

CERTIFICATE OF INCORPORATION

OF

DIAMOND STATE C.L.T., INC.

FIRST: The name of the Corporation is the Diamond State C.L.T., Inc.

SECOND: The registered office of the corporation in the State of Delaware is to be located at Hudson, Jones, Jaywork & Fisher, 100 North Bedford Street, Georgetown, Delaware 19947, and the name of its registered agent at such address is David J. Weidman, Esquire.

THIRD: The purposes for which the Corporation is formed are exclusively charitable. The Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of its primary purposes. The specific and primary purposes are:

- a. To provide opportunities for low or moderate income people to secure housing that is decent and affordable and that is controlled by the residents on a long-term basis.
- b. To preserve the quality and affordability of housing for future low or moderate income residents of Delaware, especially in the area comprised by Kent and Sussex Counties.
- c. To combat community deterioration by promoting the development, rehabilitation, and maintenance of decent housing in the area; by promoting economic opportunities for low or moderate income residents of the area; by making land available for projects and activities that improve the quality of life in the area; and by assisting residents of the area in improving the safety and well-being of their communities.
- d. To protect the natural environment and to promote the ecologically sound use of land and natural resources and the long-term health and safety of the area.
- e. To hold land in trust for the long-term benefit of the communities of the area to insure that housing remains affordable to future generations.

FOURTH: In furtherance, but not in limitation, of the foregoing charitable purposes, the Corporation shall have the following powers:

- a. To purchase, receive, take by grant, gift, devise, bequest or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated;
- b. To sell, convey, lease, exchange, transfer, or otherwise dispose of, or mortgage or pledge, or create a security interest in, all property, or any interest therein, wherever

situated;

- c. To raise or solicit funds for the furtherance of its charitable purposes;
- d. To do such things as are incidental to the foregoing purposes and powers;
- e. To exercise all of the powers conferred upon corporations organized not for profit and without authority to issue capital stock under the provisions of the General Corporation Law of the State of Delaware, provided that the exercise of any such powers shall be in furtherance of the exempt purposes of the corporation.

FIFTH: The duration of the corporation shall be perpetual.

SIXTH: The names and addresses of the initial directors of the corporation are as follows:

- Rev. Terrance Briggs, 41 Church Street, Bridgeville, DE 19933
- Kelly Crumpley, 311 Third Street, Wyoming, DE 19934
- Marlana Gibson, 196 Morgans Choice Road, Camden-Wyoming, DE 19934
- Ruth Briggs King, 3 Par Court, Country Club Village, Georgetown, DE. 19947
- William LeCates, PO Box 589, Georgetown, DE 19947
- Christina Stanley, 363 Saulsbury Road, Dover, DE 19904
- Ann Marie Townshend, 540 S. DuPont Highway, Dover, DE 19901

SEVENTH: The office of the Corporation shall be located in the area it serves in the State of Delaware.

EIGHTH: The corporation shall not have any authority to issue capital stock. Notwithstanding any other provisions of these articles, the corporation is organized exclusively for one or more of the purposes as specified in §501 (c) (3) of the Internal Revenue Code of 1954, and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under IRC §501 (c)(3) or corresponding provisions of any subsequent Federal tax laws. No part of the net earnings of the corporation shall inure to the benefit of any member, trustee, director, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation), and no member, trustee, officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporation assets on dissolution of the corporation.

No substantial part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation [except as otherwise provided by IRC§501 (h)] or participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidates for public office.

In the event of dissolution, all the remaining assets and property of the corporation shall, after the necessary expenses thereof, be distributed to another organization exempt under

IRC§501 (c)(3) or corresponding provisions of any subsequent Federal tax laws, or to the Federal government, or state or local government for a public purpose.

In any taxable year in which the corporation is a private foundation as described in IRC§509 (a), the corporation shall distribute its income for said period at such time and manner as not to subject it to tax under IRC§4942, and the corporation shall not (a) engage in any act of self-dealing as defined in IRC §4941(d), retain any excess business holdings as defined in IRC§4943(c); (b) make any investments in such manner as to subject the corporation to tax under IRC§4944; or (c) make any taxable expenditures as defined in IRC§4945(d) or corresponding provisions of any subsequent Federal tax laws.

