

10463. RESOLUTION 11-47 - ASSIGNMENT OF LEASE AND RELEASE OF ITT INDUSTRIES ASSET MANAGEMENT, INC. AT NEW CASTLE AIRPORT

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is the operator of the New Castle Airport; and

WHEREAS, ITT Industries Asset Management, Inc., a subsidiary of ITT Corporation (formerly known as ITT Industries, Inc.) (“ITT”) entered into a Lease dated March 6, 2003 (the “Lease”) for space at New Castle Airport; and

WHEREAS, ITT assigned the Lease to Exelis Inc. (“Exelis”) pursuant to a Master Assignment and Assumption of Lease dated as of October 25, 2011; and

WHEREAS, the Authority determined that the assignment Landlord satisfied the purposes of the Delaware-New Jersey Compact, 17 Del. C. § 1701 *et. seq.*, and enhanced the sound economic development of the State of Delaware and consented to the assignment on October 28, 2011; and

WHEREAS, Exelis has expressly agreed to assume all obligations and liabilities of ITT under the Lease from and after the date of the assignment and ITT desires to be released from any further liability under the Lease; and

WHEREAS, the Authority has determined that Exelis has comparable financial resources to ITT and desires to enter into an agreement releasing ITT from any liability arising from the Lease after the date assignment to Exelis.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Director is hereby authorized to finalize the terms and conditions of a release agreement and, with the advice and consent of counsel, to have such agreement executed by the Chairperson, Vice Chairperson and the Executive Director.

A motion to approve Resolution 11-47 was made by Commissioner Green, seconded by Commissioner Smith, and approved by a roll call vote of 11-0.

Resolution 11-47 Executive Summary

Resolution: Authorizing the Assignment of Lease and Release of ITT Industries Asset Management, Inc at New Castle Airport.

Committee: Economic Development

Committee Date: November 15, 2011

Board Date: November 15, 2011

Purpose of Resolution: To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Assignment and Release for ITT Industries Asset Management, Inc. at the New Castle Airport.

Background for Resolution: ITT Industries Asset Management, Inc. currently leases 25% of a hangar facility at the New Castle Airport. The lease is not due to expire until February 28, 2013.

The company has recently gone through a corporate restructuring. ITT has assigned the lease to Exelis, Inc. pursuant to a Master Assignment and Assumption of Lease dated October 25, 2011. The Authority has been asked by ITT to consent to the assignment and to release ITT from further obligations as required by our standard lease agreement. Staff and counsel have reviewed the request and see no areas of concern.