTY ENGINEERING DEPARTMENT

Gary L. Fleetwood
Construction Coordinator

glf

Attachments

xc: Mr. I. Thomas Baker
Mr. J. Paul Jones

AGREEMENT BOND FORM

Exp.

Phase 1

438-1

A BOND TO ACCOMPANY AND FOR

OAKWOOD VILLAGE AT LEWES (Project Name)

AGREEMENT NO. 438 (Expanded Phase 1 -- Sanitary Sewer System)

KNOWN ALL MEN BY THESE PRESENTS THAT:

GEORGE & LYNCH, INC. (Contractor), 150 Lafferty Lane, Dover in the County of Kent and the State of Delaware, as principal, on behalf of OAKWOOD VILLAGE AT LEWES,

LLC (Developer), 257E Camden Wyoming Ave., Camden, in the County of Kent and the State of Delaware and Safeco Insurance Company of America (Surety)

in the County of Montgomery and State of

Pennsylvania as surety legally authorized to do business in the State of Delaware, are hold

firmly bound unto the Sussex County Council, a political subdivision of the State of

Delaware, in the sum of Sixty Thousand One Hundred Fifteen Dollars (\$60,115), to be

paid to the said Sussex County Council, for the uses aforesaid, for which payment well and

truly to be made we do bind ourselves, our and each and every of our heirs, executors,

administrators, successors, and assigns, jointly and severally for and in the whole firmly by

these presents.

NOW THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

If the said above bounden DEVELOPER who has executed an AGREEMENT with Sussex County, a certain contract designated by the parties thereto as, AGREEMENT No. 438 and dated the 11/24/07 day of November in the year of our Lord Two Thousand Seven (2007) For the furnishing of certain material and/or services within the said Sussex County, Delaware, shall well and truly provide and furnish all the materials, appliances and tools and perform all the work and labor required under and pursuant to the terms and conditions of said AGREEMENT, and of the proposal, plans and specifications contained therein and shall also indemnify and keep harmless the said County its employees, appointed or elected officials, agents, successors or assigns from all costs, damages and expenses growing out of or by reason of the work and completion of the above mentioned AGREEMENT, and shall well and truly pay all and every person furnishing material or performing labor in and about said AGREEMENT, all and every sum or sums of money due him, them or any of them, for all such labor and materials for which the AGREEMENT is liable then this obligation shall be void or else to be and remain in full force and virtue

Sealed with our Seals and dated this _____ day of November in the year of our Lord
Two Thousand seven (2007)

SIGNED, SEALED AND DELIVERED IN THE PRESENCE OF
DEVELOPER

Corporate Seal

ATTEST Bushwood (Oakwood Village at Lewes, LLC)

By: Brian P. Lessard

Title Authorized member

CONTRACTOR

Corporate Seal

ATTEST George & Lynch Inc. (George & Lynch Inc.)

By: George & Lynch Inc.

Title Vice President

SURETY

Corporate Seal

Sateco Insurance Company of America

ATTEST Kimberly A. Grake (Name of Surety)

By: Linda Dozier (Attorney in Fact)

Signature of Delaware Resident Agent



POWER
OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
Safeco Plaza
Seattle, WA 98185

KNOW ALL BY THESE PRESENTS:

No. 9723

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

*****KEVIN P. ADAMS; LINDA DOZIER; MICHAEL J. MITCHELL; MARTIN J. PURCELL; Philadelphia, Pennsylvania*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 25th day of July 2007

STEPHANIE DALEY-WATSON, SECRETARY

TIM MIKOLAJEWSKI, SENIOR VICE-PRESIDENT, SURETY

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Stephanie Daley-Watson, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 29th day of November 2007



STEPHANIE DALEY-WATSON, SECRETARY

Safeco® and the Safeco logo are registered trademarks of Safeco Corporation.

FINANCIAL STATEMENT — DECEMBER 31, 2006

Assets		Liabilities	
Cash and Bank Deposits.....	\$ 86,659,875	Unearned Premiums.....	\$ 706,885,899
*Bonds — U.S Government.....	134,111,814	Reserve for Claims and Claims Expense.....	1,563,240,516
*Other Bonds.....	2,821,326,707	Funds Held Under Reinsurance Treaties.....	139,204
*Stocks.....	523,881,548	Reserve for Dividends to Policyholders.....	2,116,676
Real Estate.....	0	Additional Statutory Reserve.....	—
Agents' Balances or Uncollected Premiums.....	626,775,902	Reserve for Commissions, Taxes and	
Accrued Interest and Rents.....	40,188,467	Other Liabilities.....	1,094,254,631
Other Admitted Assets.....	289,094,036	Total	\$3,366,636,926
Total Admitted Assets	\$4,522,038,349	Special Surplus Funds.....	\$ (504,853)
		Capital Stock.....	5,000,000
		Paid in Surplus.....	260,561,321
		Unassigned Surplus.....	890,344,955
		Surplus to Policyholders	1,155,401,423
		Total Liabilities and Surplus	\$4,522,038,349



* Bonds are stated at amortized or investment value; Stocks at Association Market Values.
Securities carried at \$124,431,457 are deposited as required by law.

I, TIM MIKOLAJEWSKI, Senior Vice-President of SAFECO Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2006, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 2007.

Tim Mikolajewski
Senior Vice-President

438.2
Exp. Phase
2

GENERAL SURETY RIDER

To be attached and form a part of

Type of Bond: Subdivision

Bond No. : 6545945

Dated effective: 5/13/2008
(MONTH, DAY, YEAR)

executed by: George & Lynch, Inc., as Principal,
(PRINCIPAL)

and by: Safeco Insurance Company of America, as Surety,
(SURETY)

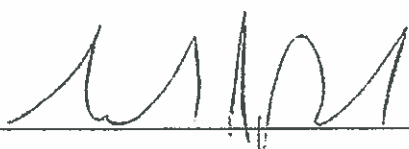
and in favor of : Sussex County Council
(OBLIGEE)

In consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to decrease the bond amount from \$47,525.00 to \$11,213.00.

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective 6/18/2010
(MONTH, DAY, YEAR)

Signed and Sealed 6/18/2010
(MONTH, DAY, YEAR)

BY:  George & Lynch, Inc.
PRINCIPAL
Corporate Secretary
TITLE

BY:  Safeco Insurance Company of America
SURETY
Linda Dozier, ATTORNEY-IN-FACT

RECEIVED

POWER
OF ATTORNEY

No. 9723

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*****KEVIN P. ADAMS; LINDA DOZIER; BRIAN J. LORIGAN; MICHAEL J. MITCHELL; MARTIN J. PURCELL;
Philadelphia, Pennsylvania*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 25th day of September 2009

Dexter R. Legg

T. A. Mikolajewski

Dexter R. Legg, Secretary

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

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 - (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
 - (iii) Certifying that said power-of-attorney appointment is in full force and effect,
- the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 18 day of June 2010



Dexter R. Legg

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 35, Column 8)	1,428,845,322	1,279,500,807
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	92,116,690	107,478,497
3. Loss adjustment expenses (Part 2A, Line 35, Column 9)	340,182,924	298,285,665
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5. Other expenses (excluding taxes, licenses and fees)	48,066,199	86,460,664
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	14,670,798	16,320,234
7.1 Current federal and foreign income taxes (including \$ 0 on realized capital gains (losses))		
7.2 Net deferred tax liability		
8. Borrowed money \$ 0 and interest thereon \$ 0		
9. Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ 792,191,590 and including warranty reserves of \$ 0)	699,372,356	668,660,865
10. Advance premium	4,978,188	10,473,801
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders	1,290,475	2,164,995
12. Ceded reinsurance premiums payable (not of ceding commissions)	122,040,162	325,514,565
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		430,979
14. Amounts withheld or retained by company for account of others	(662,266)	6,237,273
15. Remittances and items not allocated		
16. Provision for reinsurance (Schedule F, Part 7)		177,619,584
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding	49,946,080	
19. Payable to parent, subsidiaries and affiliates	208,947,023	61,023,001
20. Payable for securities	10,807,518	
21. Liability for amounts held under uninsured plans		1,529,215
22. Capital notes \$ 0 and interest thereon \$ 0		
23. Aggregate write-ins for liabilities	121,302,113	15,334,697
24. Total liabilities excluding protected cell liabilities (Lines 1 through 23)	3,180,292,675	3,182,407,771
25. Protected cell liabilities		
26. Total liabilities (Lines 24 and 25)	3,180,292,675	3,182,407,771
27. Aggregate write-ins for special surplus funds	23,709,935	3,399,895
28. Common capital stock	5,000,000	5,000,000
29. Preferred capital stock		
30. Aggregate write-ins for other than special surplus funds		
31. Surplus notes		
32. Gross paid in and contributed surplus	348,118,108	348,118,108
33. Unassigned funds (surplus)	772,283,856	415,307,334
34. Less treasury stock, at cost:		
34.1 0 shares common (value included in Line 28 \$ 0)		
34.2 0 shares preferred (value included in Line 29 \$ 0)		
35. Surplus as regards policyholders (Lines 27 to 33, less 34) (Page 4, Line 39)	1,147,111,899	789,825,437
36. Totals (Page 2, Line 26, Col. 3)	4,327,404,574	3,952,233,208

DETAILS OF WRITE-IN LINES		
2301. Other liabilities	72,743,884	18,896,953
2302. Collateral held for securities loaned	21,713,248	
2303. Retroactive reinsurance reserves	13,690,406	(3,562,256)
2399. Summary of remaining write-ins for Line 23 from overflow page	13,154,575	
2399. Totals (Lines 2301 through 2303 plus 2399) (Line 23 above)	121,302,113	15,334,697
2701. SSAP10R incremental change	20,679,635	
2702. Special surplus from retroactive reinsurance	3,030,276	3,399,895
2703.		
2799. Summary of remaining write-ins for Line 27 from overflow page		
2799. Totals (Lines 2701 through 2703 plus 2799) (Line 27 above)	23,709,935	3,399,895
3001.		
3002.		
3003.		
3099. Summary of remaining write-ins for Line 30 from overflow page		
3099. Totals (Lines 3001 through 3003 plus 3099) (Line 30 above)		

State of MassachusettsCounty of Suffolk

ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations herein contained, amended or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that (1) state law may differ, or (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Gary Richard Gregg
(Signature)
Gary Richard Gregg
(Printed Name)
1.
President and Chief Executive Officer
(Title)

Dexter R. Legg
(Signature)
Dexter Robert Legg
(Printed Name)
2.
Secretary
(Title)

Michael Joseph Fallon
(Signature)
Michael Joseph Fallon
(Printed Name)
3.
Chief Financial Officer and Treasurer
(Title)

Subscribed and sworn to (or affirmed) before me on this

1st day of February, 2010, by



a. Is this an original filing?

[X] Yes [] No

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

AGREEMENT BOND FORM

438-2

Exp.