NINTH: Any land acquired by the Corporation shall be held for the benefit of the residents and communities of the area and the lessees of the trust-owned land in accordance with the corporate purposes outlined herein.

- a. Land held by the Corporation may be leased to persons, households, and other entities for such uses, and on such terms, as are consistent with the purposes of the Corporation, the Certificate of Incorporation, and the Bylaws.
- b. The decision to mortgage or otherwise encumber land owned by the Corporation shall require the approval of the Board of Directors and the consent of any persons to whom the land in question is leased.
- c. Land shall not be sold by the Corporation except in extraordinary circumstances, and then, in accordance with the Bylaws, only when such sale is considered a necessary means of achieving the purposes of the Corporation.

TENTH: It is a purpose of the Corporation to provide for the continued affordability of housing and other improvements on land owned by the Corporation to be held in trust for the benefit of low or moderate income people who meet certain qualifications created by the Board, without regard to race, age, marital status, creed, color, sex, national origin, disability, religion, familial status, sexual orientation, or any other category prohibited by law. The Board of Directors and Members of the Corporation shall adopt, in accordance with the Bylaws, a "resale formula," which shall be used in accordance with the Bylaws to limit the resale price of housing or other improvements on land leased by the Corporation to low or moderate income people.

ELEVENTH: The Membership of the Corporation with full voting rights, in accordance with the Bylaws, shall be as follows:

- a. The Initial Members, who shall have full voting rights at the First Annual Meeting, shall be those persons who have attended at least one "organizing meeting," as determined by the initial Board of Directors from the minutes of such meetings.
- b. The General Members, who shall have full voting rights subsequent to the First

Annual Meeting, in accordance with the Bylaws, shall be (1) the "Lessee Members," who are all persons who lease land or housing from the Corporation or who lease or own housing located on land leased by another entity from the Corporation, (This is to say, their name is on the lease.) and (2) the "Non-lessee Members," who are all other persons who qualify as General Members under the Bylaws.

TWELFTH: The business and affairs of the corporation shall be managed by its governing body, which in this Certificate of Incorporation, is referred to as a Board of Directors. At the first annual meeting, and thereafter in accordance with the Bylaws, the Members of the Corporation shall elect a Board of Directors consisting of not less than nine or more than fifteen persons.

The composition of this Board of Directors shall be as follows:

- a. One third of the Directors shall be nominated and elected, in accordance with the Bylaws, to represent the "Lessee Members."
- b. One third of the Directors shall be nominated and elected, in accordance with the Bylaws, to represent the "Non-lessee Members."
- c. One third of the Directors shall be nominated and elected, in accordance with the Bylaws, to represent the larger public interest.

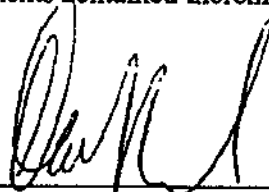
THIRTEENTH: Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, recreational, or scientific purposes as shall at the time qualify as an exempt organization or organizations under Section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any of such assets not so disposed of shall be disposed of by the Court of Chancery of the county in which the registered office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

FOURTEENTH: From time to time, and in furtherance of the exempt purposes for which the corporation is being organized, any of the provisions of the Certificate of Incorporation may be amended, altered or repealed, and other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted in the manner and at the time prescribed by said laws, and all rights at any time conferred upon the members of the corporation by this Certificate of Incorporation are granted subject to the provisions outlined herein.

THE UNDERSIGNED, being the sole incorporator, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware and the Acts amendatory thereof and supplemental thereof, does make and file this Certificate of Incorporation,

hereby declaring and certifying the facts stated herein are true.

IN WITNESS WHEREOF, the undersigned has made and signed this Certificate this 29th day of December, A.D., 2005, and affirms the statements contained therein as true.



David J. Weidman, Esquire - Incorporator
Hudson, Jones, Jaywork & Fisher
100 North Bedford Street
P.O. Box 359
Georgetown, Delaware 19947

