

Rules and Regulations

FOR THE USE OF AIRPORTS AND FACILITIES

Knoxville Downtown Island Airport



METROPOLITAN

KNOXVILLE

AIRPORT

AUTHORITY

The rules and regulations contained herein are established to serve as policy for the safe and efficient operation of Knoxville Downtown Island Airport located in Knoxville, Tennessee by the Metropolitan Knoxville Airport Authority.

Should any part of these rules conflict with federal, state or local government law or ordinance, then such federal, state or local government authority takes precedence. These rules shall in no way supersede or abrogate regulations set forth in FAA FAR (Federal Aviation Regulation) Part 139, CERTIFICATION AND OPERATIONS OF AIRPORTS, nor FAA FAR Part 107, AIRPORT SECURITY.



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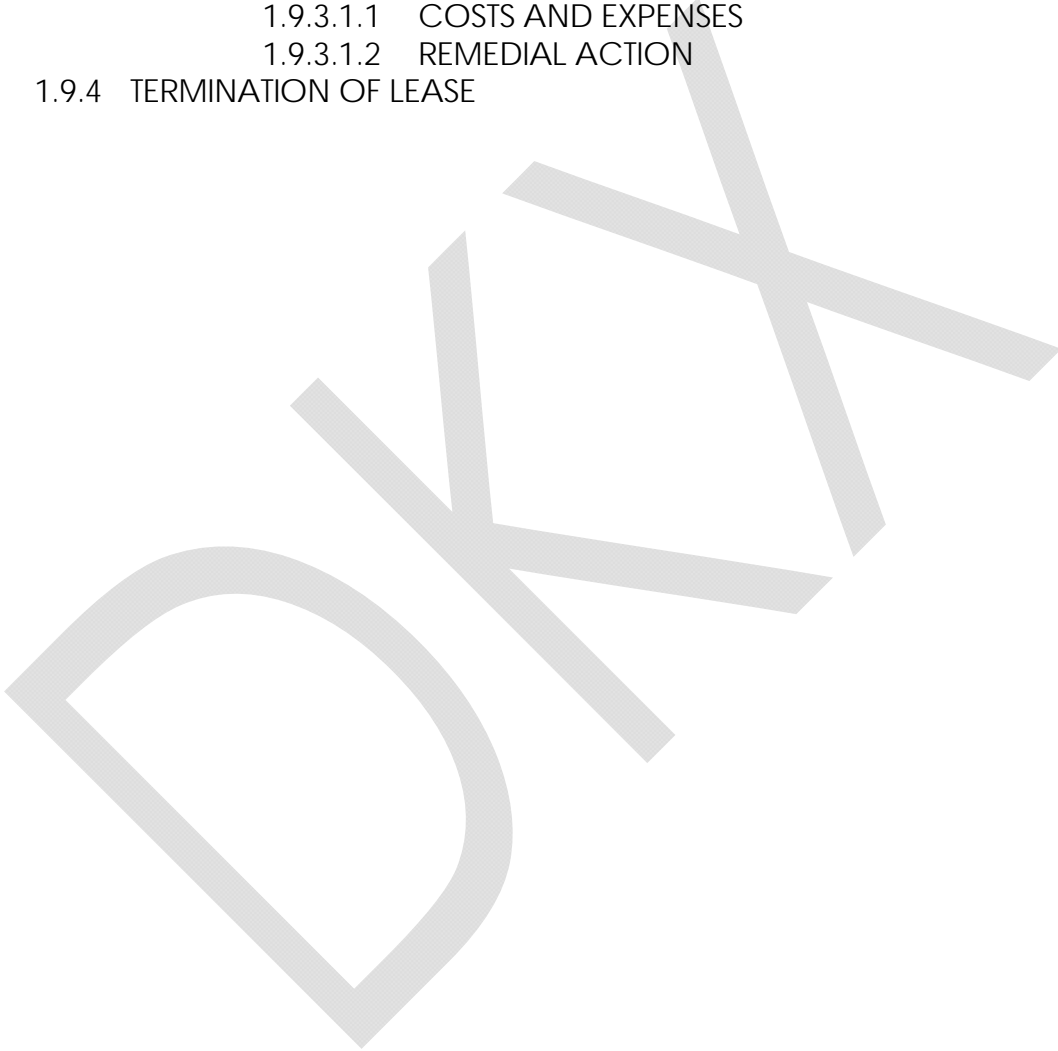
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CHAPTER 1

RULES AND REGULATIONS

1.1 GENERAL

Knoxville Downtown Island Airport is owned and operated by the Metropolitan Knoxville Airport Authority (the Authority), which has established and shall enforce these Rules and Regulations.

