

**8931. RESOLUTION 03-39 (formerly 03-36) - ASSIGNMENT OF LEASE BETWEEN MIDLANTIC JET AVIATION, INC., AIR CASTLE INTERNATIONAL, INC. AND THE DELAWARE RIVER AND BAY AUTHORITY AND SECOND AMENDMENT TO BUILD TO SUIT LEASE AGREEMENT BETWEEN AIR CASTLE INTERNATIONAL, INC. MILLVILLE JET CENTER, INC. AND THE DELAWARE RIVER AND BAY AUTHORITY.** The Executive Director presented the following Resolution.

WHEREAS, The Delaware River and Bay Authority (the “Authority”) is the operator of the Millville Municipal Airport pursuant to a Ground Lease entered into with the City of Millville; and

WHEREAS, the Authority and Air Castle International, Inc. (“Air Castle”) entered into a certain Build to Suit Lease Agreement, dated as of May 23, 2002 (the “Original Lease”; the Original Lease, as further amended by the First Amendment to Build to Suit Lease Agreement; and

WHEREAS, Air Castle and Millville Jet Center, Inc. (“MJC”) entered into that certain Sublease Agreement, dated as of July 18, 2002 pursuant to which Air Castle sub-leased the Land and the Building to MJC for a period of five (5) years, together with certain rights, all of which were the subject of the Original Lease; and

WHEREAS, Midlantic Jet Aviation, Inc. (“Midlantic”) and the City of Millville entered into that certain Lease Agreement dated as of October 19, 1999 (the “Midlantic Lease”) pursuant to which the City of Millville leased to Midlantic the lands and premises known as Hangar 8 and 323 located at the Millville Municipal Airport (hereinafter referred to as the “Premises”) together with the right to sell aircraft fuel as a fixed based operator as more particularly described in the Midlantic Lease, for a term and subject to the covenants and agreements therein contained; and

WHEREAS, pursuant to the terms of a letter agreement dated April 4, 2003 entered into between Midlantic and MJC, a related company to Air Castle, Air Castle has been managing and operating the business of Midlantic conducted from the Premises since April 8, 2003; and

WHEREAS, Midlantic no longer desires to manage and operate, directly or indirectly, any business under the Midlantic Lease or be involved therein, and wishes to assign the Midlantic Lease to Air Castle, and Air Castle wishes to take an assignment of the Midlantic Lease on and subject to the terms and conditions contained in the Offer to Take an Assignment of Lease entered into between Midlantic and Air Castle made as of May 27, 2003, as amended by an Amendment to Offer to Take an Assignment of Lease made as of June 26, 2003 (collectively the “Assignment Offer”); and

WHEREAS, the Authority’s consent to the assignment of the Midlantic Lease and the terms and conditions of such assignment is required and the Authority consents to such assignment in accordance with the Assignment Offer and conditioned upon the execution of Second Amendment to Build to Suit Lease Agreement; and

WHEREAS, pursuant to the Assignment Offer, Air Castle will acquire Midlantic's right to access the Existing Fuel Farm as defined in the Lease located on the Millville Municipal Airport and use one 20,000 gallon Jet A fuel tank and one 8,000 gallon AvGas fuel tank (collectively, the "Fuel Tanks") situated at the Existing Fuel Farm which tanks are currently being used in conjunction with the business being operated from the Premises pursuant to an oral lease agreement with the City of Millville; and

WHEREAS, Air Castle's acquisition of Midlantic's rights to access the Existing Fuel Farm and to use the Fuel Tanks satisfies certain obligations of the Authority set forth in Sections 23(b), 23(c) and 23(d) of the Original Lease; and

WHEREAS, the assignment of the Midlantic Lease will result in certain modifications to the Original Lease and all parties agree to such modifications set forth in the Second Amendment of the Build to Suit Lease Agreement; and

WHEREAS, the Authority has determined that the modifications set forth in the Second Amendment to Build to Suit Lease Agreement fulfill the requirements of the Delaware-New Jersey Compact, 17 Del. C. § 1701 and are necessary for the sound economic development of the State of New Jersey and the Authority has agreed to such modifications as well as to the Assignment of Lease.

NOW, THEREFORE, BE IT RESOLVED, that Chair, Vice Chair and Executive Director are hereby authorized, with the advice and consent of Counsel, to execute the Second Amendment to Build to Suit Lease Agreement and the Assignment of Lease attached hereto.

Resolution 03-39 was moved by Commissioner Lathem, seconded by Commissioner McWilliams and unanimously approved by a roll call vote of 11-0.