Phase 2

A BOND TO ACCOMPANY AND FOR

AGREEMENT NO. 438

KNOWN ALL MEN BY THESE PRESENTS THAT

GEORGE & LYNCH, INC. (Contractor), 150 Lafferty Lane, Dover, in the County of Kent and the State of Delaware, as principal, on behalf of OAKWOOD VILLAGE AT LEWES, LLC (Developer), 257E Camden Wyoming Ave., Camden, in the County of Kent and the State of Delaware and Safeco Insurance Company of America (Surety) in the County of Montgomery, and State of Pennsylvania, as surety legally authorized to do business in the State of Delaware, are held firmly bound unto the Sussex County Council, or the County Officers thereof, in the sum of Forty-seven Thousand Five Hundred Twenty-five Dollars (\$ 47,525), to be paid to the said Sussex County Council, for the uses aforesaid, for which payment well and truly to be made, we do bind ourselves, our and each and every of our heirs, executors, administrators, successors and assigns jointly and severally for and in the whole firmly by these presents.

RECEIVED

SUSSEX COUNTY
PUBLIC WORKS DIVISION

NOW THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

If the said above DEVELOPER who has executed an AGREEMENT with the Sussex County Council of the State of Delaware, a certain AGREEMENT designated by the parties thereto as AGREEMENT 438, OAKWOOD VILLAGE AT LEWES (development), ADDITIONAL ROAD AND DRAINAGE INSTALLATION covering the construction administration and construction inspection for additional private roads & drainage construction within the Right of Way deemed necessary by the Planning and Zoning Commission of the Sussex County Council, as depicted in the Final Site Plan approved and recorded on the 10th day of January in the year of our Lord Two Thousand Seven (2007), for the furnishing of certain material and/or services within the said Sussex County, Delaware, shall well and truly provide and furnish all the materials, appliances and tools and perform all the work and labor required under and pursuant to the terms and conditions of said AGREEMENT, and of the proposal, plans and specifications contained therein and shall also indemnify and keep harmless the said County Council and Councilmen thereof from all costs, damages, and expenses growing out of or by reason of the work and completion of the above mentioned AGREEMENT, and shall well and truly pay all and every person furnishing material or performing labor in and about said AGREEMENT, all and every sum or sums of money due him, them or any of them, for all such labor and materials for which the AGREEMENT is liable; then this obligation shall be void or else to be and remain in full force and virtue.

Sealed with our Seals and dated this 13 day of May in the year of our
Lord Two Thousand and Eight (2008)

~~Sealed, Sealed and~~ DELIVERED IN THE PRESENCE OF:

DEVELOPER

Corporate Seal

ATTEST: [Signature] (Oakwood Village at Lewes, LLC)

By: Brian P. Lessard

Title Authorized Member

CONTRACTOR

Corporate Seal

ATTEST: [Signature] (George & Lynch, Inc.)

By: [Signature]

Title General Manager

SURETY

Corporate Seal

Safeco Insurance Company of America

ATTEST: [Signature] Kimberly A. Grake (Name of Surety)

By: [Signature] Linda Dozier (Attorney in Fact)

[Signature] Signature of Delaware Resident Agent



POWER
OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
Safeco Plaza
Seattle, WA 98185

No. 9723

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

*****KEVIN P. ADAMS; LINDA DOZIER; MICHAEL J. MITCHELL; MARTIN J. PURCELL; Philadelphia, Pennsylvania*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 25th day of July, 2007

Stephanie Daley-Watson

T. Mikolajewski

STEPHANIE DALEY-WATSON, SECRETARY

TIM MIKOLAJEWSKI, SENIOR VICE-PRESIDENT, SURETY

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Stephanie Daley-Watson, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 13 day of May, 2008.



RECEIVED

Stephanie Daley-Watson

STEPHANIE DALEY-WATSON, SECRETARY

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WEB PDF

S-0974/DS 4/05

JUL 8 2008

SUSSEX COUNTY
PUBLIC WORKS DIVISION

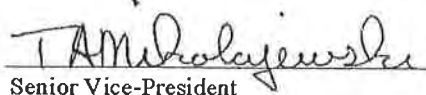
Assets		Liabilities	
Cash and Bank Deposits.....	\$ 53,483,126	Unearned Premiums.....	\$ 728,534,002
*Bonds — U.S Government.....	16,728,067	Reserve for Claims and Claims Expense.....	1,560,913,950
*Other Bonds.....	2,478,711,287	Funds Held Under Reinsurance Treaties.....	430,979
*Stocks.....	499,235,954	Reserve for Dividends to Policyholders.....	2,421,611
Real Estate.....	0	Additional Statutory Reserve.....	
Agents' Balances or Uncollected Premiums.....	625,553,621	Reserve for Commissions, Taxes and	
Accrued Interest and Rents.....	33,936,490	Other Liabilities.....	936,336,881
Other Admitted Assets.....	359,599,572	Total.....	\$3,228,637,423
Total Admitted Assets.....	\$4,067,248,117	Special Surplus Funds.....	\$ 226,334
		Capital Stock.....	5,000,000
		Paid in Surplus.....	275,002,873
		Unassigned Surplus.....	558,381,487
		Surplus to Policyholders.....	838,610,694
		Total Liabilities and Surplus.....	\$4,067,248,117



* Bonds are stated at amortized or investment value; Stocks at Association Market Values.
Securities carried at \$124,368,976 are deposited as required by law.

I, TIM MIKOLAJEWSKI, Senior Vice-President of SAFECO Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2007, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 2008.


Senior Vice-President

RECEIVED

JUL 8 2008

SUSSEX COUNTY
PUBLIC WORKS DIVISION



International Trade Operations
1800 Washington Boulevard 8th Floor,
Baltimore, Maryland 21230
Tel: Letters of Credit: (410)244-4475
SWIFT: MANTUS33INT

**Irrevocable Standby Letter of Credit
SB9501170001**

Amount: \$ 45565.32

BENEFICIARY:
SUSSEX COUNTY COUNCIL
2 THE CIRCLE
GEORGETOWN, DE 19947

APPLICANT:
BRIDLE RIDGE PROPERTIES LLC
P O BOX 212
LEWES, DE 19958

We amend our Standby Letter of Credit subject to the following terms and conditions. This Amendment forms an integral part of the original instrument. All other terms and conditions remain unchanged.

Amended Terms:

1. LETTER OF CREDIT NUMBER 1-2777 ISSUED BY WILMINGTON TRUST BANK HAS BEEN CHANGED TO **SB9501170001**
2. DRAFT(S), IF ANY, ARE TO BE DRAWN ON M&T BANK AND TO BE PRESENTED AT OUR OFFICE AT INTERNATIONAL TRADE OPERATIONS 1800 WASHINGTON BLVD, 8TH FLOOR, BALTIMORE, MD 21230

Unless otherwise instructed herein, all correspondence and inquiries regarding this transaction should be directed to our Customer Service Center at the above address, telephone. Please indicate our letter of credit number(s) in all your correspondence or telephone inquiries.

Regards,

This document is computer generated and does not require a signature.

Cc: BRIDLE RIDGE PROPERTIES LLC
P O BOX 212
LEWES, DE 19958

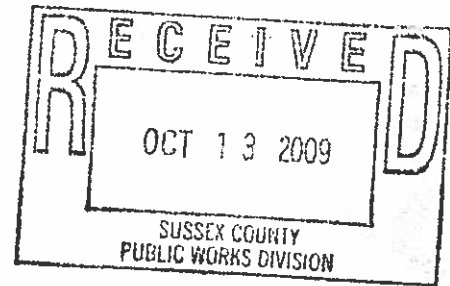




Commercial Banking Division
302-651-1000

October 8, 2009

Sussex County Council
2 The Circle
Georgetown, DE 19947



RE: IRREVOCABLE COMMERCIAL LETTER OF CREDIT NO. 1-2777
(Henlopen Landing Phase 4)

Sir or Madam:

We hereby open our Irrevocable Documentary Standby Letter of Credit (hereinafter "Credit") in favor of Sussex County Council, Sussex County, Delaware at the request of and for the account of Bridle Ridge Properties, L.L.C. for the aggregate total sum of FORTY FIVE THOUSAND FIVE HUNDRED SIXTY FIVE AND 32/100 U.S. DOLLARS (\$45,565.32) available by your sight draft(s) drawn on Wilmington Trust Company (hereinafter "Bank"), Wilmington, Delaware.

This Credit is subject to the following terms and conditions:

1. Effective Date: October 8, 2009
2. Expiry Date: October 8, 2010
3. Sight draft(s) drawn hereunder will be presented to Wilmington Trust Company at its main office located at 1100 N. Market Street, Rodney Square North, Wilmington, DE 19890 and must bear the clause "Drawn under Wilmington Trust Company Letter of Credit No. 1-2777 dated October 8, 2009".
4. Sight draft(s) drawn hereunder must be accompanied with the following statements ("Document(s)") signed by an authorized representative of Sussex County Council:

"Bridle Ridge Properties, L.L.C. has failed to complete the soil conservation work and the County roadway and right-of-way portion of improvements at Henlopen Landing Phase 4. Demand is hereby made in the amount of the enclosed draft."

Subdivision Name: Henlopen Landing Phase 4

5. Performance must be completed by the Developer by the Expiration Date of this Letter of Credit. If satisfactory performance has not occurred by the Expiration Date of this Letter of Credit, Sussex County Council shall be entitled to draw funds from this Letter of Credit, as reasonable as necessary to complete construction or to procure others to perform the work in accordance with the approved construction plans on file with the Sussex County Engineer.
6. This Credit must accompany any drawing hereunder for endorsement of the drawing amount and shall be returned to the beneficiary unless it is fully utilized.
7. The expiry of this Credit shall be extended without amendment for an additional period of one year from the expiry date set forth above and for additional one year periods from each anniversary of such expiry date, unless at least thirty (30) calendar days prior to such expiry date or any anniversary of such date, Bank notifies you in writing by registered or certified mail that Bank elects not to so renew this Credit. Each extension shall be measured from the then relevant expiry date even though such date be not a business day in Wilmington, Delaware, for Bank. In the event Bank elects not to renew this Credit and upon receipt of such notice, you may draw under this Credit in accordance with the terms hereof. Notwithstanding the foregoing, in no event will the expiry date of this Credit be extended beyond October 8, 2012. This Letter of Credit will automatically terminate on the date Sussex County Council accepts documented evidence that the project has been constructed in compliance with design standards of Chapter 99 of the Code of Sussex County.
8. Partial drawings are permitted. Drafts drawn in favor of the Sussex County Council shall not relieve the Developer of completing construction of the project.
9. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended or amplified by reference to any document, instrument or agreement referred to herein or in which this Credit is referred to or to which this Credit relates and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement, without the express written approval of the Sussex County Council.
10. Credit is to be: Irrevocable and not transferable.
11. We hereby engage with you that the sight draft(s) drawn in compliance with this Credit shall be duly honored upon presentation to us at Wilmington Trust Center, Rodney Square North, 1100 North Market Street, Wilmington, Delaware, 19890, on or before the above stated expiry date or any extension thereof as above provided.

12. This Credit shall be governed by and construed in accordance with the Laws of the State of Delaware and shall also, to the extent not inconsistent with such code, be subject to the International Standby Practices 1998, International Chamber of Commerce Publication No. 590.