1.2 DEFINITIONS

Unless from the context a different meaning is apparent and used in these Rules and Regulations, the terms hereinafter used shall be defined as follows:

- 1.2.1 "AIRPORT" shall mean Knoxville Downtown Island Airport.
- 1.2.2 "DKX" shall mean the Knoxville Downtown Island Airport.
- 1.2.3 "DKX Manager" shall mean the Downtown Island Airport Operations Manager.
- 1.2.4 "FUEL HANDLING" shall mean the transportation, delivering, fueling, and draining of aircraft fuel.
- 1.2.5 "MINIMUM STANDARDS" shall mean the "Minimum Standards for Commercial Aeronautical Activities at Knoxville Downtown Island Airport.
- 1.2.6 "OPERATIONAL AREA" shall mean any area on the Airport which encompasses aircraft movements and vehicle traffic necessary to support the aircraft.
- 1.2.7 "PERSON" shall mean an individual, partnership, firm, association, or corporation.
- 1.2.8 "PRESIDENT or DESIGNATED REPRESENTATIVE" shall mean the chief executive and administrative officer of the Airport Authority.
- 1.2.9 "TENANT" shall mean a person who has entered into a lease and/or an operating agreement with the Authority for occupancy of, or operation on and from an Airport.
- 1.2.10 "VICE PRESIDENT OF AIRPORT OPERATIONS or DESIGNATED REPRESENTATIVE" shall mean the officer having management supervision of the Airport.

1.3 USE OF THE AIRPORT

1.3.1 AUTHORITY

Any permission granted by the President, or his designated representative, directly or indirectly, expressly or by implication, to any person or persons to enter or use the Airport or any portion thereof, (including aircraft operators, crew members and passengers, spectators, sightseers, pleasure and commercial vehicles, officers and employees of lessee and other persons occupying space on the Airport, persons doing business with the Airport management, its lessees, sublessees and permittees and all other persons whatsoever, whether or not of the type indicated), is conditioned upon compliance with these Rules and Regulations; and entry upon or into the Airport by a person shall be deemed to constitute an agreement to comply with said Rules and Regulations.

1.3.2 PUBLIC USE

The landing area is open to aircraft, in accordance with the rules and regulations governing the operation of aircraft and the conduct of aircraft as promulgated by the appropriate agencies of the United States Government and the State of Tennessee and the Metropolitan Knoxville Airport Authority.

1.3.3 COMMERCIAL USE

No person shall carry on any commercial activity on the Airport without the consent of the Metropolitan Knoxville Airport Authority or its representatives.

1.3.4 SCHEDULED OPERATORS

A person holding a lease or permit for the scheduled operation of aircraft on the Airport, or using the Airport as an alternate, must cause their operation to transpire through the terminal building, or such other building or facilities as may be designated by the Metropolitan Knoxville Airport Authority as the terminal point, and a monthly record of the volume of their activity shall be submitted to the President in writing.

1.3.5 SUPPLEMENTAL DOCUMENTS

The following documents contain policies and procedures issued by the President or his designated representative which are in addition to these Rules and Regulations:

1. Operations Policies,
2. Minimum Standards for Commercial Aeronautical Activities at Knoxville Downtown Island Airport,
3. Airport Vehicle Operations Procedures,
4. Airport Operations Procedures,
5. Tenant Lease Agreement.

1.4 GENERAL RULES AND REGULATIONS

1.4.1 OPERATIONAL AREA OCCUPANCY

No person shall use or occupy an operational area for any purpose whatsoever except for matters pertaining to the servicing of tenants, concessionaires, activities associated with aircraft operations or governmental agencies, or matters connected with maintenance and operation of the Airport.

