

City of Milford



AGENDA

Monthly Council Meeting

December 10, 2012

Joseph Ronnie Rogers Council Chambers, Milford City Hall, 201 South Walnut Street, Milford, Delaware

7:00 P.M.

COUNCIL MEETING

Call to Order - Mayor Joseph Ronnie Rogers

Invocation

Pledge of Allegiance

Approval of Previous Minutes

Recognition

Monthly Police Report

City Manager Report

Committee & Council Reports

Communications

Unfinished Business

Planning Commissioner Appointment

Our Town Grant/Fine Arts and Crafts School/Funding Board/Appointment

New Business

2013 Milford Community Parade Date/Charles Gray

City of Milford Comprehensive Plan Five-Year Update

Black Dot (AT&T Cell) Tenth Street Water Tower Lease Agreement*

FY 2012-2013 Budget/Insurance Claim Adjustments/Police Department

Salvation Army/Temporary Construction Easement

Growmark Purchase and Sale Agreement

FY 2012-2013 Budget Adjustment/Growmark Land Purchase/Police Department

Monthly Finance Report

Adjourn

This agenda shall be subject to change to include additional items including executive sessions or the deletion of items including executive sessions which arise at the time of the public body's meeting.

**SUPPORTING DOCUMENTS MUST BE SUBMITTED TO THE CITY CLERK IN ELECTRONIC FORMAT
NO LATER THAN ONE WEEK PRIOR TO MEETING; NO PAPER DOCUMENTS WILL BE ACCEPTED
OR DISTRIBUTED AFTER PACKET HAS BEEN POSTED ON THE CITY OF MILFORD WEBSITE.**

MILFORD CITY COUNCIL
MINUTES OF MEETING
November 7, 2012

A Meeting of the Finance Committee of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Wednesday, November 7, 2012.

PRESIDING: Chairman S. Allen Pikus

IN ATTENDANCE: Committee Members: Councilmen Douglas Morrow, Sr. and Garrett Grier III
City Manager Richard Carmean and Recorder/City Clerk Terri Hudson

The meeting was called to order at 8:05 a.m. by Chairman Pikus.

City of Milford Investment Policy Statement/Review and Recommendation

Finance Director Jeff Portmann was present and advised that the city's investments were previously at Merrill Lynch. Merrill Lynch and other investment companies have collectively decided to get out of municipal investments and claim a multitude of reasons including law suits by municipalities for loss of funds. Another reason is municipal funds all basically went to treasuries.

He explained the nature of finance has changed over the past few years. The federal government keeps issuing bonds that are callable within six months or a year. Each time the city buys bonds, it is called within a short period of times. The returns at the local money market are at .2% to .25% which is considered a good interest rate in today's market.

Mr. Portmann further explained that when the funds come to the city locally either at Citizens Bank or any bank, in order to get insurance from the federal government, no interest can be collected. In order to FDIC insurance, the city has millions of dollars in zero percent funds which only works out to \$250,000. Anything above that, the money must be in a zero percent account. That is unlimited until the end of this year.

They may extend the FDIC insurance limits to future years, but it will remain in a non-interest bearing account. The city moved \$15 million to WSFS where it is collecting .2% in a money market account. They took our money and collateralized it which means it has treasuries behind it that backs up the investments and we have no risk of losing the money.

Mr. Pikus asked if Charles Schwab would do this; Mr. Portmann said we could move municipal money to an investment services firm but they are self directed. The problem is Charles Schwab is in business to make money and will try and trade and churn your account. Mr. Portmann would still have to approve each and every investment. We could also consider something similar such as an E*Trade.

Mr. Morrow asked if those type investments are guaranteed; Mr. Portmann explained that they cannot take the city's money and go under in a brokerage account. They cannot get to our funds but if we have money on the banking side, then it falls under the regular banking rules.

Mr. Pikus asked if the city is eligible to buy other Investment Trading Bonds; Mr. Portmann stated yes, other municipal and state bonds have been purchased. Unfortunately, the city had to liquidate everything at Merrill Lynch six weeks ago when they requested someone else carry them. A process was required to find another company that involved some stringent limitations.

The finance director reported that the City of Dover just went to Public Financial Management (PFM). Sussex County went with another company with the same type of investment parameters as is included with the proposed policy.

Mr. Portmann explained that all PFM handles is municipal investments. They are a nationwide company and our representative works out of Harrisburg, Pennsylvania. The financial advisor Mr. Portmann has dealt with on bond issues for the past twenty years is Gordon Walker and works for them.

Mr. Pikus asked if there is anyone locally that handles this. Mr. Portmann advised that PFM is the only company he is aware that handles only municipalities. They have 6,000 customers and \$42 billion in investments. Mr. Carmean said that the Town of Middletown is also a client. Mr. Portmann said they are also affiliated with the State of Delaware.

When asked their percentage, Mr. Portmann advised they get ten basis points which is basically .1 % of the investment value.

Mr. Pikus said that the finance committee has discussed putting the city's investments out to bid. That would include insurances, investments, etc. Mr. Portmann advised that insurance is bid every year. In this case, the City of Dover just bid this and Milford is piggybacking that process. We took their investment policy and modified it for Milford.

Mr. Portmann explained that PFM has many investments; we will choose the ones we want. They recommended an area he prefers to stay in—treasury-backed investments whose average maturities are a year and a half. It is not a high return.

Mr. Pikus noted that the document being presented does not mention PFM. Mr. Portmann explained he is only presenting the investment document for review. It is a document that needs to be adopted by council.

Mr. Carmean asked about our current bonds; Mr. Portmann explained that currently, we have a call day in April 2013 on approximately \$3 million in bonds. He asked if we can average 1.13% with PFM versus paying out 2 or 3% on our bonds, do we buy our bonds back versus investing the money; he is able to call those bonds and pull the money in today though they are not callable until April 1st. We could actually go to the market tomorrow, place the money in the bank account and pay them off April 1st. Or, we can use the reserves to buy the bonds back.

They also discussed city electric rates with PFM and though the rates are not doing well, we may need to cut costs and reduce rates further. Buying the bonds back would be the first step.

Mr. Portman said having the money in the bank to do other things is also an option. If council does not want to spend the cash, then it can be held in reserve accounts.

He said there needs to be a decision on the \$3 million and a specific target named of where it should be spent, or whether it should be held in reserves for future uses or used to buy back the bonds.

Mr. Morrow confirmed it could be used on the new police facility; Mr. Portmann stated yes, it can be spent on any capital item council chooses.

Mr. Carmean said he has also considered using the money toward a Smart-Metering Program. That in itself, will save the city a lot of money in the future. Newark recently bought into the program. Though it cost them \$11 to \$12 million initially, it will save them \$600,000 the first year though there is a fifteen-year payback. In the meantime, it eliminates the costs associated with the meter readers, vehicles, etc. When questioned, the city manager confirmed that if other positions became available, the meter readers would be transferred into those positions.

Mr. Portmann pointed out that if we continue reducing electric rates, these type savings will have to be addressed.

Mr. Pikus said it is important to remember that insurance is increasing, expenses are increasing and we have some unknowns we need to be prepared for.

Mr. Portmann said that the insurance included in this year's budget is actually 12% higher than projected.

Mr. Pikus referenced a number of other towns who are fighting to keep their heads above water because they have no reserves. In those cases, they are using reserves to balance their budget. The Town of Smyrna is taking almost one million dollars to do this right now. He said he is only one vote but feels we need strong reserves.

Mr. Portmann said it is difficult to comment on where our reserves are until the electric project is completed. It can sway \$1 to \$3 million and without that information, he does not know where it is today.

Mr. Grier asked how much is currently in our reserves; Mr. Portmann said there is presently \$11 million in the account though \$2 million is restricted to the project. He said that all reserves can be used for anything council wishes. Mr. Pikus noted there is a total of \$20 million in reserves. Mr. Portmann agreed noting there is commingled funds, impact fees, funds collected, priority capital projects, earmarked funds current projects (USDA, sewer project, electric, water), etc.

When asked about the investment policy being discussed, Mr. Portmann explained that the policy applies to all financial assets of the city and will provide perimeters (percentages, terms) to PFM or any other outside fund manager hired by the city. He advised that PFM requires an investment policy before it will invest any money on behalf of the city.

Mr. Portmann noted the city has never had an investment policy.

The committee confirmed Mr. Portmann is comfortable with the policy; Mr. Portmann stated yes. Mr. Carmean added that any future amendments to this document would need to be adopted publicly.

Mr. Grier moved to recommend to city council that the City of Milford Investment Policy be adopted, seconded by Mr. Morrow. Motion carried with no one opposed.

Milford Museum/Matching Grant Request

Mr. Pikus advised that Milford Museum was initially receiving \$18,000 from the city though that was increased to \$22,500 in 2011-2012. This past fiscal year, additional funding was requested and they now receiving \$26,000.

David Kenton submitted the following letter, dated November 1, 2012, on their behalf:

The Milford Commission on Landmarks and Museum is planning its upcoming 2013-2016 fundraising campaign to support the salary for our Executive Director, Claudia Leister. In 2010 Museum commissioners were successful raising \$95,000 from private sources using 3-year pledges to fund the new position through 2012. Claudia Leister, Executive Director, has elevated the Milford Museum staff from a volunteer commission to a professionally run organization that is now open to the public six days per week with programs and historic exhibits changing every six months. The benefit to Milford citizens is positive and increasing monthly.

The Museum currently receives \$22,500 per year from the City of Milford to support its operating budget, including utilities, secretarial support and exhibit expenses. The executive director's position has been funded from private sources on a three-year trial basis. Museum Commissioners have unanimously voted to extend the contract for our executive director and have established a fund-raising committee to generate \$100,000 required for a three-year extension of this valued position.

As chairman of the capital fund-raising committee, I have been charged with the duty of raising \$100,000 needed to extend the executive director's position for three additional years.

The Museum Commission is asking the City of Milford to join in our fundraising effort with a 'matching grant' over the three-year period. The matching grant will require an additional \$16,500 yearly commitment from City Council, providing the Museum is able to raise \$16,500 under the matching grant plan.

I would like to be placed on the upcoming City Council agenda for Monday, November 12, 2012 to address the Mayor and City Council for ten minutes to outline this request. I plan to attend with the fundraising committee comprised of Robert J. Voshell, Harry Humes and Marvin P. Schelhouse.

Though they are willing to help, the finance committee agreed that until the city has more revenues coming in, such requests will need to be denied.

Mr. Pikus stated that any additional requests for funding will need to be considered at the time the new budget is reviewed. In addition, it was agreed that any increased contribution will need to be in the form of a tax increase. Mr. Portmann emphasized the need for council to consider a financial projection before the budget hearings begin to include such financial requests. This will provide a financial snapshot of what taxes are needed to operate our regular budget, in addition to any other requests that may be considered.

Mr. Grier also asked that a financial statement be included from any entity requesting funding. The committee agreed this would be required before any funding is approved in the budget for any entity receiving financial assistance from the city.

Mr. Grier moved that before any funding can be considered or allocated in our annual budget, that entity shall submit the request in writing, accompanied by a current financial statement. Motion seconded by Mr. Morrow.

Mr. Portmann reminded the committee that the city no longer donates to organizations and non profits per a policy adopted by city council in 2000. Funding can only be provided to entities directly created or commissioned by the City of Milford or entities providing services to the city per a written agreement

He explained that in the case of Downtown Milford, we currently have a five-year contract. In addition, Carlisle Fire Company has an annual service contract to provide fire service to the city. The museum is a commission of the city.

Motion carried.

Mr. Carmean referenced the annual requests received from the Milford Community Parade Committee. He said that they imply that the city does not donate money. However, the police budget is impacted by thousands of dollars, in addition to the street, trash and electric budgets. As a result, a substantial in-kind donation is provided every year.

Fiscal Year 2011-2012 City of Milford Annual Audit

Mr. Portmann referenced the Fiscal Year 2011-2012 audit completed by Beck, Villata and Company, P.C. He reported it is of a clean audit opinion with no instances of noncompliance or other matters required to be reported under the Government Auditing Standards.

He briefly explained the process noting that the auditors review our financial statements, business-type activities, fund accounts and verify that all numbers and documents are correct.

Mr. Grier moved to recommend to city council that FY 2011-2012 City of Milford Annual Audit be accepted, seconded by Mr. Morrow. Motion carried.

Adjourn

With no further business, Mr. Grier moved to adjourn the meeting, seconded by Mr. Morrow. Motion carried.

The Finance Committee Meeting was adjourned at 8:45 a.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
November 13, 2012

The Monthly Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware on Tuesday, November 13, 2012.

PRESIDING: Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Garrett Grier III, S. Allen Pikus, Dirk Gleysteen, Owen Brooks, Jr.
Douglas Morrow, Sr., James Starling, Sr. and Katrina Wilson

City Manager Richard Carmean, Police Chief Keith Hudson and
City Clerk/Recorder Terri Hudson

City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Rogers called the Monthly Meeting to order at 7:04 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilman Starling.

APPROVAL OF MINUTES

Motion made by Mr. Brooks, seconded by Mr. Morrow to approve the minutes of the October 8, October 18 and October 22, 2012 Council and Committee Meetings as presented. Motion carried.

RECOGNITION

No special guests were present to be recognized.

MONTHLY POLICE REPORT

After Mr. Morrow presented the monthly police report on behalf of Chief Hudson, Mr. Pikus moved to accept the police report as submitted, seconded by Mr. Brooks. Motion carried.

Ms. Wilson arrived at this time.

CITY MANAGER REPORT

Mr. Carmean then read into record the following report:

ADMINISTRATION

We are continuing to move forward on our mailing outsource program for utility billing and taxes. I am waiting for a draft of what the new billing form will look like. We have made changes that will give us a larger area for messages. In addition, the return portion will be at the bottom of the bill instead of the top. This will give us the ability to use bar code readers in the future. I am also planning not to discontinue the late notice mailings. This will cut down on customer complaints and will not be a staff workload problem because it will be handled by BillTrust.

We have upgraded the audio system in the council chambers. This will enhance the ability of the audience to hear the discussion by council and presenters. Mrs. Hudson will also experience an improvement in the clarity of the recordings, which will make her task of transcribing the minutes somewhat easier.

ELECTRIC

The scheduled tree trimming followed by our crews over the past year paid dividends during our recent storm. I may be recommending an even more extensive trimming program for our next budget year. In the past, the city has contracted outside businesses to do the maintenance as extensive trimming and removal is needed. Our people were able to trim enough tree growth in and around our wires to make a difference in the level of outages created by the rain and wind generated by Sandy. However, after the soaking rain if the wind had not changed direction, and we have had sustained winds during the night, we most likely would have experienced major loss of power to customers.

The Fordmill Substation is once again moving forward. Many of our problems and concerns with our connection to the grid have been addressed and solved. It will not be completed as was expected by the end of 2012, but should be energized by spring 2013. The solar field has to be on-line by the end of the year and would not have happened if our Electric Superintendent had not diligently pursued a solution by allowing them a temporary connection to our system. The solar project, due to the financing method, would have been impossible if we had not made the effort to give them the ability to put generated energy on the system by the December 31st date.

SEWER AND WATER

The test well will be drilled at the Wickersham location this week. As I have reported before, all indications seem to be positive for a successful well at the site.

I am starting the process of getting the treatment facility at Washington Street demolished. Some approvals will be needed by city council at your next meeting. As soon as the Washington Street Bridge is opened, I intend to immediately move forward with the project. The sewer pump station at that location is also due for a complete rebuild. This will occur at approximately the same time.

I had scheduled a preconstruction meeting for the S.E. Water Extension with the engineers and construction people. Due to the storm and election this has been postponed. However, the change will not impact our start date. Everyone involved recognizes the importance of getting the bore and pipe under Route 1 prior to work beginning on the overpass.

STREETS AND SOLID WASTE

We have made every effort to keep up with our collections of yard debris, household trash, recycling and anything else tossed our way. We have asked our employees to work in all areas of our operations regardless of their assignments. I received compliments for the manner in which the preparations for the storm were handled by electric employees and police, as well as public works. Many comments were also made as to how all our employees did a great job during the storm.

Mr. Carmean pointed out we were getting calls from a few unreasonable customers who were complaining that the city had not picked up their trash on the day of the hurricane. Overall, most of the residents were very pleased. In order to catch up, he had the public works director and street superintendent riding the trucks this past Friday to pick up debris.

When asked when the leaves will be picked up, Mr. Carmean said they were collecting them Friday though the rain may have impacted that service today. We will continue with leaf collection though a lot of our residents were unaware of the deadline for yard waste and the dates for leaf collection. He is hoping our residents are better informed once the containers are delivered.

Mr. Brooks expressed his appreciation for the assistance emphasizing the number of phone calls he received during the storm and days following.

The city manager advised that though the sandbags were not needed, he feels it was appropriate the city provide them to the downtown businesses.

Mayor Rogers commended city staff and police department employees who worked throughout the storm. He said Milford was very fortunate to have dodged the bullet, but also believes we are much more prepared for these type emergencies than in the past.

Mr. Brooks noted that during last year's hurricane, the high school's retention pond behind his home flooded. At that time, the electric box was locked out and school officials were unavailable. Public Works Director Brad Dennehy and City Manager Dave Baird had the box unlocked to ensure access to the pump. This year it was about three-quarters full when the wind picked up. He was concerned that if the electricity went out and the pumps stopped, the pond would fill in a short period of time. Fortunately, that did not occur and he very much appreciates the work that was done to prevent that from reoccurring.

Ms. Wilson reported that recently, she met some people that relocated here from New Jersey. They felt very fortunate to have moved here and become Delawareans.

COMMITTEE & COUNCIL REPORTS

Mr. Starling thanked Chief Hudson for taking the time to meet with a group of ministers which included his wife Rev. Dr. Jeanel D. Starling.

COMMUNICATIONS

Included in packet.

UNFINISHED BUSINESS

Planning Commissioner Appointment

No name has yet to be submitted for consideration. The item will remain on the agenda as unfinished business until the vacancy is filled.

Board of Adjustment Vacancy and Appointment

Mayor Rogers reported that due to health reasons, BOA Member Samuel Johnson resigned effective October 31, 2012. He noted that Mr. Johnson served on both the planning commission and board of adjustment for many years. He wishes him well and prays that his health improves.

He plans to fill this position at the next meeting.

NEW BUSINESS

Adoption of Resolution 2012-16/Authorizes Application for Funding/DLWCTF/Can-Do Playground At Milford

Mr. Pikus moved to adopt the following resolution, seconded by Mr. Gleysteen:

WHEREAS, the Mayor and Council of the City of Milford have initiated action to bring a public playground accessible to children and families of all abilities by expanding the existing facility at Silicato Memorial Park; and

WHEREAS, the City of Milford Parks and Recreation Department has filed an application to the Delaware Land and Water Conservation Trust Fund; and

WHEREAS, the City of Milford Parks and Recreation Department will oversee the implementation of the project and authorizes Director Gary Emory as the project manager; and

WHEREAS, the Delaware Land and Water Conservation Trust Fund requires that Silicato Memorial Park remain open to the public for outdoor recreation purposes.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Mayor and Council of the City of Milford authorizes an application for funding to the Delaware Land and Water Conservation Trust Fund be submitted and that the City of Milford agrees to place in use and maintain in perpetuity the Can-Do Playground at Milford for the enjoyment of all.

Motion carried by unanimous roll call vote.

Adoption of Resolution 2012-17/Amendment to City's Health Flexible Spending Arrangement

It was noted that the city has a program that allows its employees to deposit a portion of their income into accounts maintained for certain health care expenses. That money can then be withdrawn and used for eligible out-of-pocket medical, dental, vision, and similar expenses on a pre-tax basis, with deductions taken directly from the employee's salary. The maximum that can be deducted fluctuates annually and is determined by the federal government. This year's limitation is \$2,500 per employee.

Mr. Grier moved to adopt Resolution 2012-17, seconded by Mr. Morrow:

WHEREAS, The City of Milford maintains The City of Milford Health Flexible Spending Arrangement (the "Plan"); and

WHEREAS, the Plan was amended and restated effective January 1, 2011; and

WHEREAS, the City of Milford now desires to amend the Plan to reflect certain provisions of the Affordable Care Act of 2010 (the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act) and IRS Notice 2012-401; and

WHEREAS, the City of Milford intends this Amendment as good faith compliance with the requirements of these provisions; it is

RESOLVED that, effective January 1, 2013, the City of Milford Health Flexible Spending Arrangement is hereby amended, as follows:

FIRST: Paragraph A. of Article IV of the Plan shall be deleted and replaced with the following new Paragraph A.: "A. A Participant may elect to receive up to \$2,500, or such lesser amount as determined from time to time by the City, of medical expense reimbursement under this Plan by filing an election and Compensation Reduction Agreement, if applicable, in accordance with the procedures established under the Plan. The \$2,500 limitation will be adjusted for increases in the cost of living in accordance with Code Section 125(i)(2). The dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year, the limit shall be an amount equal to the limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12). An election to receive medical expense reimbursement and the corresponding Compensation Reduction Agreement shall be irrevocable during the Plan Year, subject to a change in family status, as provided in the Cafeteria Plan."

Motion carried by unanimous roll call vote.

Adoption of City of Milford Investment Policy Statement

Mr. Pikus advised the finance committee met last Thursday, along with Finance Director Jeff Portmann and City Manager Carmean. Though Mr. Pikus thought the city already had this policy in place, Mr. Portmann presented the new policy which guides any investments the city has. It also directs the finance director on how to invest our funds. He emphasized it does not specify which company or firm the city invest with.

The finance committee recommended adoption of the policy.

Mr. Pikus moved that city council adopt the City of Milford Investment Policy Statement as presented, seconded by Ms. Wilson. Motion carried by unanimous roll call vote.

Acceptance of Fiscal Year 2011-2012 City of Milford Annual Audit

Mr. Pikus noted that Finance Director Portmann and City Manager Carmean also presented this document to the finance committee at their latest meeting. He reported that the audit covering the fiscal year ending on June 30, 2012, was completed by Beck, Villata and Company, P.C.

He moved city council accept the Fiscal Year 2011-2012 City of Milford Audit as completed, seconded by Mr. Grier. Motion carried by unanimous roll call vote.

MONTHLY FINANCE REPORT

Chairman Pikus reported that through the third month of Fiscal Year 2012-2013 with 25% of the fiscal year having passed, 35.56% of revenues have been received and 24.86% of the operating budget expended.

Mr. Pikus then explained that under real estate tax, \$3,508,380 was budgeted though \$3,612,075 was billed, or 2.96% more than was budgeted. He noted that this does not mean we have collected \$3 million. He said that money has not been received yet because we only billed in September. In addition, taxes were not due until the end of October. This only shows an increase in billing. We will know more once we begin to receive the tax payments.

He advised it is difficult to place a figure every month on what should come in because a lot of taxes are paid through mortgages and other third parties.

Mr. Grier asked why property taxes are shown on the report as being billed versus what is received; Mr. Carmean answered by stating in actuality we have not received them. Mr. Grier said he would expect the taxes received to be reported versus what is being billed. Mr. Carmean said it is the only way to predicate our anticipated revenues. Mr. Grier understands the anticipated revenues, but does not understand why the taxes collected year to date are not included.

Mr. Pikus agreed noting that several people in the community had the same question. When he suggested to Mr. Portmann that he include the taxes collected each month be included in the report, Mr. Portmann explained that it fluctuates a great deal each month. As a result, it is difficult to calculate the bottom line until the end of the year which is when we actually see how much has been received. He said we hope to receive the majority of taxes in October and November though some businesses and corporations pay taxes in relation to their fiscal year. However, the difficulty in determining what to anticipate in taxes basically throws off our entire budget.

Mr. Pikus said Mr. Portmann has offered to send a supplement to the finance report showing how much is received each month. However, that will not provide an accurate figure of what is received at the end of the year because we have so many other accounts with revenues coming in.

Mr. Grier asked if the amount of taxes received is entered into the computer as a paid account each day it is received. He feels that with software programs, there should be an easy way of calculating the plus and minus on a daily or monthly basis.

Mr. Carmean explained that in the more than forty years he has been here, there are very few years the city takes in much of a shortfall in property taxes. There maybe an occasional problem with an estate, but eventually the city receives those taxes.

Mr. Pikus said Mr. Portmann has the ability to add another line item showing how much has been received every month in lieu of the figure showing how much has been billed out.

Mr. Morrow feels we should defer the matter to Mr. Portmann and allow him to decide how to address this. He can then report back to city council at the next council meeting. He agrees with Mr. Grier that this should be able to be done in a much simpler manner considering today's computer programs.

Mr. Grier noted that every other item is actually based on what has been received year to date—building permits, water revenues, electric revenues. The only line item that is not actual year-to-date is real estate taxes.

Mr. Pikus also pointed out the finance report is two months behind and what is presented today is as of September. Property taxes were not due until October 31st.

Mr. Brooks asked what the negative \$438 month-to-date means. Mr. Carmean explained that is uncollected taxes and said in September a lot of people had still not paid their taxes.

Mr. Carmean said he does not know why the real estate tax account was set up like that. All other accounts show what has been received each month, year to date, etc. However, it was always done like that. He agrees with Mr. Grier that this should be a simple process. A tax check is received and the tax account is credited.

Mr. Pikus said if Mr. Portmann changes it, it will show a negative every month until the entire amount has been collected.

Mr. Brooks again asked what the \$438 means; Ms. Hudson explained it is a credit or reduction that occurred in September. It is \$438 less than what was billed in August. Mr. Pikus said it might be a credit but Mr. Portmann will need to confirm.

Mr. Pikus will follow up with the city manager and finance director.

Mr. Pikus then reported that revenues are up which is mainly due to the increase in building permits. Presently, we are 12% over the anticipated building permits. That is the result of the construction that is occurring around town in addition to the economic development that is taking place. Overall, revenues are up by about 10% which is a good sign for the city.

Mr. Gleysteen recalled that in late spring, we let the broadbase impact fee waiver expire; he asked for a review of the last fifteen months and the last three to four months, and specifically how the expiration of the impact fees compare against the same period a year ago.

He would like to see the number of building permits, compared to those periods when we were not charging impact fees and whether there was an adverse or positive effect. He wants to know if the expiration created a slowdown and the difference in the revenue that has collected as well as how many permits were issued in comparison to the period when the impact fees were being waived.

Mr. Pikus moved to accept the September 2012 Finance Report, seconded by Mr. Grier. Motion carried.

EXECUTIVE SESSION

Pursuant to 29 Del. C. §10004(b)(4) Strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation

Mr. Pikus moved to go into Executive Session reference a discussion on a legal matter, seconded by Mr. Gleysteen. Motion carried.

Mayor Rogers recessed the Council Meeting at 7:34 p.m. for the purpose of an Executive Session as is permitted by Delaware's Freedom of Information Act.

Return to Open Session

City Council returned to Open Session at 7:49 p.m.

Executive Session Matter

City Solicitor Rutt announced that no action was needed as a result of the discussion in Executive Session.

ADJOURN

With no further business, Mr. Pikus moved to adjourn the Council Meeting, seconded by Ms. Wilson. Motion carried.

The Council Meeting adjourned at 7:50 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk

MILFORD CITY COUNCIL
MINUTES OF MEETING
November 27, 2012

A Meeting of Milford City Council was held in the Joseph Ronnie Rogers Council Chambers at Milford City Hall on Tuesday, November 27, 2012.

PRESIDING: Honorable Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, S. Allen Pikus, Dirk Gleysteen,
Owen Brooks, Jr., James Starling, Sr. and Katrina Wilson

City Manager Richard Carmean, Police Chief E. Keith Hudson and
City Clerk/Recorder Terri Hudson

City Solicitor David Rutt, Esquire

CALL TO ORDER

Mayor Rogers called the Council Meeting to order at 7:05 p.m.

INVOCATION AND PLEDGE

The Pledge of Allegiance followed the invocation given by Councilman Starling.

RECOGNITION

During the meeting, Mayor Rogers recognized James Burk, the new Chairman of the City of Milford Planning Commission.

COMMUNICATIONS & CORRESPONDENCE

Holiday Meals

Mr. Starling announced that his church community again provided Thanksgiving meals to a number of individuals and families in the Milford area.

He also advised that they will also be providing meals to the need for Christmas. More details will follow.

UNFINISHED BUSINESS

Appointment of City of Milford Planning Commissioner

Mayor Rogers announced that he has received an application from an interested resident in the first ward. He will follow up and plans to make the recommendation at the December meeting of city council.

Appointment of City of Milford Board of Adjustment Member

Mayor Rogers appointed Brendon T. Warfel of 960 NE Front Street to fill the vacancy left when Samuel Johnson resigned.

Mr. Pikus moved to confirm the appointment of Brendon Warfel, seconded by Mr. Gleysteen. Motion carried by unanimous roll call vote.