Very truly yours,

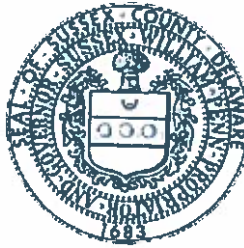
WILMINGTON TRUST COMPANY

By: 

Robert M. Matsko
Vice President

ENGINEERING DEPARTMENT

ADMINISTRATION (302) 855-7718
AIRPORT & INDUSTRIAL PARK (302) 855-7774
ENVIRONMENTAL SERVICES (302) 855-7730
PUBLIC WORKS (302) 855-7703
RECORDS MANAGEMENT (302) 854-5033
UTILITY ENGINEERING (302) 855-7717
UTILITY PERMITS (302) 855-7719
UTILITY PLANNING (302) 855-1299
FAX (302) 855-7799



Sussex County

DELAWARE
sussexcountype.gov

MICHAEL A. IZZO, P.E.
COUNTY ENGINEER

MICHAEL E. BRADY
DIRECTOR OF PUBLIC WORKS

MEMORANDUM

To: Todd F. Lawson
County Administrator

Thru: Michael A. Izzo, P. E.
County Engineer

From: Michael Brady *M.B.*
Director of Public Works

REF: **REDUCTION OF M & T Bank LOC #SB9501170001,
FOR STORMWATER MANAGEMENT SYSTEM,
PROJECT #517-1 HENLOPEN LANDING – PHASE 4**

Date: September 11, 2012

This request for reduction of M & T Bank LOC #SB9501170001 for the above referenced development is for your consideration and approval. The referenced LOC is for the development's stormwater management system under the jurisdiction of the Sussex Conservation District. The Public Works Division has received requests for the reduction from the developer, Bridle Ridge Properties, LLC and the Sussex Conservation District.

The following items are attached for your review: a request summary; developer's request, developer's estimate, contractors estimate; developers schedule for completion; Sussex Conservation Districts' concurrence; and a copy on the LOC.

In consideration of the request by the Developer and the Sussex Conservation District and supporting documents attached, the Public Works Division forwards this request for reduction of the Bond from the current amount of \$45,565.32 to the amount of \$27,865.00. PWD's proposed amount is based on the developer's estimate with added percentages for contractor mobilization and contingencies.

Approved: *M.A. Izzo*
Michael A. Izzo, County Engineer,

Date *9/17/12*

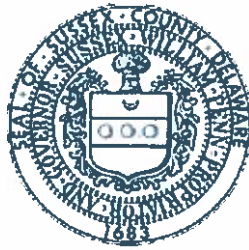
Approved: *T.F. Lawson*
Todd F. Lawson, County Administrator,

Date *9/18/12*

cc: Gary L. Fleetwood, Assistant Director, Public Works Division
Michelle Warren, Senior Engineering Accountant

ENGINEERING DEPARTMENT

ADMINISTRATION	(302) 855-7718
AIRPORT & INDUSTRIAL PARK	(302) 855-7774
ENVIRONMENTAL SERVICES	(302) 855-7730
PUBLIC WORKS	(302) 855-7703
RECORDS MANAGEMENT	(302) 854-5033
UTILITY ENGINEERING	(302) 855-7717
UTILITY PERMITS	(302) 855-7719
UTILITY PLANNING	(302) 855-1299
FAX	(302) 855-7799



Sussex County

DELAWARE

sussexcountyde.gov

MICHAEL A. IZZO, P.E.
COUNTY ENGINEER

MICHAEL E. BRADY
DIRECTOR OF PUBLIC WORKS

REQUEST SUMMARY

RECEIVED

Project Name: **HENLOPEN LANDING - PHASE 4
PROJECT #517-1, WRSSD
STORMWATER REDUCTION - LOC #SB9501170001**

SEP 19 2012

SUSSEX COUNTY
PUBLIC WORKS DIVISION

Developer: **Bridle Ridge Properties, LLC**
Representative: **Gary McCrea**

Date: **September, 2012**

The project is located on the west side of Road 275, Plantations Road and is just west of the Lowes Home Improvement Store in the Lewes area. The development consists of 46 single family units of which 42 units are built and 4 lots are vacant. This phase is part of a larger development consisting of 277 single family lots.

Roads pavement is complete and the PWD portion of the development is nearing substantial completion. Reduction of the stormwater management LOC is for remaining work including re-grading of swales entering the ponds, excavating the ponds to their final design grade and stabilization of disturbed areas caused by this work.

The developer, Bridle Ridge Properties, LLC, represented by Gary L. McCrea, is requesting a reduction of the Letter of Credit currently held for the completion of stormwater management system. This LOC has not been reduced previously. The developer is requesting a reduction from the current amount of \$45,565.32 to the amount of \$24,125.00 which includes the required 125%. The Public Works Division has increase the requested amount by adding 5% for contactor mobilization and 10% for contingencies for a total reduction amount of **\$27,865.00**.

The contactors estimate has been reviewed and accepted by the Sussex Conservation District.

In reviewing this request please consider the following:

1. This project does not have an Agreement with the developer.
2. The developer's scheduled completion date is October 31, 2012. Until the project is complete, there is potential for damage to site improvements.
3. This reduction amount is based on the Engineering Department's current practice. Revisions to the reduction process are being considered by the Department and County Administration that would more fully protect the County from insufficient guarantees for completion of site improvements.

BRIDLE RIDGE PROPERTIES, LLC
P.O. BOX 212
LEWES, DE 19958


RECEIVED

August 23, 2012

SEP 19 2012

SUSSEX COUNTY
PUBLIC WORKS DIVISION

TO: Gary Fleetwood, SC Engineering
FROM: Denise S Holleger for Gary L McCrea
RE: Reduce LOC #SB9501170001, SCD



Please reduce this LOC per the attached letter. Please advise once all the approvals are received and the letter sent to M&T, Kirby Fitzgerald, for the reduction.

Thanks.

CC: Michele Warren, SC Eng
Jessica Watson, SCD
Kirby Fitzgerald, M&T


BRIDLE RIDGE PROPERTIES, LLC
P.O. BOX 212
LEWES, DE 19958

August 23, 2012

RECEIVED

SEP 19 2012

SUSSEX COUNTY
PUBLIC WORKS DIVISION

TO: Gary Fleetwood, SC Engineering
FROM: Gary L McCrea 
RE: LOC #SB9501170001, SCD
Henlopen Landing
Phase IV, 46 Lots

Per Gary McCrea's conversation today, August 23, 2012 with Jessica Watson, she approved the Letter of Credit to be reduced from \$45,565.32 to \$24,125.00 per the estimate.

SCD	\$19,300.00
Bonding @125%	\$24,125.00
Total LOC	\$24,125.00

Thank you.

CC: Jessica Watson
Michele Warren
Kirby Fitzgerald, M&T

856-0951

Reduce No. 0431254. 2170001
 SCD to 19,300 for
 45,565.32 -



PROPOSAL

DIXIE CONSTRUCTION COMPANY, INC.
 22237 LEWES-GEORGETOWN HWY
 GEORGETOWN, DE 19947
 PH: 302-858-5007 - FAX: 302-858-5023
 www.dixieconst.com

RECEIVED

08/15/2012

SEP 19 2012

SUSSEX COUNTY
 PUBLIC WORKS DIVISION

QUOTE TO: Gary McCrea
 Bridleridge Properties
 P.O. Box 212
 Lewes, DE 19958

JOB		LOCATION	
HENLOPEN LANDING PHASE 4		LEWES, DE	
<div>*****</div>			
RECONSTRUCT POND 9	1.000	LS	\$10,500.00
RECONSTRUCT POND 7	1.000	LS	\$8,800.00
**TOTAL			\$19,300.00

We are pleased to submit our PROPOSAL for furnishing all labor, equipment, material, and insurance for construction of site improvements upon the above referenced project, as described in this proposal.

Our sitework is based upon drawings for Phase 4 Henlopen Landing Section Only; prepared by DC Group dated 4-22-02; latest revision 11-14-03 labeled Sheets 1 thru 30.

LIMITED SCOPE OF WORK:

RECONSTRUCT POND 9 - Dixie Construction Co., Inc. will de-muck existing stormwater sediment pond; haul-off sediment and vegetative debris; re-establish grades per plan; re-establish riprap, stabilization fabrics, furnish and install erosion control matting, seed and mulch disturbed areas.

RECONSTRUCT POND 7 - Dixie Construction Co., Inc. will de-muck existing stormwater sediment pond; haul-off sediment and vegetative debris; re-establish grades per plan; re-establish riprap, stabilization fabrics, furnish and install erosion control matting, seed and mulch disturbed areas.

EXCLUSIONS: Permits/fees, bonds, layout, as-built drawings, soil engineering or analysis, compaction testing, watering seed, maintenance, undercutting or sand re-fill, removal of contaminated soils or disposal fees, removal, replacement, drying or chemical treatment of unsuitable, unstable or wet material; well-pointing or spring control, maintenance or restoration of site improvements, once installed, due to circumstances beyond our control, sod or landscaping, fence or gates, repairs to existing stormwater management structures, pipes or inlets.

SPECIAL NOTES:

- 1) Dixie Construction Company, Inc. will invoice for materials stored onsite prior to their installation (i.e. concrete pipes, manholes, etc.)
- 2) Our price is based upon the price of asphalt, concrete, PVC, steel, fuel and other construction materials as of the date of this proposal shown above and is subject to change based upon the actual price of these materials at the time of installation and any fuel surcharges incurred by Dixie Construction Company, Inc.

3) A Certificate of Insurance will be provided indicating our coverage. Should your requirements exceed those as listed, the additional premium shall be added to the price.

4) PAYMENT: Payment is due in full within fifteen (15) days from receipt of invoice. No Retainage is to be held. Interest at the rate of one and one-half percent (1 1/2 %) will be charged on all unpaid balances. In the event that this account is referred to an attorney for collection, an attorney's fee of thirty-three percent (33%) (But not more than the maximum allowed by law) of the balance of the account past due plus service charges accrued at the time of referral shall be imposed.

At Dixie Construction Company, Inc.'s option, the foregoing PROPOSAL is subject to cancellation or escalations if not accepted and work begun thirty (30) days of date of submittal.

Respectfully submitted,



Digitally signed by Keith
Jacobi
DN: cn=Keith Jacobi, o=Dixie Construction Co., Inc., email=keith.jacobi@dixieconstruction.com

Keith Jacobi
Dixie Construction Co., Inc.

BRIDLE RIDGE PROPERTIES, L.L.C.
P.O. BOX 212
LEWES, DE 19958
(302) 644-1400
(302) 644-1183 (FAX)

September 11, 2012

RECEIVED

SEP 19 2012

Michael Brady
Sussex County Council
2 The Circle
P.O. Box 589
Georgetown, DE 19947

SUSSEX COUNTY
PUBLIC WORKS DIVISION

Dear Mr. Brady:

Pursuant to your request, this is to confirm that the stormwater for Phase 4 of Henlopen Landing should be completed by October 31, 2012.

Thank you.