1.4.2 PARKING AND STORAGE

Unless otherwise provided in a lease or other agreement, no person shall use any area of the Airport for parking and storage of aircraft or property without obtaining permission of the President. If, notwithstanding, a person uses such area without first obtaining permission, then the President or his designated representative is authorized to order the aircraft or other property removed or cause same to be removed and stored at the expense of the owner, without liability for damage thereto arising from or out of such removal or storage.

1.4.3 MANAGEMENT OF PUBLIC

The President or his designated representative at all times has authority to take such action as may be necessary in the handling, conduct, and management of the public in attendance at the Airport.

1.4.4 REMOVAL FROM AIRPORT

The President or his designated representative may remove or eject from the Airport premises any person who knowingly, willfully or continuously violates any rule or regulation herein prescribed, or any order of instruction issued by or under the authority of the Metropolitan Knoxville Airport Authority or President. In every case where practicable, the violator shall first be informed of the violation he has committed and shall be requested to leave the Airport premises peacefully. Upon the failure of the violator to explain or excuse his violation to the satisfaction of the President or his designated representative, or in the alternative to leave peacefully when the President or his designated representative deems this necessary, such direct action may be used by the President or his designated representative as required to obtain compliance with the direction that the violator leave the Airport premises.

1.4.5 VIOLATIONS

Any person, partnership, firm or corporation who shall violate provisions of these Rules and Regulations may, after a hearing before the President, be deprived of the use of the Airport for such reasonable period of time as may be determined by the President.

1.4.6. ADVERTISEMENTS

No person shall solicit funds for any purpose and no signs, advertisements, or circulars may be posted or distributed at the Airport without the written approval of the President or his designated representative.

1.4.7 REFUSE

Garbage, refuse and other waste material shall be placed in approved receptacles provided for such purposes.

1.5 MOTOR VEHICLE REGULATIONS

1.5.1 VEHICLES ON THE AIRPORT

No vehicle shall be operated on the Airport in a careless or negligent manner or in disregard of the rights and safety of others, or without due caution or circumspection, or at a speed or in a manner which

endangers unreasonably or is likely to endanger unreasonably persons or property, or while the driver thereof is under the influence of intoxicating liquor or any narcotic or habit-forming drug, or if such vehicle is so constructed, equipped, or loaded as to unreasonably endanger or be likely to unreasonably endanger persons or property.

All vehicles shall be operated in compliance with the provisions of published Airport Vehicle Operations Procedures.

1.5.2 VEHICLE AND OPERATOR LICENSES

No motorized vehicle shall be operated on the Airport unless the driver thereof is duly licensed to operate such vehicle on state or municipal highways of the state.

1.5.3 VEHICLE SPEED

No vehicle shall be operated on the Airport at a speed in excess of 15 miles per hour except as otherwise posted.

1.5.4 PARKING

No person shall park a vehicle or permit the same to remain on the Airport except at such places and for such periods of time as may be prescribed or permitted by the President or his designated representative.

1.5.5 TOWING

The President or his designated representative shall have the authority to tow or otherwise move motor vehicles which are parked by their owners or operators on the Airport in violation of these regulations. The expense of such towing or other movement shall be borne by the owner or operator, and the authority shall have no liability for damage to vehicle in the course of such movement.

1.5.6 REPORT OF VEHICLE ACCIDENT

The driver of any vehicle involved in an accident on the Airport shall immediately make a complete report in writing to the DKX Manager.

1.5.7 VEHICLE OPERATION IN AIR OPERATION AREAS

No driver may operate a vehicle in the areas referred to as airport movement or air operations areas without the express written

permission of the DKX Manager. The vehicle operator must have an operational need and provide proof of insurance coverage of at least \$500,000 combined single limit, bodily injury and property damage liability and the Metropolitan Knoxville Airport Authority, and its commissioners and its officers and its employees shall be listed as additional insured on the policy. Training on the hazards and responsibilities will be provided by the Authority. Areas, routes and times available for vehicle operation may be directed by the DKX Manager. The privilege of operating a vehicle in aircraft operation areas may be suspended, altered or revoked at anytime by the DKX Manager.

