

9626. RESOLUTION 07-32 - LEASE AGREEMENT BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND XO JET AT THE NEW CASTLE AIRPORT

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

WHEREAS, the hangar facility located at 142 Old Churchmans Rd. more commonly referred to as the MBNA Hangar ("Hangar") contains approximately 49,000 sq. ft. of space comprised of Hangar Bay A with 19,880 sq. ft., Hangar Bay B with 17,880 sq. ft. and 11,200 sq. ft. of office space on two (2) floors; and

WHEREAS, XO Jet desires to lease portions of the Hangar; and

WHEREAS, XO Jet has agreed to lease Hangar Bay A and the first floor of office space beginning October 1, 2007; and

WHEREAS, XO Jet has agreed to lease Hangar Bay B beginning March 1, 2008; and

WHEREAS, XO Jet has agreed to pay the Authority \$10.35 per sq. ft. for space leased in the year one (1) of the initial term of the Lease Agreement, \$11.60 per sq. ft for space leased during year two (2) of the Lease Agreement and \$12.88 per sq. ft. for the space leased during year three (3) of the Lease Agreement; and

WHEREAS, Rent during the remainder of the Initial Term shall increase annually by the Consumer Price Index (CPI); and

WHEREAS, the Initial Term of this Lease Agreement is for ten (10) years beginning October 1, 2007; and

WHEREAS, XO Jet shall have the option of renewing the Lease Agreement for two (2) additional five (5) year periods; and

WHEREAS, Rent shall be adjusted at the beginning of each renewal period to the Fair Market Value (FMV) with annual CPI increases.

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

A motion to approve Resolution 07-32 was made by Commissioner Lowe, seconded by Commissioner Simmerman and approved by a roll call vote of 10-0.