

**10862. RESOLUTION 14-31 - LEASE TERMINATION AGREEMENT
BETWEEN THE DELAWARE RIVER AND BAY AUTHORITY AND CEPHALON INC.**

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

WHEREAS, Cephalon, Inc. (“Cephalon”) entered into a lease of approximately 23,300 rentable square feet of space in the building commonly referred to as the 6 DRBA Way Hangar pursuant to that certain Lease dated as of July 1, 2007 between the Authority and Cephalon for a term of 10 years(the “Lease”); and

WHEREAS, due to corporate acquisition, Cephalon was acquired by Teva Pharmaceuticals and is looking to restructure their operations and terminate the Lease; and

WHEREAS, Cephalon has agreed to pay an early termination fee of Two Hundred and Fifty Thousand Dollars (\$250,000.00); and

WHEREAS, the Authority and Cephalon agree that the Lease shall expire on November 1, 2014; and

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

A motion to approve Resolution 14-31 was made by Commissioner Lowe, seconded by Commissioner Smith and approved by a roll call vote of 11-0.

Resolution 14-31 Executive Summary

Resolution: Authorizing the Termination of a Lease Agreement between the Delaware River and Bay Authority and Cephalon, Inc.

Committee: Economic Development

Committee Date: September 15, 2014

Board Date: September 15, 2014

Purpose of Resolution:

To permit the Executive Director, Chairman and Vice Chairman to execute and deliver a Lease Termination Agreement for Cephalon Inc. at the New Castle Airport.

Background for Resolution:

Cephalon Inc. leased the hangar facility known as 6 DRBA Way in July of 2007 by Resolution 07-10. Cephalon Inc. was acquired by Teva Pharmaceuticals. Teva no longer needed the additional corporate aircraft owned by Cephalon and the plane was sold in 2012. The hangar lease is set to expire on June 30, 2017. Cephalon requested to terminate the remaining term of the lease. There is market interest for hangar space at ILG and the opportunity for enhanced operations leading to possible increased landing and fuel fees, makes the termination potentially beneficial. The termination payment represents approximately 10 months of rental payments.