1.6 AIRCRAFT REGULATIONS

1.6.1 LANDING FEES

No person shall land or takeoff in an aircraft on or from the Airport or use a ramp or apron area or aircraft parking and storage area except upon the payment of such fees and charges as may from time to time be established by the Metropolitan Knoxville Airport Authority, unless such a person is entitled to use such area under lease or special contract.

1.6.2 FLYING CLUBS

Flying Clubs shall not be permitted at the Airport unless approved by the Metropolitan Knoxville Airport Authority and/or the President. Flying Clubs shall be required to obtain from the President a letter of authorization before operation of such Flying Club. The Club may not derive greater revenue from the use of its aircraft than the amount necessary for the operation, maintenance and replacement of its aircraft and will file and keep up-to-date with the President a list of membership and an annual financial statement certified by a CPA. If the President has reason to believe a Club aircraft is being commercially operated, he may require the Club to enter into an operating agreement for commercial activities unless such operations are terminated. In addition, the club must comply with all terms of the Minimum Standards for Commercial Aeronautical Activities at Knoxville Downtown Island Airport.

1.6.3 AIRCRAFT ACCIDENT REPORT

The pilot of an aircraft involved in an accident on or near the Airport

causing personal injury or property damage shall immediately make a report in writing to the Vice President of Airport Operations. In the event that he is unable to do so, the owner or his agent and witnesses shall make such report.

1.6.4 STORAGE AREAS

No aircraft shall be parked, stored, or repaired at the Airport except in the areas designated by the President for such use. Violation of this regulation may result in the offending aircraft being removed by order of the President and impounded until incurred towing and storage charges have been paid.

1.6.5 PROPERTY DAMAGE

All parties responsible for the destruction or damage of Airport property, whether by accident or otherwise, shall be financially responsible for such damage and destruction, and, in appropriate cases, for such financial losses to the Airport as follow from such damage or destruction, whether by loss of use or otherwise.

1.6.6 PERSONS ON LANDING AREA

No person or persons, except airmen, duly authorized personnel, passengers going to or from aircraft, or persons being personally escorted by Airport employees shall be permitted to enter the landing area proper, taxi space, or aprons; however, this does not give any such person or persons the privilege of unrestricted use of the Airport. These privileges are confined to the necessary use of the spaces in connection with flights, inspection, and routine duties. Business conducted in this area shall be in compliance with published Airport Operations Procedures.

1.6.7 OBSERVANCE OF GOVERNMENT RULES

No person shall operate an aircraft from or on the Airport except in conformity with the provisions of Federal Aviation Regulations, prescribed Air Traffic Rules, Rules and Regulations of the Tennessee Department of Transportation, Division of Aeronautics, or any rules as hereinafter prescribed.

1.6.8 MANNER OF OPERATION

No aircraft will be operated on the Airport in a careless manner or

without due regard for the rights and safety of others or at a speed that is likely to endanger others. The operator thereof must not be under the influence of intoxicating liquor or any narcotic or habit-forming drug. Extreme caution and vigilance must be maintained at all times.

1.6.9 AUTHORIZED AREAS

No aircraft shall land, takeoff, or taxi in areas other than those authorized, and in no event shall an aircraft enter a grass or unpaved area unless so authorized in writing by the DKX Manager.

1.6.10 AIRCRAFT MOVING

Aircraft shall be moved only by qualified personnel with proper FAA certifications.

1.6.11 TAXIING

No person other than a pilot or mechanic certified by the Federal Aviation Administration shall taxi an aircraft on any part of the Airport. No person other than a certified pilot or mechanic will be at the controls of an aircraft while engines of said aircraft are being started or operated.

1.6.12 RUNUPS

All engine run-ups and or performance testing will be made in a place and or time designated by the President or his designated representative.

1.6.13 DISABLED AIRCRAFT

The pilot or operator of an aircraft shall be responsible for the prompt removal of an aircraft wrecked, disabled or otherwise abandoned on the Airport. Failure of the operator to comply with this rule will constitute authority for the Airport management to have the aircraft removed at the operator's expense and without liability for damage which may result in the course of such removal. The Metropolitan Knoxville Airport Authority reserves the right to disable ELT signals emitting from aircraft when located.