NEW BUSINESS

Adoption of Resolution 2012-18/DWSRF Application/Water Facility Planning Grant

Erik Retzlaff of Davis, Bowen and Friedel advised that he had submitted an application to the Drinking Water State Revolving Fund (DWSRF) Program to secure a \$17,500 grant (no matching funds) to analyze what is needed to upgrade the SCADA system for the overall water system operation. The existing metering equipment in each facility will be evaluated and a determination made on how to interact with the various radio programs.

This will provide real time information on how the system is operating so it can be determined to make operational improvements to save money, improve reliability and limit time with equipment malfunctions, etc.

This grant only covers the cost of the investigation to provide a game plan and cost analysis.

When asked who will do the work, Mr. Retzlaff explained he will coordinate the project. He will be working with an electrical and programming system integration sub-consultant.

Mr. Pikus moved to adopt the following resolution, seconded by Mr. Brooks:

WHEREAS, the Mayor and Council of the City of Milford have approved a project to upgrade the operation, reliability and efficiency of its water utility by improving the implementation and integration of its existing Supervisory Control and Data Acquisition (SCADA) system, and

WHEREAS, the State Drinking Water State Revolving Fund (DWSRF) program has funding available for such projects in their Water Facility Planning Grant fund.

NOW, THEREFORE, BE IT RESOLVED, the Mayor and Council of the City of Milford approve of submitting an application to the DWSRF program for a Water Facility Planning grant to assist in funding the costs of evaluating their existing water system controls and data acquisition equipment for their improved implementation and integration into the Supervisory Control and Data Acquisition (SCADA) system.

Motion carried by unanimous roll call vote.

DPH CONTRACT-SCADA Upgrades/DSWRF Planning Grant

Mr. Retzlaff advised that the resolution adopted allowed DBF to submit the application. The grant covers the cost of the proposed contract and allows the city to enter into the contract with the State of Delaware so that the money can be distributed.

Mr. Pikus moved to approve DPH Contract #130240 between the Division of Public Health and Social Services and the City of Milford for the SCADA Upgrades Planning Grant, seconded by Mr. Starling. Motion carried by unanimous roll call vote.

Award of Bid/Indoor Switchboards (Electric Department)

City Manager Carmean advised this bid is for the new substation but also for the connection point where we will be connecting to Delmarva Power.

An evaluation of the bids was completed by Progressive Engineering Consultants, Incorporated. P.E. Michael A. Dawson of that firm submitted the following letter to City Manager Carmean:

Sealed bids were received, publicly opened, and read on October 23, 2012 for furnishing Indoor Switchboards for the Delivery #2 Substation and 138 kV Tap Station. As shown by the enclosed tabulation of bids received, Schweitzer Engineering Laboratories, Inc. submitted the lowest cost proposal in the amount of \$150,260.00.

While evaluating the submitted proposal it was determined that some of the equipment was found to be excessive for the required needs of the switchboards. Several of the items quoted are typically used for transmission systems rather than substations. Schweitzer Engineering Laboratories, Inc. was contacted about the proposed equipment and asked if other products could be used which would be more suitable for use in a substation while still meeting the requirements of the specifications and, subsequently, reducing the costs associated with the equipment. It was determined that several of the

items could be replaced and the proposal was amended based on the replacement equipment. The cost breakdown is as follows:

<u>Section 1: Delivery #2 Substation</u>	
Switchboard	\$79,220.00
Spare Differential Relay	\$3,750.00
Spare Overcurrent Relay*	\$3,580.00
<u>Section 2: 138 kV Tap Station</u>	
Switchboard	\$22,280.00
Spare Overcurrent Relay*	\$3,580.00

* The spare overcurrent relay proposed for both Section 1 and Section 2 are identical requiring only one spare.

We have reviewed the revised proposal and believe it to be in compliance with the specifications. Therefore, we recommend that the City purchase the Indoor Switchboards from both sections, one (1) spare differential relay, and one (1) spare overcurrent relay from Schweitzer Engineering Laboratories, Inc. in the amount of \$108,830.00.

Please notify us of your decision in order that we may prepare the necessary contract documents for execution.

Mr. Pikus asked if this would be paid from electric reserves; Mr. Carmean recalled the 2008 referendum that provided borrowing for these projects. The funding will come from that fund though there could be a blend with the electric reserves. He recalled council awarding bids on transformers and other electrical equipment in the past few months. He explained that we will not know the total price until the entire project is completed and on line.

Mr. Pikus moved to award the bid, as recommended by Progressive Engineering, to Schweitzer Engineering Laboratories, Inc. in the amount of \$108,830.00, seconded by Mr. Gleysteen. Motion carried by unanimous roll call vote.

EXECUTIVE SESSION

Pursuant to 29 Del. C. §10004(b)(4) Strategy sessions, including those involving legal advice or opinion from an attorney-at-law, with respect to collective bargaining or pending or potential litigation-Property Damage/Sewer Backup

Mr. Pikus moved to go into Executive Session reference a discussion on potential litigation (property damage caused by a sewer backup), seconded by Mr. Brooks. Motion carried.

Mayor Rogers recessed the Council Meeting at 7:18 p.m. for the purpose of an Executive Session as is permitted by Delaware's Freedom of Information Act.

Return to Open Session

City Council returned to Open Session at 7:59 p.m.

Property Damages/Reimbursement/Account Approval

Mr. Pikus moved that the City of Milford absorb the costs of the damages caused to the two homes by the sewer backup last month on Kings Highway and that the funds would be paid from sewer reserves, seconded by Mr. Gleysteen. Motion carried by unanimous roll call vote.

ADJOURN

With no further business, Mr. Pikus moved to adjourn the meeting, seconded by Mr. Gleysteen. Meeting adjourned at 8:00 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

MILFORD CITY COUNCIL
MINUTES OF MEETING
November 27, 2012

The City Council of the City of Milford met in Workshop Session on Tuesday, November 27, 2012 in the Joseph Ronnie Rogers Council Chambers of Milford City Hall, 201 South Walnut Street, Milford, Delaware.

PRESIDING: Honorable Mayor Joseph Ronnie Rogers

IN ATTENDANCE: Councilpersons Steve Johnson, S. Allen Pikus, Dirk Gleysteen,
Owen Brooks, Jr., James Starling, Sr. and Katrina Wilson

City Manager Richard Carmean, Police Chief E. Keith Hudson and
City Clerk/Recorder Terri Hudson

City Solicitor David Rutt, Esquire

The Workshop Session convened at 8:00 p.m.

Our Town Grant/Scott Angelucci

Mayor Rogers deferred to Scott Angelucci for his comments regarding his request to speak to city council.

Mr. Angelucci reported that some members of city council may not be aware of the project the grant is being requested for. He explained that two and a half years ago, he explored the idea of a school for fine art and crafts. Based on information, partially from training through the national trust but also through existing schools from around the country, he learned there were no such schools in the Mid Atlantic area. They only exist in the northeast, southeast, northwest and southwest. He feels there is a large population here that could be served with this type school.

The goal is to use the former Carlisle Fire Hall. Courses and classes would be created and offered locally, regionally and nationally. This would create a destination for the community. The concept would allow what started with the studio spaces downtown and to expand into more studio spaces and educational opportunities.

Today, he said he met with Director Bill Pfaff of the Small Business Development Center. He has been working with him over the past few months to create a business plan and looking at funding for this project. This is a major project that will require a large pool of capital to get started. Over the past few years he has researched this, reviewed the other schools and has met with the other directors to discuss their programs and business plans.

The primary purpose and function of the River Arts Center for Traditional Modern Craft can be divided into two guiding principles. For established artists and fine craft artisans, the center will offer studio space to lease with access to support resources specific to the center. The center will act on its own behalf to market and advertise courses and workshops which the resident artists may elect to participate in along with unique exhibits and shows which will be open to the public. In creating an atmosphere conducive to creative endeavor, Mr. Angelluci said the professional artist/artisan will have the opportunity for optimum business development.

The second principal focuses on providing exceptional learning opportunities across many subjects directly related to art and fine craft education and instruction as well as subjects related to the business of art. The latter part of this mission will enable the center to act as an entrepreneurial incubator and community development facility. To further enhance its role in community development, this center will include, as part of its mission statement, the continuing effort to use its resources to find ways to improve the city. One way is to provide programs for financially challenged citizens and foster children to participate in workshops and classes which is "Art for Everyone".

Another concept is to partner with the city to develop a successful public art program to create a more visible representation of the city's adopted moniker "River Town, Art Town, Home Town".

He said the center will actively participate as a catalyst for businesses outside of the arts by attracting patrons to the

downtown through local, regional and national advertising.

Increased foot traffic will incur entrepreneurial development throughout the downtown surrounding area. Adding the increase in cultural interest in development and the result is a significant improvement in the quality of life for the community.

In the last month, Mr. Angelucci discovered the national trust supported this grant process through the National Endowment for the Arts or Our Town Grant. It focuses on partnerships between private, nonprofit and government (local) agencies to create a strong partnership in building and establishing creative placemaking. The intent is to use arts as the core for economic development in the community.

He confirmed that this type facility will aid in economic development, not only for Milford, but for the region as well. When he first began to explore the concept, he had the opportunity to meet with Bernice Whaley of Delaware Economic Development (DEDO). This attracted the governor's attention. Mr. Angelucci said they now have a letter of support from Governor Jack Markell.

They also received support from Kent County tourism and are now working on funding. The first step was working with DEDO though the money was restricted to what to 'a profit business' (they do not work with nonprofits). He said that guided him in structuring the business.

After they discovered the grant, he felt they will have more strength working with nonprofits, profits, the city and the state through partnerships.

The executive summary, which is extremely lengthy but was included in the packet, discusses fourteen different examples in various communities. He feels Milford's project could be the poster child of what the grant application is about. According to the grant description, the project must enhance the quality of life in the community by improving quality of life, encourage greater creative activity, foster stronger community identity and a sense of place and revitalize economic development using arts as its core means for these goals.

Mr. Angelucci feels this fits the criteria and the project has merit with the program.

He said he must determine whether there is support from the city before he can move forward with the application. However, he is still determining what the role of the city will be. His understanding is there would be a commitment to participation and leadership to this project.

Mr. Pikus referenced Mr. Angelucci's statement that the State of Delaware and Kent County Tourism has offered support. He asked if that is in the form of financial support. Mr. Angelucci explained that Governor Markell arranged the first meeting through DEDO to see how they could help in moving this forward. Kent County Tourism offered to support the project through promotions though he is unsure if that would be financial support noting they are a nonprofit. However, that could be one of the partners.

He explained there is a minimum three partners required though no maximum number is necessary. Mr. Angelucci said the more partners involved, the more likelihood of success the project would have.

In relation to financial support from DEDO, Mr. Pfaff informed him that if they can secure support for the grant, it is an almost an open door to DEDO. The grant requires dollar for dollar matching from a non-federal entity which can be state funding or other private funding. The grant amounts range from \$25,000 to \$200,000. Any amount received will require the same matching funds either in-kind or cash.

When asked if there will be a private corporation involved, Mr. Angelucci explained that they will establish the corporation. Mr. Pikus asked if that is you; Mr. Angelucci stated yes, it will be a limited liability corporation. They will then partner with a nonprofit. He said he discussed this briefly with Downtown Milford who agreed to act as the non-profit. He also believes they will have the state's support because they received the governor's pledge of support.

Mr. Pikus asked if Downtown Milford will have to come up with the funds; Mr. Angelucci answered no, the funds would be distributed by using the partners together. This ensures a check and balance system to ensure the funds are spent as allowed.

Mr. Angelluci stated that Mr. Pfaff provided four other foundations in Delaware that provide grants for these reasons. If this grant is awarded, everything falls into place. Mr. Pfaff felt the likelihood of DEDO matching the grant is very high because if this type funding is received on a national level, they would get behind the project.

Mr. Pikus asked if the matching funds need to be in place in order to get the grant. Mr. Angelucci stated that it does not have to be in place but only indicated where they intend to get it. The application can be made without that though they need to demonstrate the other resources available. He has also spoken with other area businesses who are willing to support the project.

After reading the executive summary, he finds that most of the other projects received funding through eight or ten different sources. Once the National Endowment is in place, this project will become attractive to even more foundations.

At this point, they need to put the grant together and submit it. He requested to be on the agenda tonight because the application deadline is January 14th which means he has to start working on it tomorrow to complete it in time. One of the things he discussed with Mr. Pfaff is an associate of his who is a board member on the National Endowment for the Arts. She is familiar with grant writing and was a former director for the Delaware Arts Division. He will contact her for a recommendation. In addition, Mr. Pfaff provided three or four other names.

The grant must be very specific and then electronically filed.

Mr. Pikus asked about any other financial commitments; Mr. Angelucci said he has no pledges at this point. He has been working with Bayhealth about a fundraising event next year. He also spoke with Caulk Company in an attempt to create a connection with the two entities.

He informed the Caulk representative that video development (short films and multi-media) will be one of the courses offered. That will also be part of the business portion training for any artist interested in other areas including media and video production for marketing purposes. He got the immediate impression that Caulk could potentially hire four or five additional staff members for this purpose.

Mr. Carmean said this will probably pay Mr. Angelucci dividends and if this is just a matter of the mayor writing a letter of support on behalf of the city and council. However, if he is asking for money, he needs to state that so it can be forwarded to the finance committee. Mr. Angelucci said he is not looking for money from the city at this point though there will be other things he may ask for down the road.

The program in Paducah, Kentucky is the national model for the artist relocation program. They were able to take a district in the city which was in very bad condition and convert into spaced for living and working studios for artists which created funding pools through local banks. The result was \$30 million in funding for the city.

According to Mr. Angelucci, this is an area has been overlooked as a source for economic development. Instead, the grants have gone toward nonprofits such as the Delaware Music School, Mispillion Art League, etc. They did not consider the value of the for-profits which is a broader area and harder to measure.

Mr. Pikus asked if Mr. Angelucci has been working with the city's economic development director; Mr. Angelucci said he began to speak with Steve Masten tonight.

He then discussed Governor Jack Markell's visit to his art gallery and described the outlay, business, and the number of artists that currently utilize his building.

Mr. Angelucci said he has been instrumental in bringing new businesses to town. He advised that Marcia Reed of Massachusetts will open Gallery 37 at 8 South Walnut Street next to the Riverfront Theater on December 8th. She

purchased the building, lives there and has her gallery downstairs.

Mr. Angelucci stated that she moved here after he met her following the arts and jazz festival when she was given a tour of the gallery and provided a vision and goals to develop an arts community.

Ms. Wilson asked if the letter from Mayor Rogers is required stating that the City of Milford is supporting this project. In addition, does the grant require city support in order to proceed and will the city be required to oversee any funding.

Mr. Angelucci stated the answer to Ms. Wilson's first question is yes. The local government entity must partner in the project. However, he is unable to determine who is the overall facilitator of the funds. The grant does require someone from the city to play a role in the decision making and in guiding the project.

Mr. Gleysteen asked the projected timeline of the project from the funding to completion. Mr. Angelucci explained that Mike Nally (potential landlord) with Colby Cox (Mobiious Investments LLC) would like a contract next week though that cannot be done until they have funding. The building, as divided by the state for its use, is suited to their needs. There will be very little structural changes required which is fortunate otherwise it would need some updating per Milford's current code.

Mr. Gleysteen recalled that Mr. Angelucci mentioned this would be a living/working space for the artists. Mr. Angelucci stated the living part is related more to the properties within the city. He foresees some of the derelict properties or foreclosed or rundown areas used as artists' living spaces associated with the center. The artists would not actually be living at the center itself.

However, he has discussed some other possibilities. All of the schools he has reviewed have accommodations at the site. He has been working to address the problem that visiting students will encounter when looking for lodging. Mr. Angelucci has talked with the management at Hampton Inn about creating some type of pre-registration idea with discounted lodging.

Residents of the center will look for housing in the community. He will be asking the city for assistance in the form of a tax rebate for anyone wishing to purchase these depressed properties.

Mr. Pikus said he feels the city will support Mr. Angelucci's program, but financially it will have to be reviewed by the city manager, finance director and finance committee for future funding and in particular, at budget hearing.

Mr. Angelucci emphasized that at this point, he is not asking for financial support. The idea is for the city to act as a partner with his corporation and a nonprofit which is yet to be named. That team would work toward using the funding from the grant.

Mr. Angelucci said the only thing he is looking for from the city is one person being designated to a committee who would oversee handling and utilizing the funds for the project. He said it could be anyone and a representative from the EDAP subcommittee would be even be appropriate.

Mayor Rogers said that he, along with the council, will discuss and determine who the representative should be. Because this is a workshop, no decision can be made at this time. He will ensure Mr. Angelucci it will be someone committed to the project.

Mr. Angelucci agreed with the mayor adding that because he has been working on this for sometime, he is willing to provide the entire business plan to city council. He noted that the center will operate independent of the city. The grant is the only place they need the city's support and in particularly, will play a part in how the funds would be used. He explained there are specific rules on how the funding can be used. For example, it cannot be used for building renovations or purchasing a building. The specific guidelines require the city play a role. They will need to guarantee the funds will be used as the rules state.

Mr. Angelucci stated his next step is to locate a grant writer. If he has the city's blessing, he will proceed and in the meantime, will provide all council members with the business plan so they can have a closer look at the school and how it

will function in its daily operations. He believes there will be a number of opportunities for future involvement and interaction with the city.

Ms. Wilson likes the idea of having more opportunities for new residents, visitors as well as for our youth. She likes the idea of being known as an Art Town and likes the studio.

Mr. Angelucci responded by stating they want to create programs for everyone in the community and make it all-inclusive. Part of the goal is to lay the groundwork for the young people looking for future direction in the art world.

Mr. Johnson asked what date is the letter needed; Mr. Angelucci said he does not necessarily need a letter. As he moves forward, he will know more about what he needs though they will need an appointed person who needs to be named in the documents they will be submitting.

He verified that he must list every individual who is involved. The application requires detailed information about how the program will work, how the funding will be spent as well as the players in the partnership involved in funding aspect. Though he does not need the name immediately. At this point, he needs to know the city is interested. Again, he stated he will work toward getting a grant writer. After that, that person will inform him what is needed next. He will then come back to council and provide additional information.

Mr. Angelucci said he will immediately provide electronic copies of the business plan so council understands the concept. He will forward more information once he determines how the grant will be utilized.

City Solicitor Rutt directed Mr. Angelucci to provide the business plan to the city clerk so she can properly disseminate the documents to city council; Mr. Angelucci agreed.

With no further business, the Workshop Session concluded at 8:36 p.m.

Respectfully submitted,

Terri K. Hudson, MMC
City Clerk/Recorder

Milford Police Department



E. Keith Hudson
Chief of Police



400 N.E. Front Street
Milford, Delaware 19963

TO: Mayor and Members of City Council

FROM: E. Keith Hudson, Chief of Police

DATE: December 10, 2012

RE: Activity Report/November 2012

Monthly Stats:

A total of 631 arrests were made by the Milford Police Department during November 2012. Of these arrests, 94 were for criminal offenses and 537 for traffic violations. Criminal offenses consisted of 10 felonies and 84 misdemeanors. Traffic violations consisted of 201 special duty radar, 12 drunk-driving and 324 other charges.

Police officers investigated 50 accidents during the month (4 personal injury, and 46 property damage) and issued 111 written reprimands. In addition, they responded to 1,050 various complaints including city requests and other agency assistance.

Monthly Activities:

The past several weeks, the department's firearms instruction has been recertifying every officer in firearms as is required by Council on Police Training.

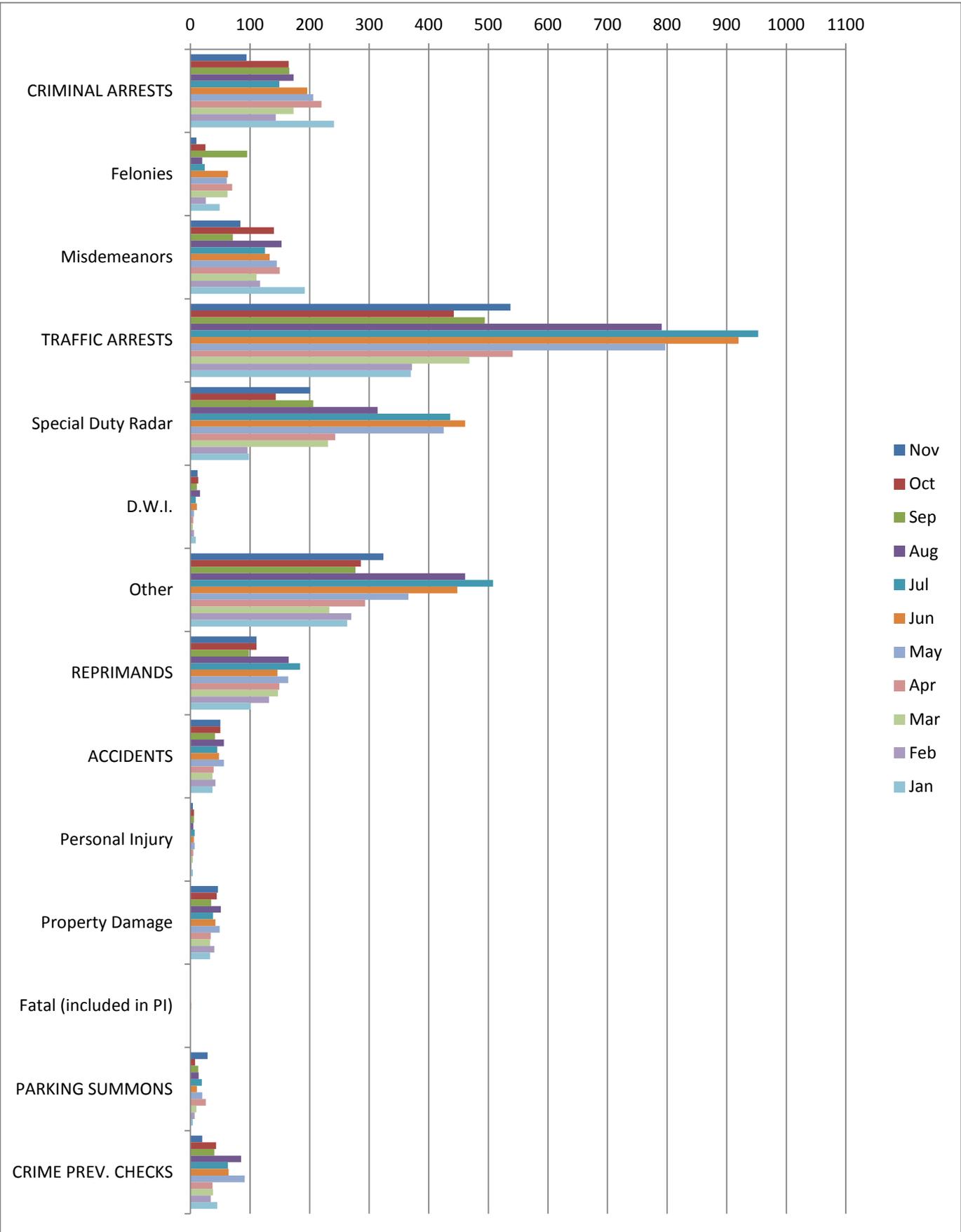
Our undercover drug unit, with the assistance of other police agencies, has been involved in ongoing investigations involving the manufacture of methamphetamine. The investigations have resulted in numerous individuals being arrested for multiple drug offenses including heroin charges.

The K-9 units were utilized on 19 different incidents, conducted 2 sniffs for narcotics, located 26 bundles of heroin, assisted Delaware State Police on 6 different occasions and were used 3 times as a precautionary presence on suspects known as flight risks. In addition, they assisted patrol units with two large violent crowds. The units had four no-bite apprehensions of a robbery suspect, felony assault suspect and two suspects of felony drug dealing.

In addition to other a number of other events, School Resource Officer Melvin represented the department at a Special Olympics Bowling event held in Milford.

NOVEMBER 2012 ACTIVITY REPORT

	NOV 2012	TOTAL 2012	NOV 2011	TOTAL 2011
COMPLAINTS	1050	13899	1069	13943
CRIMINAL ARRESTS	94	1926	154	1698
Felonies	10	505	42	480
Misdemeanors	84	1421	112	1202
TRAFFIC ARRESTS	537	6685	315	5192
Special Duty Radar	201	2854	101	2173
D.W.I.	12	102	3	76
Other	324	3729	211	2845
REPRIMANDS	111	1508	162	2024
ACCIDENTS	50	501	42	457
Personal Injury	4	56	5	53
Property Damage	46	445	37	404
Fatal (included in PI)	0	1	0	0
PARKING SUMMONS	29	161	7	92
CRIME PREV. CHECKS	20	560	25	486
FINES RECEIVED	\$ 13,263.35	\$ 163,766.45	\$ 14,476.24	\$ 140,405.49



COUNCIL REPORT

December 10, 2012

ADMINISTRATION

Discussion took place at the last workshop about the number of employees, excluding police personnel, that the city employed, and what positions had been eliminated. I compared today with 2007, which was the height of the growth period. At that time, we had 72 full-time employees and have 63 as of this date.

ELECTRIC

The solar field should be energized on the 21st of December. It has been a challenge to our electric crews to build a temporary connection into our system, but they will be ready to accept the load by the planned date. The negotiations with several parties over right-of-ways and easements have been completed for the permanent connection to Delmarva's transmission lines.

STREETS AND SOLID WASTE

The Washington St. Bridge is scheduled to open December 11, 2012. The city owned parking lot that has been used as a construction staging area will be completely resurfaced at no cost to the city. We will have to pay for the striping.

Our solid waste crews have been very busy with yard debris collection. We stop picking up clippings and other yard debris as of October 1st to begin the leaf vacuum program. The storm caused some tree damage which involved mainly branches and small limbs that were broken. I had Mr. Dennehy extend the debris pick-up deadline to help citizens dispose of these materials. I greatly underestimated the amount of debris that was being brought to the curb. Therefore, it became necessary to have all the staff, including department heads and supervisors, pick up the debris. We are behind in leaf collection because of this added task, but thanks to the work of our crews, we are catching up.

SEWER AND WATER

Notices were advertised for potential bidders this week to answer questions for the bidding process to begin on the South Washington Street Sewer Pumping Station.

Upon return of the document, responses will be evaluated and responsible bidders determined. The bid package will then be sent out to those who qualify. Bids should be received shortly after the first of the year.

Construction work on the bridge was finished without any damages to the utilities attached to the frame of that structure. Hopefully, we will now get that facility rebuilt without any interruption of sewer services.

I am continuing to move forward on the South Washington Street Water Treatment, Well and Billing Office Project. I will initially bid the demolition of the buildings, reservoir and treatment plant at the location.

I feel it is necessary to advise the mayor and council the initial test borings have uncovered some soil quality problems. This is not contaminated soil but instead fill material that may have been on site for one hundred plus years. This does not make the demolition a risk. Unfortunately, this could affect the billing office being placed at the location.

We have completed our test well at the Wickersham property located southwest of Milford between Route 30 and Route 1. Our results are satisfactory for our initial well which will be utilized for a tower and treatment facility on the site. Wickersham owners have signed an agreement to donate the land needed for the project.

The bore of the Wilkins Road Water Main Extension under Route 1 will begin on Monday December 10th.



Comcast
5729 West Denneys Road
Dover, DE 19904

November 16, 2012

Mr. Richard D. Carmean
Interim City Manager
City of Milford
201 S. Walnut Street
Milford, Delaware 19963

Dear Mr. Carmean:

Periodically, we adjust prices due to changes we incur in programming and other business costs. Starting January 1, 2013, or with a customer's first billing statement thereafter the following new prices will apply.

INSTALLATION/OTHER PRICES (per occurrence)	Current Price	New Price
Service Call (Video Only)	\$33.55	\$30.90
Installation - Unwired Home	\$43.90	\$43.20
Installation – Additional Outlet (Same Trip)	\$14.15	\$13.85
Other Installation - Relocate Outlet (Separate Trip)	\$32.20	\$31.00
Activate Pre-Existing Additional Outlet (Same Trip)	\$7.57	\$6.35
Activate Pre-Existing Additional Outlet (Separate Trip)	\$21.75	\$20.10

If you have any questions regarding this matter, please give me a call. My direct line is 302-632-8054.

Sincerely,

R. Thomas Worley
Sr. Director Government Regulatory Affairs

*Gerald G. Friedel, P.E.
Michael R. Wigley, AIA, LEED AP
Randy B. Duplechain, P.E.
Charles R. Woodward, Jr., LS
W. Zachary Crouch, P.E.
Michael E. Wheedleton, AIA
Jason P. Loar, P.E.*

NOTICE

To: Downtown Milford Residents & Businesses
RE: Washington Street Bridge Replacement Project

As you are aware, the progress on the project to replace the bridge on Washington Street over the Mispillion River is coming to a close. One of the last items to be completed on the project is the paving work along the street and within the municipal parking lot located on the southwest corner of Park Avenue and Washington Street. Accordingly, please be advised that municipal parking lot is scheduled to be **closed for re-paving this upcoming Wednesday, December 12, 2012 and re-opening at the close of business this Friday, December 14, 2012.** This schedule is subject to change based on the weather.



