

SOUTH JERSEY TRANSPORTATION AUTHORITY LEASE AGREEMENT

This Lease Agreement (Lease) made effective February 1, 2013, by and between the SOUTH JERSEY TRANSPORTATION AUTHORITY (hereinafter referred to as "SJTA"), a Public Body both Corporate and Politic organized under the laws of the State of New Jersey and the UNITED STATES OF AMERICA, acting by and through the Administrator of General Services having its principal office at General Services Administration, Mid-Atlantic Region, 20 North Eighth Street, Philadelphia, Pennsylvania (hereinafter referred to as Government). This lease shall be known as Lease No. GS-03B-12079.

WITNESSETH:

WHEREAS, the SJTA is the owner of the Atlantic City Airport (hereinafter Airport) located in Egg Harbor Township, Atlantic County, New Jersey; and

WHEREAS, the SJTA has assumed operational control of the Airport effective April 1, 1996; and

WHEREAS, the Government currently occupies space at the Airport since October 1, 2002; and

WHEREAS, Government desires to enter into a lease with the SJTA for continuation of its occupancy at the Airport.

NOW, THEREFORE, in consideration of the rent to be paid and of the respective promises and mutual agreements made by the parties hereto as hereinafter set forth, the SJTA hereby grants to Government the right to use and occupy the area at the Airport shown in Exhibit D, which is comprised of 1671 square feet of rentable space, together with

all structures, improvements, additions and permanent installations constructed and installed or to be constructed and installed therein or thereon (hereinafter referred to as the Rental Space) during the term of this Lease upon the following terms and conditions and it is further mutually agreed as follows.

1. Term.

1.1 Subject to the rights of the Government to terminate this Lease as provided in section 1.2 hereinafter, the terms of this Lease shall be five (5) years commencing on February 1, 2013 (hereinafter referred to as the Effective Date) and continuing in full force and effect until *January* 31, 2018 (hereinafter referred to as the Expiration Date).

1.2 Accelerated Termination. Notwithstanding anything contained in section 1.1 to the contrary, the Government shall have the right to terminate the Lease, provided that the Government gives 120 days notice written notice to SJTA of its intent to exercise its option to terminate this Lease as provided herein.

2. Space Allocation

2.1 The office layout is as follows: 834 sq. ft. upstairs outside security checkpoint area, 773 sq. ft within security checkpoint area. Spaces are outlined on Exhibit D. Additionally, a kiosk in the baggage screening area is 64 square feet.

2.2 The 834 sq. ft. space is being leased in as-is condition and the SJTA will not be responsible for maintenance and improvements in that area.

3. Use and Purpose and Relocation.

3.1 The Government shall use the Rental Space for business and operations office in connection with services provided to the SJTA and Government at the Airport only, and for no other purpose whatsoever.

3.2 Nothing contained in this Lease shall give or be construed to give the Government any right to provide the SJTA, Airport and/or Government carriers any services not authorized herein.

3.3 The Government acknowledges that should the SJTA deem it necessary for the Government to be relocated to other similar space at the Airport, the SJTA shall give the Government not less than sixty (60) days written notice for the Government to relocate to the new space. The SJTA in its sole discretion shall have the right to relocate the Government to other temporary or permanent facilities as a result of construction, renovation or other modifications of any portion of the Airport Terminal provided that the SJTA shall be responsible for the cost of such relocation and provided that the other facilities are comparable with the current facilities.

3.4 In the event that the Government is required to relocate from the office space located within the security checkpoint area (773 sq. ft), the SJTA shall give the Government rent abatement based on the depreciated value of the newly installed Air Conditioning Units for the duration of the agreement.

4. Alteration of Space by Government.

4.1 Except as otherwise provided in section 3.1.1 hereinafter, the Government shall not erect any structures, make any improvements or do any construction work on the Rental Space, or install any fixtures other than trade fixtures, removable without damage to the Rental Space (any such damage to be immediately repaired by the Government) without the prior written approval of the SJTA through the medium of a construction or alteration application. Such prior written approval shall not be unreasonably withheld by the SJTA. In the event any construction, improvement, alteration, modification, addition, repair or replacement is made without such approval, then upon notice from the SJTA, the Government shall remove the same or, at the option of the SJTA, cause the same to be changed to the satisfaction of the SJTA. In the case of any failure on the part of the Government to comply with such notice, the SJTA may affect the removal or change and Government shall pay the reasonable cost thereof to the SJTA, subject to Paragraph GSAR 552.233-1 Disputes contained in Exhibit A to the Lease and the Contract Disputes Act of 1978, as amended (41 U.S.C. 601 et seq).