1.6.14 HAZARDOUS AIRCRAFT OPERATIONS

The President or his designated representative may prohibit an aircraft from operating on the Airport if in his opinion such an operation would be hazardous to persons or property on the Airport.

1.6.15 NON-PAYMENT OF CHARGES

The President shall have the authority to detain any aircraft for non-payment of storage or other charges due the Metropolitan Knoxville Airport Authority.

1.6.16 AIRCRAFT REPAIRS AND MAINTENANCE

No person or company shall repair, maintain, service, test its aircraft or aircraft of others in any public areas of the Airport, except that they have a valid license or lease from the Metropolitan Knoxville Airport Authority authorizing the repair, maintenance, conditioning, servicing, testing or washing of aircraft.

1.6.17 TWO-WAY RADIOS

Except in emergencies, flight operations on or about the Airport will only be permitted if the aircraft is equipped with functioning two-way radio equipment. Contact with the Air Traffic Control Services and/or Common Traffic Advisory Frequency must be maintained at all times. The aircraft shall remain in contact until it leaves the area or has been parked.

1.7 FIRE PREVENTION

1.7.1 SMOKING

No person shall smoke or carry lighted cigars, cigarettes, pipes, matches or any open flame in or upon any area of the Airport within fifty (50) feet of hangars, fuel storage areas, fuel loading situations, fuel handling vehicles, aircraft being fueled or having fuel drained or in any other place where smoking is specifically prohibited by signs. Smoking is prohibited within all buildings and or facilities at DKX.

1.7.2 OPEN FLAMES

No person shall start an open fire any place on the Airport without permission of the President. No torch cutting or welding shall be permitted in hangars. Welding in shop areas or areas designated by the President is permitted provided all safety precautions are observed and welding equipment is operated by experienced and qualified personnel.

1.7.3 GOOD HOUSEKEEPING

Good housekeeping will be required at all times by tenants and occupants of all buildings and hangars both in their assigned areas and during aircraft maintenance operations. Hangar floors shall be maintained clear of all engine stands, ladders and equipment not in actual use. Areas surrounding fire extinguishers and sprinkler risers shall be kept clear at all times, and all premises shall be kept clean and clear of all rubbish, junk, debris, old aircraft and vehicles, and any other unsightly objects. If after warning by the President the area is not cleaned, cleaning will be ordered by the President and billed to the tenant or person.

1.7.4 FLAMMABLE MATERIAL

No person shall store flammable material or equipment, use flammable liquids or gases, or maintain his premises in such a condition as to violate the Fire Code of the City of Knoxville or any rules herein contained. Flammable liquids having a flash point below 110 degrees Fahrenheit shall at all times be kept in and used from approved safety cans and stored in acceptable metal cabinets, in quantity not to exceed 25 gallons. Transfer of flammable liquids from original containers to safety cans shall be done outside of buildings in a safe location. Areas surrounding storage of flammables shall be kept clear of all flammable and combustible material.

1.7.5 PARTS CLEANING

Only water base or varsol type solvents with flash points of at least 100 degrees Fahrenheit are permitted for aircraft engine or parts cleaning or maintenance, or for collection in drip pans.

1.7.6 EXTINGUISHERS

Tenants of all hangars and buildings shall provide suitable fire extinguishers and equipment which shall be kept in good working order as determined by the Vice President of Airport Operations or his designated representative and not tampered with or used for any purpose other than fire fighting or fire prevention. Extinguishers shall be inspected at least every 12 months by qualified personnel. Tags showing the date of the last such inspection shall be left attached to each unit.

1.7.7 MAINTENANCE LIGHTS

Aircraft maintenance lights, including drop lights, shall be listed as vapor-proof by the Underwriters Laboratories.

1.7.8 HEATING ENGINES

The heating of aircraft engines on the Airport shall be done only by the use of steam, hot water, hot air or approved electric heaters. Aircraft shall be heated only outside hangars and only with a qualified attendant standing by.