Should you have any further questions, please contact our office at (302) 424-1441.



MILFORD COMMUNITY PARADES, INC.
P.O. Box 1153 **Milford, DE 19963**

November 19, 2012

City of Milford
Mayor
City Council
Walnut St
Milford, DE 19963

Dear Mayor and City Council:

On behalf of Milford Community Parades, Inc., thank you for your assistance in making the annual Milford Community Parade a great success! I would like to request to be added to the December agenda in preparation of the 2013 parade. On behalf of the Committee, I will be requesting the City's approval to hold the 2013 Parade on the third Wednesday of October, October 16, 2013.

We incurred three performances in 2012, (one at each reviewing stand), which was met with much excitement. Although the performers performed to a very warm and welcoming crowd, the 2013 parade will not include stopped performances. We may have performers; however, they will continue to be in motion and not stop at any location along the route unless the normal progression of the parade is delayed for uncontrollable reasons.

The 2012 parade also included the appearance of the Kool-Aid man which was a very popular addition. The Kool-Aid Man represents our desire to encourage other companies to have their mascots in the parade as well. We look forward to revealing additional special appearances for the 2013 parade.

Finally, The crews and officers that assisted that evening did a remarkable job and clearly illustrated why Milford is a great place to live, work, and play.

Thank you for your consideration,

Charles Gray
2012 Chairperson
302.604.9446

THE 2013 COMPREHENSIVE PLAN

AMENDMENT TO THE 2008
COMPREHENSIVE PLAN

EXECUTIVE SUMMARY

GOALS FOR 2013 COMPREHENSIVE PLAN

- MAKE MILFORD AN ATTRACTIVE ENVIRONMENT FOR ECONOMIC DEVELOPMENT AND IMPROVE THE QUALITY OF LIFE IN THE CITY.
- PRESERVE AND IMPROVE THE CHARACTER AND QUALITY OF LIFE IN FAMILY NEIGHBORHOODS.
- PROTECT THE PHYSICAL ENVIRONMENT AND ENHANCE THE CHARACTER, QUALITY AND LIVABILITY OF THE CITY BY PRESERVING ITS NATURAL ENVIRONMENT.
- IMPROVE THE LIVING ENVIRONMENT FOR FAMILIES AND RESIDENTS IN ORDER TO MAXIMISE THE NATURAL RESOURCES AND OPEN SPACES PROVIDED IN THE CITY OF MILFORD

GOALS FOR 2013 COMPREHENSIVE PLAN

- PROVIDE ADDITIONAL RECREATIONAL OPPORTUNITIES FOR THE PRESENT AND FUTURE RESIDENTS OF THE CITY OF MILFORD.
- DEVELOP A ROLE FOR THE CITY OF MILFORD IN THE CULTURAL GROWTH OF THE CITY.
- PROTECT AND IMPROVE THE EXISTING PUBLIC SERVICES IN THE CITY OF MILFORD.

2010 ECONOMIC STATISTICS

- MAJOR BUSINESS SECTOR EMPLOYERS INCLUDE:
- EDUCATIONAL, HEALTH, AND SOCIAL SERVICES
- MANUFACTURING
- RETAIL TRADE

NUMBER OF EMPLOYEES

- 2007 – 4629 for the City of Milford
- 2012 - 4575 for the City of Milford
- 2007 – AVERAGE UNEMPLOYMENT RATE
2.7% (Kent and Sussex Counties)
- 2012 - AVERAGE UNEMPLOYMENT RATE
7.6% (Kent and Sussex Counties)

INCOME

- 2000 median income \$32,525.00
- 2010 median income \$44,982.00

- 2000 median household income \$40,333.
- 2010 median household income \$58,065.

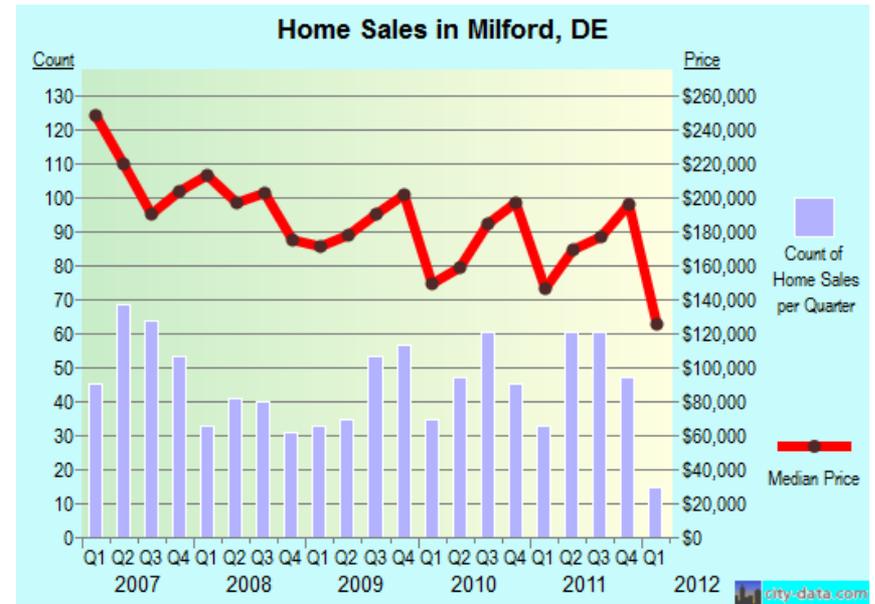
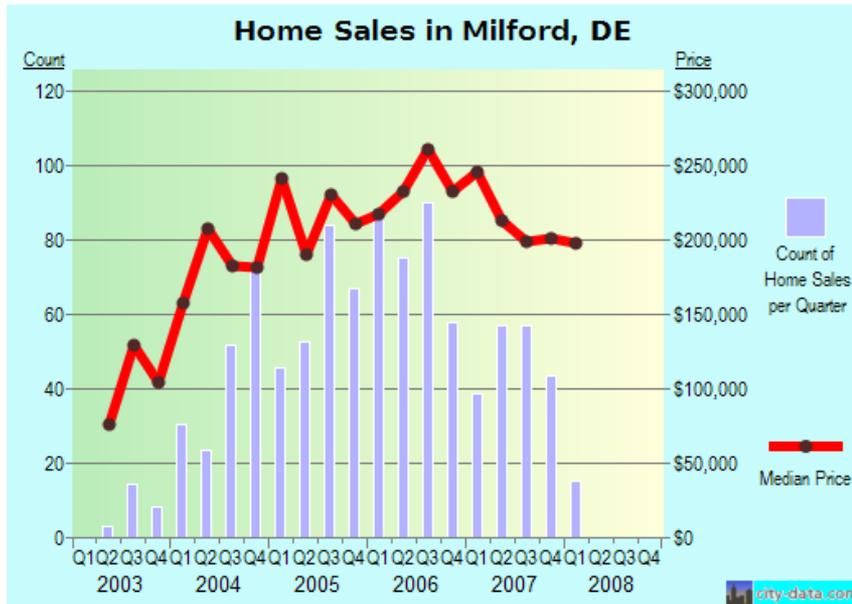


HOUSING

NUMBER OF HOUSING UNITS IN THE CITY OF MILFORD

- 2000
- 2918 HOUSING UNITS
- 2010
- 3743 HOUSING UNITS
- INCREASE OF 825 UNITS OR A 28% INCREASE
- FROM JANUARY 2010 TO JUNE 2012 THERE HAS BEEN 123 HOUSING UNITS CONSTRUCTED
- 60 TO 70 UNITS PER YEAR

VALUE OF HOUSING



VALUE OF HOUSING

- FIRST QUARTER OF 2008
- THE AVERAGE SALES PRICE OF A HOME IN MILFORD
- WAS
- \$200,000.

- FIRST QUARTER OF 2012
- THE AVERAGE SALES PRICE OF A HOME IN MILFORD
- WAS
- \$120,000.



POPULATION ESTIMATES

POPULATION GROWTH 2000 TO 2010

2000

- POPULATION FOR MILFORD
- WAS 6732

2010

- POPULATION FOR MILFORD
- WAS 9559
- INCREASE OF 42%
- OR APPROXIMATELY 4.2%/YR.

POPULATION ESTIMATES

- ASSUME A 2% GROWTH RATE/YEAR

- 2015 POPULATION -10500

- 2020 POPULATION - 11650

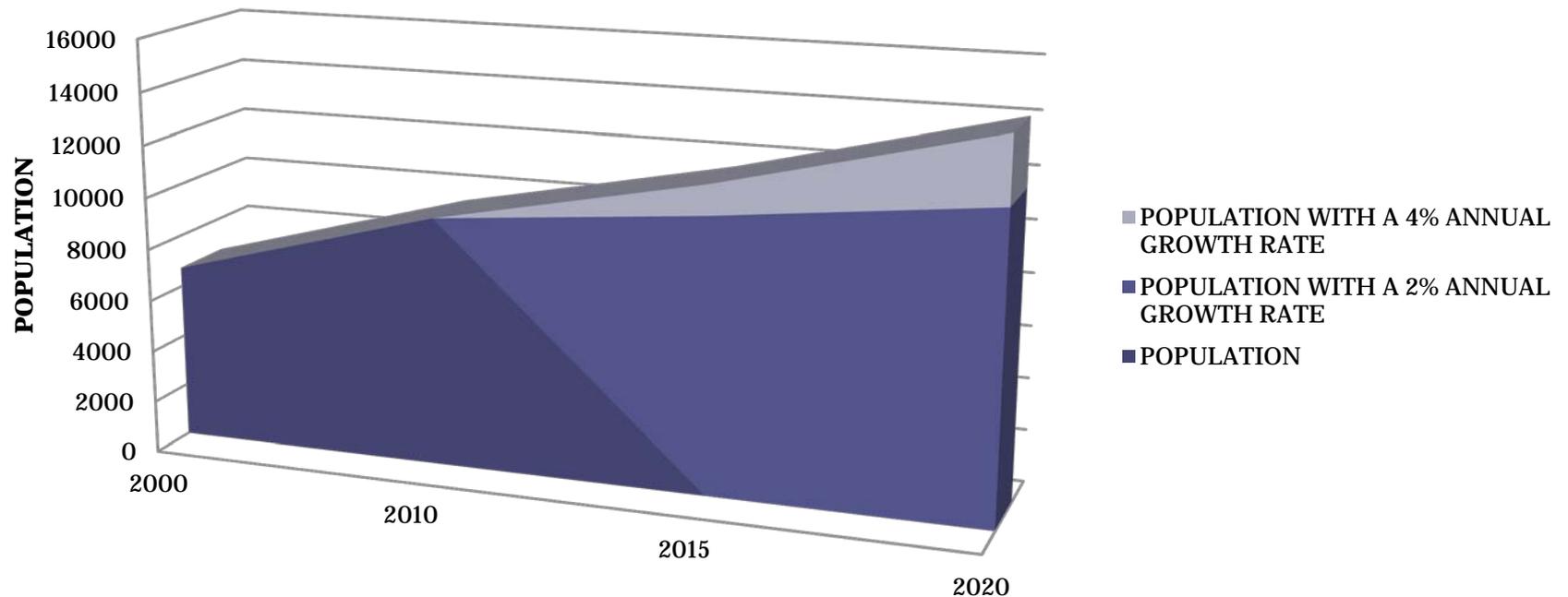
- ASSUME A 4% GROWTH RATE/YEAR

- 2015 POPULATION -11650

- 2020 POPULATION - 14200

POPULATION ESTIMATE

POPULATION AND POPULATION ESTIMATES FOR 2015 AND 2020

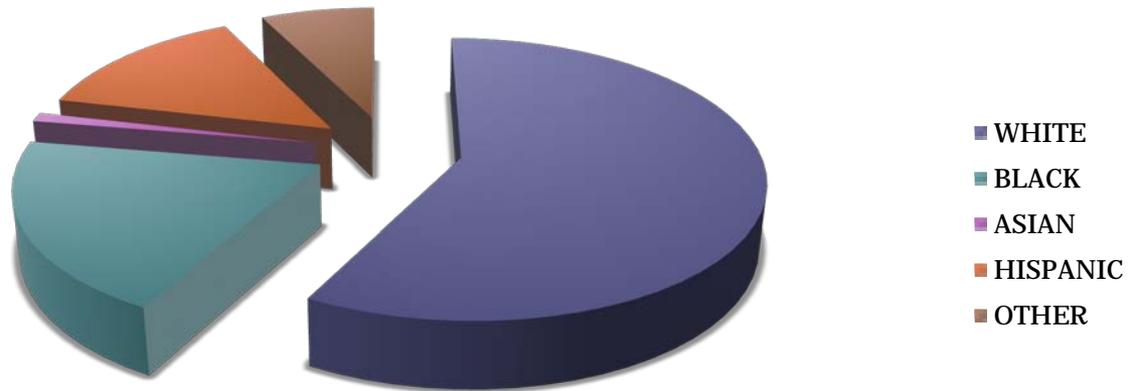


2010 AVERAGE HOUSEHOLD SIZE AND THE AVERAGE FAMILY SIZE

- AVERAGE HOUSEHOLD SIZE IS:
- 2.48 PERSONS
- AVERAGE FAMILY SIZE IS:
- 3.06 PERSONS

POPULATION DIVERSITY

2010 POPULATION DIVERSITY



POPULATION DIVERSITY

2010 POPULATION DIVERSITY



PERCENTAGE OF POPULATION 2010

- WHITE - 65%
- BLACK - 22%
- HISPANIC - 16%

TABLE 2 CENSUS 2000 AND 2010 POPULATION DIVERSITY

POPULATION	WHITE	BLACK	AMERICAN INDIAN	ASIAN	HISPANIC	OTHER	TOTAL
2000	4576	1639	56	107	594	354	6732
2010	6215	2128	50	110	1510	778	9559
% INCREASE FROM 2000	36%	30%			244%		42%

PUBLIC SERVICE FOR THE CITY OF MILFORD INCLUDES

- **CITY GOVERNMENT – BALANCE THE BUDGET**
- **POLICE SERVICE**
- **FIRE PROTECTION**
- **TRASH COLLECTION/SOLID WASTE**
- **PARKS AND RECREATION**
- **LIBRARY SERVICE**
- **PUBLIC EDUCATION**

