

AIRPORT MOTOR VEHICLE RENTAL CONCESSION LEASE AGREEMENT

THIS LEASE AGREEMENT (“Agreement”) is executed in duplicate as of the ____ day of _____ 2021, (the “Lease Date”) by and between the City of Marshall, Minnesota (“Landlord”), whose business address is 344 West Main Street, Marshall, Minnesota 56258, and Enterprise Leasing Company, a Minnesota Corporation, whose business address is 2775 Blue Waters Rd, Eagan, Minnesota 55121, authorized to do business in the State of Minnesota, hereinafter referred to as (“Tenant”).

RECITAL

Landlord is the owner of the Southwest Minnesota Regional Airport – Marshall/Ryan Field and operates a building commonly known as the Arrival/Departure Building (the “Facility”) located at 1650 West College Drive, Marshall, Minnesota 56258.

Tenant is engaged in the business of renting motor vehicles.

Landlord wishes to make motor vehicle rental available to its customers and invitees at the Facility and, to that end, wishes to have Tenant provide such motor vehicles and related rental services.

Landlord has offered to grant Tenant the right to occupy and use certain space in the Facility for the purpose of providing motor vehicle rental service and Tenant is willing to accept such occupancy, subject to and in accordance with the terms and conditions hereinafter provided.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter contained, the parties covenant and agree for themselves, their successors and assigns as follows:

1. **Concession.** The Landlord does hereby grant to the Tenant and the Tenant hereby accepts from the Landlord, the non-exclusive right to operate a motor vehicle rental concession at the Facility for the purpose of offering motor vehicle rental facilities to the public under the covenants, conditions and provisions contained in this Lease.
2. **Term.** Subject to termination as otherwise provided in this Lease, the Initial Term of this Lease shall be for a period of sixty (60) months. The Initial Term will commence on November 1, 2021, (the “Commencement Date”) and ending on October 31, 2026 (the “Expiration Date”), unless canceled by either party upon written notice to the other party in accordance with Sections 17 and 18 of this Lease. All rentals described herein and depicted in Exhibit “A” shall accrue from the commencement date above, the effective date of this Lease.

3. **Non-exclusivity.** This concession shall not be construed to be an exclusive concession, and the Landlord shall have the right to deal with and perfect arrangements with any other individual, firm or corporation for engaging in similar activities at the Airport. The Landlord shall not, hereafter, grant to any other individual, firm or corporation, other than Tenant, a similar concession upon terms or conditions more favorable in any material respect than those herein granted Tenant.
4. **Office Space/Wash Bay/Parking Space Allocations.** The Tenant is allocated office space in the Facility as shown in the plan attached as Exhibit "B" and containing approximately one hundred fifty (150) square feet. The Tenant is allocated wash bay space in the City Maintenance Building as identified in Exhibit "C" and containing approximately six hundred twenty-five (625) square feet. The Tenant must coordinate wash bay use with the Public Ways Superintendent or his or her designee. In addition to said office and wash bay area, the Landlord does hereby lease to Tenant ten (10) automobile parking spaces as shown on Exhibit "C". Rental automobiles shall be kept in this designated area and moved when needed in order to clear snow from or perform other maintenance on the parking lot. Tenant automobiles reserved for the next flight shall be allowed to be parked in Parking Lot B. No parking shall be allowed immediately in front of the Facility (except as posted) and no overnight parking shall be allowed in any other lot except the spaces leased herein. Parked automobiles awaiting customers shall not interfere with snow removal. Landlord agrees to permit Tenant, its agents, employees and invitees access to the Facility throughout the term of the agreement and the right to use all of the common area associated with the Facility (e.g. restrooms, sidewalks, access roads, parking areas, lounge and waiting areas, conference room) in the same manner as such areas are made available to and used by the employees and invitees of the Facility.
5. **Payment Dates.** Tenant shall pay Landlord, without notice to Tenant, monthly rent as depicted in Exhibit "A" on or before the first day of each month for the following month. A late fee charge of \$20.00 shall be assessed for payments received after the tenth (10th) day of the month and shall be added to the following month's payment.
6. **Cleaning.** Tenant is required to maintain leased areas clean, neat, and orderly. In the event that Tenant fails to keep the premises used by it in an attractive, neat, clean, orderly and sanitary condition as is required by this Lease, Landlord by itself shall clean or cause to be cleaned those portions of the premises not so kept and Tenant agrees to reimburse Landlord for the direct and indirect costs incurred by Landlord for the performance of said work immediately upon being billed therefore by Landlord. Daily trash removal and placing it in the dumpster provided by the Landlord shall be the responsibility of the Tenant.
7. **Utilities.** The Landlord agrees to provide such heat, electricity, water and sewage services as are reasonably necessary for Tenant's operations at no additional cost to Tenant, except for telephone and other communication usage, required by Tenant in the Facility.
8. **Activities Permitted on Airport.** Tenant shall have the right to use those portions of the Airport covered by this Lease for the conducting of an automobile rental concession as herein provided for.

