

Metropolitan Airports Commission
Reliever Airports
Inspection Procedures

The Metropolitan Airports Commission ("MAC") owns and controls the real property at the MAC's system of Reliever Airports. MAC retains the right to conduct inspections of any Reliever Airport area leased by a tenant, including all improvements and tenant's property located on the improvements, ("Premises"), for the purpose of determining a tenant's compliance with the terms and conditions of the tenant's lease and with all applicable laws.

Inspections generally fall into three (3) categories: (1) routine or periodic inspections conducted every 3 or 5 years ("Routine Inspections"); (2) inspections to determine compliance with the terms and conditions of the tenant's lease and applicable law ("Compliance Inspections") when the status of lease compliance is in question; and (3) inspections based upon recurring or repeated deficiencies or failure to allow other inspections ("Demand Inspections").

These procedures do not apply if (1) a MAC representative is in a Premises for a reason other than to conduct an inspection; (2) a MAC representative makes visual observations of the exterior of a Premises or the interior of a Premises (if visible from outside of the Premises); or (3) an emergency exists that, in MAC's judgment, requires a MAC representative to immediately access the Premises. In any of these situations, MAC may provide a tenant with written notice of any observed deficiency or default in accordance with the lease.

Furthermore, a tenant may request that an inspection be conducted for the purpose of identifying any issues that would be considered a deficiency or lease default had the MAC initiated an inspection. The MAC will honor the tenant's request for such inspection as workloads permit. Any findings of such tenant initiated inspection will not result in the MAC declaring a lease default but may result in the MAC scheduling a Compliance Inspection to verify that the items found in the tenant initiated inspection have been corrected.

Routine, Compliance and Demand inspections will be conducted in accordance with the following procedures:

- A. Routine Inspections. All Premises will be inspected:
- once every three (3) years in the case of a commercial lease;
 - once every five (5) years in the case of a storage lease;
 - at least once during the term for leases which are not commercial or storage;
- and

- at any time in conjunction with a lease transfer, lease renewal or other lease request.

The purpose of a Routine Inspection is to verify that the Premises are being used, kept and maintained in accordance with all of the terms and conditions of the lease and applicable law.

1. Notice. MAC will provide a tenant with not less than two (2) weeks prior written notice that a Routine Inspection will be conducted by MAC representatives. The written notice will contain the name, office address and telephone number of the person conducting the Routine Inspection and will provide that the date and time can be reasonably adjusted once at the request of tenant to accommodate conflicts in scheduling, but such extension will be within three (3) days of the initial inspection date or to a later date and time acceptable to MAC.

Should a second extension be requested, or if a tenant fails to show up for a scheduled inspection, or is there but fails to allow access, the MAC may declare a Demand Inspection or may treat the failure to allow an inspection as a default.

The written notice will also advise the tenant of any fact(s) in the possession of the MAC that would, if true, be a violation of any of the terms and conditions of the lease and applicable law, as well as the consequences of such violation.

2. Consent. MAC may conduct a Routine Inspection without providing prior written notice if a tenant consents to it.
3. Detection of Deficiency. In the event a deficiency is detected during a Routine Inspection the default procedures set forth in the lease will be followed.

B. Compliance Inspections. All Premises will be subject to Compliance Inspection by MAC representatives when there exists a reasonable basis to believe that the Premises is not being used, kept or maintained in accordance with the terms and conditions of the lease or applicable law. In such case, a Compliance Inspection will proceed as follows:

1. Statement of Facts. MAC must have received from a credible and identifiable source, (which includes MAC staff), as reasonably determined by MAC, a reasonably articulable statement of facts, which supports a good

faith belief that there exists a violation(s) of the terms and conditions of the lease or applicable law. The statement of facts received by, created by or gathered by MAC staff, may be written or verbal.