4.1.1 Notwithstanding anything contained in section 3.1 above to the contrary, the Government shall have the right to paint the Rental Space prior to occupancy.

4.2 Government agrees that any construction, improvement, alteration, modification or addition performed by Government at or on the Rental Space in accordance with a SJTA approved construction or alteration application shall become the

property of the SJTA and at the termination of this Lease, at which time the title to such property will pass to the SJTA. In consideration thereof, SJTA shall waive any right of restoration it may have related to such construction, improvement, alteration, modification, or addition.

5. Rent

5.1 Commencing on the Effective Date of this Lease, and during the term of this Lease, the Government shall pay to the SJTA monthly rent (hereinafter referred to as the Rent) for the use and occupancy of the Rental Space in the amount of \$7,673.51 Dollars per month, payable in arrears on the first day of each and every month and subject to the Prompt Payment Act. Rent shall include all utilities as well as custodial and janitorial services and Maintenance for the Rental Space in accordance to Exhibit B “Weekly Schedule of Janitorial Services”, Exhibit C “Maintenance Responsibilities” and Exhibit E “[REDACTED] Space Calculation”, Exhibit F “Addendum

5.2 The Government shall pay to the SJTA the Rent specified in this section 5 in arrears on the first workday of each of every month until the expiration of this Lease, provided, however, that if this Lease is terminated on other than the last day of the month, the last payment shall be the effective Rent for the month pro rated in the same proportion of the number of days that this Lease was effective in the last months bears to thirty (30) days.

5.3 Nothing contained in the foregoing shall effect the survival of the obligations of the Government as set forth in this section of this Lease covering the survival of the Government's obligations.

5.4 All rents and fees specified herein shall be payable to the SJTA in accordance with the GSAR 552.232-76, Electronic Funds Transfer Payment.

6. General Provisions.

6.1 SJTA's Right of Entry. SJTA and persons authorized by SJTA, with prior notice to Government, except in the case of emergency where prior notice cannot be given, may enter the Rental Space during operating hours for the purpose of inspection, repairs, appraisal, or other reasonable purpose - including enforcement of SJTA's rights under this Lease. SJTA shall not be liable for inconvenience to or disturbance of Government by reason of any such entry; provided, however, that in the case of repairs or work, such shall be done, so far as practicable, so as to not unreasonably interfere with Government's use of the Rental Space. SJTA also shall have the right to enter the Rental Space at all reasonable times after giving prior notice to Government to exhibit the Rental Space to any prospective Lessee.

6.2 Government Self-Insurance. Government is self insured as to loss of or damage to property or death or personal or bodily injury or violation of law insofar as the Government may be legally responsible or would ultimately bear a loss as the result of its use of the Rental Space. The Federal Tort Claims Act governs the negligent acts or omissions of Government employees acting within the scope of their duties, to the extent it

is arising out of or in connection with Government' s use of Airport, including operation of a motor vehicle, except insofar as such death, injury, loss, damage or violation, was caused solely by the culpable conduct of SJTA, its officers or employees as provided and determined by law. Any contractor employed by the Government in the Rental Space shall be required to maintain liability insurance naming SJTA as an additional insured.

6.3 Assignment and Subletting. Subject to SJTA's consent, which consent may not be unreasonably withheld, Government may have the right to (i) assign or in any manner transfer this Lease or any estate or interest therein, or (ii) sublet the Rental Space or any part thereof, or (iii) grant any license, concession or other right of occupancy of any portion of the Rental Space. If the SJTA consents to such assignment, sublet or grant of license, such consent shall not discharge the obligations of Government under this Lease.

6.4 Disputes and Defaults. This Lease is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601 et seq) and the resolution of disputes shall be consistent with the Paragraph GSAR 552.233-1 Disputes contained in Exhibit A "General Clauses" to this Lease. If Government shall default in the performance of any of its obligations hereunder, other than for non-payment of Rent, the SJTA, without prejudice and in addition to any other rights it may have in law and equity, after giving Government written notice of such default and after failure by Government within fifteen (15) days of the receipt of such notice to correct or to undertake and diligently pursue correction of said default(s), may cure such default(s) on behalf of Government; and Government shall reimburse SJTA on demand for all costs incurred by SJTA consistent with an order or

stipulation of the General Services Board of Contract Appeals or the United States Court of Federal Claims. If SJTA does not pursue a remedy in the event of a default by Government hereunder, such action shall not be deemed a waiver by SJTA of its right to pursue subsequent defaults.