CITY INFRASTRUCTURE INCLUDES

- **WATER SYSTEM**
- **SANITARY SEWER SYSTEM**

LAND USE AND ANNEXATION PLAN

- THE CITY HAS NO PLANS FOR ANNEXATION
- THE CITY WOULD HOWEVER ENTERTAIN REQUESTS FOR ANNEXATIONS FROM PROPERTY OWNERS



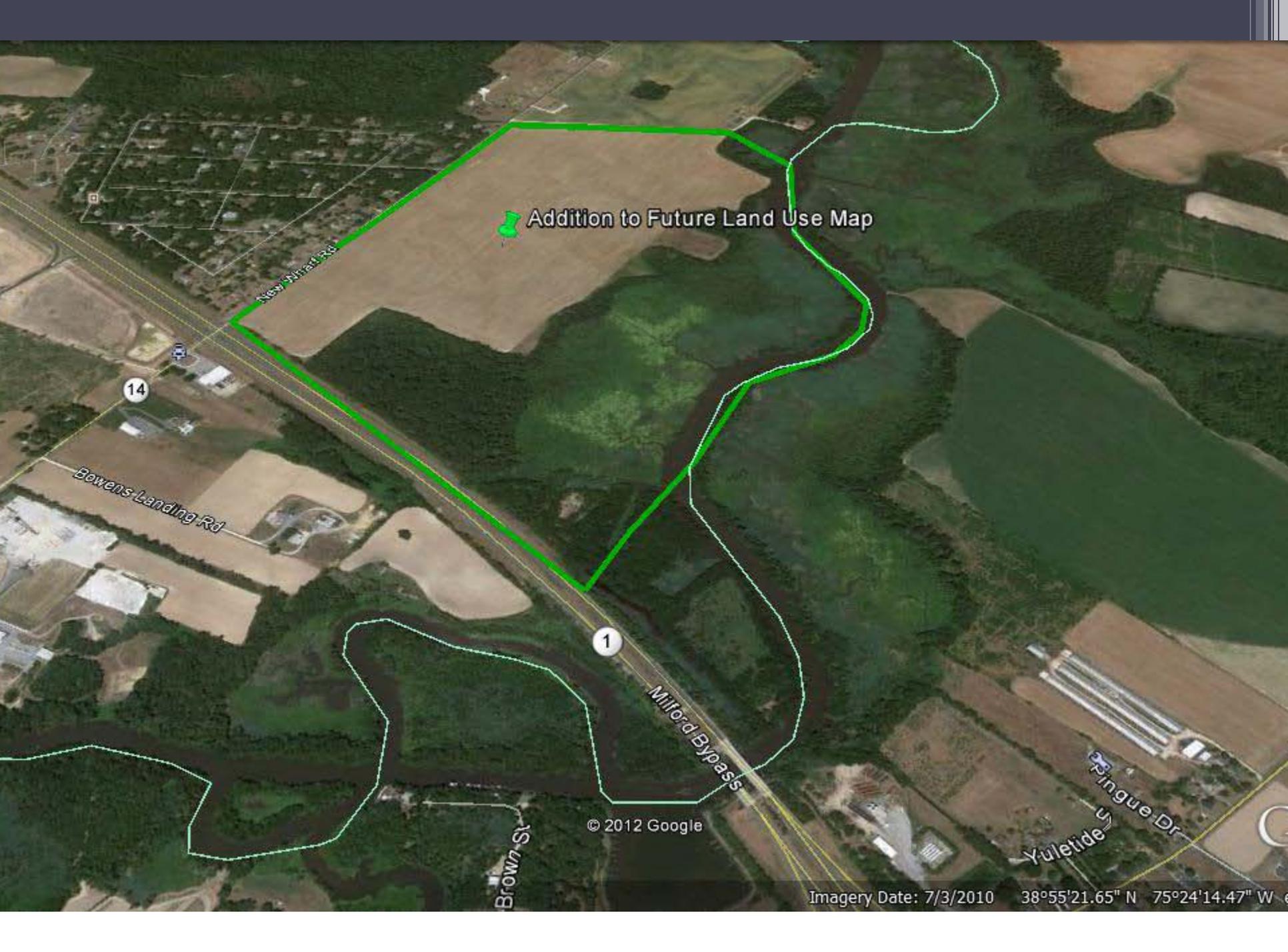
FUTURE LAND USE EXPANATION

NEIGHBORHOOD PLANS

- **SOUTHEAST**
- **SOUTHWEST**
- **NORTH**
- **TOWN CENTER**



TOWN CENTER NEIGHBORHOOD



Addition to Future Land Use Map

New Walnut Rd

14

Bowens Landing Rd

1

Milford Bypass

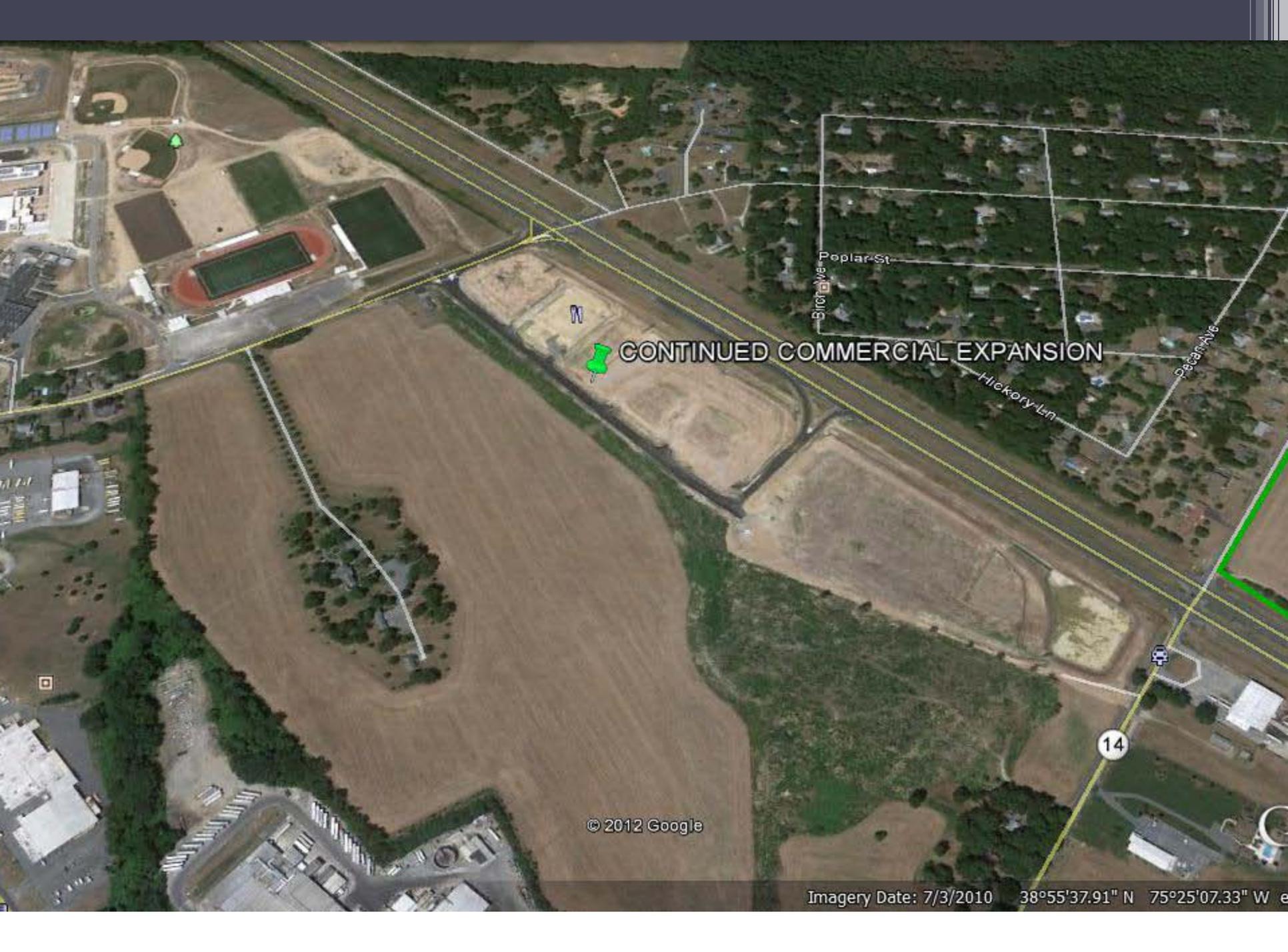
© 2012 Google

Pingue Dr

Yuletide

Brown St

Imagery Date: 7/3/2010 38°55'21.65" N 75°24'14.47" W



CONTINUED COMMERCIAL EXPANSION

Poplar St

Hickory Ln

Secars Ave

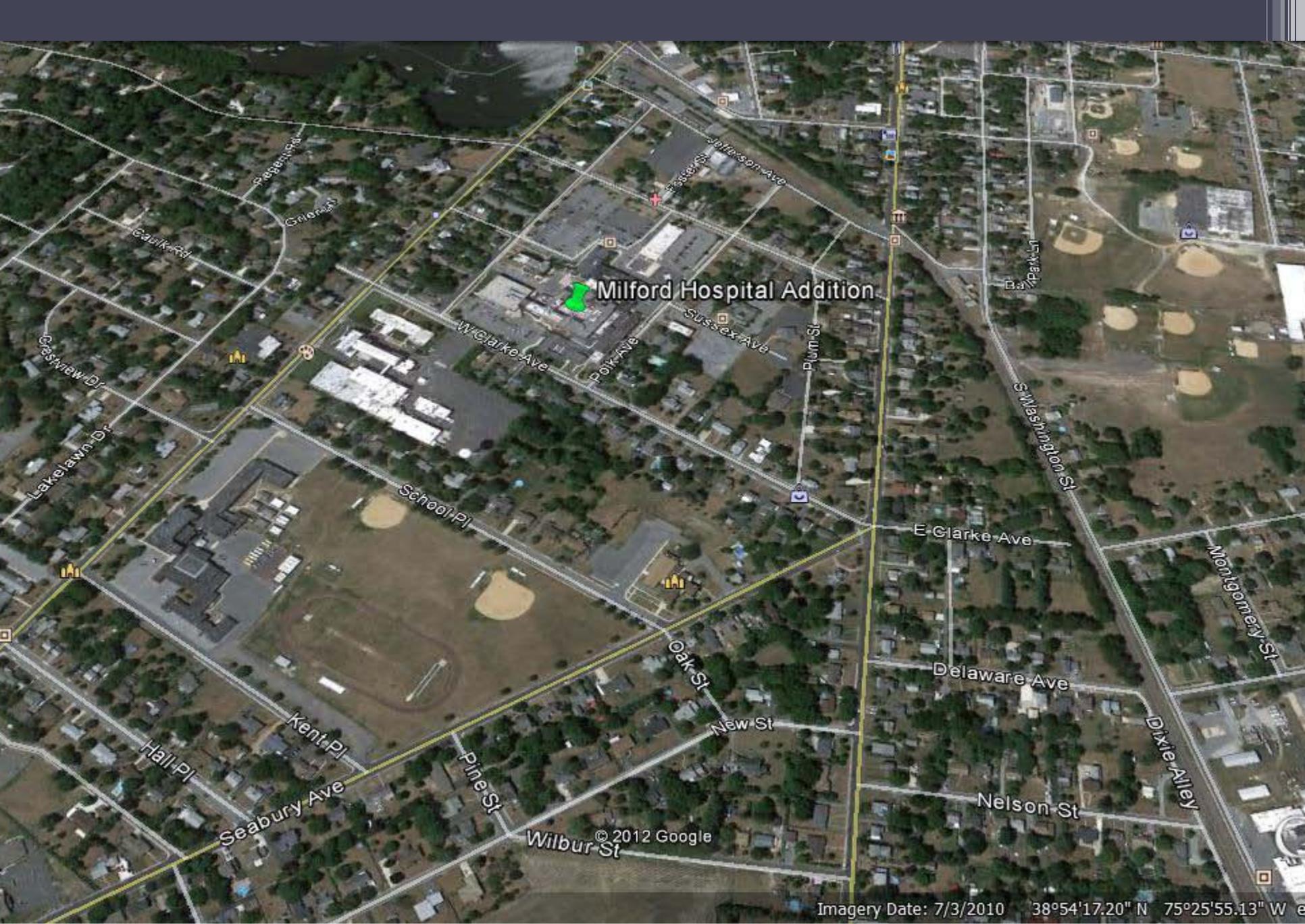
14

© 2012 Google

Imagery Date: 7/3/2010 38°55'37.91" N 75°25'07.33" W e



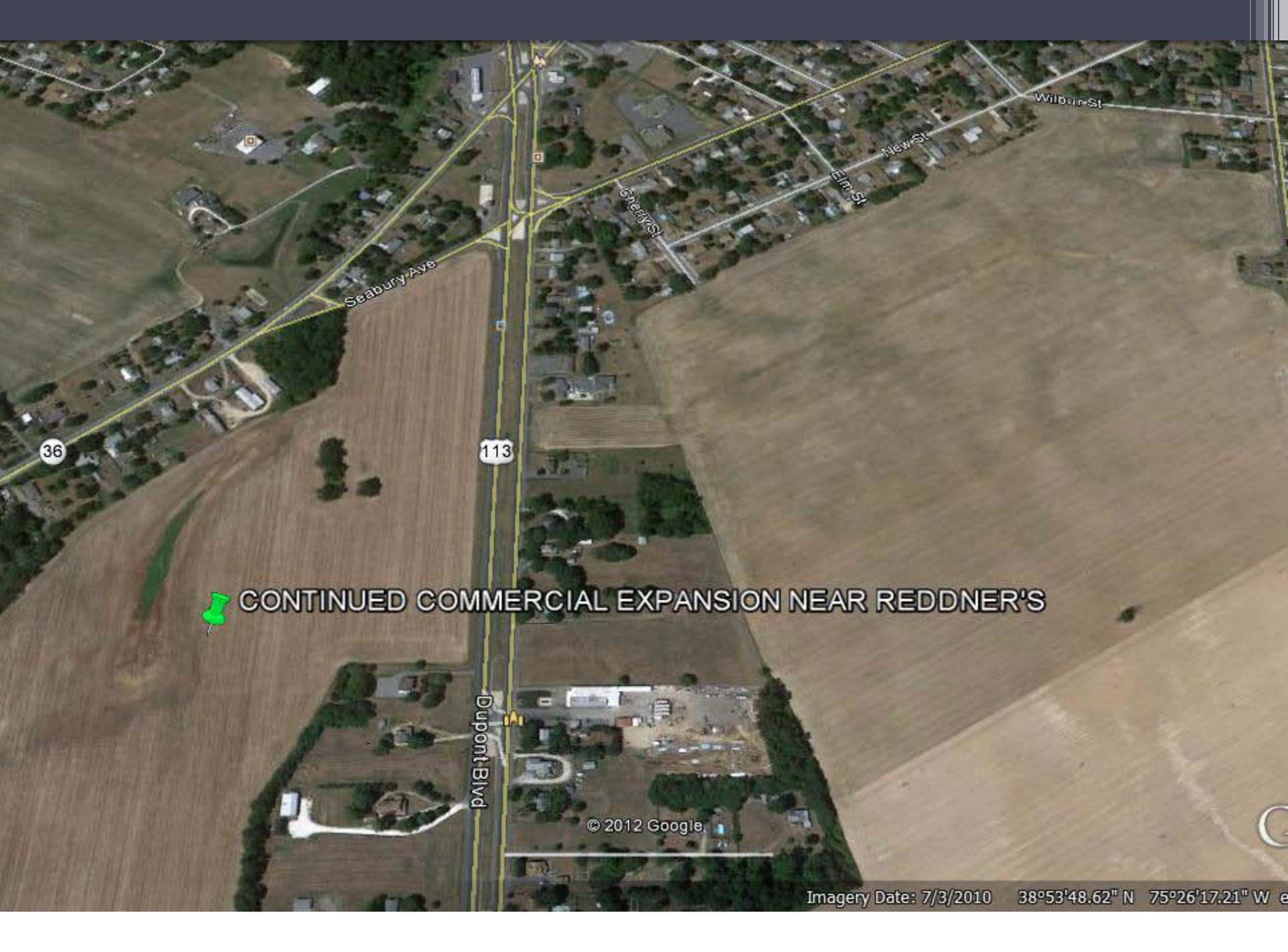
SOUTHWEST NEIGHBORHOOD



Milford Hospital Addition

© 2012 Google

Imagery Date: 7/3/2010 38°54'17.20" N 75°25'55.13" W e



CONTINUED COMMERCIAL EXPANSION NEAR REDDNER'S

36

113

Seabury Ave

Dupont Blvd

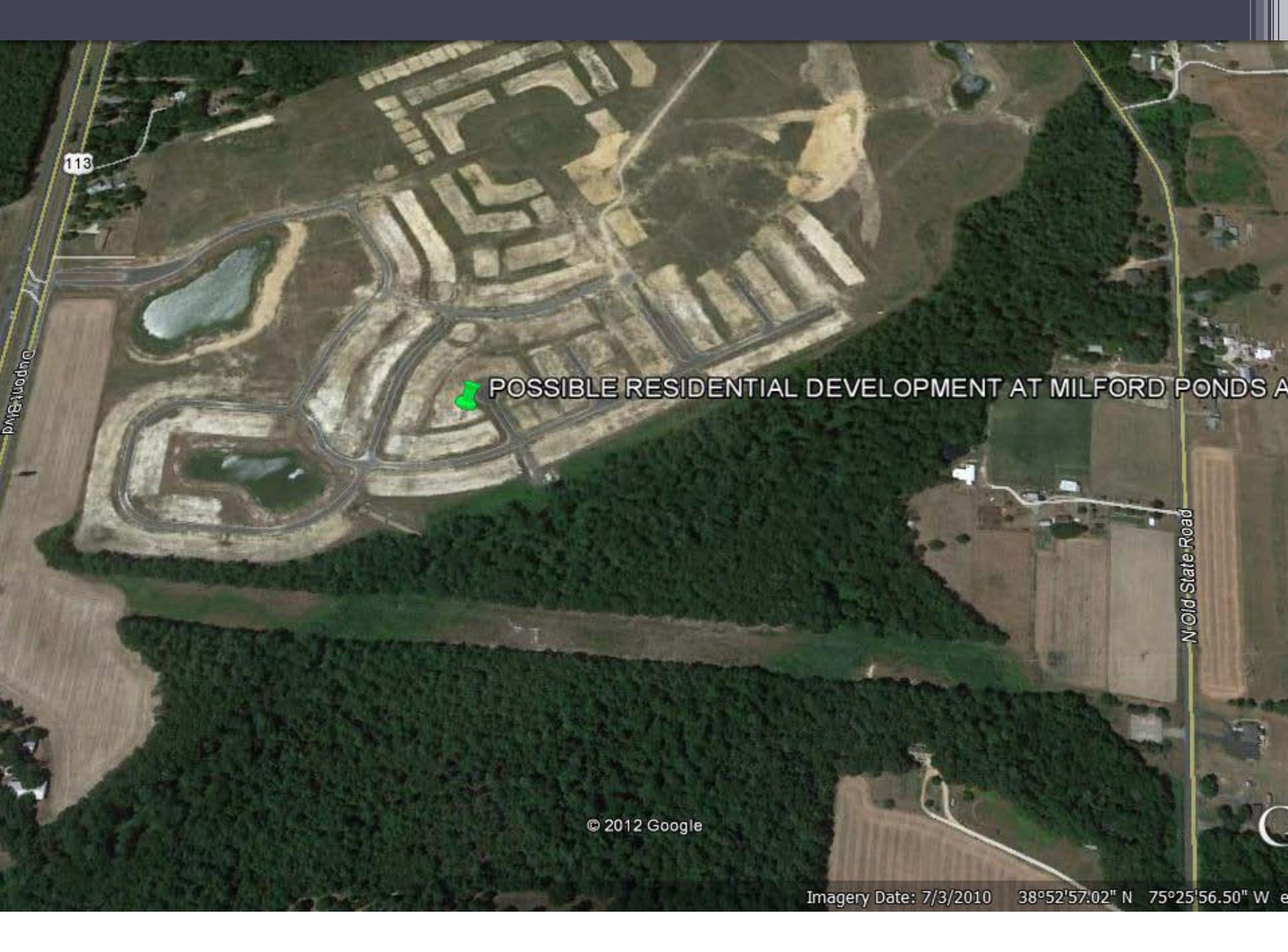
Cherry St

New St
Em St

Wilbur St

© 2012 Google

Imagery Date: 7/3/2010 38°53'48.62" N 75°26'17.21" W e



113

DuPont Blvd

POSSIBLE RESIDENTIAL DEVELOPMENT AT MILFORD PONDS A

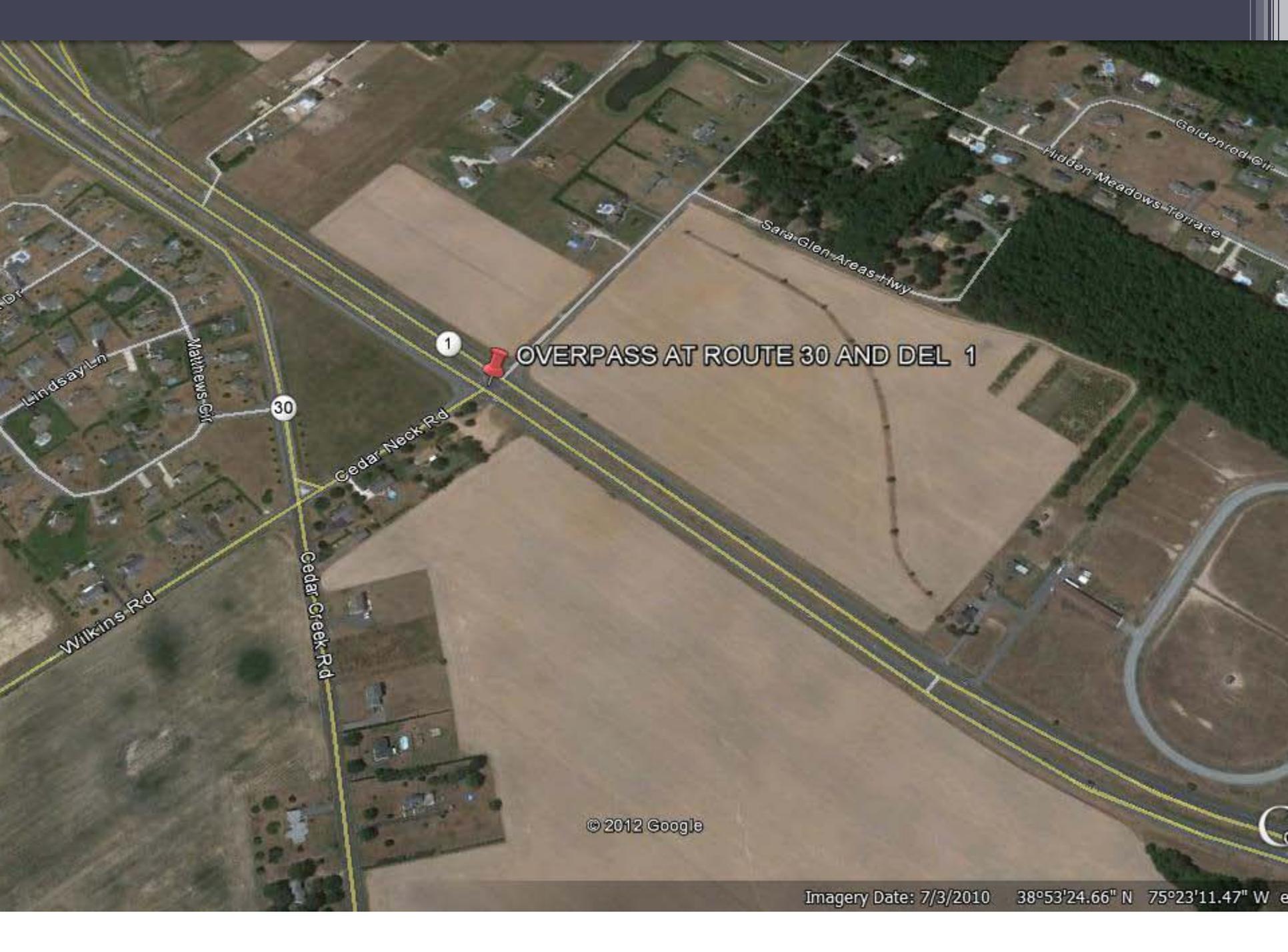
N Old State Road

© 2012 Google

Imagery Date: 7/3/2010 38°52'57.02" N 75°25'56.50" W e



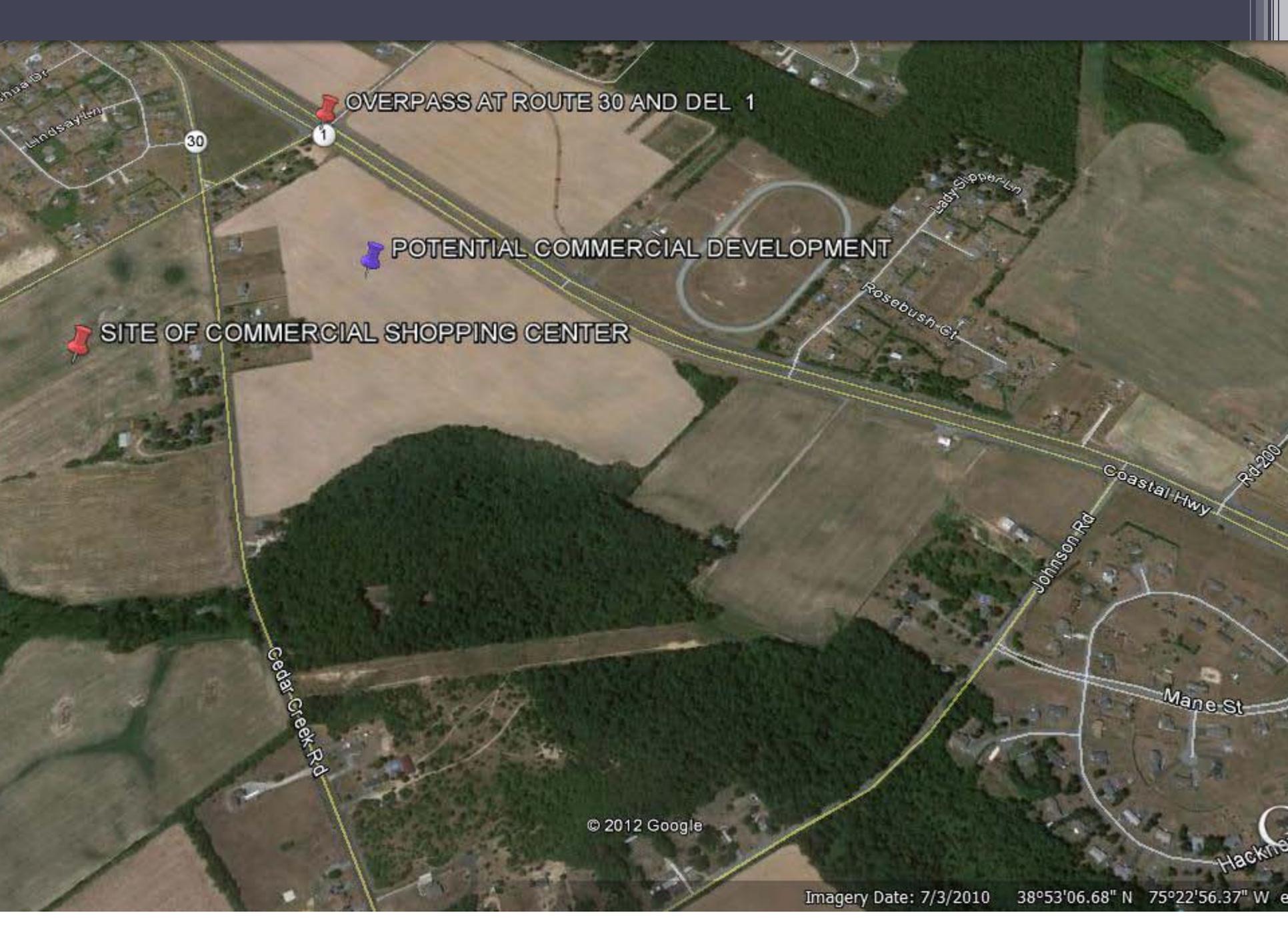
SOUTHEAST NEIGHBORHOOD



OVERPASS AT ROUTE 30 AND DEL 1

© 2012 Google

Imagery Date: 7/3/2010 38°53'24.66" N 75°23'11.47" W e



OVERPASS AT ROUTE 30 AND DEL 1



POTENTIAL COMMERCIAL DEVELOPMENT



SITE OF COMMERCIAL SHOPPING CENTER



30

1

Lindsay Ln
Lindsay Dr

Lady Slipper Ln

Rosebush Ct

Coastal Hwy

Rd 200

Johnson Rd

Cedar-Creek-Rd

Mane St

Hackney

© 2012 Google

Imagery Date: 7/3/2010 38°53'06.68" N 75°22'56.37" W e



 MEDICAL SERVICES DEVELOPMENT

Cedar Neck Rd

Goldenrod Cir

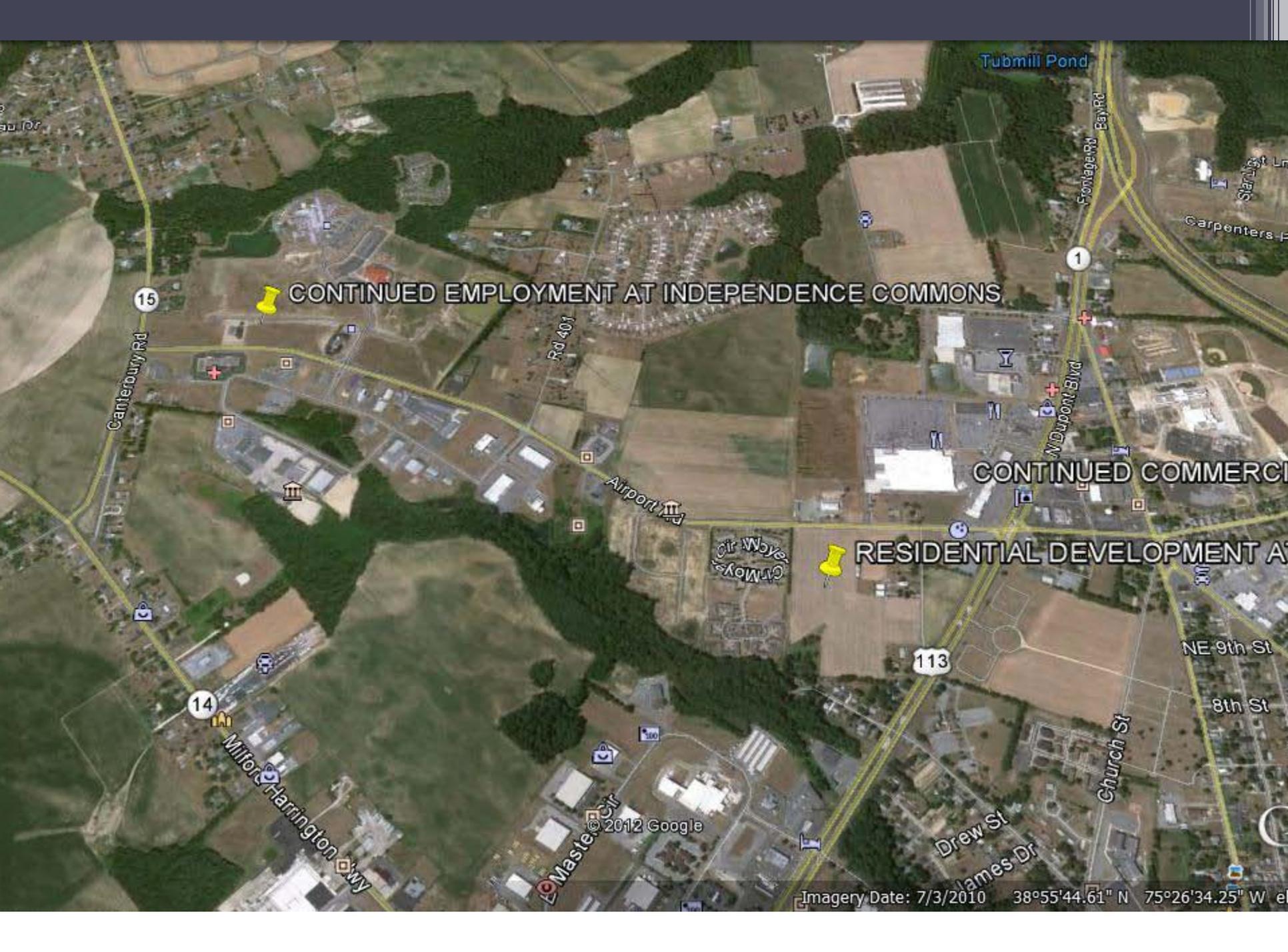
Hidden Meadows Terrace

© 2012 Google

Imagery Date: 7/3/2010 38°53'46.15" N 75°22'19.91" W e



NORTH NEIGHBORHOOD



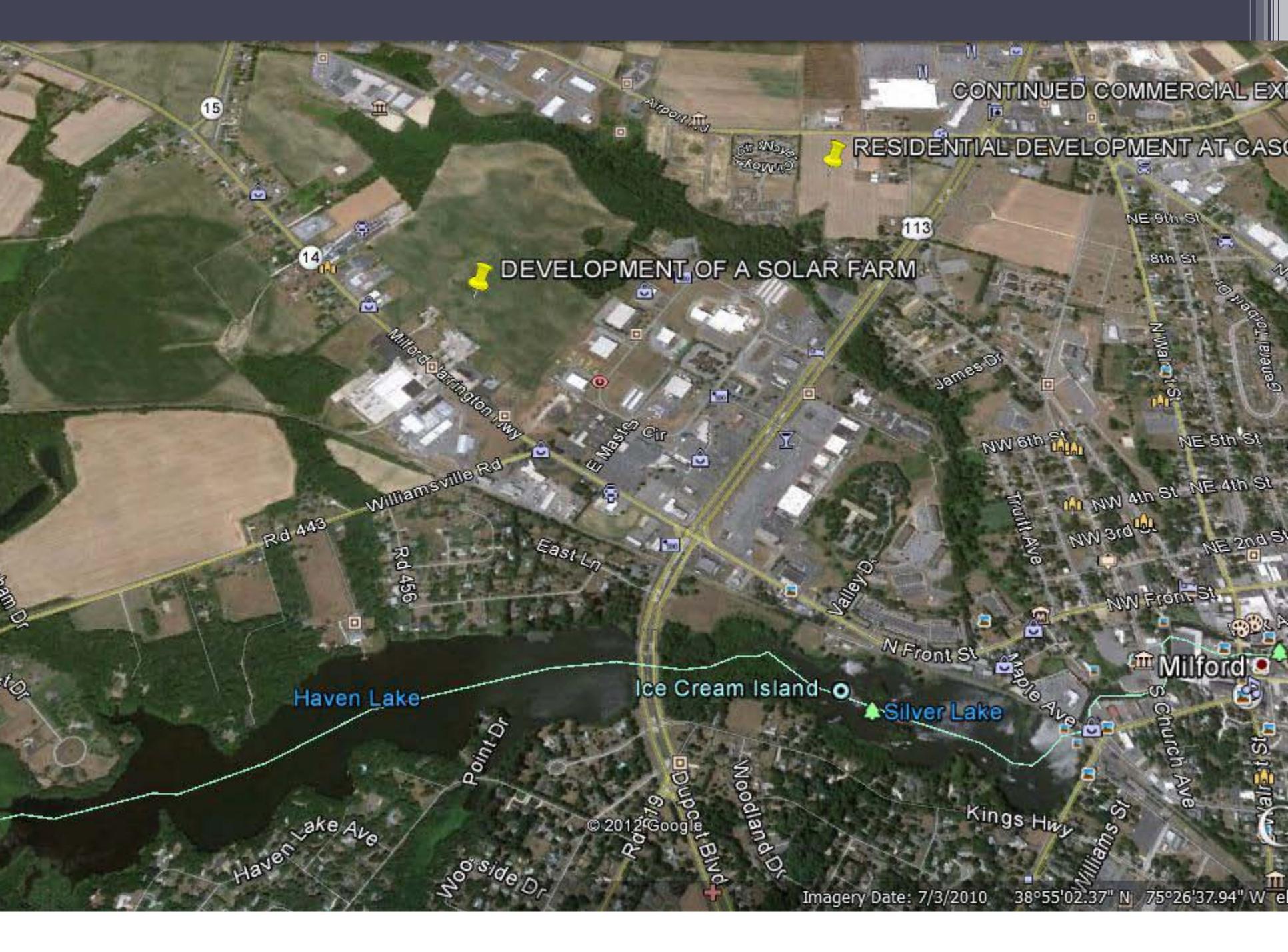
CONTINUED EMPLOYMENT AT INDEPENDENCE COMMONS

CONTINUED COMMERCIAL DEVELOPMENT

RESIDENTIAL DEVELOPMENT AT

© 2012 Google

Imagery Date: 7/3/2010 38°55'44.61" N 75°26'34.25" W



CONTINUED COMMERCIAL EX

RESIDENTIAL DEVELOPMENT AT CASO

DEVELOPMENT OF A SOLAR FARM

Haven Lake

Ice Cream Island

Silver Lake

Milford

© 2012 Google

Imagery Date: 7/3/2010 38°55'02.37" N 75°26'37.94" W



AT&T Lease Optimization Program
c/o Black Dot Wireless (as agent for AT&T and its subsidiaries)
27271 Las Ramblas, Suite 200
Mission Viejo, California 92691



12/04/2012

Richard Carmern
City Of Milford
201 S. Walnut Street,
Milford, DE 19963

Re: AT&T Cell Site Lease

Dear Richard Carmern,

By now you may have heard news about AT&T's plans to incorporate a **Long Term Evolution/4th generation ("LTE/4G")** technology standard into its network. As a strategic partner of ours, it is important we keep you apprised of any activities AT&T is involved with regarding our cell site at your location. To prepare for this technology, AT&T needs to take immediate steps to make each of the cell sites in their network more efficient and cost effective.

During the next twelve (12) months, AT&T will be analyzing every cell site location to best determine a plan of action to improve operational flexibility and reduce expenses. Many variables will go into this analysis including proximity to other sites, costs of operating the site (i.e. rent) and the ability to modify and/or expand the site.

Black Dot Wireless, LLC ("Black Dot") may have contacted you in the past regarding your participation in the **Lease Optimization Program**. For the thousands of Landlords who have previously extended consideration to AT&T in the form of Rent Reductions and Lease Language Enhancements and have received Rent Guarantees for this consideration, we thank you for participating and you may disregard this letter. For landlords who haven't participated yet, AT&T urges you to consider this opportunity to strengthen your strategic relationship through this program.

AT&T values its association with you and looks forward to continuing this partnership for the long term.

Sincerely,

Gregory D. Ohmer
Area Manager Real Estate Transactions
AT&T Mobility

Black Dot Wireless Contact Information:

AT&T Lease Optimization Program
c/o Black Dot Wireless
27271 Las Ramblas, Suite 200
Mission Viejo, California 92691
Toll free: 866-712-8135
Fax: 866-712-8136
www.attlandlords.com
info@attlandlords.com

FOCUS ID: WS-36067.1FA #: 10039065
PLEASE REFERENCE YOUR FOCUS ID AND FA NUMBER WHEN CALLING.

**AT&T's Lease Optimization Program is optional and participation is not required. AT&T will continue to abide by the terms of your original Lease Agreement, including exercising its termination rights where they exist.

AT&T LEASE OPTIMIZATION TERM SHEET

To: Richard Carmern
From: Leland Peneku, Lease Consultant Landlord Initial: _____
Subject: WS-36067.1
Date: 12/4/2012 Tenant Initial: _____
Version: AT&T Traditional Program (V.1.0.8)

I would like to thank you for the many years that you have been a landlord with AT&T or its predecessors. We have shared a mutually beneficial relationship which AT&T has truly appreciated.

AT&T is actively reviewing its portfolio of sites to determine ways to make its network more efficient and economical. Specifically, AT&T is requesting a rent reduction for the site located at:
10th Street And Rehoboth Blvd, Milford, Delaware, 19963

Date of New Amendment:	11/1/2013
-------------------------------	------------------

New Rent		Year(s)	Annually
A.	New Base Rent		Yr 1 : \$16,800.00
B.	New Rent Frequency	Annually	Yr 2 : \$16,800.00
C.	New Escalation	3.00%	Yr 3 : \$16,800.00
D.	New Escalation Frequency	Term	Yr 4 : \$16,800.00
			Yr 5 : \$16,800.00
			Yr 6 : \$17,304.00
New Term			
A.	New Initial Term (mo)	60	Yr 7 : \$17,304.00
B.	Number of Renewal Terms	5	Yr 8 : \$17,304.00
C.	Additional Term Length (mo)	60	Yr 9 : \$17,304.00
D.	Total Term (mo):	360	Yr 10 : \$17,304.00
			Yr 11 : \$17,823.12
Rent Guarantee			
A.	Rent Guarantee (mo)	36	Yr 12 : \$17,823.12
B.	Rent Guarantee Value	\$50,400.00	Yr 13 : \$17,823.12
			Yr 14 : \$17,823.12
			Yr 15 : \$17,823.12
New Termination Notice			
A.	New Termination Notice (days)	30	

Other

- A. Verify or write in the correct legal ownership for this Site. **Is this correct? Yes / No**
City of Milford
- B. Verify or write in the correct physical address for this Site. **Is this correct? Yes / No**
10th Street And Rehoboth Blvd, Milford, Delaware, 19963
- C. Verify or write in the correct address for notice and correspondence. **Is this correct? Yes / No**
City of Milford, 201 S. Walnut St., Milford, Delaware, 19963

**This proposal is not a binding commitment and is subject to review and approval of documentation by all parties. Participating in this program is not required and AT&T will continue to abide by the terms of your original Lease Agreement, including exercising termination rights where they exist.

REMOVAL/RESTORATION

In addition to the terms set forth in the Agreement, Landlord agrees that the Communications Facility and any related equipment brought to the Premises by Tenant, its agents, contractors, predecessors-in-interest or subtenants, shall be and remain Tenant's personal property or the personal property of its subtenant(s), as the case may be. Landlord waives any and all rights it may have, including any rights it may have in its capacity as Landlord under the Agreement to assert any liens, encumbrances or adverse claims, statutory or otherwise, related to or in connection with the Communications Facility or any portion thereof. Tenant, in its sole discretion, may remove the Communications Facility or any portion of the Communications Facility at any time during the Term of the Agreement, without notice to Landlord and without Landlord's consent. Notwithstanding any terms to contrary, Tenant will not be responsible for the replacement of any trees, shrubs or other vegetation, nor will Tenant be required to remove from the Premises or the Property any foundations or underground utilities. Tenant, may, in its sole discretion, transfer any improvements or alterations to the Premises to Landlord at any time during the Term of the Agreement without notice to the Landlord and without the Landlord's consent.