Very truly yours,

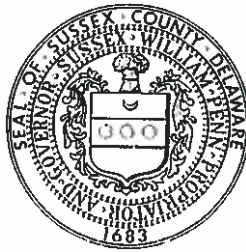

Gary McCrea
Member

/gg

Preston Lynch Dyer
Member

Sussex County
Engineering Department

MICHAEL A. IZZO, P.E.
County Engineer



2 THE CIRCLE
P.O. BOX 589
GEORGETOWN, DELAWARE 19947

Administration	302-855-7718
Airport & Industrial Park	302-855-7774
Environmental Services	302-855-7730
Public Works	302-855-7703
Records Management	302-854-5033
Utility Engineering	302-855-7717
Utility Permits	302-855-7719
Utility Planning	302-855-1299

Fax: 302-855-7799

September 13, 2012

Mr. Gary McCrea
P.O. Box 212
Lewes, DE 19958

REF: **HENLOPEN LANDING - PHASE 4
WEST REHOBOTH EXPANSION OF
THE DEWEY BEACH SANITARY SEWER DISTRICT
SUSSEX COUNTY TAX MAP NUMBER
334-5 PARCEL 222 - CLASS-1
SUBSTANTIAL COMPLETION APPROVAL
AGREEMENT NO. 517 - 1**

Dear Mr. McCrea:

Please be advised, the Public Works Division requirements for Substantial Completion of the above referenced project have been completed.

The one (1) year guarantee period shall begin on September 13, 2012 and end on September 13, 2013.

Prior to the end of the guarantee period, the Developer shall attend a Final Inspection. The Public Works Division will schedule the meeting. If corrective action is necessary, the Contractor will be required to perform the corrections. Upon completion of the corrections, the Public Works Division will verify acceptability of the work.

If I may be of further assistance, please do not hesitate to contact me at 302-855-7703.

Sincerely,

Sussex County Engineering Department

Gary L. Fleetwood
Assistant Director of Public Works

xc: Mr. Michael A. Izzo, P. E.
Mr. Michael Brady
Mrs. Jessica Watson
Mr. Ronald Heck
Mrs. Michele Warren

SUSAN M. WEBB, CPA
FINANCE DIRECTOR



Sussex County

ADMINISTRATIVE OFFICE BUILDING
2 THE CIRCLE
P.O. BOX 589
GEORGETOWN, DELAWARE 19947
TEL: 302-855-7741
FAX: 302-855-7749
E-MAIL: smwebb@sussexcountype.gov

MEMORANDUM:

TO: Sussex County Council
The Honorable Michael H. Vincent, President
The Honorable Samuel R. Wilson, Jr., Vice President
The Honorable George B. Cole
The Honorable Vance C. Phillips
The Honorable Joan R. Deaver

FROM: Susan M. Webb, CPA *SMW*
Finance Director

RE: **INVESTMENT POLICY**

DATE: September 28, 2012

Attached please find a copy of a proposed Investment Policy, as well as a Wilmington Trust Report on Fixed Income Management – Sussex County Reserve Liquidity Account. With the transition to MUNIS for our finance software, we are able to identify and improve our cash position. By using the pooled cash concept, we have more flexibility to manage our cash and, hopefully, realize a better return.

At Tuesday's Council meeting, I will be discussing recommendations to our current Investment Policy. Mr. Dominick D'Eramo, of the Wilmington Trust Company, will discuss options the County has in the fixed income market. My goal is to invest our excess funds and provide the highest investment return while meeting acceptable risk levels.

SMW/nc

Attachments



SUSSEX COUNTY COUNCIL

INVESTMENT POLICY

I. Scope

The finance department is responsible for the management of cash and investments. It is the policy of Sussex County Government to invest all funds in a manner that provides the highest investment return using authorized instruments while meeting the County's acceptable risk level.

II. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

- a. Safety – Safety of principal is the foremost objective of the investment program. County investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To attain this objective, diversification is required to ensure that the County prudently manages market, interest rate and credit risk. Each investment purchase must be eligible under the investment policy.
- b. Liquidity – Portions of the investment portfolio shall be sufficiently liquid to enable the County to meet all operating requirements that may be reasonably anticipated.
- c. Return/Yield – The investment portfolio shall be designed to obtain the highest available return, taking into account the County's investment risk constraints and cash flow needs. The Finance Director will attempt to obtain the highest available return using authorized investments.

III. Standards of Care

1. Prudence – The standards of prudence to be used by the County's Finance Director shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. The Finance Director shall act in accordance with written procedures and this Policy by; exercising due diligence, preparing reports in a timely fashion, and exercising appropriate action to control adverse developments.
2. Ethics and Conflicts of Interest – Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program.
3. Delegation of Authority – Authority to manage the investment program is granted to the County Finance Director. The County Finance Director may delegate to other individuals, such as to the finance departments qualified staff, to perform various investment functions.

IV. Safekeeping and Custody

1. Authorized Financial Dealers and Institutions – Eligible financial institutions must provide copies of audited financial statements and answers to questions regarding their financial status. Recommendations regarding eligible financial institutions will be based on various factors, including, but not limited to, the following:
 - (a) Sussex County presence, branch location;
 - (b) fees;
 - (c) investment performance;
 - (d) financial status of institution

2. Internal Controls – The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse.

V. Suitable and Authorized Investments

1. All investments will be recommended to the Council for approval. The following investments will be permitted by this policy:
 - a. Government obligations, Defeased Municipal Obligations and any of the following: senior debt obligations of the Federal Home Loan Banks, the Student Loan Marketing Association and the Federal Financing Banks, direct obligation and fully guaranteed certificated of beneficial interest of the Export-Import Bank of the United States, participation certificates and senior debt obligations of the Federal Home Loan Mortgage Association, debentures of the Federal Housing Administration, guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government national Mortgage Association, mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association, guaranteed title XI financing of the U.S. maritime Administration and obligations of the Resolution Funding Corporation;
 - b. Repurchase agreements with respect to the obligations listed in paragraph (a) above.
 - c. Certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance; provided that any amount of the deposit in excess of the federal deposit insurance shall be fully collateralized at 102 percent by marketable U.S. government securities marked to market at least monthly.

- d. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist of dollar-denominated securities and registered under the federal Securities Act of 1993 and such funds must be rated by S & P at least AAm-G, AAAm, or AAm.
- e. Local government investment pools administered by the State of Delaware.
- f. Commercial paper rated at the time of acquisition by the Trustee or a Depositary hereunder in the highest rating category by the Rating Services.
- g. Obligations of state or local government issuers, the principal of and interest on which, when due and payable, have been insured by an Insurer and that are rated at the time of acquisition by the Trustee or a Depositary hereunder in one of the two highest rating categories by the Rating Services.
- h. 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 Investors Service and "A-1" or "A" or better by Standard & Poor's Corporation.
- i. Full faith and credit obligations of state and local government issuers that are rated at the time of acquisition hereunder in one of the three highest rating categories by the Rating Services (without regard to gradations such as "plus" or "minus").
- j. Any unsecured or secured agreement for the investment of moneys entered into by the County or the Trustee with the Federal National Mortgage Associations or any bank, trust company or national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any other financial institution

whose unsecured obligations or uncollateralized long term debt obligations (or obligations guaranteed by its parent entity) have been assigned a rating by the Ratings Services in one of the two highest rating categories (without regard to gradation such as “plus” or “minus”), or which has issued a letter of credit, contract or agreement in support of debt obligations which have been so rated.

2. Collateralization – In order to protect the County’s public fund deposits, depository institutions are to maintain collateral pledges on certificates of deposit during the term of the deposit. Collateral is required as security for any amount in excess of the federal deposit insurance limit.
 - a. Collateralization will be established by separate collateralization agreements with each financial institution with, at a minimum, the following terms:
 1. collateral maintained at a third party agreed upon location, such as a Federal Reserve Bank;
 2. collateralization at a minimum of 102 percent of County asset values at a minimum; and
 3. collateral will include direct obligations of the U. S. Federal Government
3. Repurchase Agreements
 - a. Repurchase agreement investments will include U. S. Treasury Direct Obligations.
 - b. Repurchase agreement guidelines will be established by individual agreements with each financial institution.

VI. Diversification

A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce the risk of interest rate volatility

and loss of principal. Diversifying investments and maturities will avoid incurring unreasonable risks in the investment portfolio.

VII. Performance Evaluation

The County will utilize the average three-month U.S. Treasury Bill return or other appropriate benchmarks to determine whether market average yields are being achieved.

VIII. Reporting

The Finance Department shall produce a written report monthly for internal purposes. This report will be submitted to the County Administrator for distribution to the County Council on a quarterly basis.

IX. Policy adoption and amendment

This Policy may be reviewed from time to time and amended by the County at its discretion.



WILMINGTON
TRUST

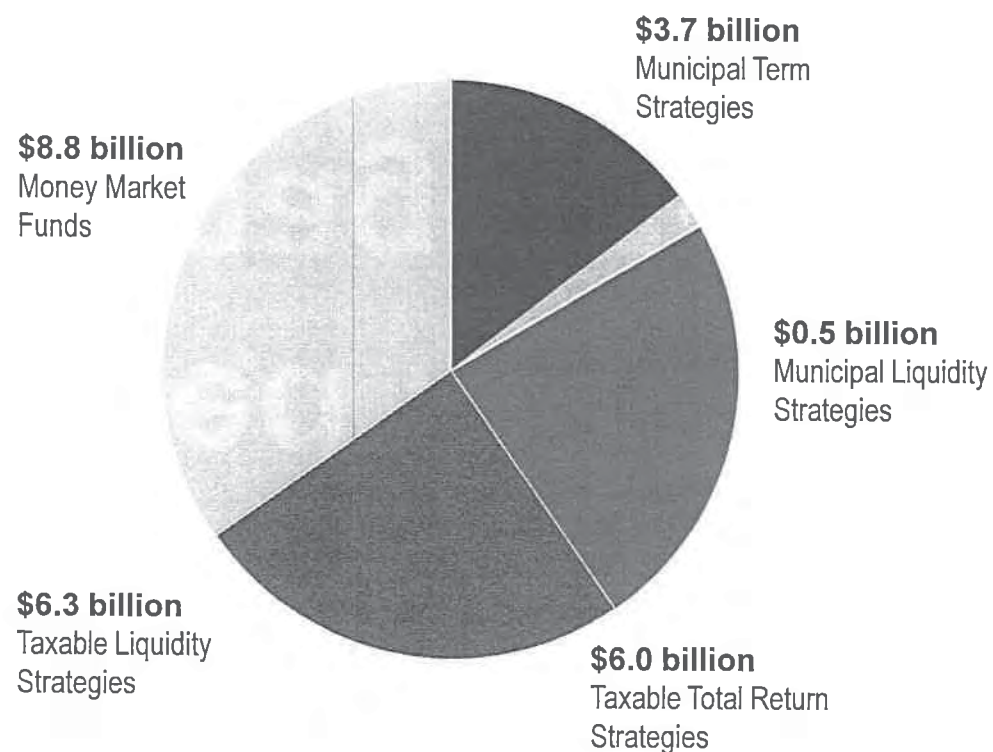
Fixed Income Management

Sussex County Reserve Liquidity Account
September 14, 2012

Dominick J. D'Eramo, CFA
Administrative Vice President

Fixed Income asset management

Total fixed income assets under management as of June 30, 2012:
\$25.3 billion



Fixed income

Our process focuses on preserving capital, managing risk exposure, and providing consistent, value-added investment performance over the long term.