2. **Notice.** Based upon the statement of facts, MAC will provide the tenant with advance written notice of not less than three (3) days of its intent to conduct a Compliance Inspection at the date and time specified in the notice. The written notice will contain the name, office address and telephone number of the person conducting the Compliance Inspection. In the event that the specified date and time causes a justifiable hardship for the tenant, as determined by MAC in its reasonable judgment, such date and time may be extended to a date and time chosen by MAC which avoids such hardship. MAC will only provide one extension of the inspection date based upon a tenant hardship. Should a second extension be requested, the MAC may declare a Demand Inspection or may treat the failure to allow the inspection as a default.

If a tenant fails to show up for a scheduled inspection, or is there but fails to allow access, the MAC may declare a Demand Inspection or may treat the failure to allow an inspection as a default.

The notice shall advise the tenant of any fact(s) in the possession of MAC that would, if true, be a violation of any of the terms and conditions of the lease or applicable law, and the consequences of such violation.

2. **Detection of Deficiency.** In the event a deficiency is detected during a Compliance Inspection the default procedures set forth in the lease will be followed.
3. **Consent.** MAC may conduct a Compliance Inspection without providing prior written notice if a tenant consents to it.

C. **Demand Inspections.** In the event a MAC representative believes a tenant is failing to use, keep or maintain a Premises in accordance with the terms and conditions of the lease or applicable law, and in the event that such failure has been the subject of at least one (1) previous Compliance Inspection or fails to schedule or allow access for a Routine or Compliance Inspection as set forth in Section A and B, the following procedures will be followed:

1. **Statement of Facts.** Except in the case of a tenant's failure to allow a Routine or Compliance Inspection creating the basis for the Demand Inspection, MAC must have received from a credible and identifiable source,

(which includes MAC staff), as reasonably determined by MAC, a reasonably articulable statement of facts, which supports a good faith belief that there exists a violation(s) of the terms and conditions of the lease or applicable law. The statement of facts received by, created by or gathered by MAC staff, may be written or verbal.

2. Conduct of Demand Inspection. A MAC representative may then conduct an inspection of the Premises on demand in the presence of the tenant, subtenant, or person at the hangar at the time of the inspection. The Demand Inspection may not be refused.

In the event a Demand Inspection is refused, the subject matter of the statement of facts will be deemed to be true and correct for all purposes, and MAC may obtain access to the Premises by any lawful means or take whatever action which it deems necessary or desirable with respect to such deficiency or default.

Any deficiency noted during a Demand Inspection will be treated in accordance with these procedures and the tenant's lease. In addition, failure to allow a Demand Inspection is a default of the lease.

3. Follow-Up Inspection. In the event a Demand Inspection reveals that the condition(s) does not exist and there is evidence of recent clean up, follow-up inspections may be conducted under the procedures described in Section G, Deficiency or Default.

In the event a Demand Inspection reveals that the condition(s) does not exist and there is no evidence of the deficiency or recent clean up, MAC will not conduct any follow up inspection based upon the original statement of facts.

Nothing shall limit MAC's right to conduct another Compliance Inspection if new information becomes known which supports the need to conduct another Compliance Inspection.

D. Conduct of an Inspection.

1. Identification. Prior to beginning an inspection the MAC representative will identify himself/herself. MAC identification will be shown if requested by the tenant or subtenant.
2. Additional Persons. MAC representatives or the tenant may be accompanied by additional persons that are invited by MAC or the tenant who are present at the time of the inspection or at the time of demand, in the case of a Demand Inspection.
3. Noting of Deficiencies. The MAC representative will not be prohibited from noting deficiencies that are in plain view during an inspection, and thereafter focusing the remainder of the inspection on that deficiency. Any noted deficiencies, whether contained in the notice or otherwise, will be treated in accordance with these procedures and the lease.
4. Containers and Coverings. MAC representatives may look inside containers (such as drums) and underneath coverings (such as tarps) to determine compliance with the lease and applicable law.
5. Inspection Summary ("Summary").
 - a. The MAC representative will, during and immediately following the inspection, complete a multi-copy form. A copy of the Summary will be provided to the tenant at the conclusion of the inspection.
 - b. The MAC representative conducting the inspection will sign the Summary.
 - c. The Summary will contain a section to be completed by the MAC representative which designates any required action by the tenant, and the scheduling of a follow-up inspection, if any.
 - d. The Summary will contain a section to be signed by the tenant acknowledging receipt of a copy of the Summary or if the tenant refuses to acknowledge receipt, requiring the MAC representative to complete the section with "tenant refused to sign a copy of Summary left at the premises."