SAM

1. **Sale of Property / Rental Stream Offer.**

- I. **Sale of Property.** If Landlord, at any time during the Term of the Agreement, decides to sell, subdivide or rezone any of the Premises (or any interest therein), all or any part of the Property or Surrounding Property (or any interest therein), to a purchaser other than Tenant, and Landlord receives a bona fide written offer from a third party or proposes an offer to a third party or receives a modified written offer from a third party, Landlord shall immediately furnish Tenant with a copy of such offer. Tenant shall have the right within ninety (90) days after it receives such offer to agree in writing to match the terms and conditions of the same ("Sale of Property Offer"). Such writing shall be in the form of a contract substantially similar to the offer received or offered by Landlord. If Tenant chooses not to exercise this right of first refusal or fails to provide written notice to Landlord within the ninety (90) day period, Landlord may sell the property pursuant to the Sale of Property Offer received or proffered by it. Landlord acknowledges and agrees that such sale, subdivision or rezoning shall be made subject to this Agreement and Tenant's rights hereunder. Landlord agrees that it shall promptly notify Tenant in writing of such sale, subdivision or rezoning.
- II. **Rental Stream Offer.** If at any time after the date of this Amendment, Landlord receives a bona fide written offer from a third party or receives a modified written offer from a third party seeking an assignment of the rental stream associated with this Agreement ("**Rental Stream Offer**"), Landlord shall immediately furnish Tenant with a copy of the Rental Stream Offer. Tenant shall have the right within ninety (90) days after it receives such copy and representation to match the Rental Stream Offer and agree in writing to match the terms of the Rental Stream Offer. Such writing shall be in the form of a contract substantially similar to the Rental Stream Offer. If Tenant chooses not to exercise this right of first refusal or fails to provide written notice to Landlord within the ninety (90) day period, Landlord may assign the rental stream pursuant to the Rental Stream Offer, subject to the terms of this Agreement. If Landlord attempts to assign or transfer rent payments without complying with this Section, the assignment or transfer shall be void, Tenant shall not be responsible for any failure to make payments under this Agreement and reserves the right to hold payments due under this Agreement until Landlord complies with this Section.
- III. If Landlord attempts to transfer ownership to a third party in accordance with (I) or (II) without fully complying with the terms and conditions of (I) and (II) hereinabove, such a transfer shall be void and of no further force or effect. Landlord agrees to indemnify Tenant for any and all claims associated with such a purported transfer.
 - (a) During the term of this Agreement, any sale or transfer of the Property, by operation of law or otherwise, will be subject to the Agreement and Tenant's rights thereunder. Any sale or transfer of real property which is now or may in the future be subdivided or otherwise separate from the Property and over which Tenant has the right of access or utility connections to the Premises will be subject to such rights. Landlord will notify Tenant of any sale or transfer, and will cause the transferee to execute any document(s) reasonably required by Tenant to memorialize Tenant's rights under the Agreement, and to ensure proper

notice and payment of rent to such transferee. Each party agrees upon written request of the other to promptly execute such truthful estoppels, non-disturbance and/or attornment agreements as may be necessary in the event of any sale or transfer of the Property.

- (b) Exclusive of a sale or transfer subject to subsection (a) above, during the term of this Agreement, Landlord will not assign, and will not bargain for or accept any offer to assign, any of its rights under the Agreement, including the right to receive rent, from any third party not affiliated with Tenant, without the prior written consent of Tenant, which may be withheld in Tenant's commercially reasonable discretion. Tenant agrees upon the request of Landlord to review any bona fide offer received by Landlord of the nature described in this subsection and, if desirable in Tenant's commercially reasonable judgment, to (i) match the terms of such offer, or (ii) bargain in good faith with Landlord for the purchase in fee of the Property or Premises, or the conversion of the Premises and any appurtenant easements or rights-of-way associated with the Premises to a perpetual easement, or other such arrangement as may be valid under the real property laws of the state where the Premises is located and which the parties may agree is equitable and desirable.

SAMPLE

PERMITTED USE

Tenant, its personnel, invitees, contractors, agents, subtenants, or its authorized sub lessees, or assigns may use the Premises, at no additional cost or expense, for the transmission and reception of any and all communications signals and to modify, supplement, replace, upgrade, expand, including the number and type(s) of antennas, or refurbish the equipment and/or improvements thereon, or relocate the same within the Premises at any time during the term of this Agreement, in order to be in compliance with any current or future federal, state or local mandated application, including but not limited to emergency 911 communication services or for any other reason. Landlord shall reasonably cooperate in obtaining governmental and other use permits or approvals necessary or desirable for the foregoing permitted use. If Landlord does not comply with the terms of this section, in addition to any other rights it may have at law, Tenant may terminate this Agreement and shall have no further liability to Landlord. If Landlord does not comply with the terms of this section, Tenant will have the right to exercise any and all rights available to it under law and equity, including the right to cure Landlord's default and to deduct the costs of such cure from any monies due to Landlord from Tenant.

SAMPLE

SUBLEASE RIGHTS

Language where prime lease was silent on consent and consent was presumed:

Tenant may sublease all or any portion of the Leased Property to any person or entity licensed by the FCC to operate wireless communications services (hereinafter, a "Subtenant") upon such terms and conditions as Tenant and Subtenant shall agree (each such agreement a "Sublease"), upon notice to Landlord. From and after the Effective Date hereof, provided a Sublease is subject to the terms and conditions of the Agreement as amended hereby and in consideration of the amended terms herein, Landlord's consent to a Subtenant or Sublease will not be required.

Language where consent right appears specifically in a certain paragraph:

Notwithstanding anything in Section [XX] of the Agreement or anything else in the Agreement to the contrary, Tenant may sublease all or any portion of the Leased Property to any person or entity licensed by the FCC to operate wireless communications services (hereinafter, a "Subtenant") upon such terms and conditions as Tenant and Subtenant shall agree (each such agreement a "Sublease"), upon notice to Landlord. From and after the Effective Date hereof, provided a Sublease is subject to the terms and conditions of the Agreement as amended hereby and in consideration of the amended terms herein, Landlord's consent to a Subtenant or Sublease will not be required.

SAMPLE

MEMORANDUM OF LEASE

Memorandum of Lease (“MOL”) Either party will, at any time upon fifteen (15) days prior written notice from the other, execute, acknowledge and deliver to the other a recordable Memorandum of Lease substantially in the form of the Attachment 1. Either party may record this memorandum at any time, in its absolute discretion.

SAMPLE

Expansion of the Premises

Landlord grants Tenant the right, to the extent practicable and on a space available basis, at no additional cost or expense, the Tenant the right to enlarge the premises or the Landlord shall to make space available on the property for Tenant so that Tenant or its authorized sub lessees may implement any necessary modifications, supplements, replacements, refurbishments, or expansions to the Communication Facility or to any equipment related thereto, or for any other reasons, as determined by Tenant in its sole discretion. Should Tenant exercise the right to expand the Premises, Tenant will pay and Landlord will accept as additional Rent under the Lease an amount equal to the then current rent calculated on a per square foot basis as multiplied by for each additional square foot added to the Premises. Upon notice to Landlord, a description and/or depiction of the modified Premises ground will become part of the Lease without any additional action on the part of Tenant and Landlord; however, at the request of Tenant, the parties will execute a Memorandum of Lease in recordable form memorializing the modification of the ground space of Landlord's Property, which either party may record at its option.

CITY OF MILFORD

DELAWARE



"THE GARDEN CITY OF TWIN COUNTIES"

OFFICE OF THE CHIEF OF POLICE
E. KEITH HUDSON

400 N.E. FRONT STREET
MILFORD, DELAWARE 19963
(302)422-8081 FAX (302)424-2330

DATE: November 27, 2012

TO: Mayor and Council
Richard D. Carmean, City Manager
Jeff Portmann, Finance Director

FROM: Chief E. Keith Hudson

RE: Budget Request for Lighting Strike Claims with Travelers Insurance

As you know we have had to two Lighting Strikes this year which required the Police Department to submit two claims with Travelers Insurance totaling the following:

Lighting Strike June, 22, 2012:

Replacement Cost: \$ 26,051.60
Less Deductible: \$ 5,000.00
Net Payment: **\$ 21,051.60** (already received from Travelers)

Lighting Strike July 20, 2012:

Replacement Cost: \$124,436.00
Less Depreciation: \$ 85,564.89
Actual Cash Value: \$ 38,871.11
Less Deductible: \$ 5,000.00
Net Payment: **\$ 33,871.11** (already received from Travelers)

Due to the stipulations of the Insurance Claim we are respectfully requesting the following:

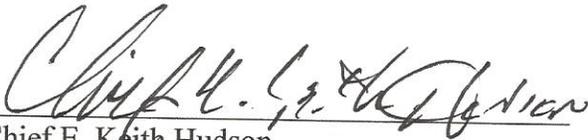
Requesting balance of both claims in the amount of \$131,454.00 (this includes the **\$45,889.11** already received from Travelers and the **\$85,564.89** not received) to be put into Police Capital Equipment Account 101-1610-421.70-40 from City Insurance Proceeds Account. Please note that travelers will pay the difference between Replacement Value and Actual Cash Value of **\$85,564.89** when the equipment is actually replaced. Motorola requires a Purchase Order in advance to order equipment needed to fix the Radio Console therefore, funds need to be available in order to generate

purchase order. Please note that amount also includes \$20,000 set aside by the Travelers Insurance for Labor costs to install radio console.

Request **\$9,033.60** (already received from Travelers) to be reimbursed to Police Equipment Maint. & Repair Account 101-1610-421.40-32 from City Insurance Proceeds Account for equipment already replaced and paid for.

Request \$10,000.00 to be added to the Police Capital Equipment Account 101-1610-421.70-40 from City General Reserve Account to pay for both \$5000.00 Deductibles.

Thank you in advance for your prompt attention in this matter.


Chief E. Keith Hudson

cc: Terri Hudson

Hudson Keith (Milford PD)

From: Beck,Eleanor H [EBECK@travelers.com]
Sent: Sunday, December 09, 2012 11:57 PM
To: Huey Edward (Milford PD); Hudson Keith (Milford PD)
Subject: RE: Attached Image, lightning claims

Yes, that is correct. Please let me know if you have other questions or concerns.

Thank you,

Eleanor Beck
VA-DC Property Claims Adjuster
Travelers Insurance
300 Arboretum Place Ste 210
Richmond, VA 23236
Direct 804-330-6279
Toll Free 1-800-635-4543 x6279
Fax 1-866-234-5047
ebeck@travelers.com

From: Huey Edward (Milford PD) [<mailto:edward.huey@CJ.State.de.us>]
Sent: Tuesday, November 27, 2012 10:08 AM
To: Hudson Keith (Milford PD); Beck,Eleanor H
Subject: RE: Attached Image, lightning claims

Ms. Beck;

Claim# EUP7150001H

Below is the explanation of claim given to us from our Agent. We wanted to insure the accuracy of this information prior to placing our order with Motorola for the Replacement Radio System.

Our understanding from the agent below is that Travelers is sending a check for \$33,871.11 now (Actual cash value minus deductible of \$5000.) When the radio system is installed, Travelers will send a check for the balance of the claim up to a maximum of \$85,564.89 which is dependant upon the installation costs of up to \$20,000 max.

Please reply to all when sending a response so that Chief Hudson receives the same e-mail response that I do. Thank you in advance

From: Hudson Keith (Milford PD)
Sent: Saturday, November 24, 2012 11:29 AM
To: Huey Edward (Milford PD)
Subject: FW: Attached Image, lightning claims

From: Harvey Marvel [hmarvel@insurancechoices.com]
Sent: Wednesday, November 21, 2012 1:50 PM
To: Hudson Keith (Milford PD)
Cc: amelvin@insurancechoices.com; 'Alisha McManus'; 'Sherry Pusey'
Subject: FW: Attached Image, lightning claims

Hudson Keith (Milford PD)

From: Harvey Marvel [hmarvel@insurancechoices.com]
Sent: Wednesday, November 21, 2012 1:51 PM
To: Hudson Keith (Milford PD)
Cc: amelvin@insurancechoices.com; 'Alisha McManus'; 'Sherry Pusey'
Subject: FW: Attached Image, lightning claims
Attachments: 0547_001.pdf

Keith,

Attached are the letters from Travelers detailing the settlements on the lightning claims (not sure if they sent you the letters also):

June 22 Damage: Calculated replacement cost is \$26,051.60. You will receive a check from Travelers for \$21,051.60 (26,051.60 less the \$5,000 deductible).

July 20 Damage: Calculated replacement cost is \$124,436. You will receive a check from Travelers for \$33,871.11, which is the Actual Cash Value of the damaged items less the \$5,000 deductible. Please note that Travelers will pay you the difference between Replacement Value and Actual Cash Value of \$85,564.89 when the equipment is actually replaced. (Note there is an allowance for installation labor included in these figures of \$20,000., with the understanding that this labor charge could be less, which would reduce the final payment accordingly.).

Also enclosed is the report from Loss Solutions Group, LLC detailing the computations and repair estimates.

You should receive the checks from Travelers within 2 to 5 business days.

Please let me know if you have any questions, or need more information.

Harvey

From: copier@insurancechoices.com [mailto:copier@insurancechoices.com]
Sent: Wednesday, November 21, 2012 1:39 PM
To: Harvey
Subject: Attached Image



Eleanor Beck
Claim Representative
ebeck@travelers.com
(800) 635-4543 x6279
(866) 234-5047 (fax)
300 Arboretum Place Ste. 210
Richmond, VA 23236

November 21, 2012

CITY OF MILFORD
10 SOUTH EAST 2ND STREET
MILFORD, DE 19963

Claim Number: ESV9063001H
Date of Loss: 6/22/2012
Policy Number: HJ630 1A275283
Insuring Company: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA
Loss Location: 10 SOUTH EAST 2ND STREET
MILFORD, DE 19963

Dear CITY OF MILFORD,

We received the claim for the loss of property. Your policy provides coverage for this loss. You will receive a check from us for the amount of \$21,051.60. The break down of that check is as follows:

Replacement Cost:	\$26,051.60
Less Depreciation:	\$0.00
Actual Cash Value:	\$26,051.60
Less Deductible:	\$5,000.00
Net Payment:	\$21,051.60

Payment will arrive under separate cover.

Travelers expressly reserves all of its rights afforded by the insurance policy as well as those afforded by applicable Law. No act of the company or any of its representatives should be considered a waiver or a basis for estoppel. Citation of specific terms, conditions, or provisions of the policy does not prevent Travelers from relying upon any term, condition, or provision of the policy or defense to coverage available under applicable statute or law. Travelers reserves the right to supplement this letter as additional issues arise or are identified.

Our position on this matter is based upon the information and documentation we received in connection with our investigation of this claim. Thus, if you or anyone else on your behalf is aware of any new or different information or documentation that might lead us to reconsider our decision, please forward that to me for consideration. Please be clear, however, that unless and until we expressly notify you in writing to the contrary, the decision set forth above shall remain the company's final position.

If you have any questions, please contact me at 1-800-635-4543 x6279.

Sincerely,

Eleanor Beck

Eleanor Beck

Claim Representative

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA



Eleanor Beck
Claim Representative
ebeck@travelers.com
(800) 635-4543 x6279
(866) 234-5047 (fax)
300 Arboretum Place Ste. 210
Richmond, VA 23236

November 21, 2012

CITY OF MILFORD
10 SOUTH EAST 2ND STREET
MILFORD, DE 19963

Claim Number: EUP7150001H
Date of Loss: 7/20/2012
Policy Number: HJ630 1A275283
Insuring Company: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA
Loss Location: 10 SOUTH EAST 2ND STREET
MILFORD, DE 19963

Dear CITY OF MILFORD,

We received the claim for the loss of property. Your policy provides coverage for this loss. You will receive a check from us for the amount of \$33,871.11. The break down of that check is as follows:

Replacement Cost:	\$124,436.00
Less Depreciation:	\$85,564.89
Actual Cash Value:	\$38,871.11
Less Deductible:	\$5,000.00
Net Payment:	\$33,871.11

Payment will arrive under separate cover.

Your policy states we are required to pay the claim based on the actual cash value of the items, until the repair or replacement is complete. The actual cash value is the replacement cost less depreciation, which is based on age and condition of the items.

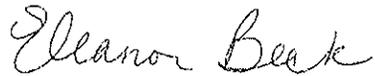
The amount of depreciation that was heldback can be reimbursed, up to the amount shown, once the receipt showing the replacement or repair is forwarded to us showing the extra expense incurred above the actual cash value that was paid.

Travelers expressly reserves all of its rights afforded by the insurance policy as well as those afforded by applicable Law. No act of the company or any of its representatives should be considered a waiver or a basis for estoppel. Citation of specific terms, conditions, or provisions of the policy does not prevent Travelers from relying upon any term, condition, or provision of the policy or defense to coverage available under applicable statute or law. Travelers reserves the right to supplement this letter as additional issues arise or are identified.

Our position on this matter is based upon the information and documentation we received in connection with our investigation of this claim. Thus, if you or anyone else on your behalf is aware of any new or different information or documentation that might lead us to reconsider our decision, please forward that to me for consideration. Please be clear, however, that unless and until we expressly notify you in writing to the contrary, the decision set forth above shall remain the company's final position.

If you have any questions, please contact me at 1-800-635-4543 x6279.

Sincerely,

A handwritten signature in cursive script that reads "Eleanor Beck".

Eleanor Beck

Claim Representative

TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA



Loss Solutions Group, LLC

P.O. Box 40 Canterbury, CT 06331

TEL: 860.237.8041

FAX: 860.639.5158

Toll Free: 866.899.8756

www.lossolutionsgroup.com

November 20, 2012

Ms. Eleanor Beck
Travelers Insurance
P.O. Box 26564
Richmond, VA 23261

RE: Insured: City of Milford
Claim Number: ESV9063
LSG Matter Number: 787200.3744
Date of Loss: June 22, 2012 & July 20, 2012

Dear Ms. Beck,

Thank you for choosing Loss Solutions Group as your equipment loss consultant. This report serves to provide an analysis of the above-referenced claim.

Assignment:

Loss Solutions Group was contacted by Ms. Eleanor Beck of Travelers Insurance. The scope of this assignment was to address the cause of loss and repair/replacement costs associated with damages to radio, computer, telephone, and lighting equipment. The claimed damages were reportedly caused by two (2) lightning events.

Findings and Analysis:

Loss Solutions Group contacted the insured, City of Milford (Police Department), and spoke with Lt. Edward Huey (302-422-8081) in order to gather information relative to the claimed event. Loss Solutions Group was informed by the insured that a lightning event caused damages to their radio, telephone, and computer equipment. Lt. Huey later reported that a second lightning event caused additional damages to their equipment. Lt. Huey provided the contact information for their preferred vendors and requested that we contact them for further information.

Sytech

Loss Solutions Group was provided with a quotation totaling \$1,820.00 for the replacement of a pole camera and surveillance module. Loss Solutions Group contacted the vendor, Sytech (703-941-

7887), and spoke with Mr. "Matt" in order to gather further information relative to the claimed event. Loss Solutions Group was informed that the original equipment was damaged due to a lightning event. Mr. "Matt" reported that the equipment is not cost effectively repairable. Mr. "Matt" reported that the replacement equipment is the same make/model as the original.

Loss Solutions Group reviewed the cost claimed totaling \$1,820.00 for its reasonableness and relevancy to the claimed event. Loss Solutions Group researched the replacement surveillance module totaling \$1,250.00 to be within reason. Loss Solutions Group researched the replacement pole camera totaling \$570.00 to be within reason.

Loss Solutions Group submits \$1,820.00 as the total cost necessary for the replacement of the camera and module.

PC Supplies

Loss Solutions Group was provided with invoices totaling \$1,430.00 for the replacement of computer motherboards, a printer network card, and an uninterruptable power supply (UPS). Loss Solutions Group contacted the vendor, PC Supplies (302-368-4800), and spoke with Mr. Charles Rudewide in order to gather information relative to the claimed event and equipment. Mr. Rudewide reported that the claimed event caused damages throughout the computer motherboards, printer network card, and attached UPS equipment. Mr. Rudewide reported that all replacement equipment is the same make/model as the original. Mr. Rudewide reported that the claimed components and equipment were not cost effectively repairable.

Loss Solutions Group reviewed the cost claimed totaling \$1,430.00 for its reasonableness and relevancy to the claimed event. Loss Solutions Group reviewed the replacement motherboards, UPS, and printer network card totaling \$1,280.00 to be within reason. Loss Solutions Group reviewed the labor total of \$150.00 to be within reason.

Loss Solutions Group submits \$1,430.00 as the total cost necessary for the replacement of the claimed motherboards, UPS, and printer network card.

Collins

Loss Solutions Group was provided with invoices totaling \$4,664.00 for the repairs to the insured's telephone and paging system. Loss Solutions Group contacted the vendor, Collins (302-658-1700), and spoke with Ms. Chandra Manello in order to gather information relative to the claimed event. Ms. Manello reported that the claimed event caused damages to the paging amp, station cards, UPS, and associated components. Ms. Manello reported that the claimed components were not cost effectively repairable. Ms. Manello reported that the replacement refurbished/new components repaired the telephone system as a whole.

Loss Solutions Group reviewed the provided invoices totaling \$4,664.00 for their reasonableness and relevancy to the claimed event. Loss Solutions Group reviewed the labor and service ticket total of \$966.00 to be within reason. Loss Solutions Group reviewed the replacement NEC cards, UPS, and paging amps totaling \$708.00 to be within reason. Loss Solutions Group researched the

Insured: City of Milford
Claim Number: ESV9063
LSG Matter Number: 787200.3744

Page 3

replacement LD2409 telephone system card, finding the cost to be slightly high; however, within reason.

Loss Solutions Group submits \$4,664.00 as the total cost necessary for the replacement of the claimed telephone components and UPS.

ADT/TYCO

Loss Solutions Group was provided with claim costs totaling \$4,023.60 for the alarm equipment repairs. Loss Solutions Group contacted the vendor, ADT/Tyco (888-446-7781), and spoke with Mr. "Andrew" in order to gather information relative to the claimed event. Mr. "Andrew" reported that the lightning event caused catastrophic damages to the claimed equipment. Mr. "Andrew" reported that the equipment was replaced with the same equipment type as originally installed.

Loss Solutions Group reviewed the provided invoice totaling \$4,023.60 for its reasonableness and relevancy to the claimed event. Loss Solutions Group researched the materials claimed totaling \$3,333.60 to be slightly high; however, within reason. Loss Solutions Group reviewed the labor rate of \$98.00/hour, finding the labor total of \$490.00 to be within reason. Loss Solutions Group reviewed the bucket truck cost of \$200.00 to be within reason.

Loss Solutions Group submits \$4,023.60 as the total cost necessary for the replacement of the damaged alarm components.

Motorola/Magnum Electronics

Loss Solutions Group was provided with final claim documentation in the amount of \$101,416.00 relative to a replacement MCC5500 console system package. Throughout the review process, the claim amount has changed from \$11,750.00 - \$153,940.20, then back to \$101,416.00 for the replacement equipment. During our review of this assignment, the insured indicated that they suffered damages to their radio system which they initially thought was repairable for \$11,750.00 with stock components. Loss Solutions Group was later informed that a second event caused similar and further damages to the radio system, associated operator stations, and components. Loss Solutions Group was informed that, considering that the stock of parts was utilized for the initial repairs, repair parts were no longer available.

The vendor, insured, and Loss Solutions Group searched for repair components and repair options, as a compatibility issue arose with the LDAP IIa board. The original equipment is a Windows XP based console radio system. Motorola and Microsoft (operating system) have both stopped all services/updates/support for Windows XP based equipment. The original LDAP IIa board is no longer available or supported and has been replaced with the Windows Vista compatible LDAP IIa equipment. This component is required for the entire system to function (operator stations, console radio, integrated systems, recording, etc.). Loss Solutions Group searched out potential repair vendors, Motorola Corporate, and alternate sales vendors in an attempt to locate a repair or replacement component option. Loss Solutions Group queried Magnum Electronics (Mr. Jeff Vadakin - 302-734-9250), Discount 2-Way Radio (Mr. "Luis" - 202-568-6481), Motorola

Insured: City of Milford
Claim Number: ESV9063
LSG Matter Number: 787200.3744

Page 4

US/Federal Market Sales (Mr. Michael Leonard – 410-712-6200), RA-Comm Inc. (800-577-2266), Motorola Support (800-422-4210), Motorola State Representative (Richard Morris – Richard.Morris@motorolasolutions.com), and State of Delaware Communications Specialist (Mr. Ernest McGhee – 302-697-2525). Loss Solutions Group's conversations with the insured's vendors and the outside vendors determined that the current radio console system is not cost effectively repairable, nor are the parts supported/available. Loss Solutions Group attempted to locate applicable repair vendors, finding that this equipment is typically only handled by Motorola, as this is for State/Federal use.

Loss Solutions Group reviewed the provided quotation totaling \$101,416.00 for its reasonableness and relevancy to the claimed event. Loss Solutions Group made numerous requests for an itemized proposal from Mr. Vadakin of Magnum Electronics, finding that such is not available. Mr. Vadakin reported that this quotation was generated through Motorola Communications and that a significant discount was applied to the equipment total. Loss Solutions Group reviewed the equipment list, which includes a rack, interface equipment, three (3) workstations, software, and associated components. Loss Solutions Group reviewed the provided quotation to include one (1) space CAB II board. Loss Solutions Group was unable to determine the package pricing; however, the current retail cost for the claimed component is \$1,840.00.

Loss Solutions Group submits \$99,576.00 as the total, fair and reasonable cost required for the replacement of the console radio system.

State of DE Division of Communications

Loss Solutions Group was provided with an estimate totaling \$20,000.00 for the labor associated with the removal and replacement of the radio console equipment. Loss Solutions Group attempted to reach a vendor representative, Mr. "Kadunce" (302-697-4485), without reply. Loss Solutions Group was informed by the insured that their Division of Communications was put in place by the state to provide cost effective IT labor. Loss Solutions Group was informed by the insured that this is the maximum estimated amount that the radio replacement is estimated to cost. Loss Solutions Group was informed by the insured that, should the job require less time, a smaller labor charge will be presented. Loss Solutions Group was additionally informed by Mr. Vadakin that they are unable to match or meet the labor amount provided by the state agency.

Loss Solutions Group reviewed the provided quotation for its reasonableness and relevancy to the claimed event. Loss Solutions Group reviewed the labor rate of \$50.00/hour, finding the total estimated labor of \$20,000.00 to be the maximum amount which will be charged.

Loss Solutions Group submits \$20,000.00 as within reason for the replacement of the radio system. Loss Solutions Group submits that this charge may change upon the completion of the work.

Insured Costs

Loss Solutions Group was informed by the insured that they suffered damages to radio components which were replaced during the first event from stock. The insured has requested reimbursement for

Insured: City of Milford
Claim Number: ESV9063
LSG Matter Number: 787200.3744

Page 5

the radio equipment in stock. The insured provided a claim total of \$18,974.00 for the replacement components which suffered damages during the second lightning event.

Loss Solutions Group reviewed the cost claimed totaling \$18,974.00 for its reasonableness and relevancy to the claimed event. Loss Solutions Group was not provided with the original purchase invoice for the original equipment; therefore, any replacement values are utilized from today's pricing (not necessarily the original package price deal). Loss Solutions Group received a quotation totaling \$11,750.00, which represents the current cost for the items claimed. Loss Solutions Group found the claimed cost to be within reason compared to current equipment costs.

Loss Solutions Group submits the total amount of \$18,974.00 as within reason to achieve a pre-loss condition.

Cause of Failure

Loss Solutions Group submits lightning as the cause of loss associated with this claim. Loss Solutions Group was informed that the insured suffered two (2) lightning events, which occurred on June 22, 2012 and July 20, 2012. Loss Solutions Group researched the weather activity in the insured's area, finding little storm activity via www.wunderground.com. Loss Solutions Group was able to locate local online publications which described lightning on both claimed dates of loss. Loss Solutions Group reviewed the damages claimed, finding them to be consistent with a lightning event. Lightning resonates along long lines and damages equipment at the termination points.

Replacement Cost Value (RCV)

Loss Solutions Group submits that the total, fair and reasonable cost required to return the insured to a pre-loss condition for the June 22, 2012 event is \$26,051.60.

Loss Solutions Group submits that the total, fair and reasonable cost required to return the insured to a pre-loss condition for the July 20, 2012 event is \$104,436.00. Please note that this does not include the estimated labor amount.

Actual Cash Value (ACV)

Loss Solutions Group performed an actual cash value (ACV) study of the claimed equipment. Loss Solutions Group submits that the equipment had varying ages and a useful life of approximately seven (7) years for the computerized equipment.

Loss Solutions Group submits that the total actual cash value (ACV) of the June 22, 2012 event is \$9,205.15. Please note that this does not include the estimated original parts utilized for the repairs.

Loss Solutions Group submits that the total actual cash value (ACV) of the July 20, 2012 event is \$28,871.11. Please note that this does not include the estimated labor amount.

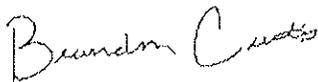
Summary:

Loss Solutions Group's findings herein are based upon all information that was available at the time of this writing. The opinions are based upon reviewed documentation, interviews, research, experience, historical references, training and education.