1.7.9 FIRE CODE COMPLIANCE

Tenants and all persons occupying Airport buildings are required to comply with any and all regulations contained in the Fire Code of the City of Knoxville as they may apply.

1.7.10 PERIODIC INSPECTIONS

All premises on the Airport will be subject to periodic safety inspections. These inspections shall be made by the Vice President of Airport Operations or his designated representative at least once each year. Recommendations and infractions will be reported to the tenants or persons involved for action.

1.7.11 SELF-SERVICE FUELING

The owner or operator of an aircraft who desires to self-fuel the aircraft while on the Airport must demonstrate compliance with all of the requirements of paragraphs 1.7.1 through 1.7.9 above, and comply with the provisions of FAA Advisory Circular No 150/5231-4A and the corresponding requirements in NFPA 407, before undertaking

to self-service fuel the aircraft. Aircraft refueling from hand-held portable containers is expressly forbidden by the City of Knoxville and therefore is not permitted at DKX.

1.8 AIR TRAFFIC RULES

1.8.1 LANDINGS AND TAKEOFFS

Landings and takeoffs shall be made on the runway most nearly aligned into the wind unless other operational considerations make it necessary to use an alternate runway. No landing or takeoff shall be made from any sodded areas except in case of an emergency. Certain operations from grass and or sod areas may be approved by exception by the DKX Manager. No landing or takeoff shall be made except at a safe distance from buildings and other aircraft.

1.8.2 REQUEST LANDING OR TAKEOFF

If takeoffs or landings are requested in a direction other than most nearly aligned into the wind or as prescribed by the Control Tower at McGhee Tyson Airport, the pilot is solely responsible for determining that the operation can be completed with safety.

1.9 ENVIRONMENTAL OBLIGATIONS OF TENANTS

In order for properties of the Authority to maintain compliance with applicable federal and state environmental laws, each party ("Tenant") leasing property of the Authority shall be obligated during the term of such tenancy and such other or longer periods as Tenant may have possession of (or exercises control over) such property, as follows:

1.9.1 DEFINITIONS

1.9.1.1 ENVIRONMENTAL LAWS

As used in this regulation, the term "Environmental Laws" shall refer individually and collectively to any federal, state or local law, rule or regulation pertaining to environmental regulations, contamination, clean-up, environmental disclosures or environmental liens and any judicial or administrative interpretation thereof, including any judicial or administrative orders or judgments, including without

limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq. ("CERCLA") as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. §2601 et seq. ("TSCA"); the Hazardous Materials Transportation Act, 49 U.S.C. §1801 et seq.; the Clean Air Act, 42 U.S.C. §7401 et seq. ("CAA"); the Water Pollution Control Act of 1972, 33 U.S.C. §1251 et seq. (known as the Clean Water Act ("CWA")); the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §11001 et seq. ("EPCRA" or "SARA Title III"); the Tennessee Hazardous Waste Management Act, T.C.A. §68-46-101 et seq. ("THWA"); the Tennessee Hazardous Waste Management Act of 1983, T.C.A. §68-46-201 et seq. ("THW of 1983"); the Tennessee Air Quality Control Act, T.C.A. §68-25-101 et seq. ("TAQA"); the Tennessee Water Quality Control Act of 1977, T.C.A. §69-3-101 et seq. ("TWQCA"); the Tennessee Petroleum Underground Storage Tank Act, T.C.A. §68-53-101 et seq. ("TPUSTA"); and the Tennessee Hazardous Chemical Right-to-Know Act, T.C.A. §50-3-2001 et seq. ("THCRKA"); or any other federal, state, county or local environmental laws, orders, regulations, rules and ordinances, each as amended to date and now in effect or as hereafter amended, replaced or supplemented from time to time.

1.9.1.2 HAZARDOUS MATERIAL(S)

As used in this regulation, the term "Hazardous Material" shall refer to any petroleum product and any hazardous or toxic wastes or substances which because of their quantitative concentration, chemical, radioactive, flammable, explosive, infectious or other characteristics, constitute or may reasonably be expected to constitute or contribute to a danger of hazard to the public health, safety or welfare or to the environment, including without limitation any asbestos (whether or not friable) and any asbestos-containing materials, waste oils, solvents and chlorinated oils, polychlorinated biphenyls (PCB's), toxic metals, etchants, pickling and plating wastes, explosives, reactive metals and compounds, pesticides, herbicides, urea formaldehyde, foam insulation, or any other substances, chemicals, materials and/or wastes that are

defined as hazardous, dangerous and/or toxic under, or regulated by, any Environmental Laws.