6. Pictures. Pictures of the Premises and items contained in the Premises may be taken by the MAC representative if related to the purpose of the inspection and documented in the Summary.
 7. Follow-up Communication. A letter will be sent within a reasonable time following the inspection communicating any corrective actions needed. It is at this stage that a formal default notice will be provided, if applicable. A follow-up letter will not be sent if the Inspection Summary indicates that no corrective action is required.
- E. Reporting of Results of Inspection. Depending upon the circumstances of each case, MAC may or may not report the results of an inspection to another governmental agency or subdivision.
1. Whenever possible, MAC will allow the tenant an opportunity to resolve the condition or cease the activity prior to reporting the condition or activity to other governmental agencies or subdivisions.
 2. MAC will always report potential criminal activity occurring within a tenant's Premises.
 3. MAC may also be compelled by applicable law to report certain other conditions or activities occurring within a tenant's Premises.
 4. MAC, as owner of the real estate, may also deem it advisable to report other conditions or activities occurring within a tenant's Premises to other agencies or subdivisions. An example of this would be a situation involving a failure of a tenant to obtain necessary permits such as storm water permits or hazardous waste permits. In other situations, a governmental agency may subsequently request that MAC provide the information.
- F. Inspections by Other Governmental Agencies or Subdivisions. Other governmental entities may have their own independent authority to inspect a tenant's Premises. Examples of such agencies/subdivisions are FAA, BCA, FBI, DEA, local Police Department, MPCA, MN Dept. of Health, MN DNR and Counties. Depending upon the circumstances of each case, MAC may or may not report the results of an inspection to another governmental agency or subdivision.

G. Deficiency or Default.

1. Issuance of Default Notice. In the event any deficiency is noted, such deficiency shall be treated as set forth in the tenant's lease. In the event such a deficiency was not described in the inspection notice provided to the tenant, the deficiency will not count as a material default for purposes of the "repeat offender" clause of Section IX, Default and Termination, of the Reliever Lease Policies, Rules and Regulations ("Policies"), even though it would otherwise qualify as such. In the event such a deficiency or multiple deficiencies were described in the inspection notice, each deficiency may count as a material default under Section IX of the Policies if it meets the definition of "material default" in that Section.

If such default is not cured, MAC may exercise any of its remedies under the tenant's lease. Nothing herein will limit a tenant's obligation to rectify any deficiency noted by MAC. In the event a deficiency is noted, the tenant will be issued a written notice of default and it will be the responsibility of the tenant to take corrective action. Such deficiencies will constitute a basis for conducting additional inspections limited in scope to the objective of determining that corrective action had been taken.

2. Follow-Up Inspection. In the event a deficiency is noted, MAC may schedule one or more follow-up inspections to determine the level of compliance or corrective action taken by the tenant, and one (1) final inspection to ascertain whether the condition has been corrected. The final inspection will not occur until after the period of time allowed the tenant to cure the deficiency has elapsed. In the event a tenant does not allow a follow-up inspection, the MAC will have the right to obtain access to the Premises by any lawful means.

In the event the deficiency has been found to be corrected, and absent recurrence of the same violation as more specifically described herein, MAC will have no right to an additional Compliance Inspection based upon the deficiency specified in the original notice. This shall not limit MAC's right to conduct another Compliance Inspection in accordance with these Procedures based upon another deficiency of the same type.

- H. Notice. Any notice required to be given to a tenant under these procedures is effective if served in accordance with the tenant's lease

- I. Data Practices Act. All data collected and created by MAC during this inspection process is governed by the Minnesota Government Data Practices Act. This data is presumed to be public data with certain exceptions. For examples, the identity of a person who complains to MAC about a violation of state law or local ordinances concerning the use of real property is not public data.

- J. Review Process. In accordance with Section XXV of the Policies a tenant who disagrees with the decision of a MAC staff member may follow the review process set forth in that Section.