Investing involves risk and you may incur a profit or a loss. There is no assurance that any investment strategy will be successful.

Our philosophy

- **Three questions** underlie our investment analysis
 - What expectations are built into the market?
 - Are these expectations valid?
 - How is the risk/reward outcome likely to change if these expectations prove false?
- **We believe in active portfolio management.** With a disciplined, risk-managed approach, active management can add value over time.
- **We believe a range of portfolio management techniques must be utilized** in order to generate superior returns over the course of a market cycle.
- **We believe our in-house analytical capabilities can add value.** These include:
 - **Sector Selection** – assess sectors in light of economic outlook, fundamental characteristics, and expected changes in spread relationships.
 - **Yield Curve** – seek opportunities to benefit from the shape or potential shifts in the yield curve.
 - **Duration** – employ both technical and fundamental tools to manage the portfolio's interest rate sensitivity.
- **We emphasize quality, readily marketable investments.**
- **We continually measure** each portfolio's risk relative to its target index in an effort to fully understand the risk and expected returns relative to the investment policy.

Investing involves risk and you may incur a profit or a loss.

Philosophy

Our goal is to build a long-term relationship based on understanding your needs and delivering consistent investment performance through high quality, diversified portfolios.

Our objectives are to preserve principal, provide liquidity and maximize taxable equivalent returns.

Our approach: active Fixed Income management

Identify

Identify client return expectations relative to risk tolerance

Identify Client
Investment
Objectives

Analyze

Analyze market and determine strategy, using proprietary models, to control relative risk (e.g. interest rates, credit quality, yield curve shifts)

Market Analysis

Duration

Sector

Yield
Curve

Implement

Implement strategic and tactical opportunities identified from team research and analysis

Portfolio
Construction
and Implementation

Monitor

On-going risk and opportunity analysis of new issues, strategies and products that can benefit client's portfolio. Monitor client portfolio vs. target benchmark

Ongoing Portfolio
Monitoring and
Client Communication

There is no assurance that any investment strategy will be successful.

The client experience

- **Customized Services.** We work closely with each client to develop and maintain an investment policy statement, analyzing the client's risk tolerance, cash flow, and liquidity requirements. We then recommend modifications to the investment policy statement and suggest investment alternatives that may help the institution achieve realistic goals.
- **Active Portfolio Management.** We provide required liquidity using individually managed portfolios in an attempt to maximize tax-equivalent income and protect principal. Our experienced portfolio managers specialize in distinct market segments, including holding companies, municipalities, pensions and endowments, hospitals, schools, and structured finance.
- **Market Execution.** Our portfolio managers are active in the daily trading for our clients, and respond immediately to new opportunities. Our average monthly trading volume exceeds \$20 billion, providing our traders with access to key market makers.
- **Comprehensive Reporting.** We meet all month, quarter, and year-end reporting requirements including FASB, GASB, and SAS 70. Clients receive timely account information through mailings and through our On-Line Portfolio system. Our team also provides customized reporting for Board presentations.
- **Communication.** We deliver personal service at all times and the attention of a dedicated Portfolio Manager. Frequent communication via telephone, email and face-to-face meetings is standard practice.

Fixed Income investing

Our goal is to help you maximize short-term investment opportunities, by customizing portfolio solutions based on your objectives. We have particular expertise working with holding companies, community banks, municipalities, escrow appointments, and in transactions for like-kind exchanges and construction finance deals.

Our advantage

- **Continuity and stability of staff and ownership:** Wilmington Trust has more than 100 years of experience and commitment to the investment management business.
- **Centralized fixed income trading activities:** monthly trading volume exceeding \$20 billion, competitive institutional pricing, and efficient trade execution.
- **Independence:** independent security analysis.
- **High standards of client service:** customized reporting, active portfolio review and management, and ongoing communication between staff and ownership

Fixed Income investing

The Wilmington Trust Fixed Income Team consists of 20 seasoned professionals committed to putting your interests first. Our senior portfolio managers have worked together for 20 years.

Fixed Income management for municipalities

In managing portfolios for municipalities, we:

- Understand the municipality's risk / reward parameters, finding a blend of tactics to:
 - Seek maximum current income
 - Protect principal
- Create or review Investment Policy Statements
- Provide required liquidity with limited money market participation
- Meet month, quarter, and year-end reporting requirements including GASB, and SAS 70
- Analyze cash flows based on current conditions
- Project future cash flows using market interest rates

Fixed Income management for municipalities

continued

We also offer:

- Timely account information (available online and in hard copy)
Daily account information available through On-Line Portfolio
- Assistance with accounting and audit:
 - Accrued Interest
 - Amortization / Accretion
 - SAS 70
- Access to market information:
 - Bloomberg
 - S&P
 - Moody's
 - Participate in broker websites and conference calls

Liquidity management strategies

	Municipal Money Market	Money Market	Enhanced Money Market	Ultra Short-Term
Maturity Range	0-1 Year	0-1 Year	0-2 Year	0-3 Year
Tax Sensitive	Yes	Yes	Yes	Yes
Minimum Credit Rating	A-	A-	A-	BBB-
Interest Rate Risk from 100bp Swing	Negligible	Negligible	Less than +/- 1.00%	Approx +/- 1.5%
Daily Liquidity	Very High	Very High	Good	Modest
Benchmark	Lipper Average Tax-exempt Money Market Average	Lipper Average Taxable Money market Fund	Merrill Lynch 0-1 Year U.S. Treasury Notes and Bonds	Merrill Lynch 1-3 Year Treasury Index

Standard & Poor's ratings range from AAA to D (highest to lowest). Bonds rated BBB – and above are considered "investment grade," while those rated BB+ and lower are considered "below investment grade."

Ultra Short-Term Fixed Income (0-3 Year)

The Ultra Short-Term Strategy is an active disciplined investment process emphasizing risk management that seeks to achieve our client's objectives and add value over time. Since needs and risk/reward goals vary, we work closely with each client to review and tailor an investment policy and then develop an appropriate investment strategy within the 0-3 year maturity range driven by individual client goals and risk tolerances.

Separately managed portfolios offer flexibility to capture higher yields using a broad range of short-term instruments, and with the ability to switch between taxable and tax-free issues based on each client's tax requirements.

Investment Objective

Wilmington Trust's Ultra Short-Term Strategy is designed to outperform the Merrill Lynch 1-3 Year Index and provide additional of income through investing in securities with maturities as long as three years.

Client Profile

This strategy may be appropriate for clients who are willing to accept a longer-term investment strategy and attendant risk exposures in an attempt to capture greater return than is typically earned in money market strategies.

Portfolio Profile

Portfolio Profile

- Maturity: 0-3 years
- Investment grade bonds
- Sector and issue diversification

Fixed Income

Through active separate account management, Wilmington Trust's Ultra Short-Term Strategy seeks to achieve a desired level of current income, while preserving principal and minimizing risk. Utilizing our extensive money market expertise and tax-sensitive investment strategies, short-term portfolios invest in various types of investment grade fixed income securities with maturities of up to 3 years

Characteristics

As of June 30, 2012

Characteristics	Ultra Short-Term Strategy (0-3 Year)	Merrill Lynch 1-3 Year Index
Coupon	1.4%	1.7%
Maturity	2.0 years	1.9 years
Yield to Maturity	0.6%	0.3%
Duration	1.9 years	1.9 years

Quality Weightings (%)	Ultra Short-Term Strategy (0-3 Year)	Merrill Lynch 1-3 Year Index
Treasury	30.0%	100.0%
Agency	30.0%	0.0%
AAA	10.0%	0.0%
AA	29.0%	0.0%
A	0.0%	0.0%
BAA	0.0%	0.0%
Other	1.0%	0.0%

Sector Weightings (%)	Ultra Short-Term Strategy (0-3 Year)	Merrill Lynch 1-3 Year Index
Treasury	30.0%	100.0%
Agency	30.0%	0.0%
Commercial Paper	39.0%	0.0%
Mortgage Backed	0.0%	0.0%
Asset Backed	0.0%	0.0%
Cash	1.0%	0.0%
Other	0.0%	0.0%

Data provided reflects separately managed accounts as of the date shown and is subject to change.

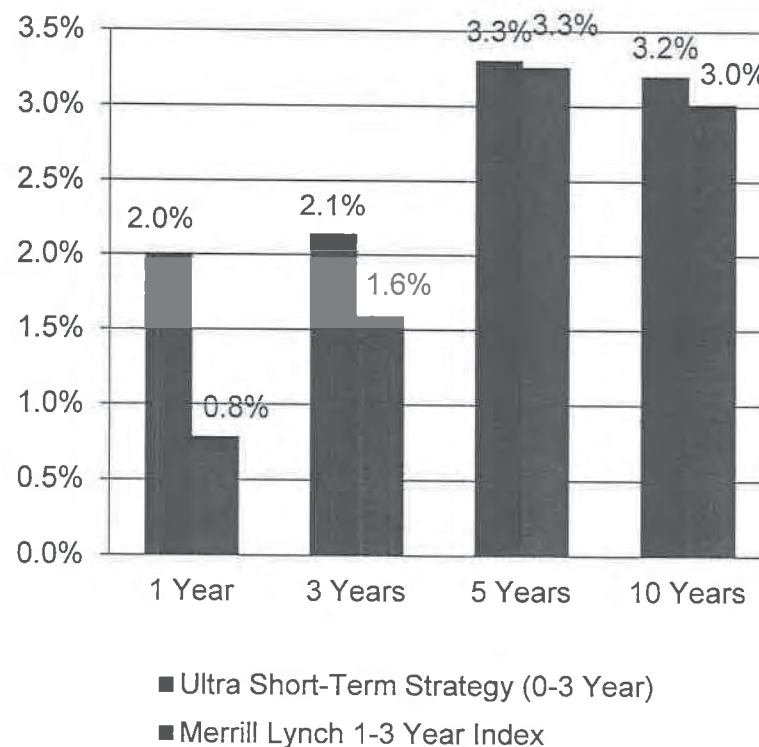
Gross performance

As of June 30, 2012

Calendar-Year Total Returns

	Ultra Short-Term Strategy (0-3 Year)	Merrill Lynch 1-3 Year Index
2 nd Quarter 2011	0.4%	0.2%
2011	2.0%	1.6%
2010	2.0%	2.4%
2009	3.0%	0.8%
2008	4.6%	6.6%
2007	6.3%	7.3%
2006	4.7%	4.0%
2005	2.0%	1.7%
2004	1.1%	0.9%
2003	2.3%	1.9%
2002	5.6%	5.8%
2001	8.6%	8.3%

Annualized Total Returns



For separately managed accounts.

Advisory fees, and other fees or expenses, would reduce the returns shown. Past performance is no guarantee of future results.

Dominick J. D'Eramo, CFA

Vice President and Director, Fixed Income Group

Dominick leads Wilmington Trust's Fixed Income Group. He oversees the management of all cash and short- and intermediate-term bond portfolios, taxable and tax-exempt, and a staff of more than two dozen portfolio managers, traders, and analysts.