1. The insured, City of Milford, submitted a claim in the amount of \$152,327.60 for damages to their equipment.
2. Loss Solutions Group contacted the insured, the insured's vendors, the equipment manufacturer, and alternate vendors in order to gather information relative to the claimed event and equipment.
3. Loss Solutions Group submits lightning as the cause of loss for both the June 22, 2012 and July 20, 2012 events.
4. Loss Solutions Group submits that the total, fair and reasonable cost required to return the insured to a pre-loss condition for the June 22, 2012 event is \$26,051.60
5. Loss Solutions Group submits that the total, fair and reasonable cost required to return the insured to a pre-loss condition for the July 20, 2012 event is \$104,436.00. Please note that this does not include the estimated labor amount.
6. Loss Solutions Group performed an actual cash value (ACV) study of the claimed equipment. Loss Solutions Group submits that the equipment had varying ages and a useful life of approximately seven (7) years for computerized equipment.
7. Loss Solutions Group submits that the total actual cash value (ACV) of the June 22, 2012 event is \$9,205.15.
8. Loss Solutions Group submits that the total actual cash value (ACV) of the July 20, 2012 event is \$28,871.11. Please note that this does not include the estimated labor amount.

If you have any questions, or require any additional information, please feel free to contact Brandon Curtis at (866) 899-8756 ext. 705, or via email at bcurtis@losssolutionsgroup.com. Rich Curtis can be reached at (866) 899-8756 ext. 702, or via email at rcurtis@losssolutionsgroup.com.

Best regards,



Brandon Curtis
Technical Consultant
Loss Solutions Group, LLC



Rich Curtis
Managing Consultant
Loss Solutions Group, LLC

INSURED: CITY OF MILFORD
 LSG #: 787200.3744
 CLAIM #: ESY9063
 DATE OF LOSS: JUNE 22, 2012
 CAUSE OF LOSS: LIGHTNING

REF #	VENDOR	ITEM	QTY	CLAIM UNIT COST	CLAIM TOTAL COST	LSG UNIT COST	LSG TOTAL COST	AGE	USEFUL LIFE	ACV	DISPOSITION	STORM	INVOICE #	NOTES
1	SYTECH	MATERIALS - ADACS SURVEILLANCE MODULE	1	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	\$ 1,250.00	1.25	7	\$ 1,100.00	TOTAL LOSS	6/22/2012	QUOTE 1989	LSG RESEARCHED THE MATERIAL COST CLAIMED FINDING IT TO BE WITHIN REASON
2	SYTECH	MATERIALS - POLE CAMERA ENCLOSURE W/AXIS CAMERA	1	\$ 570.00	\$ 570.00	\$ 570.00	\$ 570.00	1.25	7	\$ 501.60	TOTAL LOSS	6/22/2012	QUOTE 1989	LSG RESEARCHED THE MATERIAL COST CLAIMED FINDING IT TO BE WITHIN REASON
3	PC SUPPLIES	MATERIALS - DELL OPTIPLEX MOTHERBOARD	1	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	3	7	\$ 85.50	TOTAL LOSS	6/22/2012	INVOICE CJR2180	LSG REVIEWED THE MATERIAL COST CLAIMED FINDING IT TO BE WITHIN REASON
4	PC SUPPLIES	MATERIALS - DELL OPTIPLEX MOTHERBOARD	2	\$ 150.00	\$ 300.00	\$ 150.00	\$ 300.00	3	7	\$ 171.00	TOTAL LOSS	7/20/2012	INVOICE 35248	LSG REVIEWED THE MATERIAL COST CLAIMED FINDING IT TO BE WITHIN REASON
5	PC SUPPLIES	TRIPP LITE SMTPRO 1500	3	\$ 220.00	\$ 660.00	\$ 220.00	\$ 660.00	3	7	\$ 376.20	TOTAL LOSS	7/20/2012	INVOICE 35349	LSG REVIEWED THE MATERIAL COST CLAIMED FINDING IT TO BE WITHIN REASON
6	PC SUPPLIES	MATERIALS - JET DIRECT619 INTPS NEC CARD FOR PRINTER	1	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	2	7	\$ 120.70	TOTAL LOSS	7/20/2012	INVOICE 35223	LSG REVIEWED THE MATERIAL COST CLAIMED FINDING IT TO BE WITHIN REASON
7	PC SUPPLIES	LABOR - SERVICE & TRAVEL	1	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	N/A	N/A	\$ 150.00	REASONABLE	7/20/2012	INVOICE 35223	LAG REVIEWED THE LABOR RATE AND TOTAL CLAIMED FINDING IT TO BE WITHIN REASON
8	COLLINS	LABOR - SERVICE LABOR / SERVICE TICKET	1	\$ 595.00	\$ 595.00	\$ 595.00	\$ 595.00	N/A	N/A	\$ 595.00	REASONABLE	6/22/2012	INVOICE 16823	LSG REVIEWED THE SERVICE TICKET TRIP AND LABOR TO BE WITHIN REASON
9	COLLINS	MATERIALS - ESIB NEC CARD REFURB	1	\$ 49.00	\$ 49.00	\$ 49.00	\$ 49.00	5	7	\$ 14.21	TOTAL LOSS	6/22/2012	INVOICE 16823	LSG REVIEWED THE MATERIAL COSTS CLAIMED FINDING THEM TO BE WITHIN REASON
10	COLLINS	MATERIALS - SMART JPS 1000VA	1	\$ 270.00	\$ 270.00	\$ 270.00	\$ 270.00	2	7	\$ 191.70	TOTAL LOSS	6/22/2012	INVOICE 16823	LSG REVIEWED THE MATERIAL COSTS CLAIMED FINDING THEM TO BE WITHIN REASON
11	COLLINS	MATERIALS - REFURNISHED PAGING AMP	1	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	10	7	\$ 42.50	TOTAL LOSS	6/22/2012	INVOICE 16823	LSG REVIEWED THE MATERIAL COSTS CLAIMED FINDING THEM TO BE WITHIN REASON

INSURED: CITY OF MILFORD
 LSG #: 787200.3744
 CLAIM #: ESV9063
 DATE OF LOSS: JUNE 22, 2012
 CAUSE OF LOSS: LIGHTNING

REF #	VENDOR	ITEM	QTY	CLAIM UNIT COST	CLAIM TOTAL COST	LSG UNIT COST	LSG TOTAL COST	AGE	USEFUL LIFE	ACV	DISPOSITION	STORM	INVOICE #	NOTES
12	COLLINS	LABOR - SERVICE LABOR / SERVICE TICKET	1	\$ 371.00	\$ 371.00	\$ 371.00	\$ 371.00	N/A	N/A	\$ 371.00	REASONABLE	7/20/2012	INVOICE 16996	LSG REVIEWED THE LABOR SERVICE TICKET COST OT BE WITHIN REASON
13	COLLINS	MATERIALS - ESIS NEC CARD REFURB	1	\$ 49.00	\$ 49.00	\$ 49.00	\$ 49.00	0.08	7	\$ 48.51	TOTAL LOSS	7/20/2012	INVOICE 16996	LSG REVIEWED THE MATERIAL COSTS CLAIMED OT BE WITHIN REASON
14	COLLINS	MATERIALS - REFURBISHED PAGING AMP	1	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	0.08	7	\$ 168.30	TOTAL LOSS	7/20/2012	INVOICE 16996	LSG REVIEWED THE MATERIAL COSTS CLAIMED OT BE WITHIN REASON
15	COLLINS	MATERIALS - LD2409 TELEPHONY CARD	1	\$ 2,990.00	\$ 2,990.00	\$ 2,990.00	\$ 2,990.00	1	7	\$ 2,571.40	TOTAL LOSS	7/20/2012	INVOICE 17529	LSG RESEARCHED THE MATERIAL COST CLAIMED FINDING IT TO BE WITHIN REASON
16	ADT ADVANCED INTEGRATION	MATERIALS - GEN 3 AUTODOME	1	\$ 980.00	\$ 980.00	\$ 980.00	\$ 980.00	3	7	\$ 558.60	TOTAL LOSS	6/22/2012	INVOICE 56381	LSG RESEARCHED THE EQUIPMENT COST CLAIMED FINDING IT TO BE SLIGHTLY HIGH, HOWEVER, WITHIN REASON
17	ADT ADVANCED INTEGRATION	MATERIALS - VR1930WDM IFS RECEIVER	1	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	5	7	\$ 407.74	TOTAL LOSS	6/22/2012	INVOICE 56381	LSG RESEARCHED THE EQUIPMENT COST CLAIMED FINDING IT TO BE SLIGHTLY HIGH, HOWEVER, WITHIN REASON
18	ADT ADVANCED INTEGRATION	MATERIALS - LTC8780 CONTROLLER	1	\$ 947.60	\$ 947.60	\$ 947.60	\$ 947.60	5	7	\$ 274.80	TOTAL LOSS	6/22/2012	INVOICE 56381	LSG RESEARCHED THE EQUIPMENT COST CLAIMED FINDING IT TO BE SLIGHTLY HIGH, HOWEVER, WITHIN REASON
19	ADT ADVANCED INTEGRATION	EQUIPMENT - BUCKET TRUCK	1	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	N/A	N/A	\$ 200.00	REASONABLE	6/22/2012	INVOICE 56381	LSG REVIEWED THE LABOR RATE AND TOTAL FINDING THE COST CLAIMED TO BE WITHIN REASON
20	ADT ADVANCED INTEGRATION	LABOR	4	\$ 98.00	\$ 392.00	\$ 98.00	\$ 392.00	N/A	N/A	\$ 392.00	REASONABLE	6/22/2012	INVOICE 56381	LSG REVIEWED THE LABOR RATE AND TOTAL FINDING THE COST CLAIMED TO BE WITHIN REASON
21	ADT ADVANCED INTEGRATION	TRAVEL	1	\$ 98.00	\$ 98.00	\$ 98.00	\$ 98.00	N/A	N/A	\$ 98.00	REASONABLE	6/22/2012	INVOICE 56381	LSG REVIEWED THE LABOR RATE AND TOTAL FINDING THE COST CLAIMED TO BE WITHIN REASON
22	MOTOROLA / MAGNUM ELECTRONICS	MATERIALS - MOC6500 CONSOLE SYSTEM (COMPLETE PACKAGE)	1	\$ 100,650.00	\$ 100,650.00	\$ 98,819.00	\$ 98,819.00	6	7	\$ 24,704.76	TOTAL LOSS	7/20/2012	QUOTATION	LSG REVIEWED THE CLAIMED EQUIPMENT WITH THE INSURED'S AND SEVERAL ALTERNATE VENDORS FINDING THE COST CLAIMED TO BE WITHIN REASON
23	MOTOROLA / MAGNUM ELECTRONICS	FREIGHT	1	\$ 757.00	\$ 757.00	\$ 757.00	\$ 757.00	6	7	\$ 189.25	REASONABLE	7/20/2012	QUOTATION	FREIGHT CLAIMED WITHIN REASON

INSURED: CITY OF MILFORD
 LSG #: 787206.3744
 CLAIM #: ESV9063
 DATE OF LOSS: JUNE 22, 2012
 CAUSE OF LOSS: LIGHTNING

REF #	VENDOR	ITEM	QTY	CLAIM UNIT COST	CLAIM TOTAL COST	LSG UNIT COST	LSG TOTAL COST	AGE	USEFUL LIFE	ACV	DISPOSITION	STORM	INVOICE #	NOTES
24	STATE OF DE DIVISION OF COMMUNICATIONS	LABOR - ESTIMATED REMOVAL INSTALLATION, CONFIGURATION	400	\$ 50.00	\$ 20,000.00	\$ -	\$ -	N/A	N/A	\$ -	REASONABLE	7/20/2012	EST. 1	LSG SUBMITS THIS COST FOR ADJUSTER CONSIDERATION - THE TOTAL LABOR AMOUNT MAY BE LESS THAN THE TOTAL CLAIMED - COST WITHIN REASON.
25	INSURED	MATERIALS - DAP BOARDS	2	\$ 3,910.00	\$ 7,820.00	\$ 3,910.00	\$ 7,820.00	6	7	\$ 1,955.00	N/A	8/22/2012	N/A	THE INSURED PROVIDED CLAIM COSTS FOR EQUIPMENT DAMAGED DURING THE FIRST EVENT FROM THEIR STOCK - THE SECOND EVENT DAMAGED FURTHER EQUIPMENT AND THE STOCK COMPONENTS UTILIZED FOR REPAIRS.
26	INSURED	MATERIALS - CAB BOARDS	2	\$ 1,840.00	\$ 3,680.00	\$ 1,840.00	\$ 3,680.00	5	7	\$ 920.00	N/A	8/22/2012	N/A	THE INSURED PROVIDED CLAIM COSTS FOR EQUIPMENT DAMAGED DURING THE FIRST EVENT FROM THEIR STOCK - THE SECOND EVENT DAMAGED FURTHER EQUIPMENT AND THE STOCK COMPONENTS UTILIZED FOR REPAIRS.
27	INSURED	MATERIALS - DAP BOARD	1	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	8	7	\$ 1,500.00	N/A	8/22/2012	N/A	THE INSURED PROVIDED CLAIM COSTS FOR EQUIPMENT DAMAGED DURING THE FIRST EVENT FROM THEIR STOCK - THE SECOND EVENT DAMAGED FURTHER EQUIPMENT AND THE STOCK COMPONENTS UTILIZED FOR REPAIRS.
28	INSURED	MATERIALS - DESKTOP PC'S	2	\$ 737.00	\$ 1,474.00	\$ 737.00	\$ 1,474.00	8	7	\$ 368.50	N/A	8/22/2012	N/A	THE INSURED PROVIDED CLAIM COSTS FOR EQUIPMENT DAMAGED DURING THE FIRST EVENT FROM THEIR STOCK - THE SECOND EVENT DAMAGED FURTHER EQUIPMENT AND THE STOCK COMPONENTS UTILIZED FOR REPAIRS.
					\$ 152,327.60		\$ 130,467.60			\$ 38,076.28				
					CLAIM COST		LSG TOTAL COST			ACV				



THE SALVATION ARMY

FOUNDED IN 1865 BY WILLIAM AND CATHERINE BOOTH

ADULT REHABILITATION CENTERS COMMAND

P.O. BOX 9134, BARDONIA, NY 10954-9134
440 WEST NYACK ROAD, WEST NYACK, NY 10994
WWW.SATRUCK.ORG
TELEPHONE (845) 732-4100
FAX (845) 732-9705

11/16/2012

Carlton Savage Jr.
Davis, Bowen & Friedel, Inc
23 North Walnut Street | Milford, DE 19963

RE: Milford, Delaware
117 South East Front Street
Family Store - Temporary Construction Easement.

Dear Mr. Savage,

Attached please find the original executed Temporary Construction Easement for the above captioned property.

Please keep Captain Silvano Diaz fully informed of your work schedule so that he can prepare our employees and customers for any disruption to normal services.

God Bless

Alistair Fraser
Property Coordinator, ARC Command

Cc: Captain Silvano Diaz



Prepared by: City of Milford

**TEMPORARY CONSTRUCTION EASEMENT AGREEMENT
CITY OF MILFORD
KENT COUNTY, DELAWARE**

This Temporary Construction Easement (“**Agreement**”) is dated this ____ day of _____, 2012, by and between the

City of Milford, a municipal corporation
in the State of Delaware, hereinafter the “**City**”

-AND-

The Salvation Army, a commercial property owner within the
corporate limits of the City of Milford hereinafter referred to as the “**Owner**”

WHEREAS, it is the desire of the **City** to relocate the existing domestic water service presently serving the **Owner’s** building, from the North side rear of the **Owner’s property** to the West and North sides of said property as generally depicted on the attached Exhibit A; and,

WHEREAS, it is also the **City’s** desire to reconstruct an existing concrete block retaining wall and adjacent fencing located along the north side of the **Owner’s Property** in the area as generally depicted on the attached Exhibit B; and,

WHEREAS, it is the desire of the **Owner** to grant temporary construction easements to the **City** to facilitate such construction activities in accordance with the provisions of this **Agreement**.

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, the parties hereto agree as follows:

1). The **City** shall pay for the design and construction (the “**Activities**”) of the following improvements (collectively, the “**Improvements**”) utilizing funds provided in part or in whole by Delaware Health and Social Services (DHSS):

A). Termination and capping of the existing water service line at the Northerly property line of The Salvation Army

B). Installation on the **Owner’s Property** of one (1) new water service line of a size equal to or greater than the existing service line on the Westerly and Northerly side of the **Owner’s Property** extending from S.E. Front Street in a North and East direction to the location of the existing building water service line as generally depicted on Exhibit A. Said improvements shall include tapping of the existing main within S.E. Front Street,

installation of a new meter box and meter at the existing right-of-way line, extending a new service line to the rear of the building, connection of the new service line to the existing service line and all restoration as needed to return the property to its original condition. The Activities shall be conducted to minimize the disruption of water service to the Owner's building.

C). Removal of an existing concrete block retaining wall and adjacent fencing along the north side of the **Owner's** property and replacement thereof in the same location in the area as generally depicted on Exhibit B, including but not limited to, removal of existing retaining wall (as necessary for construction), construction of new block, or poured concrete equivalent, retaining wall as recommended and designed by the City's engineer sufficient to hold back the earth behind it to a level height of the highest section of the existing wall, removal of the existing chain link fence, construction of new six foot high vinyl privacy fence, replacement or improvement to **Owner's** building downspouts leading from the building to the adjoining **City's** property in order to improve drainage, and all other work as may be necessary to properly construct the new retaining wall and associated fencing.

D). All work in connection with the Activities and the Improvements shall be done in a good workmanlike manner and in accordance with all applicable laws, rules or regulations, and using new first class materials.

2). In order to allow the City to Construct the Improvements, The Salvation Army hereby grants to the City a temporary construction easement in the areas marked on the attached Exhibit A and B as "Temporary Construction Easement". This easement is temporary in nature and shall expire on the earlier of the completion of the Activities and installation of the Improvements or Oct 1, 2013.

3). **City** agrees to indemnify, defend, and hold **Owner** harmless from and against any and all claims, losses, damages, causes of action, administrative orders, costs and expenses, including, without limitation, attorney's fees and costs, incurred by **Owner** because of injury to persons or damage to real or personal property caused by **City** or by its consultants, employees, independent contactors or representatives incurred in performance of the Activities and installation of the **Improvements**. **City** further agrees to repair any damage to the **Owner's** property in the course of the construction of the **Improvements**. Prior to the **City**, its consultants or representatives, entering onto the **Owner's** property, **City** shall give reasonable advance notice to **Owner** and shall deliver to **Owner** a certificate evidencing general liability insurance coverage with limits not less than \$1,000,000 per person and per occurrence.

4). **City** covenants and agrees to comply with all applicable Federal, State and County statutes, laws, ordinances, regulations, orders and directives or other governmental enactments, including but not limited to subdivision, zoning, building, health and drainage codes as well as those laws, ordinances and regulations which regulate health, safety and the environment including environmental regulations (the "**Laws**") relating to the **Activities** and the rights granted hereunder as well as the design,

installation, construction, operation, repair, replacement, and maintenance of the **Improvements** installed or erected by **City**. **City** further covenants and agrees, at its sole cost and expense, to obtain and maintain any and all required permits, licenses or other authorizations with respect to the **Improvements** and the **Activities**.

5). Miscellaneous:

A). This **Agreement** shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs and assigns.

B). This **Agreement** cannot be modified, supplemented or altered in any respect except by writing signed by the parties hereto, or their respective successors, heirs or assigns.

C). This **Agreement** shall be governed by, and construed under, laws of the State of Delaware. If any term or provision of this **Agreement** or application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this **Agreement**, or the application of such term or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this **Agreement** shall be valid and enforceable to the fullest extent permitted by law.

D). This **Agreement** contains the entire agreement among the parties hereto and supersedes all prior or contemporaneous oral and written agreements and practices.

IN WITNESS WHEREOF, each of the parties hereto has caused this **Agreement** to be executed.

Signed, Sealed and Delivered:

Witness:


Name: IAN FITZCHARLES

The Salvation Army

By: 
Printed Name: JORGE E. DIAZ
Title: ASSISTANT SECRETARY - PROPERTY

Witness:

Name:

City of Milford

By: _____
Printed Name: _____
Title: _____

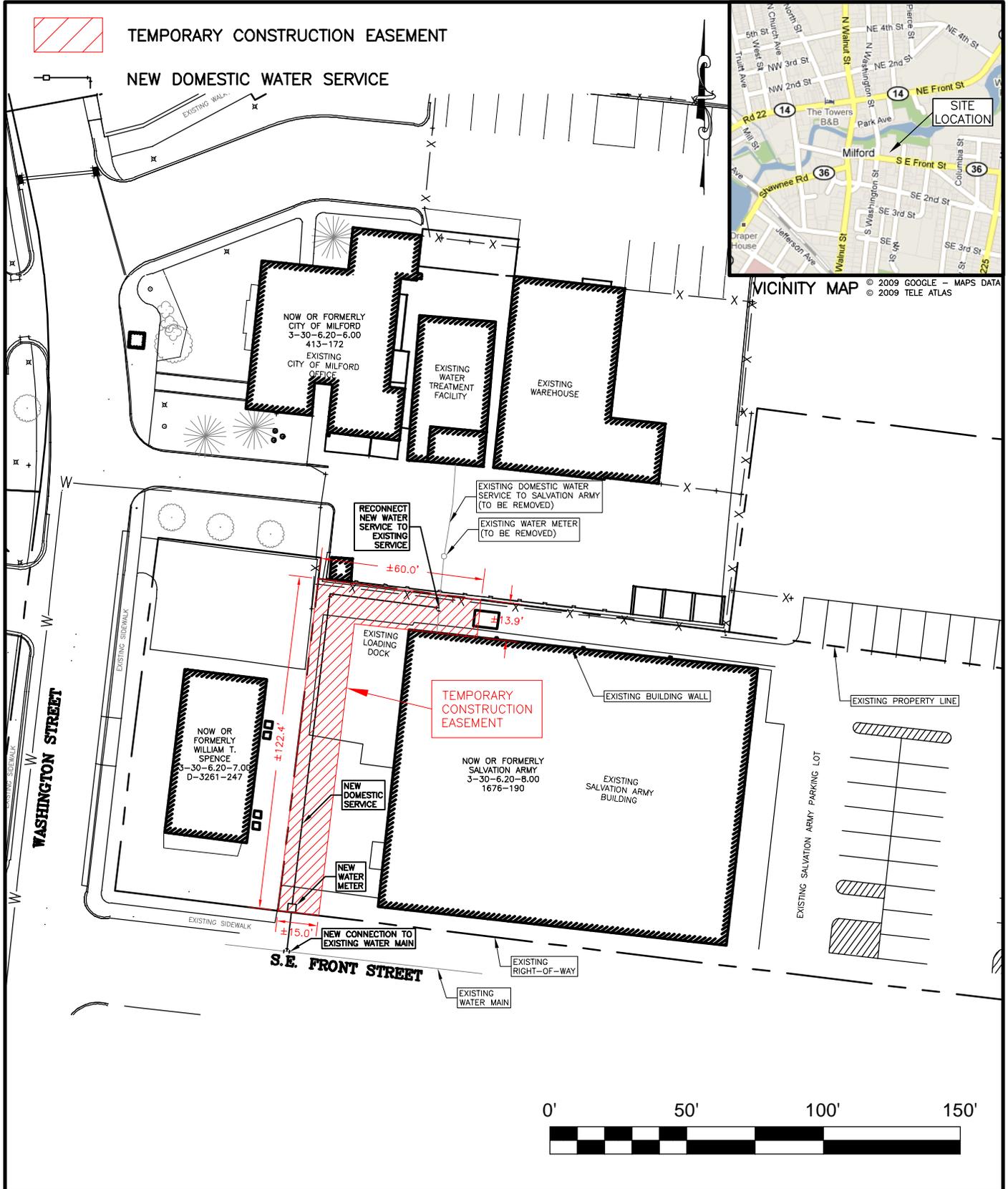


TEMPORARY CONSTRUCTION EASEMENT

NEW DOMESTIC WATER SERVICE



MUNICIPALITY MAP © 2009 GOOGLE - MAPS DATA © 2009 TELE ATLAS



DAVIS, BOWEN & FRIEDEL, INC.
ARCHITECTS, ENGINEERS & SURVEYORS

SALISBURY, MARYLAND (410) 543-8081
MILFORD, DELAWARE (302) 424-1441

EXHIBIT A TEMPORARY CONSTRUCTION EASEMENT

SALVATION ARMY
SUSSEX COUNTY ~ STATE OF DELAWARE
TAX MAP: 3-30-6.20-8.00

PROJ. NO. : 052A154

DATE: SEPTEMBER 24, 2012

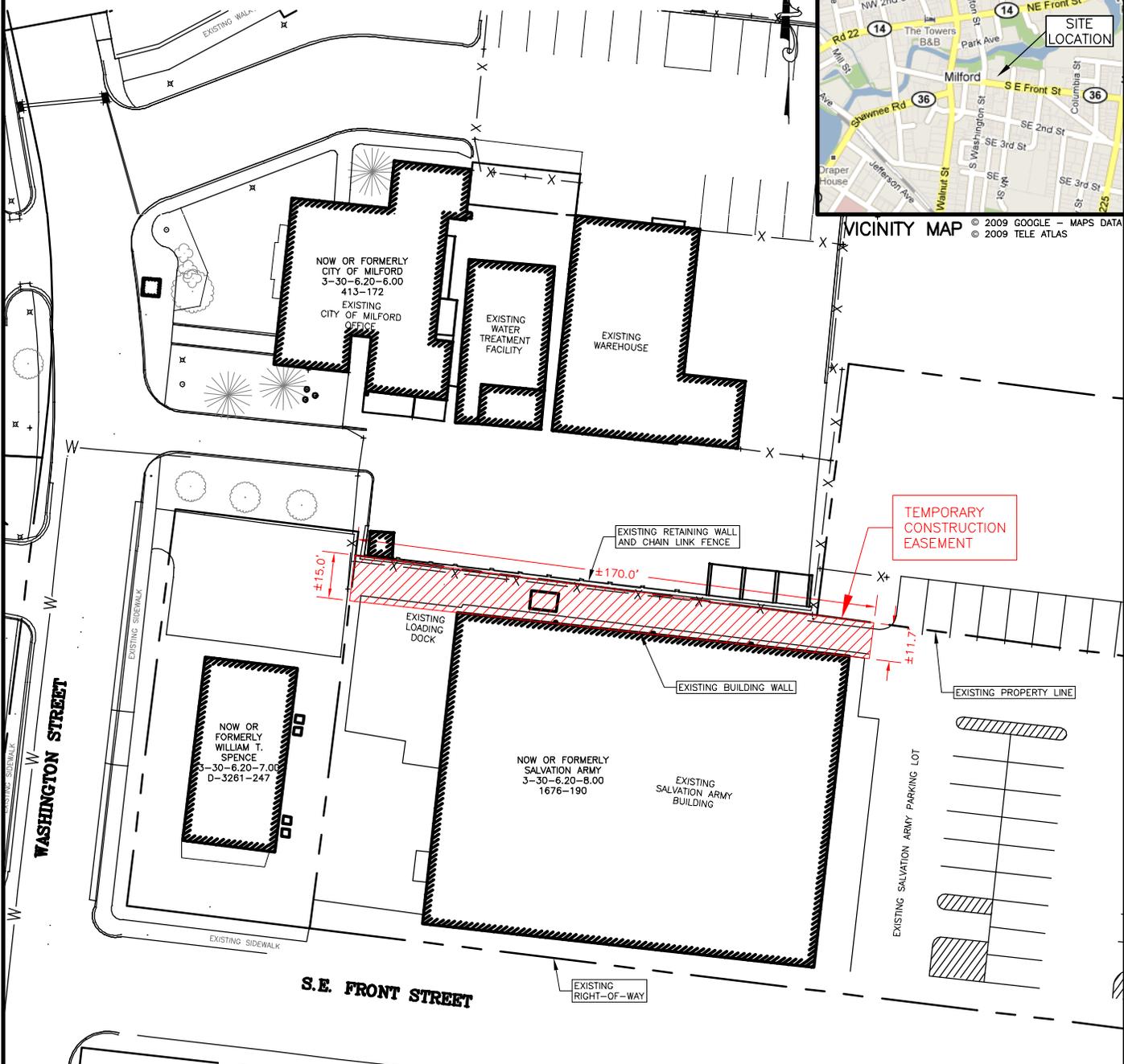
SCALE: 1" = 50'



TEMPORARY CONSTRUCTION EASEMENT



MUNICIPALITY MAP © 2009 GOOGLE - MAPS DATA © 2009 TELE ATLAS



DAVIS, BOWEN & FRIEDEL, INC.
ARCHITECTS, ENGINEERS & SURVEYORS
SALISBURY, MARYLAND (410) 543-8081
MILFORD, DELAWARE (302) 424-1441

EXHIBIT B TEMPORARY CONSTRUCTION EASEMENT

SALVATION ARMY
SUSSEX COUNTY ~ STATE OF DELAWARE
TAX MAP: 3-30-6.20-8.00

PROJ. NO. : 052A154

DATE: SEPTEMBER 24, 2012

SCALE: 1" = 50'

Purchase And Sale Agreement (in Buyer's Preferred Form)

Purchase and Sale Agreement

Purchase Agreement

This Purchase Agreement (the "Agreement") is dated as of _____, 20__, by and between GROWMARK FS, INC., a Delaware corporation (the "Seller"), and THE CITY OF MILFORD, a political subdivision of the State of Delaware, 201 South Walnut Street, Milford, Delaware 19963, and its assigns (the "Buyer").