1.9.1.3 LEASE

As used in this regulation, the term Lease shall mean the lease agreement between the Authority and Tenant with respect to the Premises, as amended and renewed.

1.9.1.4 PREMISES

As used in this regulation, the term "Premises" shall refer to any and/or all property of the Authority leased to Tenant.

1.9.2 TENANT'S ACTIVITIES

1.9.2.1 COMPLIANCE WITH LAWS

With respect to Tenant's use of the Premises, Tenant shall at all times, at its own cost and expense, comply with all Environmental Laws relating to the use, analysis, management, handling, generation, storage, sale, disposal or transportation of any Hazardous Materials.

1.9.2.2 RESTRICTIONS ON CERTAIN USES

1.9.2.2.1 At least 30 days prior to commencing use of the Premises for any business or activity involving the management, generation, storage, use or distribution of (a) any Hazardous Material; or (b) products or materials which (i) include any Hazardous Material as a component and (ii) which, if an accident occurred, might result in the release or discharge of any Hazardous Material, Tenant must give written notice to the Authority.

1.9.2.2.2 Such notice shall set forth (a) the proposed use and the Hazardous Materials involved; (b) a Hazardous Material management plan describing the actions taken or proposed to be taken by Tenant to assure Tenant's compliance with the requirements of this regulation; and (c) evidence of insurance or other financial resources, available to Tenant sufficient to assure Tenant's ability to comply with its obligations under this regulation.

1.9.2.3 NOTICES TO AUTHORITY

Tenant shall give written notice to Authority as soon as is practicable and in no event later than three (3) business days after the date on which Tenant learns or first has reason to believe that:

1.9.2.3.1 There has or will come to be located on or about the Premises any Hazardous Material, the management, generation, transportation, storage, use or handling of which requires a permit, license or approval from, or notice to or registration with any federal, state or local governmental agency.

1.9.2.3.2 Any release, discharge or emission of any Hazardous Material has occurred on or about the Premises.

1.9.2.3.3 Any (a) enforcement, cleanup, removal or other governmental or regulatory action has been threatened or commenced against Tenant or with respect to the Premises pursuant to any Environmental Laws; or (b) any claim has been made or threatened by any person or entity against Tenant or the Premises on account of any alleged loss or injury claimed to result from the alleged presence or release on the Premises of any Hazardous Material; or (c) any report, notice or complaint has been made to or filed with any governmental agency concerning the presence, use or disposal of any Hazardous Materials on the Premises. Any such notice shall be accompanied by copies of any such claim, report, complaint, notice, warning or other communication that is in the possession of or is reasonably available to Tenant.

1.9.2.4 DISPOSAL

Except for materials that are (a) lawfully discharged from the Premises or (b) lawfully sold in the ordinary course of Tenant's business, Tenant shall cause all Hazardous Materials (and mixtures or compounds containing Hazardous Materials) constituting wastes or solid wastes (as defined under RCRA) to be removed from the Premises for disposal and to be transported solely by duly licensed Hazardous Materials transporters to duly licensed facilities for final

disposal to the extent required by and in accordance with applicable Environmental Laws.

1.9.2.5 ACTIONS AND PROCEEDINGS

1.9.2.5.1 Except in emergencies or as otherwise required by law, Tenant shall not take any remedial action in response to the presence or release of any Hazardous Materials on or about the Premises without first giving written notice of the same to the Authority. Tenant shall not enter into any settlement agreement, consent decree or other compromise with respect to any claims relating to any Hazardous Materials in any way connected with the Premises without first notifying Authority of Tenant's intention to do so and affording the Authority the opportunity to participate in any such proceedings.