6.5 Surrender. Government shall, at the Expiration Date, Early Termination Date or Accelerated Termination Date, as the case may be, promptly quit and surrender the Rental Space in good order and condition and conformity with the applicable provisions of this Lease, excepting only reasonable wear and tear and damage by fire or other insured casualty.

Government shall have no right to holdover beyond the Expiration Date, Early Termination Date or Accelerated Termination Date, as the case may be, and in the event Government shall fail to deliver possession of the Rental Space as herein provided, such occupancy shall not be construed to effect or constitute other than a tenancy at sufferance. The acceptance of rent by SJTA or the failure or delay of SJTA in notifying or evicting Government following the Expiration Date, Early Termination or Accelerated Termination Date, as the case may be, shall not create any tenancy rights in Government and any such payment by Government may be applied by SJTA against its costs and expenses, including attorney's fees, incurred in regaining possession of the Rental Space and against losses or damages incurred by SJTA as a result of such holdover in a manner consistent with an order or stipulation of the General Services Board of Contract Appeals or the United States Court of Federal Claims.

6.6 Captions. The captions in this Lease are for convenience only and are not a part of this Lease and do not in any way define, limit, describe or amplify the terms and provisions of this Lease or the scope or intent thereof.

7. Default by Government.

7.1 If Government fails to pay any installment of Basic Rent or any Additional Rent when due and such failure continues for a period of five (5) days after such amount is due; or Government fails to observe or perform any of the other Government's agreements herein contained and such failure continues after written notice for more than fifteen (15) days and such additional time, if any, as is reasonably necessary to cure such failure, then, in any such event, an Event of Default shall be deemed to exist and Government shall be in default hereunder. If an Event of Default shall occur, the following provisions shall apply and SJTA shall have the rights and remedies set forth therein which rights and remedies may be exercised upon or at any time following the occurrence of an Event of Default unless, prior to such exercise, SJTA shall be notified in writing by Government that the Event(s) of Default has been cured by Government in all respects.

7.2 Termination of Lease. In the event of a default by Government (other than for non-payment of Basic Rent and/or Additional Rent) and Government fails to cure as provided in subparagraph 6.1, upon the order or stipulation of the Civilian Board of Contract Appeals or the United States Court of Federal Claims and written notice to Government, SJTA shall have the right to terminate the Lease as of a date specified in the

notice of termination and in such case, Government's rights, including any based on any option to renew, to the possession and use of the Rental Space shall end absolutely as of the termination date; and this Lease shall also terminate in all respects except for the provisions hereof regarding SJTA's damages and Government's liabilities arising prior to, out of and following the Event of Default and the ensuing termination. Following such termination (as well as upon any other termination of this Lease) and in accordance with an order or stipulation of the Civilian Board of Contract Appeals or the United States Court of Federal Claims, SJTA shall have the right to recover possession of the Rental Space; and to that end, SJTA may enter the Rental Space and take possession, and in so doing SJTA may remove Government's property (including any improvements or additions to the Rental Space which Government made, unless made with SJTA's consent which expressly permitted Government to not remove the same upon expiration of the Term), as well as the property of others as may be in the Rental Space, and make disposition thereof in such manner as SJTA is authorized in accordance with an order or stipulation of the Civilian Board of Contract Appeals or the United States Court of Federal Claims.

7.3 Government's Continuing Obligations - SJTA's Reletting Rights.

Notwithstanding SJTA's right to terminate this Lease as provided in subparagraph 6.2 above, in accordance with an order or stipulation of the Civilian Board of Contract Appeals or the United States Court of Federal Claims, Government shall remain fully liable and responsible to perform all of the covenants and to observe all the conditions of this Lease throughout the remainder of the Term; and, in addition, Government shall pay

to SJTA, upon demand and as part of Additional Rent, the total sum of all costs, losses and expenses, including reasonable counsel fees, as SJTA incurs, directly or indirectly, because of any Event of Default having occurred.

7.4 SJTA's Damages.

7.4.1 The damages which SJTA shall be entitled to recover from Government shall be the sum of any costs or expenses for which the Government is found liable in accordance with an order or stipulation of the Civilian Board of Contract Appeals or the United States Court of Federal Claims deducting from the total determined under subparagraph (A) all rent to the extent determinable as aforesaid, (to the extent that like charges would have been payable by Government) which SJTA receives from other Government(s) by reason of the leasing of the Rental Space or part during or attributable to any period falling within the otherwise remainder of the term of this Lease.