In Consideration of the respective agreements hereinafter set forth and for good and valuable consideration, the receipt of which is hereby acknowledged, intending to be legally bound hereby, Seller and Buyer agree as follows:

1. Property Included in Sale. Seller hereby agrees to sell and convey to Buyer, and Buyer hereby agrees to purchase from Seller, subject to the terms and conditions set forth herein, the following:

(a) all that certain real property consisting of 15.571 acres of land, more or less, located at the intersection of N.E. Front Street and N.E. Fourth Street, Milford, Kent County, Delaware, bearing tax map parcel number MD-16-183.07-01-65.00, and more particularly described in Exhibit A attached hereto and hereby incorporated (the "Real Property");

(b) all rights, privileges, and easements appurtenant to the Real Property owned by Seller, including, without limitation, all minerals, oil, gas, and other hydrocarbon substances on and under the Real Property, as well as all development rights, air rights, water, water rights, and water stock relating to the Real Property, any rights to any land lying in the bed of any existing dedicated street, road, or alley adjoining the Real Property and to all strips and gores adjoining the Real Property, and any other easements, rights-of-way, or appurtenances used in connection with the beneficial use and enjoyment of the Real Property (all of which are collectively referred to as the "Appurtenances");

(c) all improvements and fixtures located on the Real Property, including, without limitation, all other buildings and structures presently located on the Real Property, all apparatus, equipment, and appliances used in connection with the operation or occupancy of the Real Property (all of which are collectively referred to as the "improvements");

(d) all personal property, equipment, and furnishings of Seller located on or in or used in connection with the Real Property and Improvements, and described in Exhibit B attached hereto and hereby incorporated (the "Personal Property");

All of the items referred to in Sections 1(a) through (d) above are hereinafter collectively referred to as the "Property."

2. Purchase Price. The purchase price for the property shall be Eight Hundred Seventy Five Thousand Dollars (\$875,000.00). Buyer shall pay Seller the purchase price for the property, subject to adjustment pursuant to Section 6(e) below, at the closing of the purchase and sale of the Property (the "Closing") as follows:

(a) Deposit. Within three (3) business days after full execution and acceptance of this Agreement, Buyer shall deposit with the Escrow Agent (as hereafter defined and designated pursuant to Section 2(a)(iv) hereof) either (i) cash in the amount of Fifty Thousand Dollars (\$50,000.00) or (ii) an irrevocable commercial letter of credit in the amount of Fifty Thousand Dollars (\$50,000.00), with an expiration date no earlier than the Closing Date (as defined in Section 5(a)) (the "Deposit"). The Deposit shall be held, paid and applied by the Escrow Agent as set forth in this Agreement.

(i) Letter of Credit. In the event Buyer elects to deposit with Escrow Agent as aforesaid a letter of credit, any such letter of credit shall (1) be issued in favor of Seller by a commercial bank or savings and loan institution selected by Buyer and reasonably acceptable to Seller, and (2) provide that it may be drawn upon by presentation of the letter of credit and the certification described in Section 2(a)(iii) hereof.

(ii) Cash. In the event Buyer elects to deposit with the Escrow Agent as aforesaid cash, Escrow Agent shall invest such cash in such obligations or accounts as Buyer may from time to time direct. Any and all interest or income earned on such investments shall inure to the benefit of Buyer and shall be paid to Buyer as received by or available to Escrow Agent.

(iii) Release by Escrow Agent. The Deposit shall be released by Escrow Agent to Seller only upon presentation of a written certification, executed by Seller, stating that a default by Buyer has occurred under this Agreement, that Seller has given Buyer notice of such default and a period of five (5) business days from receipt of such notice to cure such default in the event of a monetary default and fifteen (15) business days from receipt of such notice to cure such default in the event of a non-monetary default, and that as a result of Buyer's failure to cure such default, Seller is entitled to the Deposit under this Agreement. The Deposit shall (1) be returned to Buyer at Closing hereunder, (2) at Buyer's option, be applied to the Purchase Price, or (3) be returned to Buyer prior to Closing in the event this Agreement terminates in accordance with its terms for reasons not due to the fault of Buyer.

(iv) Escrow Agent. The Escrow Agent hereunder shall be a Delaware attorney or title company selected by Buyer and reasonably acceptable to Seller. Such Escrow Agent shall confirm, in writing, its receipt of the Deposit and its agreement to hold the Deposit in accordance with this Agreement. Buyer shall have the right, to be exercised by written notice to Seller, to designate a different attorney or title company as Escrow Agent, provided that (1) such attorney or title company is reasonably acceptable to Seller, (2) such attorney or title company acknowledges its intent to accept, hold, and return the Deposit in accordance with the provisions of this Agreement, and (3) satisfactory provision is made for transfer of the Deposit to such attorney or title company.

(b) Purchase Price. At Closing hereunder, the Buyer shall pay in cash, certified or cashier's check, an attorney's escrow check, other current funds, or wire of federal funds Eight Hundred Seventy Five Thousand Dollars (\$875,000.00 (the "Purchase Price"), subject to adjustment in accordance with Section 6(e) hereof.

3. Title to the Property.

(a) Good Title and Title Insurance. At Closing, Seller shall convey to Buyer marketable, good of record and in fact, and insurable fee simple title to the Real Property, the Appurtenances, and the Improvements, evidenced by the issuance by the title insurance company mutually satisfactory to Buyer ("Title Company") of an ALTA Owner's Policy of Title Insurance (Form

1987B), in the amount of the Purchase Price, at regular rates, free and clear of any and all liens, encumbrances, leases, subleases, rights of possession, occupancies, easements, rights-of-way, covenants, conditions, restrictions, or other matters whatsoever, whether recorded or unrecorded, except for the lien of real estate taxes not yet due and payable, the contracts, subcontracts, leases, subleases, and other agreements approved by Buyer prior to or at Closing pursuant to the terms hereof, and such other exceptions as Buyer shall approve pursuant to Section 3(c) below. Said policy shall provide full coverage against mechanics' or materialmen's liens arising out of the construction, repair, or alteration of any of the Improvements or any tenant improvements and shall contain such special endorsements as Buyer may reasonably require. The Property shall consist of one or more subdivided lots or parcels of record, and, if there is more than one lot or parcel and if separate buildings are located on different lots or parcels, there shall be adequate cross-operating and access easements to the extent necessary or desirable to ensure each lot or parcel's access to public streets and thoroughfares and to provide sufficient utility service to each such lot or parcel.

(b) Title to Personalty. At the Closing, Seller shall transfer title to the Personal Property, if any, by a warranty bill of sale, such title to be free of any liens, encumbrances, or interests of third parties.

(c) Title Objections. Prior to the end of the Review Period (as defined in Section 4), Buyer shall cause a search of title to the Property to be made, and, upon receipt of the title commitment, Buyer shall advise Seller what exceptions to title are unacceptable to Buyer. Seller shall have ten (10) days after receipt of Buyer's objections to give Buyer written notice:

(i) that Seller will remove any objectionable exceptions from title and provide Buyer with evidence satisfactory to Buyer of such removal, or provide Buyer with evidence satisfactory to Buyer that said exceptions will be removed on or before the Closing; or

(ii) that Seller elects not to cause such exceptions to be removed.

If Seller gives Buyer notice under Section 3(c)(ii), Buyer shall have ten (10) days to notify Seller whether it shall, at its sole option, (1) proceed to Closing and deduct from the Purchase Price an amount equal to the reasonably estimated cost of correcting such exceptions from the Purchase Price, or (2) terminate this Agreement in which event the Deposit (with interest) shall be returned to Buyer and all parties shall be released from any further liabilities or obligations hereunder. Buyer's failure to notify Seller of its election timely shall be deemed an election to proceed to Closing and deduct from the Purchase Price an amount equal to the reasonably estimated cost of correcting such defect. Any exceptions in the title commitment to which Buyer does not object shall be deemed acceptable to Buyer. In the event Buyer gives notice of its objections pursuant to the terms hereof and Seller fails to notify Buyer in writing of its election of either of the alternatives under Section 3(c)(i) and (ii) within ten (10) days from its receipt of Buyer's objections, then it shall be conclusively presumed that Seller has elected to correct such objections. This Section 3(c) shall not be construed to prevent Buyer's exercise of its rights under Section 4.

(d) Post-Title Commitment. If any matters that affect title arise between the date of the title commitment and the Closing that are not cured by the Seller prior to Closing, the Buyer shall have the right, in the Buyer's discretion, (i) to terminate this Agreement without waiving any of Buyer's rights under law or equity, in which event the Deposit (with any interest thereon) shall be returned to the Buyer, or (ii) to reduce the Purchase Price by the amount reasonably determined by Buyer to be necessary to cure such matters affecting title.

4. Review Period.

(a) Right to Inspect and Terminate. Buyer and its agents and representatives shall, subject to the rights of tenants thereon, have the right to enter onto the Property at all reasonable times prior to Closing for purposes of conducting surveys, soil tests, engineering tests and such other tests, investigations, studies, and/or inspections as Buyer deems necessary or desirable to evaluate the Property, provided that all such tests, investigations, studies, and inspections shall be conducted at the Buyer's sole expense. Buyer shall also be entitled to interview tenants and those individuals and/or entities with whom Seller has contracts and/or agreements regarding the Property at such times and places as Buyer deems appropriate, and may request financial information from such tenants to determine their creditworthiness. In the event that Buyer is not fully satisfied with the condition, use, or operation of the Property for any reason whatsoever in Buyer's sole discretion, Buyer shall have the right, in its sole and absolute discretion, to terminate this Agreement by written notice to the Seller within one hundred twenty (120) business days after the later of (i) full execution hereof or (ii) the date of receipt by Buyer of all documents and materials required under Section 4(b) hereof (the "Review Period"), whereupon the deposit, together with all interest thereon, if any, shall be promptly returned to Buyer and all parties hereto shall be relieved of any further obligations hereunder.

(b) Documents for Review. Seller, at Seller's expense, shall, within five (5) days of execution of this Agreement, deliver to Buyer the following ("Property Information"):

(i) copies of all existing and proposed easements, covenants, restrictions, agreements, or other documents that affect title to the Property and that would not be disclosed by the preliminary title report, or, if no such documents are known by Seller to exist, a certification of Seller that Seller has not entered into any such documents and, to the best of Seller's knowledge, no such documents exist;

(ii) any "as-built" survey of the Real Property and Improvements by a licensed surveyor or civil engineer in Seller's possession.

(iii) copies of the most recent property tax bills for the Property;

(iv) copies of all insurance policies, leases, agreements, plans and specifications, engineering, architectural or zoning documents, tests or reports, licenses, permits, certificates of occupancy, warranties, soil reports, financial and operating reports for the last three (3) years, rent roll documents, and all other documents that concern the Property and that are in the Seller's possession or under Seller's control; and

(v) such other information as may be indicated on Exhibit H hereto or that Buyer may otherwise reasonably request.

5. Conditions to Closing. The obligation of Buyer to close hereunder is subject to the satisfaction, at or prior to Closing, of each of the following conditions:

(a) Estoppel Certificates. Seller obtaining and delivering to Buyer tenant estoppel certificates in form and substance satisfactory to Buyer from any and all tenants occupying any portion of the Property and from all parties to any reciprocal easement agreements or other similar agreements affecting the Property. Said tenant estoppel certificates shall be substantially in the form attached hereto as Exhibit C and hereby incorporated and shall be dated no earlier than thirty (30) days prior to the Closing Date.

(b) Compliance by Seller. The fulfillment of all other conditions to the Closing and covenants contained in this Agreement by Seller, and the execution, acknowledgment (where applicable), and delivery of all documents and other items to be delivered by Seller to Buyer at the Closing pursuant to Section 6 below.

(c) Representations. All of Seller's representations and warranties contained in or made pursuant to this Agreement shall have been true and correct when made and shall be true and correct as of the Closing Date and Seller shall so certify as of Closing in writing.

(d) Condition of Property. The physical condition of the Property shall be substantially the same on the day of Closing as on the date of the execution of this Agreement, reasonable wear and tear, loss by casualty (as permitted under this Agreement), and the construction of tenant improvements as approved by Buyer excepted. All equipment and systems in the Property, including, without limitation, HVAC equipment, electrical systems, and plumbing systems, shall be in good operating condition. As of the day of Closing, there shall be no litigation or administrative agency or other government proceeding of any kind whatsoever, pending or threatened, that after Closing would, in Buyer's sole discretion, adversely affect the value of the Property or the ability of Buyer to operate the Property in the manner it is currently being operated, and no proceeding shall be pending or threatened that could or would cause the change, redesignation, or other modification of the zoning classification of, or of any building or environmental code requirements applicable to, the Property, or any portion thereof, or any property adjacent to the Property. All certificates of occupancy, approvals, and permits required under local laws and regulations for the continued operation of the Property shall have been validly issued and in full force and effect and the Property shall comply with all applicable zoning, land use, subdivision, fire and other applicable codes, ordinances, and regulations.

(e) Casualty; Condemnation. In the event that, prior to Closing, the Property, or any part thereof, is destroyed or materially damaged, or if condemnation proceedings are commenced against the Property, or any part thereof, Seller shall notify Buyer promptly thereof and Buyer shall have the right, exercisable by giving notice of such decision to Seller within fifteen (15) business days after receiving written notice of such damage, destruction, or condemnation proceedings, to (i) terminate this Agreement; (ii) delay Closing for a period not in excess of ninety (90) days to give Seller an opportunity to repair the damage caused by the casualty or condemnation, in which case Seller shall promptly restore such damage in accordance with plans and specifications approved by Buyer; or (iii) accept the Property in its damaged condition and proceed to Closing. If Buyer elects to terminate this Agreement, the Deposit (with any interest thereon) shall be returned to Buyer and neither party shall have any further rights or obligations hereunder. For purposes hereof, any damage to structural components of the Property or damage to nonstructural components of the Property costing in excess of \$25,000 in aggregate to repair will be deemed to be material damage. If Buyer elects to accept the Property in its then condition, all proceeds of insurance or condemnation awards payable to Seller by reason of such damage, destruction, or condemnation shall be paid or assigned to Buyer, and Seller shall pay to Buyer or credit against the Purchase Price the amount, as determined by Buyer's architect, of any deductible or uninsured loss with respect to such casualty. If Buyer elects to proceed to Closing after Seller has repaired the Property, any condemnation award or insurance proceeds not used to repair the Property in accordance with subsection 5(e)(ii) hereof will be assigned to Buyer. The risk of loss or damage to the Property caused by fire or other casualty shall be borne by the Seller until the executed deed of conveyance is delivered to Buyer and is recorded for Buyer by the Title Company.

(f) Notice of Violations. All notices of violations of orders or requirements issued by any government agency or authority, or actions in any court on account thereof, against or affecting the Property at the Closing Date hereunder, shall be complied with by the Seller and the Property conveyed free thereof.

The foregoing conditions contained in Sections 5(a) through (f) are intended solely for the benefit of Buyer. If any of the foregoing conditions are not satisfied, Buyer shall have the right, at its sole election, either to waive the condition in question and proceed with the purchase or, in the alternative, terminate this Agreement. The Closing Date may be extended from time to time, at Buyer's sole option, but not beyond the date that is ninety (90) business days after the date of Closing, if required to allow said conditions to be satisfied, subject to Buyer's further right to terminate this Agreement upon the expiration of the period of any such extension if all said conditions have not been satisfied. In the event Buyer elects to terminate this Agreement pursuant to this Section 5, the Deposit (with any interest thereon) shall be returned to Buyer and Seller shall pay any title and escrow charges and all of Buyer's out-of-pocket expenses, including without limitation reasonable attorneys' fees and costs, and neither party shall have any further rights or obligations under this Agreement.

6. Closing and Escrow.

(a) Closing Date. The Closing hereunder shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made at the offices of Buyer's attorney (i) on or before _____, 20__, or three (3) years after the date of this Agreement, or (ii) on such date to which the Closing is extended pursuant to Section 5 (the "Closing Date"). The delivery of the Purchase Price and the documents to be recorded, and any other items agreed upon by Buyer and Seller, shall occur through an escrow established with the Buyer's attorney pursuant to written escrow instructions in accordance with the terms of this Agreement. The Closing Date may not be extended without the written approval of both Seller and Buyer, except as otherwise expressly provided in this Agreement. In the event the Closing does not occur on or before the Closing Date, the escrow holder shall, unless it is notified by both parties to the contrary within five (5) days after the Closing Date, return to the depositor thereof items that may have been deposited hereunder. Any such return shall not, however, relieve either party hereto of any liability it may have for its wrongful failure to close.

(b) Seller's Closing Documents. At or before the Closing, Seller shall deliver to Buyer the following:

(i) a duly executed and acknowledged special warranty deed in recordable form conveying to the Buyer the Real Property, the Appurtenances, and the Improvements as required by Section 3(a) above;

(ii) a duly executed warranty bill of sale covering the Personal Property as required by Section 3(b) above and in a form complying with any applicable Uniform Commercial Code provision in force in the jurisdiction in which the Personal Property is located;

(iii) a duly executed and acknowledged affidavit stating that the representations and warranties of Seller set forth herein are true and correct as of the Closing Date;

(iv) originals of all leases (and amendments thereto, if any, and all records and correspondence relating thereto), or copies, if originals are not available, affecting any portion of the Property and any security deposits relating thereto (including interest thereon, if any);

(v) duly executed tenant estoppel certificates and estoppel certificates relating to any reciprocal easement agreement as required pursuant to Section 5(a) above;

(vi) originals, or copies, if originals are not available, of all service contracts, maintenance contracts, and management contracts, and other agreements affecting the Property (collectively, the "Service Contracts"), if any, to be continued by Buyer after the Closing, and any warranties or guaranties received by Seller from any contractors, subcontractors, suppliers, materialmen, or others in connection with any construction, repairs, or alterations of the Improvements, any tenant improvements therein, or the Personal Property;

(vii) originals, or copies, if originals are not available, of building permits, licenses, approvals, and certificates of occupancy for the Improvements on the property being conveyed;

(viii) one complete set of the final as-built plans and specifications for any Improvements, certified by Seller and the architect and engineer for the design and construction of the Improvements, as well as all site plans, test borings, engineering studies, surveys, or other information concerning the Property within Seller's possession or control;

(ix) notices to the tenants at the Property in the form attached as Exhibit D and hereby incorporated, duly executed by Seller;

(x) an affidavit in form satisfactory to Buyer that Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1954 (the "1954 Code");

(xi) closing statement in form and content satisfactory to Buyer and Seller; and

(xii) a duly executed and acknowledged assignment of all leases or other occupancy agreements affecting the Property and any security deposits (and interest thereon, if any) and advance rents related to such leases or occupancy agreements;

(xiii) a legal opinion of Seller's attorney in a form satisfactory to Buyer as to the matters set forth in Section 7(h);

(xiv) any other documents, instruments, records, correspondence, or agreements called for hereunder that have not previously been delivered or reasonably necessary to effectuate the purposes of this Agreement.

Buyer may waive compliance on Seller's part under any of the foregoing items by an instrument in writing. The Seller further covenants that it will, at any time and from time to time after Closing hereunder, upon request of the Buyer, do, execute, acknowledge, and deliver, or will cause to be done, executed, acknowledged, or delivered, all such further acts, deeds, conveyances, and assurances as may reasonably be required for the better conveying, transferring, assuring, and confirming the conveyance of title to the Property to the Buyer.

(c) Buyer's Closing Documents. At or before the Closing, Buyer shall deliver to Seller the following:

(i) a duly executed and acknowledged counterpart of the assignment of leases, as set forth in Section 6(b)(xiii);

(ii) closing statement in form and content satisfactory to Buyer and Seller; and

(iii) funds required to close escrow.

(d) Other Documents. Seller and Buyer shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to close the escrow and consummate the purchase of the Property in accordance with the terms hereof.

(e) Prorations and Adjustments. Real estate taxes, general and special, water and sewer rents, utility charges (based on meter readings ordered by Seller or invoices, as appropriate), premiums on existing insurance policies, if assigned to and accepted by Buyer, all accounts receivable related to the Property, collected rents including prepaid rents, advance rents, tenant reimbursements (such as common area maintenance, building operating costs, utilities and real estate taxes, percentage rents, payments due from concessionaires or licenses) (with interest thereon), and all other expenses and charges with respect to the Property shall be prorated and adjusted to the Closing Date. Seller shall give Buyer a credit for all security deposits, key and maintenance deposits (with accrued interest thereon) that are maintained or that are required to be maintained by Seller with respect to the Property. Seller shall receive a credit for any rent abatements or free rent for periods after Closing and for the cost of any tenant improvements for which Seller is responsible under executed tenant leases, but that have not been completed as of the date of Closing. All rents and charges collected by the Buyer after the Closing shall first be applied to amounts due after the Closing, whether or not amounts are also due from such tenants for the period prior to the Closing. If any tenant pays rents or charges in excess of amounts due after the Closing on account of amounts due prior to the Closing, the Buyer shall promptly remit such excess to the Seller. The Buyer assumes no obligation to collect or enforce the payment of any amounts that may be due to the Seller. The Seller may, at its own cost and expense, sue tenants for any unpaid rents and charges due at Closing, but shall indemnify the Buyer against all costs and liabilities resulting therefrom or related thereto. Seller and Buyer hereby agree that if any of the aforesaid prorations cannot be calculated accurately on the Closing Date, then the same shall be calculated within thirty (30) days after the Closing Date and either party owing the other party a sum of money based on such subsequent proration(s) shall promptly pay said sum to the other party, together with interest thereon at the rate of twelve percent (12%) per annum from the Closing Date to the date of payment if payment is not made within ten (10) days after delivery of a bill therefor. Seller shall file the appropriate returns and pay any federal, state, or local sales tax, use taxes, gross receipts taxes, withholding taxes, FICA withholdings, state and federal employment charges, workers' compensation insurance premiums, and any wages due to employees (including accrued vacation, union dues (if any), benefit payments, and so forth) for all persons prior to the date of Closing.

(f) Closing Costs. Seller shall pay for one-half of any transfer taxes and for the preparation of a special warranty deed. Buyer shall pay for all costs typically paid by a purchaser of real property in Kent County, Delaware.

(g) Post-Closing Tax Proration. Notwithstanding any other provision of this Agreement to the contrary, if Buyer shall become liable after the Closing for payment of any property taxes assessed against the Property for any period of time prior to the Closing Date, Seller shall immediately pay to Buyer on demand an amount equal to such tax assessment in accordance with Section 6(e).

7. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer, as of the date hereof and on the Closing Date, as follows:

(a) The use, condition, and operation of the Property are in full compliance with applicable building codes, environmental, zoning, and land use laws, and other applicable local, state, and federal laws and regulations; the Real Property is zoned industrial; and there is no institution or, to Seller's knowledge, threat of any proceedings to change or downzone the existing classification as to all or any portion of the Property. The Property has received all approvals and permits that are required for its current operation, in accordance with applicable laws, regulations, court orders, and decrees.

(b) The survey, mechanical and structural plans and specifications, soil reports, leases, contracts, certificates of occupancy, guaranties, warranties, operating statements, rent roll and income and expense reports, and all other books and records relating to the Property and all other contracts or documents delivered to Buyer pursuant to this Agreement or in connection with the execution hereof are true, complete, and correct copies, and are in full force and effect, without default by (or notice of default to) any party. Prior to the end of the Review Period, Seller will, or will have already, delivered to Buyer all documents and information relating to the Property that have or may have any material economic impact on the transaction contemplated hereby or on the operation and condition of the Property.

(c) There are no condemnation, environmental, zoning or other land use regulation proceedings, either instituted or, to Seller's knowledge, planned to be instituted, that would affect the use and operation of the Property for its intended purpose or the value of the Property, nor are there any special assessment proceedings threatened or pending affecting the Property.

(d) All water, sewer, gas, electric, telephone, and drainage facilities, and all other utilities required by law or by the normal use and operation of the Property are installed to the property lines of the Real Property, are connected pursuant to valid permits, and are adequate to service the Property and to permit full compliance with all requirements of law and normal use of the Property by the tenants or occupants thereof and their licensees and invitees. Seller has no responsibility for maintenance of off-site lines, pumps, lift stations, or other facilities,

(e) Seller has obtained all licenses, permits, easement, approvals, and rights-of-way, including without limitation proof of dedication, required from all government authorities having jurisdiction over the Property or from private parties for the normal use and operation of the Property and to ensure vehicular and pedestrian ingress to and egress from the Property.

(f) There is no litigation pending or, to Seller's knowledge, threatened against Seller or any basis therefor that arises out of the ownership of the Property or that might affect the use or operation of the Property for its intended purpose or the value of the Property or affect the ability of Seller to perform its obligations under this Agreement.

(g) Seller is the sole legal and equitable owner of record and in fact of good and marketable fee simple title to the Property, free and clear of any and all liens, encumbrances, leases, subleases, rights of possession, occupancies, easements, rights-of-way, covenants, conditions, restrictions, or other matters whatsoever, whether recorded or unrecorded, except for the lien of real estate taxes not yet due and payable, the contracts, subcontracts, leases, subleases, and other agreements approved by Buyer pursuant to the terms hereof, and such other exceptions as Buyer shall approve or has approved pursuant to Section 3(c) hereof, and is a corporation, duly organized and validly existing under the laws of the State of Delaware and duly authorized to do business in the state in which the Property is located; this Agreement is duly authorized, executed, and delivered by Seller, is a legal, valid, and binding obligation of Seller, and

does not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject; all documents executed by Seller that are to be delivered to Buyer at the Closing will be duly authorized, executed, and delivered by Seller, will be legal, valid, and binding obligations of Seller, will be sufficient to convey title (if they purport to do so), and will not violate any provisions of any agreement or judicial order to which Seller is a party or to which Seller or the Property is subject as of the Closing Date. The person executing this Agreement on behalf of Seller is duly authorized to do so.

(h) Except as disclosed to and approved by Buyer in writing, during the Review Period, there will be no outstanding contracts made by Seller for any improvements to the Property that have not been fully paid for, and Seller shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to the Property prior to the time of Closing.

(i) Seller knows of no facts nor has Seller failed to disclose any fact that would prevent Buyer from using and operating the Property after Closing in the normal manner in which first class properties of similar type and condition in the area are operated.

(j) Seller is not a "foreign person" within the meaning of Section 1445 of the 1954 Code.

(k) Neither Seller nor any of its affiliates is a "disqualified person" under Section 4975(e) of the Internal Revenue Code of 1986 (the "1986 Code") or a "party in interest" as defined below, with respect to Buyer. Seller has not entered into any agreement affecting the Property, including without limitation any leases, with any party that is a "disqualified person" as defined in the 1986 Code or a "party in interest" as defined below with respect to Buyer. As used herein, the term "party in interest" has the meaning given that term by Section 3(14) of the Employee Retirement Income Security Act of 1974, as amended, as that Section is interpreted or amended on the date any undertaking is made with respect thereto. At Closing, Seller shall deliver such further assurances or certificates as Buyer shall require to confirm the foregoing representation and warranty.

(l) The Property does not contain and there has been no application, use, treatment, production, generation, discharge, disposal, or storage in, from, or onto the Property, or any lot or property adjacent thereto, of any "hazardous waste," as that term is defined in the Resource Conservation and Recovery Act, the Comprehensive Environmental Resources, Compensation and Liability Act, the regulations issued pursuant thereto by the Environmental Protection Agency ("EPA") and/or superlien statute(s), if any, of the state in which the property is located, or toxic substance or any activity that could have toxic results, and there is no proceeding or inquiry threatened or pending by any government body with respect thereto. Neither any improvements or fixtures located on the Property nor the Property contain any hazardous building materials or toxic substances, including, without limitation, "asbestos," as that term is defined in regulations issued by the EPA and/or the Occupational Safety and Health Administration, lead-based paints, or polychlorinated biphenyls (PCBs).

(m) All of the exhibits attached hereto and the Property Information supplied to Buyer during the Review Period contain a full, complete, and accurate statement of the matters referred to therein.

(n) Seller presently maintains and will continue to maintain up to and including the Closing Date (i) such insurance covering loss or damage to the Property by fire and standard extended coverage perils in amounts in no event less than ninety percent (90%) of the full replacement

value of the Property with a reputable insurance company, and (ii) such comprehensive general liability insurance covering personal injury or property damage occurring in or about the Property in commercially reasonable amounts and with a reputable insurance company.