Since joining Wilmington Trust in 1986, Dominick has specialized in the management of taxable, investment-grade portfolios across the yield curve. Before his appointment as director of the Fixed Income Group in June 2012, he led Wilmington Trust's institutional fixed income investment management practice.

A graduate of the University of Delaware with a bachelor's degree in Business Administration, Dominick earned his MBA from Widener University and his designation as a Chartered Financial Analyst.

Dominick is a member of the Financial Analysts of Philadelphia and has served as a grader for the Chartered Financial Analyst exam.



CONTACT INFORMATION

Rodney Square North
1100 North Market Street
Wilmington, DE 19890

Phone | 302.651.8962 Fax | 302.651.1179

Email | dderamo@wilmingtontrust.com

EXPERTISE IN

- Fixed income securities
- Yield curve and volatility analysis
- Interest rate analysis

Joseph M. Fahey Jr., CFA®

Vice President

Joe is responsible for the portfolio management and credit research function for Wilmington Trust's pooled money market funds. He has particular expertise in developing and implementing strategies designed to maximize current income for his clients, while preserving capital and liquidity.

Joe joined Wilmington Trust in 1981 and has specialized in portfolio management and trading during his tenure with the company. He is a graduate of the University of Delaware with a bachelor's degree in Economics and is also a Chartered Financial Analyst.

Joe is a member of the Association for Investment Management and Research and the Financial Analysts of Philadelphia. He is also involved in the pastoral, financial, and school development committees at St. Catherine of Siena Parish.



CONTACT INFORMATION

Rodney Square North
1100 North Market Street
Wilmington, DE 19890
Phone | 302.651.1904
Fax | 302.651.1507
Email | jfahey@wilmingtontrust.com

EXPERTISE IN

- Money market fund management
- Credit research
- Securities trading

Rosemary N. Hoffman

Vice President & Portfolio Manager

Rosemary is responsible for managing short-term, fixed-income portfolios for the Personal and Corporate Trust areas. She conducts rigorous analysis of interest rate movements in order to make fixed income duration decisions. Rosemary also conducts continual yield curve and volatility analyses in an effort to maximize total return and minimize risk across her fixed income portfolios.

Rosemary joined Wilmington Trust in 1986, specializing in fixed income securities. During her tenure with the company, she managed the fixed income trading desk and assisted in the management of short-term fixed income assets.

Rosemary is a summa cum laude graduate of Towson State University, and earned her MA from the University of Delaware. She is a member of the Cecil Community College Foundation Board and serves on their Finance Committee.



CONTACT INFORMATION

Rodney Square North
1100 North Market Street
Wilmington, DE 19890
Phone | 302.651.8907
Fax | 302.651.1979
Email | rhoffman@wilmingtontrust.com

EXPERTISE IN

- Fixed income portfolio management
- Short-term fixed income securities
- Yield curve and volatility analysis

Wendy M. White

Assistant Vice President & Fixed Income Portfolio Manager

Wendy is responsible for managing short-term fixed income portfolios for Wealth Advisory Services' clients. She closely monitors the movement of interest rates in order to make fixed income duration decisions. Wendy also conducts continual yield curve and client cash flow analyses in an effort to maximize return and minimize risk across her fixed income portfolios.

Wendy joined Wilmington Trust in 1989 as a securities trader in the fixed income division. She holds an MBA and a bachelor's degree in Business Administration from the University of Delaware. She is an active volunteer for the Special Olympics organization through the Mary Campbell Center in Wilmington.



CONTACT INFORMATION

Rodney Square North
1100 North Market Street
Wilmington, DE 19890
Phone | 302.651.8412
Fax | 302.651.1979
Email | wwhite@wilmingtontrust.com

EXPERTISE IN

- Short-term fixed income investing
- Yield curve and cash flow analysis
- Interest rate analysis

Disclosures

Advisory Service Providers

Wilmington Trust® is a registered service mark of Wilmington Trust Corporation, a wholly owned subsidiary of M&T Bank Corporation. Wilmington Trust Investment Advisors, Inc. is a SEC-registered investment adviser providing investment management services to the Wilmington Funds and to a wide range of institutional clients. Wilmington Trust Investment Advisors is a subsidiary of Manufacturers and Traders Trust Company (M&T Bank), member FDIC, which provides loans, retail and business deposits, and other personal and business banking services and products. Investment management and fiduciary services are provided by Wilmington Trust Company, a Delaware trust company, and Wilmington Trust, N.A., a national bank. Brokerage services, mutual funds services and other securities are offered by M&T Securities, Inc., a registered broker/dealer, wholly owned subsidiary of M&T Bank, and member of the FINRA and SIPC. Wilmington Funds are entities separate and apart from Wilmington Trust, M&T Bank, and M&T Securities. The distributors of the Wilmington Funds are not affiliated with M&T Bank Corporation or any of its subsidiaries.

Sources

The information in this presentation has been obtained or derived from sources believed to be reliable, but no representation is made as to its accuracy or completeness.

Opinions and Estimates

Any opinions or estimates contained in this presentation constitute Wilmington Trust's judgment as of the date of these materials and are subject to change without notice.

Suitability / No Bank Guarantee

This presentation is for informational purposes only; it is not intended as a recommendation, offer, or solicitation with respect to the purchase or sale of any security. The investments or investment strategies discussed herein may not be suitable for every investor.

Investment products are not insured by the FDIC or any other governmental agency, are not deposits of or other obligations of or guaranteed by Wilmington Trust, M&T, or any other bank or entity, and are subject to

investment risks, including the possible loss of principal amount invested.

S&P Quality Ratings

Quality ratings are used to evaluate the likelihood of default by a bond issuer. Standard & Poor's, or another independent rating agency, analyzes the financial strength of each bond's issuer. Their ratings range from AAA (highest quality) to D (lowest quality). Bonds rated BBB- and better are considered "Investment Grade". Bonds rated BB+ and below are considered "Below Investment Grade" (also "High Yield" or "Speculative Grade").

Fees and Transaction Costs

Unless indicated otherwise, Wilmington Trust performance results are presented gross of account-level fees but net of securities trading costs, such as brokerage commissions and bid-ask spreads.

The following is a hypothetical example of the impact over time of fees charged to a client's account. It is not meant to suggest actual fees, which may vary. Assuming an initial investment of \$1,000,000 and an average annual return of 10%, an annual fee of 100 basis points (1.00%) would result in account-level fees of \$10,891 in the first year, \$35,671 over three years, and \$65,064 over five years.

A schedule of Wilmington Trust's fees is available upon request.

Annualized Return

Time-weighted rate of return computed by dividing the interval under study into subintervals and obtaining the average of the rates for these subintervals, with each rate having a weight proportional to the length of time in its corresponding subinterval. The return takes into consideration the effects of compounding.

Benchmark Descriptions

Lipper Average Tax-Exempt Money Market Fund

Reflects the average performance of money market mutual funds that invest in high-quality municipal obligations and have dollar-weighted average maturities of less than 90 days. Source: Lipper.

Disclosures (cont.)

Lipper Average Taxable Money Market Fund

Reflects the average performance of taxable money market mutual funds that invest in high-quality financial instruments and have dollar-weighted average maturities of less than 90 days. Source: Lipper.

Merrill Lynch US Treasury 0-1 Year Notes and Bonds Index

Includes all outstanding US Treasury notes and bonds having less than one year remaining until maturity and a minimum amount outstanding of \$1 billion.

Merrill Lynch US Treasury 1-3 Year Index

Includes US Treasury short-term debt issues that have maturities within a range of 1-3 years.

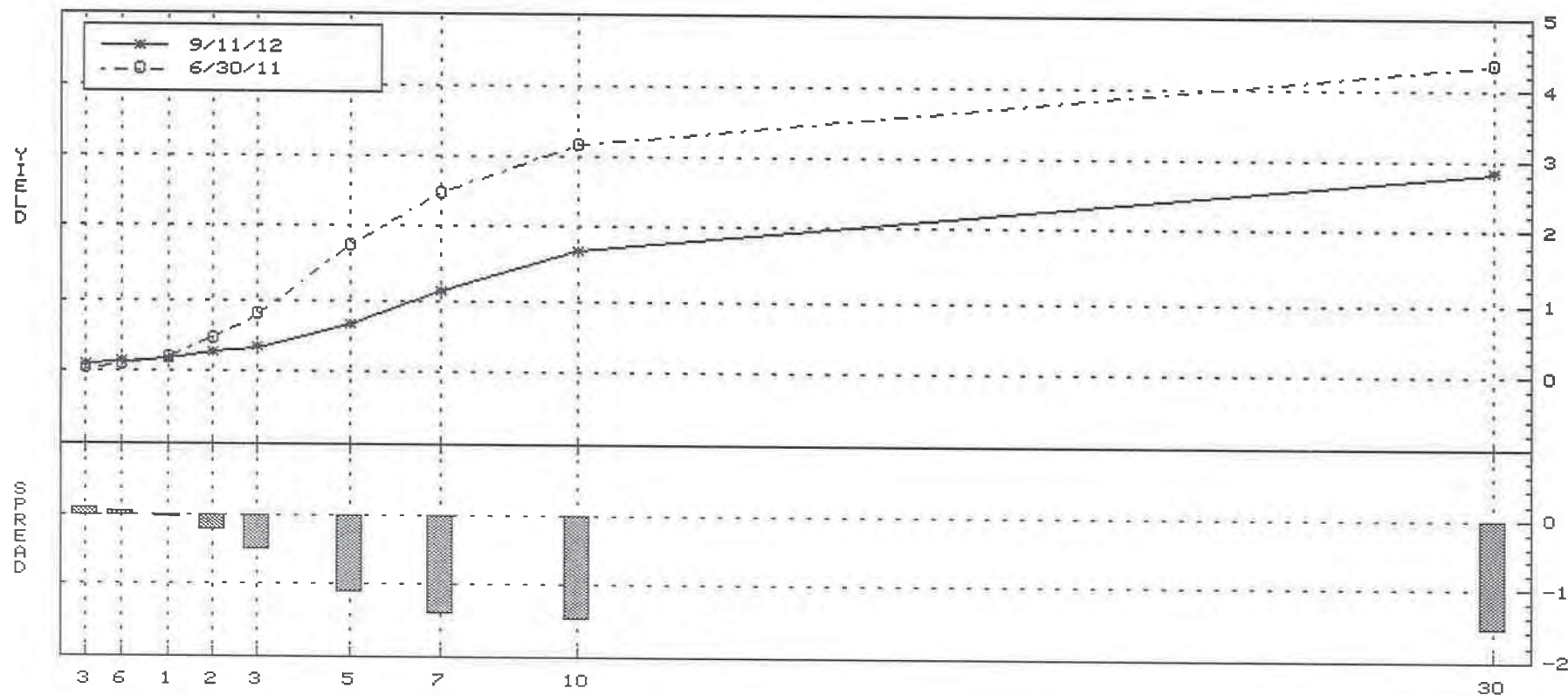
Basis of Fixed Income Composite Presentation

Our fixed income composites are subject to the following construction rules:

- A. To be included, an account must be a fully discretionary, fee-paying account under management for at least one quarter, unless otherwise stated. Accounts no longer with the company are included in the composite.
- B. The performance results we present are time-weighted total returns. They reflect the reinvestment of dividends and earnings and are net of all transaction costs, but they are gross of management fees. A fee schedule is available upon request.
- C. In calculating performance, we employ trade date, full accrual accounting.
- D. The currency used to express this performance is the U.S. dollar.
- E. Our composites are open to both taxable and tax-exempt accounts that are managed by Wilmington Trust affiliates and reside on Wilmington Trust's computer systems.
- F. In 2006, the leadership of our Fixed Income Group changed. Responsibility for the group, which had been managed by the same individual for more than a decade, was given to a pair of individuals—the directors of Tax-Exempt and Taxable Fixed Income. Each has been with the firm for more than a decade.
- G. A complete list and description of all composites maintained by Wilmington Trust and related performance results are available upon request.

