

RESOLUTION 13-001

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LEWES BOARD OF PUBLIC WORKS
ESTABLISHING A FIRST ADDENDUM TO THE
STATEMENT OF OBJECTIVES AND GUIDELINES
FOR THE INVESTMENT OF BOARD OF PUBLIC WORKS FUNDS.**

WHEREAS, pursuant to Section 4.16 of the Charter of the Board of Public Works, being Chapter 10, Volume 77, Laws of Delaware as amended, the Board of Public Works has the authority to “invest surplus funds of the BPW in securities that are safe and authorized pursuant to the BPW’s investment policies and by Board resolution”;

WHEREAS, the Board of Directors of the Lewes Board of Public Works (the “Board of Directors”) adopted a *Statement of Objectives and Guidelines for the Investment of Board of Public Works Funds* on January 19, 2012;

WHEREAS, the General Manager of the Board of Public Works has recommended that the Board of Directors establish a first addendum to the *Statement of Objectives and Guidelines for the Investment of Board of Public Works Funds* to modify certain account restraints that are presently inconsistent with the investment objectives outlined therein;

NOW, THEREFORE, BE IT RESOVED BY THE BOARD OF DIRECTORS OF THE LEWES BOARD OF PUBLIC WORKS, IN SESSION MET THIS 23RD DAY OF JANUARY, 2013, THAT:

Section 1. The *First Addendum to the Statement of Objectives and Guidelines for the Investment of Board of Public Works Funds* attached hereto as Exhibit A shall be and is hereby authorized and approved.

Section 2. This Resolution shall take effect immediately upon its adoption by the Board of Directors of the Lewes Board of Public Works.

Adopted by the Board of Directors
of the Lewes Board of Public Works
January 23, 2013

I, D. Preston Lee, P.E., Secretary of the Board of Directors of the Lewes Board of Public Works, do hereby certify that the foregoing is a true and correct copy of the resolution passed by Board of Directors of the Lewes Board of Public Works at its regular meeting on 23 January 2013, at which a quorum was present and voting throughout and the same is still in full force and effect.

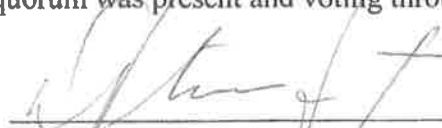

Secretary

EXHIBIT A

First Addendum to the Statement of Objectives and
Investment Guidelines for the Investment
of Board of Public Works Funds
(approved on January 23, 2013 by Resolution 13-0001)

In accordance with Section VII., paragraph E: after careful consideration the board has decided to modify the account restraints due to the limitations which are currently inconsistent with our investment objectives.

These modifications pertain to A, the Liquidity accounts and B, Reserve Cash (Intermediate) Account. Said modifications are in response to market developments which currently hamper the achievement of the investment objectives of the above referenced accounts.

Modification of Liquidity Accounts:

While the liquidity account shall continue to maintain a maximum maturity for any investment at the time of purchase of two years ((Page 3, B2)), it shall now consider investment grade corporate fixed income and investment grade taxable municipal bonds additional permissible investments.

Modification of Reserve Cash (Intermediate) Account:

While the Reserve cash account shall continue to maintain a maximum maturity for any investment at the time of purchase of ten years, also maintaining the average maturity of the portfolio of 7 years; pertaining only to the fixed income portion of the portfolio, not to include fixed income funds, additional asset classes shall now be permissible in order to achieve its stated investment objectives ((Page 3, B3)) : ("maximize yield and maintain safety of principal during the investment period"). Yield meaning total return, through appreciation, dividend, interest payment, etc.

The risk tolerance of this portfolio is considered conservative. Moderate meaning preservation of principal and growth of capital is considered equally important. This statement is made in the "reserve cash" investment objectives. (B3) The allocation of assets may also include: Equities, Government/Corporate/Foreign Fixed Income, Municipal Debt and Alternative Investments. This allocation is dynamic with the intent of adding asset classes when appropriate to continue the effort of adding performance and diminishing risk. This portfolio blend should have the effect of increasing overall returns while simultaneously mitigating risk in the long term.

To accomplish the investment objectives of the Lewes Board of Public Works the following constraints are hereby set in place with respect to asset class ranges.

1. Equities must not exceed 60% or be less then 20% of the portfolio.
2. Fixed Income must not exceed 70% or be less 30% of the portfolio.
3. Alternative Investments must not exceed 15% of the portfolio.