7.4.2 The damage sums payable by Government under the preceding provisions of this subparagraph 6.3. shall be payable in accordance with the stipulation or order of the General Services Board of Contract Appeals or the United States Court of Federal Claims.

7.5 Remedies Not Limited. Nothing herein contained shall limit or prejudice the right of SJTA to exercise any or all rights and remedies available to SJTA by reason of default or to prove for and obtain in proceedings under The Contract Disputes Act of 1978, as amended (41 U.S.C. 601 et seq.) or any other applicable laws, an amount equal to the maximum allowed by any law in effect at the time when, and governing the proceedings in

which, the damages are to be proved, whether or not the amount be greater, equal to, or less than the amount of the loss or damage referred to above. Additionally, if SJTA does not pursue a remedy in the event of a default by Government hereunder, such action shall not be deemed a waiver by SJTA of its right to pursue subsequent defaults.

8. Notices.

8.1 Except where expressly required or permitted herein to be oral, all notices, requests, consents and approvals required to be given to or by either party shall be in writing, and all such requests shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours, or forwarded to him or to the party at such address by certified mail. As to the SJTA: Airport Director, South Jersey Transportation Authority, Atlantic City International Airport, No. 106, Egg Harbor Township, New Jersey, 08234. As to the Government, General Services Administration, Mid-Atlantic Region, 20 North Eighth Street, Philadelphia, PA 19107.

9. Governing Law.

9.1 This Lease shall be governed in all respects by the laws of the United States of America and the State of New Jersey, as they may apply.

9.2 The SJTA or the Government may pursue the relief or remedy sought in any invalid clause, covenant or provision of this Lease by conforming said clause, term, covenant or provision with the provisions of the statutes of the regulations of any governmental agency in such case made and provided as if the particular provisions of the

applicable statutes or regulations were set forth herein at length. Any dispute or interpretations arising under or from this Lease will be pursuant to the Contract Disputes Act of 1978.

10. Severability.

10.1 If any term or provision of this Lease or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application or such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease, shall be valid and be enforced to the fullest extent permitted by law.

11. Entire Agreement.

11.1 This Lease consists of the following, Articles 1 to 11 and any provisions incorporated by way of reference in Article herein.

11.1.1 The parties hereto acknowledge that the provisions contained in Exhibit A, GSA form 3517B, pages 1 through 16, and GSA form 3517A from pages 1 to 4, attached hereto and made a part hereof, are hereby incorporated by reference.

11.2 The foregoing constitutes the entire agreement of the parties on the subject matter hereof. It may not be changed, modified, discharged or extended except by written instrument duly executed by the SJTA and the Government. The Government agrees that no representatives, agents, or employees of the SJTA have been authorized to make any representations or promises with reference to the within Lease or to vary, alter,

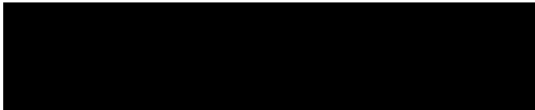
or modify the terms hereof. In all references herein to any parties, persons, entities or corporations, the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within Lease may require. All the terms, covenants and conditions herein contained shall be for and shall enure to the benefit and shall bind the respective parties hereto, and their heirs, executives, administrators, personal or legal representatives, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have set their hands and seal effective the day and year first above written.

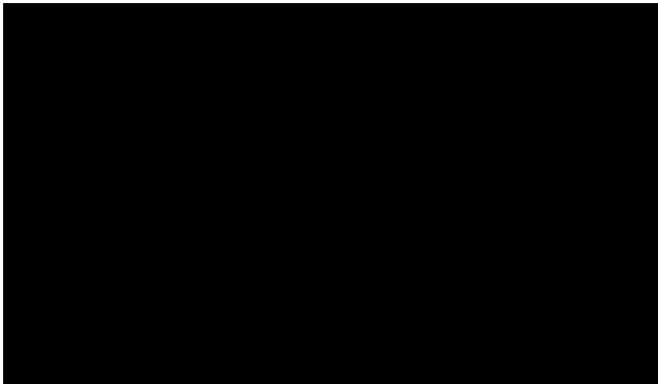
**SOUTH JERSEY TRANSPORTATION
AUTHORITY**



Acting Executive Director



**Susan Lubrano
Board Secretary**



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