(o) Seller has received no notice that any special assessment of any government agency or authority, school board, utility company, or homeowners' or community association is pending, noted, or levied against all or any portion of the Property.

(p) Seller has received no notice of any violation of any law, order, or requirement issued by any government agency or authority against or affecting all or any portion of the Property, nor has Seller received any notice or request from any insurance company or Board of Insurance Underwriters (or similar organization) requesting the performance of any work or the correction of any conditions concerning the Property.

(q) No portion of the Property is located within an area designated as flood-prone under the Federal Flood Protection Act of 1973, on any U.S. Department of Housing and Urban Development Flood Hazard Boundary Map, or any special flood hazard map published by the Federal Emergency Management Agency.

(r) Seller is not a party to any contracts or agreements with respect to the Property or the operation thereof, except as provided by Seller as a condition of this Agreement. All contracts or agreements may be terminated without cost upon not more than thirty (30) days' notice, unless otherwise stated therein.

Buyer and Seller agree that if Seller becomes aware of any matter after the date hereof such that any of Seller's representations or warranties are not true and correct as of the Closing Date, Seller shall promptly notify Buyer thereof and, upon such notice, Buyer may elect, in its sole discretion, to terminate this Agreement and obtain a reimbursement of the Deposit (with interest) from the Escrow Agent. In the event Buyer elects to terminate this Agreement pursuant to this Section 7, Seller shall pay any title and escrow charges and all of Buyer's out-of-pocket costs, including without limitation its reasonable attorneys' fees and costs.

8. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as follows: This Agreement is duly authorized, executed, and delivered by Buyer, a legal, valid, and binding obligation of Buyer, and does not violate any provision of any agreement or judicial order to which Buyer is a party or to which it is subject; and all documents executed by Buyer that are to be delivered to Seller at the Closing will be duly authorized, executed, and delivered by Buyer, and will not violate any provisions of any agreement or judicial order to which Buyer is a part or to which it is subject.

9. Indemnification. Each party hereby agrees to indemnify the other party and hold it harmless from and against any and all claims, demands, liabilities, costs, expenses, penalties, damages, and losses, including, without limitation, reasonable attorneys' fees and expenses, resulting from any misrepresentations, breach of warranty, or breach of covenant made by such party in this Agreement or in any document, certificate, or exhibit given or delivered to the other pursuant to or in connection with this Agreement and any action, suit, charge, complaint, proceeding, obligation, undertaking, or similar matter arising out of or in connection with any transaction or event involving the Property that occurred (or is alleged to have occurred) prior to the Closing, in the case of Seller being the indemnitor, or on or after the Closing, in the case of Buyer being the indemnitor. The indemnification provisions of this Section 9 shall survive beyond

the delivery of the deed and transfer of title, or, if title is not transferred pursuant to this Agreement, beyond any termination of this Agreement.

10. Default. If Buyer shall fail to complete settlement as herein provided, or default in any manner under this Agreement, the entire Deposit shall be paid in accordance with the terms of Section 2(a) hereof to Seller as liquidated damages and not as a penalty, as Seller's sole remedy, and the parties hereto shall be relieved from any further liability or obligation hereunder. If Seller shall fail to complete settlement as herein provided, or default in any manner under this Agreement, the Buyer, in addition to obtaining a refund of the Deposit, together with any interest thereon, may undertake any and all legal and equitable actions, including, without limitation, a suit for specific performance. It is understood and agreed that in the event Seller shall default under or otherwise breach this Agreement, the Buyer, at its option (in addition to the remedies set forth in this Section 10), shall not be under any obligation to acquire any portions of the Property. In the event Buyer or Seller breaches the terms of the Agreement, then the party so breaching shall pay the party not so breaching its reasonable attorneys' fees and expenses incurred in enforcing its rights under the Agreement after such breach.

11. Possession. Possession of the Property shall be delivered to Buyer on the Closing Date, provided, however, that Seller shall afford authorized representatives of Buyer reasonable access to the Property, subject to the rights of tenants in possession, for the purposes of satisfying Buyer with respect to the representations, warranties, and covenants of Seller contained herein and with respect to satisfaction of any conditions precedent to the Closing contained herein.

12. Seller's Obligations Pending Closing.

(a) Maintenance of Property. Seller shall have maintained and operated the Property in accordance with the terms of this Section 12. Between the Seller's execution of this Agreement and the Closing, Seller shall maintain the Property in good order, condition, and repair, reasonable wear and tear and damage by fire and other casualty excepted, shall perform all work required to be done by the landlord under the terms of any lease affecting the Property, and shall make all repairs, maintenance, and replacements of the Property and otherwise operate the Property in the same manner as before the making of this Agreement, the same as though Seller were retaining the Property.

(b) Sale or Encumbrance. After the execution of this Agreement, Seller shall not engage in or permit any sale, assignment, disposition, or encumbrance of the Property, or any part thereof.

(c) Contracts. Seller shall not, after the date of Seller's execution of this Agreement, (i) enter into or terminate any lease, amendment of lease, contract, or agreement, (ii) permit any tenant of the Property to enter into or terminate any sublease, assignment of lease, contract, or agreement pertaining to the Property, (iii) modify any lease, contract, or agreement pertaining to the Property, or (iv) waive any rights of Seller thereunder, without in each case obtaining Buyer's prior written consent thereto, in Buyer's sole discretion.

13. Miscellaneous.

(a) Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon the earlier of receipt or three (3) business days after (i) deposit in the United States mail, registered or certified mail, postage prepaid, return receipt requested, (ii) deposit with Federal Express or similar overnight courier, or (iii) delivery by hand, and addressed as follows:

If to Seller: _____

Att'n: _____

with a copy to: Seller's Attorney's Address

Att'n: _____

If to Buyer: City of Milford
201 S. Walnut Street
Milford, DE 19963
Att'n: City Manager, Richard Carmean or his successor

with a copy to: David N. Rutt, Esq.
Moore & Rutt, P.A.
122 W. Market Street
Georgetown, DE 19947

or such other address as either party may, from time to time, specify in writing to the other.

(b) Brokers and Finders. Neither party has had any contact or dealings regarding the Property, or any communication in connection with the subject matter of this transaction, through any licensed real estate broker or other person who can claim a right to a commission or finder's fee as a procuring cause of the sale contemplated herein.

(c) Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors, heirs, administrators, and assigns. Buyer reserves the right to assign this Agreement to any partnership in which Buyer or any affiliate of Buyer is a general partner, and any reference to Buyer shall be deemed to include Buyer's assignees.

(d) Amendments. Except as otherwise provided herein, this Agreement may be amended or modified only by a written instrument executed by Seller and Buyer.

(e) Continuation and Survival of Representations and Warranties. All representations and warranties by the respective parties contained herein or made in writing pursuant to this Agreement are intended to and shall remain true and correct as of the time of Closing, shall be deemed to be material, and shall survive the execution and delivery of this Agreement and the delivery of the deed and transfer of title. All statements contained in any certificate or other instrument delivered at any time by or on behalf of Seller in conjunction with the transaction contemplated hereby shall constitute representations and warranties.

(f) Governing Law. This Agreement shall be governed by, construed in and enforced in accordance with the laws of the State of Delaware.

(g) Merger of Prior Agreements. This Agreement and the exhibits attached hereto constitute the entire agreement between the parties with respect to the purchase and sale of the Property and supersede all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

(h) Enforcement. In the event either party hereto fails to perform any of its obligations under this Agreement or in the event a dispute arises concerning the meaning or interpretation of any provisions of this Agreement, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees.

(i) Time of the Essence. Time is of the essence in this Agreement.

(j) Exclusivity. Seller agrees not to market the Property actively or to enter into any negotiations for the sale of the Property to third parties until after the expiration of the Review Period and then only in the event Buyer elects not to purchase the Property.

(k) Consent or Waiver. No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance of this Agreement shall be construed as a consent or waiver to or of any subsequent breach or default in the performance by such other party of the same or any other obligations hereunder.

(l) Counterparts. This Agreement may be executed in counterparts and all counterparts shall be considered part of one Agreement binding on all parties hereto.

(m) Captions. Captions herein are for convenience of reference only and in no way define, limit, or expand the scope or intent of this Agreement.

(n) Gender. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female, and vice versa.

(o) Severability. In the event that one or more of the provisions hereof shall be held to be illegal, invalid, or unenforceable, such provisions shall be deemed severable and the remaining provisions hereof shall continue in full force and effect.

(p) Joint and Several Liability. The covenants, representations, and warranties of Seller or Buyer, as the case may be, herein shall be joint and several if Seller or Buyer consists of two or more persons or entities.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

In Witness Whereof, the parties hereto have executed this Agreement as of the date first above written.

Seller: _____
a _____
By: _____
Its: _____

Buyer: _____
a _____
By: _____
Its: _____

Escrow Agent hereby acknowledges receipt of the Deposit referred to in the foregoing Agreement and agrees to accept, hold, and return such Deposit, and disburse any funds received thereunder, in accordance with the provisions of such Agreement.

By: _____
Its: _____
Date: _____

Exhibit "A"
Legal Description of Real Property

Exhibit "B"
Schedule of Personal Property

Exhibit "C"
Lessee's Estoppel Certificate

To: _____ [_____ 's Address] _____

Re: Lease dated _____, 20 ____, by and between _____, as Lessor, and _____, as Lessee, with respect to premises in the improvements situate on the real property, common known as _____ and located at _____(the "Property").

Gentlemen:

The undersigned Lessee (the "Lessee") certifies and represents to the addressees hereof, their successors and assigns, with respect to the above-captioned Lease the following:

(1) All space and improvements covered by the Lease have been completed and furnished in accordance with the provisions of the Lease, and Lessee has accepted and taken possession of the premises covered by the Lease (the "Premises");

(2) The lessor named in the Lease and _____ if not such lessor named in the lease, but currently the owner of the Property (collectively "Lessor") have satisfied all commitments, arrangements, or understandings made to induce Lessee to enter into the Lease, and Lessor is not in any respect in default in the performance of the terms and provisions of the Lease, nor is there now any fact or condition that, with notice or lapse of time or both, will become such a default;

(3) Lessee is not in any respect in default under the terms and provisions of the Lease (nor is there now any fact or condition that, with notice or lapse of time or both, will become such a default), and has not assigned, transferred, or hypothecated its interest under the Lease, except as follows:

[Describe or write "None."];

(4) The Lease attached hereto is for a total term of _____ months commencing _____ 20__, and ending _____, 20__, has not been in any respect amended, modified, or supplemented and contains the entire agreement between Lessor and Lessee, except as follows:

[Describe and attach any amendments, modifications, or supplements to the lease or write "none"];

(5) There are no offsets or credits against rentals or other sums payable under the Lease, and neither Lessee nor any predecessor of Lessee has made any payment to Lessor as a security deposit or advance or prepaid rental except (i) payments expressly provided for in the Lease or in an amendment, modification, or supplement to the Lease which is attached hereto and (ii) payments made not earlier than ten (10) days prior to the date upon which such payments are due;

(6) Except as expressly provided in the Lease or in an amendment, modification, or supplement to the Lease which is attached hereto, Lessee (i) does not have any right to renew or extend the

term of the Lease, (ii) does not have any option or preferential right to purchase all or any part of the Premises or all or any part of the Property, and (iii) does not have any right, title, or interests with respect to the Premises other than as Lessee under the Lease. There are no understandings, contracts, agreements, or commitments of any kind whatsoever (including but not limited to service contracts or maintenance agreements) in respect of the Lease or the Premises except as expressly provided in the Lease or in any amendment, modification, or supplement to the Lease which is attached hereto;

(7) There are no subleases, rental agreements, licenses, or other agreements creating rights of occupancy with respect to the Premises;

(8) As of the date hereof the fixed annual rent under the Lease is _____ and ____/100 dollars (\$____), subject to escalation and other payments in accordance with the terms and provision of the Lease; and

(9) The Lease is in full force and effect, and Lessee has no defenses, setoffs, or counterclaims against Lessor arising out of the Lease or in any way relating thereto or arising out of any other transaction between Lessee and Lessor.

Dated: _____ 20 ____

Lessee:

By: _____

Its Authorized Agent

Address of Lessee:

Exhibit "D"
Notice to Tenants

[Tenant's Address] _____, 20__

Premises: _____

Lease dated: _____, between _____, a
_____, Landlord, and _____, a
_____, Tenant.

This is to notify you that the undersigned has sold its fee interest in the and in connection therewith has assigned its interest as landlord under your lease to _____, a _____, whose address is _____.

You are further notified that any security or other deposits and any prepaid rents under your lease have been transferred to _____.

You are further notified that commencing _____, 20__, all rental payments under your Lease shall be paid to _____, at the address specified in the first paragraph hereof, unless you are otherwise notified in writing by _____. You are further notified that all notices to the Landlord pursuant to your lease should hereafter be sent to _____ at the address specified in the first paragraph hereof unless you are otherwise notified in writing by _____.

Very truly yours,

By: _____

Certified Mail, Return Receipt Requested

Exhibit "A"
Legal Description of Real Property

All that certain lot or parcel of ground situate in the City of Milford, County of Kent, State of Delaware, bounded and described as follows:
 Beginning at a point located on the East right-of-way line of Northeast Fourth Street, said point being situate at the intersection of the North right-of-way line of Northeast Front Street (State Route #14) with the aforementioned East right-of-way line of Northeast Fourth Street; THENCE FROM THE PLACE OF BEGINNING along the aforementioned East right-of-way line of Northeast Fourth Street, North forty-seven degrees thirty-six minutes and forty-two seconds West (N 47°36'42" W) for a distance of five hundred thirty-one and sixty-eight hundredths feet (531.68') to a point; thence further along the same, North forty-seven degrees thirty-one minutes and fourteen seconds West (N 47°31'14" W) for a distance of two hundred thirty-nine and sixty-six hundredths feet (239.66') to a point; thence still further along the same, North fifty-nine degrees thirteen minutes and ten seconds West (N 59°13'10" W) for a distance of sixty and thirty-five hundredths feet (60.35') to a point; thence, North forty-six degrees fifty-three minutes and seven hundredths feet (N 46°53'07" W) for a distance of two hundred thirty-six and seven hundredths feet (236.07') to a point; thence, North forty-two degrees six minutes and five seconds East (N 42°06'05" E) for a distance of eight hundred twenty-seven and eighty hundredths feet (827.80') to a point; thence, South forty-two degrees twenty-seven minutes and eight seconds East (S 42°27'08" E) for a distance of two hundred sixty-nine and fifty-three hundredths feet (269.53') to a point; thence, South forty degrees fifty-five minutes and thirty seconds East (S 40°55'30" E) for a distance of one hundred eighty-three and three hundredths feet (183.03') to a point; thence, South forty-three degrees two minutes and twenty-four seconds West (S 43°02'24" W) for a distance of one hundred eighty and forty-one hundredths feet (180.41') to a point; thence, South twenty-one degrees forty-nine minutes and no seconds East (S 21°49'00" E) for a distance of eighty-four and forty hundredths feet (84.40') to a point; thence, South sixty-three degrees fifty-one minutes and thirty-three seconds East (S 63°31'33" E) for a distance of eighty-three and sixty hundredths feet (83.60') to a point; thence, South forty-eight degrees fifty-four minutes and fifty-five seconds East (S 48°54'55" E) for a distance of fifty-one and two hundredths feet (51.02') to a point; thence, South five degrees fourteen minutes and fifty-five seconds West (S 5°14'55" W) for a distance of fifty and fifty-eight hundredths feet (50.58') to a point; thence, South thirty-eight degrees twenty-one minutes and twenty-three seconds East (S 38°21'23" E) for a distance of sixty-six and fifty-eight hundredths feet (66.58') to a point; thence, North seventy-two degrees eighteen minutes and five seconds East (N 72°18'05" E) for a distance of sixteen and seventy-nine hundredths feet (16.79') to a point; thence, South sixty-eight degrees nineteen minutes and fifty-three seconds East (S 68°19'53" E) for a distance of forty-nine and ninety-five hundredths feet (49.95') to a point; thence, South forty-three degrees fifty-one minutes and five seconds East (S 43°51'05" E) for a distance of ninety-one and sixty-seven hundredths feet (91.67') to a point; thence, South thirty-two degrees forty-five minutes and fifty-two seconds East (S 32°45'52" E) for a distance of eleven and eighteen hundredths feet (11.18') to a point; thence, South fifty-two degrees forty-one minutes and twenty-nine seconds West (S 52°41'29" W) for a distance of one hundred seventy-one and sixty-nine hundredths feet (171.69') to a point; thence, South forty-six degrees fifty-nine minutes and forty-three seconds East (S 46°59'43" E) for a distance of two hundred and forty-four hundredths feet (200.44') to a point; thence along the aforementioned North right-of-way line of Northeast Front Street (State Route #14), South forty-three degrees thirty-six minutes and twenty-five seconds West (S 43°36'25" W) for a distance of three hundred eighty-two and twenty-three hundredths feet (382.23') to the place of beginning.

Containing 678,278.34 Square Feet (15.571 Acres).

The property shown and described hereon is the same property as described as Site Two in Commonwealth Land Title Insurance Company title commitment no. 35890 dated August 11, 2002.

**CITY OF MILFORD
FUND BALANCES REPORT**

Date: OCTOBER 2012

Cash Balance - General Fund Bank Balance	\$1,993,567
Cash Balance - Electric Fund Bank Balance	\$4,091,103
Cash Balance - Water Fund Bank Balance	\$1,848,652
Cash Balance - Sewer Fund Bank Balance	\$647,271
Cash Balance - Trash Fund Bank Balance	\$425,778

	General <u>Improvement</u>	Municipal <u>Street Aid</u>	Real Estate <u>Transfer Tax</u>	Solid Waste <u>Reserves</u>
Beginning Cash Balance	240,480	896,487	1,891,762	0
Deposits			102,724	
Interest Earned this Month	31	118	190	
Disbursements this Month	(7,160)	(1,738)	(41,667)	
Investments				250,000
Ending Cash Balance	\$233,351	\$894,867	\$1,953,009	\$250,000

	GF Capital <u>Reserves</u>	Water Capital <u>Reserves</u>	Sewer Capital <u>Reserves</u>	Electric <u>Reserves</u>
Beginning Cash Balance	2,534,953	4,420,285	3,540,196	11,107,024
Deposits				
Interest Earned this Month	212	378	303	1,077
Disbursements this Month	(55,406)			
Investments	250,000			
Ending Cash Balance	\$2,729,759	\$4,420,663	\$3,540,499	\$11,108,101

	Water <u>Impact Fee</u>	Sewer <u>Impact Fee</u>	Electric <u>Impact Fee</u>
Beginning Cash Balance	1,013,131	\$717,041	\$262,417
Deposits	8,194	\$3,143	\$1,800
Interest Earned this Month	79	\$57	\$22
Disbursements this Month			
Investments			
Ending Cash Balance	\$1,021,404	\$720,241	\$264,239

INTEREST THROUGH THE FOURTH MONTH OF THE FISCAL YEAR:

General Fund	2,971	Water Fund	1,089
GF Capital Reserves	6,329	Water Capital Reserves	9,875
General Improvement Fund	162	Water Impact Fees	79
Municipal Street Aid	488	Sewer Fund	364
Real Estate Transfer Tax	4,039	Sewer Capital Reserves	10,748
Electric Fund	2,541	Sewer Impact Fees	57
Electric Reserves	44,960	Trash Fund	1,844
Electric Impact Fees	22		

TOTAL INTEREST EARNED TO DATE \$85,568

REVENUE REPORT

Page Two

33% of Year Expended

Date: October 2012	AMOUNT BUDGETED	MTD	YTD	YTD%
ACCOUNT				
Budgeted Fund Balance	163,735	163,733	163,733	100.00%
General Fund Capital Reserves	334,705	0	37,278	11.14%
Property Transfer Tax-Police	500,000	41,667	166,667	33.33%
Real Estate Tax	3,508,380	(646)	3,611,429	102.94%
Business License	35,000	25	2,925	8.36%
Rental License	85,000	1,850	3,000	3.53%
Building Permits	60,000	4,542	72,191	120.32%
Planning & Zoning	25,000	1,700	2,700	10.80%
Grasscutting Revenue	5,000	416	1,664	33.28%
Police Revenues	300,000	17,594	90,988	30.33%
Misc. Revenues	262,810	15,364	40,623	15.46%
Transfers From	3,215,480	267,956	1,071,826	33.33%
Total General Fund Revenues	\$8,495,110	\$514,201	\$5,265,024	61.98%
Water Revenues	2,330,000	194,031	881,578	37.84%
Sewer Revenues	2,008,920	162,095	703,514	35.02%
Kent County Sewer	1,500,000	112,462	498,014	33.20%
Solid Waste Revenues	1,118,252	93,294	367,664	32.88%
Electric Revenues	23,686,500	1,776,634	9,054,983	38.23%
TOTAL REVENUES	\$39,138,782	\$2,852,717	\$16,770,777	42.85%
YTD Enterprise Expense		34,272		
YTD Enterprise Revenue		32,537		
LTD Carlisle Fire Company Building Permit Fund		79,496		

EXPENDITURE REPORT

Page Three

Date: October 2012

33% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
City Manager					
Personnel	477,650	\$42,942	169,461	35.48%	308,189
O&M	156,505	\$12,510	37,736	24.11%	118,769
Capital	0	\$0	0		0
Total City Manager	\$634,155	\$55,452	\$207,197	32.67%	426,958
Planning & Zoning					
Personnel	127,535	\$9,248	36,660	28.75%	90,875
O&M	35,550	\$1,865	7,042	19.81%	28,508
Capital	0	\$0	0		0
Total P, C & I	\$163,085	\$11,113	\$43,702	26.80%	119,383
Code Enforcement & Inspections					
Personnel	141,890	\$10,858	43,057	30.35%	98,833
O&M	55,200	\$3,598	14,763	26.74%	40,437
Capital	0	\$0	0		0
Total P, C & I	\$197,090	\$14,456	\$57,820	29.34%	139,270
Council					
Personnel	31,225	\$2,207	8,550	27.38%	22,675
O&M	39,650	\$1,897	8,332	21.01%	31,318
Council Expense	17,000	\$1,335	9,645	56.74%	7,355
Contributions	369,735	\$163,733	229,733	62.13%	140,002
Codification	3,000	\$0	1,270	42.33%	1,730
Employee Recognition	9,000	\$0	0	0.00%	9,000
Insurance	17,000	\$8,954	8,954	52.67%	8,046
Capital	18,275	\$9,169	18,338	100.34%	(63)
Total Council	\$504,885	\$187,295	\$284,822	56.41%	220,063
Finance					
Personnel	330,625	\$25,097	100,304	30.34%	230,321
O&M	51,325	\$3,443	14,863	28.96%	36,462
Capital	0	\$0	0		0
Total Finance	\$381,950	\$28,540	\$115,167	30.15%	266,783
Information Technology					
Personnel	170,165	\$13,086	52,336	30.76%	117,829
O&M	169,550	\$11,997	50,508	29.79%	119,042
Capital	61,575	\$13,200	28,540	46.35%	33,035
Total Information Technology	\$401,290	\$38,283	\$131,384	32.74%	269,906

EXPENDITURE REPORT
Page Four

Date: October 2012

33% of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Police Department					
Personnel	3,585,375	\$271,457	1,087,036	30.32%	2,498,339
O&M	489,280	\$71,180	205,704	42.04%	283,556
Capital	112,500	\$2,535	2,535	2.25%	109,965
Total Police	\$4,187,135	\$345,172	\$1,295,275	30.93%	2,891,860
Streets & Grounds Division					
Personnel	422,865	\$27,398	110,911	26.23%	311,954
O&M	407,265	\$30,593	125,612	30.84%	281,653
Capital	75,000	\$0	0		75,000
Debt Service	46,095	\$0	0	0.00%	46,095
Total Streets & Grounds	\$951,225	\$57,991	\$236,523	24.87%	714,702
Parks & Recreation					
Personnel	480,345	\$41,309	178,028	37.06%	302,317
O&M	233,950	\$28,784	97,367	41.62%	136,583
Capital	360,000	\$4,988	25,997	7.22%	334,003
Total Parks & Recreation	\$1,074,295	\$75,081	\$301,392	28.05%	772,903
Total General Fund					
Operating Budget	\$8,495,110	\$813,383	\$2,673,282	31.47%	5,821,828

EXPENDITURE REPORT

Page Five

Date: October 2012

33 % of Year Expended

ACCOUNT	AMOUNT BUDGETED	MTD	YTD	YTD%	UNEXPENDED BALANCE
Water Division					
Personnel	219,350	\$16,929	67,463	30.76%	151,887
O&M	1,185,150	\$92,039	380,393	32.10%	804,757
Capital	80,000	\$0	31,377	39.22%	48,623
Debt Service	845,500	\$0	0	0.00%	845,500
Total Water	\$2,330,000	\$108,968	\$479,233	20.57%	1,850,767
Sewer Division					
Personnel	219,350	\$16,926	67,458	30.75%	151,892
O&M	1,070,885	\$146,662	379,426	35.43%	691,459
Capital	35,000	\$26,854	26,854	0.00%	8,146
Debt Service	633,685	\$0	0	0.00%	633,685
Sewer Sub Total	\$1,958,920	\$190,442	\$473,738	24.18%	1,485,182
Kent County Sewer	1,550,000	\$112,463	498,015	32.13%	1,051,985
Total Sewer	\$3,508,920	\$302,905	\$971,753	27.69%	2,537,167
Solid Waste Division					
Personnel	338,610	\$25,858	104,730	30.93%	233,880
O&M	779,642	\$56,817	228,695	29.33%	550,947
Capital	0	\$0	0		0
Total Solid Waste	\$1,118,252	\$82,675	\$333,425	29.82%	784,827
Total Water, Sewer Solid Waste	\$6,957,172	\$494,548	\$1,784,411	25.65%	5,172,761
Electric Division					
Personnel	972,700	\$75,403	293,896	30.21%	678,804
O&M	1,801,635	\$178,501	542,783	30.13%	1,258,852
Transfer to General Fund	2,500,000	\$208,333	833,333	33.33%	1,666,667
Capital	266,725	\$0	7,940	2.98%	258,785
Debt Service	645,440	\$0	58,346	9.04%	587,094
Electric Sub Total	\$6,186,500	\$462,237	\$1,736,298	28.07%	4,450,202
Power Purchased	17,500,000	\$1,401,011	6,707,798	38.33%	10,792,202
Total Electric	\$23,686,500	\$1,863,248	\$8,444,096	35.65%	15,242,404
TOTAL OPERATING BUDGET	\$39,138,782	\$3,171,179	\$12,901,789	32.96%	26,236,993

INTERSERVICE DEPARTMENTS REPORT

Page Six

Date: October 2012

ACCOUNT	AMOUNT BUDGETED	MTD	33% of Year Expended		UNEXPENDED BALANCE
			YTD	YTD%	
Garage					
Personnel	91,800	5,782	23,116	25.18%	68,684
O&M	65,655	5,652	20,095	30.61%	45,560
Capital	0	0	0		0
Total Garage Expense	\$157,455	11,434	\$43,211	27.44%	114,244
Public Works					
Personnel	310,070	16,517	69,196	22.32%	240,874
O&M	205,550	11,958	51,186	24.90%	154,364
Capital	21,300	0	20,880	98.03%	420
Total Public Works Expense	\$536,920	28,475	\$141,262	26.31%	395,658
Meter Department-Water					
Personnel	123,030	9,046	38,143	31.00%	84,887
O&M	100,145	17,066	33,134	33.09%	67,011
Capital	0	0	0		0
Total Water Meter Expense	\$223,175	26,112	\$71,277	31.94%	151,898
Meter Department-Electric					
Personnel	174,500	14,760	55,620	31.87%	118,880
O&M	97,560	5,309	16,117	16.52%	81,443
Capital	0	0	0		0
Total Electric Meter Expense	\$272,060	20,069	\$71,737	26.37%	200,323
Billing & Collections					
Personnel	445,725	35,138	140,046	31.42%	305,679
O&M	283,830	27,505	94,668	33.35%	189,162
Capital	0	0	0		0
Total Billing & Collections	\$729,555	62,643	\$234,714	32.17%	494,841
City Hall Cost Allocation					
Personnel	0	0	0		0
O&M	54,600	3,398	15,670	28.70%	38,930
Capital	0	0	0		0
Total City Hall Cost Allocation	\$54,600	3,398	\$15,670	28.70%	38,930

ALL COSTS SHOWN ON PAGE 6 ARE ALSO INCLUDED IN THE VARIOUS DEPARTMENTS LISTED ON PAGES 3-5 OF THE EXPENDITURE REPORT WHO UTILIZE THE SERVICES OF THE DEPARTMENTS LISTED ABOVE. INTERSERVICE FUNDS ARE ENTIRELY FUNDED BY OTHER CITY DEPARTMENTS.