9. **Construction and Improvements.** No improvement, alterations, or additions shall be made in the Facility by the Tenant without the written approval of the Landlord, which approval will not be unreasonably withheld. With the exception of the Landlord's scope of work as outlined in Exhibit "D" (the "Landlord's Work"), any additional improvements to leased space shall be at the sole expense of the Tenant, in accordance with architectural plans developed by Tenant, and reviewed and approved by the Landlord's City Engineer. Landlord agrees that the work described in Exhibit "D" will be commenced within thirty (30) days after the Lease Date and completed by Landlord within thirty (30) days once commenced.
10. **Liens.** Tenant agrees not to suffer any mechanic's lien to be filed against the Facility by reason of any work, labor, services or materials performed at or furnished to the Facility by or for Tenant.
11. **Tenant's Covenants.** Tenant hereby covenants and agrees:
 - A. To furnish good, prompt and efficient service adequate to meet all reasonable demands for automobile rental services at the Airport at a fair and reasonable price and that services provided by Tenant at the Airport shall conform to all standards herein specified; and to initiate reasonable efforts to promote local marketing efforts of automobile rental services within the community and surrounding area.
 - B. That rental automobiles made available hereunder shall be maintained, at Tenant's sole expense, in good operating order, free from known mechanical defects, safe, and in clean, neat and attractive condition inside and out, and in no case shall be older than the two (2) model years immediately preceding said current model year.
 - C. That the facilities to be provided by Tenant hereunder for the purpose of providing automobile rental services shall remain open and be manned by such personnel as necessary for the conducting of Tenant's business. The hours of operation shall be, at a minimum, from 8:00 A.M. through 5:00 P.M. Monday through Friday, and during such other days and hours that the Tenant may elect, provided the Facility is open for business during such times.
 - D. That it shall not permit its agents, servants or employees to solicit or conduct business outside of the area referred to in No. 4 above.
 - E. That Tenant shall abide by, and require its agents, servants or employees to abide by, and be subject to all reasonable rules and regulations which are now, or may from time to time, be formulated by the Landlord or the Airport Manager concerning the management, operation or use of the Airport and specifically to abide by all provisions of the Airport security plan, if any.
 - F. That it shall meet all expenses in connection with the use of the premises hereunder and the rights and privileges herein granted, including without limitation by reason of enumeration, taxes, permit fees, license fees and assessments lawfully levied or assessed upon the premises or structures and improvements at any time situated thereon, and that it shall secure all such permits and licenses as may be necessary.

- G. That it shall permit the Landlord's representative at any time, and as often as the Landlord deems necessary, to inspect the vehicles and other equipment used by the Tenant in the conduct of its business, and upon request shall demonstrate any such vehicles, machines or equipment. Upon notification by the Landlord that reasonable grounds exist to question the efficiency of any vehicle, machine or equipment, Tenant shall immediately withdraw the same from service and provide a satisfactory substitute.
- H. That it shall not do, or permit to be done, any act which:
- (1) Shall invalidate or be in conflict with any fire insurance policies covering the Airport or any part thereof or upon the contents of any building thereon;
 - (2) Shall increase the rate of any fire insurance on the Airport or any part thereof, or upon the contents or any building thereon;
 - (3) Shall, in the opinion of the Landlord, constitute a hazardous condition so as to increase the risks normally attendant upon the operations contemplated by this Lease.

If, by any reason of the Tenant's failure to comply with the provisions of this section, any fire insurance rate on the Airport or any part thereof or upon the contents of any building thereon shall at any time be higher than it otherwise would be, then the Tenant shall be notified and shall, upon demand, pay the Landlord that part of all fire insurance premiums paid or payable by the Landlord which shall have been charged because of such violation by the Tenant.

- I. Non-discrimination. For Tenant, its personal representatives, successors interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that:
- (1) No person on the ground of sex, race, color, national origin, religion, age or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
 - (2) In the construction of any improvements on, over or under such land and the furnishing of services thereon, no person on the grounds of sex, race, color, national origin, religion, age or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination.
 - (3) The Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

- J. Signs. Tenant shall have the right to install tasteful, professionally prepared signs at the Premises and at such locations at the Facility that Landlord approves, which approval will not be unreasonably withheld.
- K. Satellite Dish. Tenant shall have the right to install either a roof-mounted, wall mounted or other exterior satellite dish antenna at the Facility together with such other wiring and other equipment necessary to connect the antenna to Tenant's equipment in the Facility. Tenant will be solely responsible for obtaining all of the necessary permits, licenses and other approvals necessary for the installation and operation of the antenna. The antenna will be placed in a location approved by Landlord, which approval will not be unreasonably withheld. If the antenna is located on the roof of the Facility it will be installed so as not to penetrate the membrane of the roof. Tenant will be solely responsible for maintenance and repair of the antenna. Tenant will retain title to the antenna regardless of its location and means of attachment and Tenant will remove the antenna and repair any damage to the Facility caused by such removal at the end of the Term. Landlord hereby grants Tenant the right and easement to access the antenna at reasonable times to install, inspect, maintain, repair and remove the antenna as Tenant deems necessary.