1.9.2.5.2 Any use by Tenant in the course of a trade or business conducted on the Premises of a substance which (a) is classified as a Hazardous Material under the Environmental Laws; (b) is of a type which, under current industry practice, is commonly used as an integral part of the Authority approved activity; (c) is so used by Tenant in full compliance with applicable provisions of all Environmental Law; and (d) Tenant has given the Authority complete prior notice of its use at the Premises, will be a Permitted Business Use.

1.9.2.6 STORAGE TANKS

1.9.2.6.1 With respect to any underground or aboveground storage tank owned by and operated by Tenant for the storage or distribution of any Hazardous Material, Tenant will comply at all times during the term of the Lease with all Environmental Laws and limit use thereof to the Permitted Business Use. All certificates, licenses, permits and/or registrations for installation and operation of such tank must be obtained prior to the installation or use of said tank.

1.9.2.6.2 Tenant, at Tenant's expense, shall be required to obtain any certificates or authorizations for use of an existing tank owned by the Authority, and take such other steps as would be required for conversion of such tank, if Tenant's use would not be authorized by any authorization

previously obtained by the Authority. At the end of the Lease or sooner termination, Tenant shall comply with all obligations relating to such tanks as stated below in Section 1.9.4, at Tenant's expense.

1.9.3. ASSURANCE OF PERFORMANCE.

1.9.3.1 ENVIRONMENTAL AUDITS

The Authority may, but shall not be required to, engage either itself or through its attorneys such independent contractors as the Authority determines to be appropriate to perform from time to time an audit, including environmental sampling and testing, of (a) the Premises, the surrounding soil and any adjacent areas, and any groundwater located under or adjacent to the Premises and/or any adjoining property; (b) Tenant's compliance with all Environmental Laws and the provisions of this regulation; and (c) the provisions made by Tenant for carrying out any remedial action that may be required by reason of the nature of Tenant's business and its operations on the Premises (collectively an "Environmental Audit").

1.9.3.1.1 COSTS AND EXPENSES

All costs and expenses incurred by the Authority in connection with any such Environmental Audit shall be paid by the Authority, except that if any such Environmental Audit shows that Tenant has failed to comply with the provisions of this Addendum, or that the Premises (including surrounding soil and any underlying or adjacent groundwater) have become contaminated due to the operations or activities not attributable to the Authority or third parties other than Tenant and related entities, then all of the costs and expense of such audit shall be paid by Tenant.

1.9.3.1.2 REMEDIAL ACTION

If Tenant is responsible for the contamination discovered by the Environmental Audit, Tenant shall carry out and complete, at its own cost and expense, any repair, closure, detoxification, decontamination or other appropriate clean-up of the Premises, as recommended by the Environmental Audit. Should Tenant fail to implement and diligently pursue any such clean-up promptly upon receipt

of notice thereof, then the Authority shall have the right, but not the obligation, to carry out such clean-up, and to recover all of the costs and expenses thereof from Tenant.

1.9.4 TERMINATION OF LEASE

Upon the expiration or earlier termination of the term of the Lease, Tenant shall, at its expense, (a) cause all Hazardous Material previously owned, stored or used by Tenant to be removed from the Premises and disposed of in accordance with applicable provisions of law; (b) unless otherwise agreed to by Landlord, remove any aboveground or underground storage tanks or other containers installed by Tenant to store any Hazardous Materials on the Premises, and repair any damage to the Premises caused by such removal; (c) with respect to any aboveground or underground storage tanks owned by the Landlord but used by the Tenant for storage or distribution of Hazardous Materials, have such tanks inspected and certified as being in compliance with any applicable Environmental Law, and in the appropriate circumstance, provide a temporary or permanent Certificate of Closure for such tank. In the event such tank is closed only temporarily, all leak-detection systems must remain in place and be fully operational at the time the Tenant surrenders the Premises to the Landlord; (d) cause any soil or other portion of the Premises which has become contaminated by any Hazardous Materials stored or used by Tenant on the Premises to be decontaminated, detoxified or otherwise cleaned up in accordance with the requirements of cognizant governmental authorities; and (e) surrender possession of the Premises to Landlord free of contamination attributable to toxic materials or Hazardous Materials generated or used by Tenant or stored or disposed of by any party other than Landlord in or on the Premises during the term of this Lease.