Historical Yield Curve

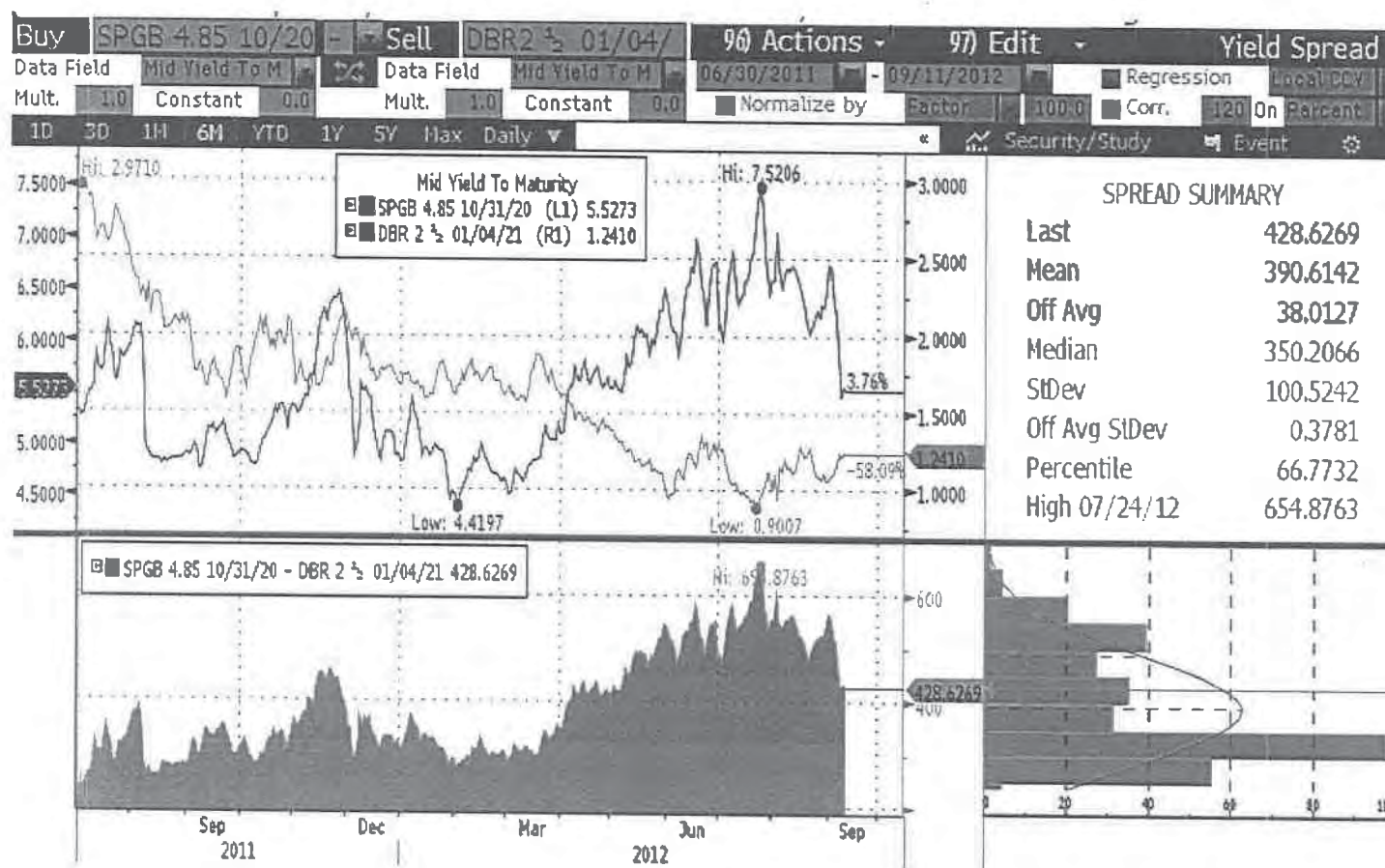
June 30, 2011 to September 11, 2012



	<u>6/30/2011</u>	<u>9/11/2012</u>	<u>Change</u>
3 Month	0.010	0.097	0.0864
6 Month	0.097	0.127	0.0302
1 Year	0.183	0.157	-0.0259
2 Year	0.458	0.246	-0.2116
3 Year	0.796	0.323	-0.4730
5 Year	1.761	0.662	-1.0989
7 Year	2.496	1.117	-1.3793
10 Year	3.160	1.699	-1.4612
30 Year	4.371	2.851	-1.5205

Source: Bloomberg

European Sovereign Debt



Source: Bloomberg

Volatility Index

June 11, 2011 to September 11, 2012



Source: Bloomberg

Sussex County Reserve Liquidity Account
Sample Portfolio

Par (\$000)	Market Value	Holding Description	Percent Exposure	Rate	Stated Maturity	Call Date	Market Yield	Market Price
3,250	\$ 3,248,907.38	Fannie Mae Discount Note	4.99%	0.13	12/12/2012		0.13	99.97
3,250	\$ 3,248,391.25	Freddie Mac Discount Note	4.99%	0.14	1/22/2013		0.14	99.95
3,250	\$ 3,247,892.47	Fannie Mae Discount Note	4.99%	0.15	2/20/2013		0.15	99.94
3,250	\$ 3,250,000.00	Federal Home Loan Bank	4.99%	0.15	3/14/2013		0.15	100.00
3,250	\$ 3,250,000.00	Federal Home Loan Bank	4.99%	0.18	6/17/2013		0.18	100.00
3,250	\$ 3,250,000.00	Federal Farm Credit Bank	4.99%	0.20	9/17/2013		0.20	100.00
3,250	\$ 3,250,000.00	Federal Farm Credit Bank	4.99%	0.23	12/4/2013		0.23	100.00
3,250	\$ 3,250,000.00	Federal Farm Credit Bank	4.99%	0.26	3/4/2014		0.26	100.00
3,250	\$ 3,250,000.00	Federal Farm Credit Bank	4.99%	0.23	6/19/2014		0.23	100.00
3,250	\$ 3,250,000.00	Federal Home Loan Bank	4.99%	0.30	6/27/2014	3/27/2013	0.30	100.00
3,250	\$ 3,250,000.00	Federal Farm Credit Bank	4.99%	0.25	7/17/2014		0.25	100.00
3,250	\$ 3,250,000.00	Federal Farm Credit Bank	4.99%	0.30	9/18/2014	12/18/2012	0.30	100.00
3,250	\$ 3,250,000.00	Freddie Mac Bank	4.99%	0.35	12/5/2014		0.35	100.00
3,250	\$ 3,250,000.00	Federal Home Loan Bank	4.99%	0.40	3/18/2015	3/18/2013	0.40	100.00
3,250	\$ 3,260,344.75	Fannie Mae Bank	5.01%	0.50	5/27/2015		0.38	100.32
3,250	\$ 3,261,131.25	Fannie Mae Bank	5.01%	0.50	7/2/2015		0.38	100.34
3,250	\$ 3,250,000.00	Federal Farm Credit Bank	4.99%	0.45	9/14/2015	12/14/2012	0.45	100.00
3,250	\$ 3,370,003.00	Fannie Mae Bank	5.17%	1.625	10/26/2015		0.43	103.69
3,250	\$ 3,250,000.00	Federal Home Loan Bank	4.99%	0.50	11/20/2015		0.50	100.00
3,250	\$ 3,250,000.00	Federal Farm Credit Bank	4.99%	0.50	12/4/2015	12/4/2012	0.50	100.00
65,000	\$ 65,136,670.11						0.30	100.22

Sussex County Reserve Liquidity Account

Investment Guidelines

Investment Obligations. Except as otherwise provided in any Supplemental Agreement, the term "Investment Obligations" shall mean, to the extent permitted by law:

(a) (i) Government Obligations, (ii) Defeased Municipal Obligations, and (iii) any of the following: senior debt obligations of the Federal Home Loan Banks, the Student Loan Marketing Association and the Federal Financing Banks, direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, participation certificates and senior debt obligations of the Federal Home Loan Mortgage Association, debentures of the Federal Housing Administration, guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Association, mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association, guaranteed Title XI financing of the U.S. Maritime Administration and obligations of the Resolution Funding Corporation;

(b) repurchase agreements with respect to the obligations listed in paragraph (a) above entered into pursuant to a specific written agreement with (i) a domestic bank insured by the Federal Deposit Insurance Corporation or (ii) with a domestic financial institution or government bond dealer reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York that is rated in one of the three highest rating categories by the Rating Services (without regard to gradations such as "plus" or "minus") and a member of the Security Investors Protection Corporation ("SIPC") provided that the fair market value of the repurchase agreement securities, exclusive of accrued interest, shall be maintained at an amount at least equal to one hundred two percent (102%) of the amount invested in the repurchase agreements and (A) the Trustee or a Depositary (who shall not be the provider of the collateral) or a third party acting solely as agent for the Trustee or a Depositary has possession of the repurchase agreement securities and the obligations referred to above; (B) the Trustee or Depositary will value the repurchase agreement securities no less frequently than daily and failure to maintain the requisite collateral levels will require the Trustee or a Depositary or its agent to liquidate the repurchase agreement securities immediately; (C) the Trustee or a Depositary has a perfected, first priority security interest in the repurchase agreement securities; and (D) the repurchase agreement securities are free and clear of third-party liens, and in the case of a SIPC broker, were not acquired pursuant to a repurchase or reverse repurchase agreement.

(c) certificates of deposit issued by, and time deposits in, or interest in money market portfolios issued by, any bank, banking association or trust company organized under the laws of The State of Delaware, any other state of the United States or of the United States, including the Trustee, any Depositary and their affiliates; provided that (i) the issuing institution is rated at the time of acquisition by the Trustee or a Depositary hereunder in the highest short-term rating category or in one of the three highest long-term rating categories by the Rating Services (without regard to gradations such as "plus" or "minus") or (ii) such certificates, deposits or interests are collateralized by Government Obligations held by the Trustee (who shall not be the provider of such collateral) or by any Federal Reserve Bank or Depositary, as custodian for the issuing institution, and as to which Government Obligations the Trustee or Depositary, as the case may be, shall have a perfected first lien, free from any third-party liens and having a daily market value of not less than the face amount of such certificates, deposits or portfolio interests plus accrued interest thereon to the date of calculation (moneys held in the Debt Service Fund and the Debt Service Reserve Fund may not be invested in certificates, deposits or interest described in clause (ii) above); and

- (d) commercial paper rated at the time of acquisition by the Trustee or a Depositary hereunder in the highest rating category by the Rating Services (without regard to gradations such as "plus" or "minus");
- (e) obligations of state or local government issuers; the principal of and interest on which, when due and payable, have been insured by an Insurer and that are rated at the time of acquisition by the Trustee or a Depositary hereunder in one of the two highest rating categories by the Rating Services (without regard to gradations such as "plus" or "minus");
- (f) shares in one or more open-ended investment funds, provided that the funds are registered under the federal Investment Company Act of 1940, and are rated in one of the two highest rating categories by the Rating Services (without regard to gradations such as "plus" or "minus");
- (g) interests in a money market mutual fund registered under the Investment Company Act of 1940, the portfolio of which is limited to obligations described in clause (a) (i) and/or (a) (ii) and/or (e) above and repurchase agreements fully collateralized thereby provided that such fund has total assets of at least \$100,000,000 and is rated in the highest rating category by the Rating Services (without regard to gradations such as "plus" or "minus");
- (h) 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 Investors Service and "A-1" or "A" or better by Standard & Poor's Corporation;
- (i) full faith and credit obligations of state and local government issuers that are rated at the time of acquisition hereunder in one of the three highest rating categories by the Rating Services (without regard to gradations such as "plus" or "minus"); and
- (j) any unsecured or secured agreement for the investment of moneys entered into by the County or the Trustee with the Federal National Mortgage Associations or any bank, trust company or national banking association or a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any other financial institution whose unsecured obligations or uncollateralized long term debt obligations (or obligations guaranteed by its parent entity) have been assigned a rating by the Ratings Services in one of the two highest rating categories (without regard to gradation such as "plus" or "minus"), or which has issued a letter of credit, contract or agreement in support of debt obligations which have been so rated.

SUSAN M. WEBB, CPA
FINANCE DIRECTOR



Sussex County

ADMINISTRATIVE OFFICE BUILDING
2 THE CIRCLE
P.O. BOX 589
GEORGETOWN, DELAWARE 19947
TEL: 302-855-7741
FAX: 302-855-7749
E-MAIL: smwebb@sussexcountyde.gov

MEMORANDUM:

TO: Sussex County Council
The Honorable Michael H. Vincent, President
The Honorable Samuel R. Wilson, Jr., Vice President
The Honorable George B. Cole
The Honorable Vance C. Phillips
The Honorable Joan R. Deaver

FROM: Susan M. Webb, CPA *smw*
Finance Director

RE: **MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN SUSSEX COUNTY AND THE FRIENDS
OF THE GREENWOOD LIBRARY**

DATE: September 28, 2012

On Tuesday, October 2, I will be recommending that the County enter into a Memorandum of Understanding (MOU) with the Friends of the Greenwood Library. This MOU defines the goal of the Friends to provide capital contributions collected and committed to the County to assist in our efforts for the Greenwood Library Building Project. The Friends expect to contribute \$150,000 to the building project. This is the same MOU we had with the Friends of the South Coastal Library when we expanded the South Coastal Library.

We are very thankful for the relationships we have with the Friends to help keep costs down to the County.

SMW/nc

MEMORANDUM OF UNDERSTANDING

This Agreement is made this 8th day of November, 2011 by and between SUSSEX COUNTY, a political subdivision, hereafter referred to as "County"

- A N D -

FRIENDS OF THE GREENWOOD LIBRARY, an unincorporated association, hereafter known as "Friends".

WHEREAS, the County and Friends desire to enter into this Memorandum of Understanding in furtherance of their mutual goal of providing a means by which capital contributions will be collected by Friends and committed to the County to assist in the County's efforts of the Greenwood Library building project; and

WHEREAS, the terms and conditions of this Memorandum of Understanding will establish the means by which the parties will accomplish their mutual goal of building a new Greenwood Library in order to better serve the residents and visitors to the Town of Greenwood.

In consideration of the mutual covenants and conditions contained herein and the sum of \$1.00 and the other monetary consideration referred to herein, the parties agree as follows:

1. The parties agree that the purpose of this Agreement is to create the legal framework through which the Friends will commit funds to the Greenwood Library building project.

2. The Friends agree that they have or will collect and pay over to the County a sum of \$150,000.00 towards the cost of construction for the Greenwood library building project. This sum will be due based upon the following schedule:

- a. \$75,000 at the time a construction agreement is signed with a Contractor
- b. \$75,000 when the project is completed and opened for public use
- c. Any shortfall resulting from the failure to meet the above schedule shall be paid within two-years from the date when the project is completed and opened for public use.

3. The County agrees to devote its best efforts to beginning and completing the Greenwood Library building project within the project timelines.

4. The County agrees to keep the Friends advised of the status of the project and to provide the Friends with such information as they may need to assist in the fundraising efforts the Friends will be conducting in an effort to raise the monies to be used by the Friends to assist the County in funding the library building project.

5. The parties agree that this Agreement shall be binding upon them, their successors and assigns.

6. The parties agree that this Agreement shall be interpreted under the laws of the State of Delaware.

IN WITNESS WHEREOF, the parties have set their hands and seals on the day and year first above written.

SUSSEX COUNTY

Approved as to form:

By: _____
J. Everett Moore, Jr., County Attorney

Michael Vincent, President

Attest: _____
Robin Griffith, Clerk of Council

**FRIENDS OF THE GREENWOOD
LIBRARY**

By: *R. Elaine Rifeburg*
President

Attest: *Noema D. Rethymen*
Treasurer

Dewey Beach Water Tower

AT&T Lease Amendment #1 Fact Sheet

- The Amendment allows AT&T to add additional equipment utilizing an additional three positions on the tower.
- No additional ground space is granted in this Amendment.
- The monthly rent increases from \$1830.32 per month to \$2230.32 per month; \$400 per month. The rent increases 3% per year. This increase keeps AT&T's rent in-line with the other vendors leasing space on the tower.
- The lease expires in 2014 with four - 5 year renewals periods; either party can void the lease with proper notice prior to the end of the five-year period.
- Enough space remains on the tower to accomodate the future needs of Sussex County.

Route 26, Phase III Expansion to the Millville Sanitary Sewer District

- I am here before you today to request permission for the Sussex County Engineering Department to prepare and post notices for the expansion of the Millville Sanitary Sewer District to include (82) parcels more or less.
- The parcels are located primarily along State Route 26 (Atlantic Avenue) and are contiguous to the existing district.
- The primary reason for this request is that the Delaware Department of Transportation (DelDOT) has identified the Route 26 Corridor from St. Georges Church to the canal for widening and improvements. In order to be proactive and complete our mainline regional work in this area prior to the DelDOT disturbance we need to begin working on the installation of the gravity lines and forcemain in the Phase III area of Route 26.
- Once DelDOT has completed its work it would be approximately 5 years before they would allow us to re-disturb the area.
- The Engineering Department has been coordinating with DelDOT on their plans for the Route 26 corridor and we have incorporated the re-alignment of the St. George's Church intersection and various other sections into consideration when developing our plans for this area.
- The expansion will consist of approximately 335.0 Acres.
- The parcels will be responsible for system connection charges of **\$6,164.00** per EDU based on Rates from July 1, 2011 till June 30, 2012.
- There will be a Public Hearing scheduled hopefully in January.
- **Any questions?**
- **I have a motion would you like me to read it?**

PROPOSED MOTION

BE IT MOVED BY THE SUSSEX COUNTY COUNCIL THAT THE SUSSEX COUNTY ENGINEERING DEPARTMENT IS AUTHORIZED TO PREPARE AND POST NOTICES FOR THE EXPANSION OF THE MILLVILLE SANITARY SEWER DISTRICT TO INCLUDE PARCELS PRIMARILY ALONG ATLANTIC AVE. (STATE ROUTE 26) FROM ST. GEORGE'S CHURCH TO BETHANY CREST, AS PRESENTED ON OCTOBER 2, 2012.

**JOHN J. ASHMAN
OCTOBER 2, 2012
FILE: NM-4.01-H**



Beebe Medical Foundation

902 Savannah Road, Lewes, Delaware 19958

302. 644. 2900 • FAX 302. 644. 2950

www.beebefoundation.org

August 31, 2012

The Honorable Joan R. Deaver
Sussex County Council
Administrative Office Building
2 The Circle
PO Box 589
Georgetown, DE 19947

Dear The Honorable Deaver:

We invite you to participate in the premier event of the fall season, the 25th Annual Beebe Ball, the Silver Anniversary of this signature event! The "Silver Soirée" will be held Saturday, November 3, 2012, at the Baycenter in Dewey Beach. Your participation as a sponsor will help us meet our goal to expand care for those with abnormal heart rhythms.

Our goal is to raise \$85,000 in sponsorship. The funds we receive will add electrophysiology services to the cardiac program at Beebe Medical Center. EPS (electrophysiologic study) is the procedure that looks at the electrical conduction of the heart. Heart rhythm disorders can be electrical, circulatory or structural in origin. Our expanded program will allow us to treat patients with heart rhythm disorders. These treatments can often change the course of someone's life.

Sponsorship opportunities are outlined in the enclosed materials and will be reserved on a first come first served basis. The packet describes a number of highly visible sponsorship benefits to promote your company and demonstrate your continued support of Beebe Medical Center.

This year, as we celebrate a quarter of a century helping Beebe, we invite you to take advantage of showing further support of the event by becoming a Silver Sponsor. By adding an additional \$500 to your sponsorship level, you can help the Silver Soirée raise more funds for healthier hearts and ensure that the night is the most fabulous Beebe Ball in the past 25 years. Silver Sponsors will receive additional recognition in the event program, on signage at the event, in the post event thank you ad and in an email blasts sent to over 700 constituents. Thank you for considering this exciting one-time opportunity.

If you would like to take advantage of one or both of these opportunities please respond today with your commitment. We will work to give your company as much recognition as possible, but we need to hear from you soon.

Thank you again for your participation as we gather to celebrate 25 years of the Beebe Ball. We look forward to your help in staging a successful fundraiser for programs at Beebe Medical Center.

Sincerely,

Benedette C. Cooper, Chair
Corporate Sponsorship Committee

TOWN OF GEORGETOWN

MAYOR
AND
COUNCIL



TOWN HALL
39 THE CIRCLE
GEORGETOWN, DE 19947

September 14, 2012

Mr Todd Lawson, Administrator
Sussex County Council
2 The Circle
PO Box 589
Georgetown De 19947



Dear Todd,

I am requesting your support for sponsorship for the 2012 Mayor's Return Day Celebration.

Sponsors will receive recognition of their support at the reception which will be held at the Georgetown Fire Department on Thursday, November 8, 2012 from 5:00 P.M. to 9:00 P.M.

Checks should be made payable to the Town of Georgetown and forwarded to the attention of Angela Townsend, Town Clerk, 39 The Circle, Georgetown, DE 19947.

Thank you for your time and consideration in this matter. Your financial support will be greatly appreciated.

An invitation to the event will be forthcoming. I look forward to seeing you there. Please feel free to contact me at (302) 542-6116 if you have any questions.

Sincerely,

Michael R Wyatt
Mayor
Town of Georgetown