Landlord acknowledges that the Facility must be and remain connected to Tenant's corporate terrestrial broadband data communications network (the "Network") in order for Tenant to conduct its business at the Facility. Landlord authorizes Tenant to perform such work as may be necessary, within or outside the Facility, to permit Tenant to properly connect the Facility to the Network and thereafter maintain such connection, all at Tenant's expense and in accordance with plans prepared by Tenant and approved by Landlord, which approval may not be unreasonably withheld. Landlord agrees to cooperate fully with Tenant to secure the permits and approvals necessary to the performance of such work and to facilitate completion of such work. If, for any reason other than the act or omission of Tenant, including the inadequacy of facilities or services provided by a Local Exchange Carrier or other provider, the connection of the Premises to the Network cannot be accomplished within a time or at a cost acceptable to Tenant, or the connection is broken or becomes inadequate for Tenant's purposes, then Tenant may terminate this Lease by written notice to Landlord.

12. **Indemnification.** Tenant shall defend, indemnify and hold harmless the Landlord from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents or employees of the Landlord or the Tenant, by reason of death or injury to persons, or loss or damage to property resulting from Tenant's operation hereunder or sustained in or upon the leased premises, or as a result of anything claimed to be done or omitted to be done by the Tenant hereunder, save and except where said claims, demands, suits, judgments, costs and expenses are solely the result of the intentional or negligent acts of Landlord.

13. **Waiver of Subrogation.** Landlord and Tenant hereby grant to each other, on behalf of any insurer providing fire and extended coverage to either of them covering the demised premises, and any improvements thereon, or contents thereof, a waiver of any right of subrogation any such insurer or one party may acquire against the other by virtue of payment of any loss under such insurance, such waiver to be effective so long as each is empowered to grant such waiver under the terms of his/her insurance policy or policies involved without payment of additional premiums. Such waiver shall stand mutually terminated as of the date either Landlord or Tenant ceases to be so empowered.

14. **Insurance.**

A. Tenant shall obtain and maintain continuously in effect at all times during the term of this Lease, at Tenant's sole expense, insurance written by a company licensed to do business in the State of Minnesota of the type and having limits at least as large as those set forth herein.

Such insurance shall name the Landlord as an additional insured thereunder and shall contain provisions requiring at least thirty (30) days advance notice to the Landlord of the termination or cancellation of all such insurance. Tenant shall provide Landlord with copies of certificate of insurance for all policies required herein evidencing such policies. Tenant shall deliver certificates of such insurance to Landlord before occupying the Facility and installing any equipment.

(1) Owner's, landlord's and tenant's insurance: Tenant shall insure or self-insure their own personal property located on the lease premises.

(2) Automobile liability insurance: The Tenant shall provide the minimum amounts as required by Minnesota State Statutes.

(3) Workers' compensation insurance: meeting or exceeding statutory requirements.

(4) General liability insurance in the amount of \$1,000,000 for injuries to any one person, \$1,000,000 for any one accident and \$100,000 for property damage or, in the alternative, combined single limit coverage of at least \$1,000,000.

B. It is understood that the specified amounts of insurance stated herein shall in no way limit the liability of Tenant.

C. Except in the case of the willful or negligent act or omission of Landlord, its agent or employee, Tenant agrees to indemnify, defend and hold Landlord harmless from and against any and all claims, damages, liabilities and expenses (including attorney's fees) brought or incurred because of any injury to person(s) or damage to property arising from the use, occupancy or control of the Facility by Tenant.

15. **Surrender of Possession.** Upon the termination of this Lease, Tenant's authority to use the premises, rights, facilities and equipment herein granted shall cease and Tenant shall, upon expiration or termination, promptly and in good condition surrender the same to the Landlord. Upon termination, any improvements which have become part of the realty shall become the property of the Landlord and the same shall be immediately returned to the control of the Landlord. Any improvements not part of the realty shall be removed therefrom within fifteen (15) days after the termination of this Lease or the same shall be deemed to have been abandoned to the Landlord and the right of the Tenant to possession thereof shall cease.
16. **Damage to Property.** Tenant shall promptly repair or replace any property of the Landlord which is lost, destroyed or damaged by its operations hereunder. If Tenant fails to promptly repair or replace such property, Landlord may repair or replace it and charge Tenant for the costs incurred, which costs shall immediately be paid by Tenant.
17. **Cancellation by Landlord.** In the event that Tenant shall file a voluntary petition in bankruptcy or that proceedings in bankruptcy shall be instituted against it, and Tenant thereafter is adjudicated bankrupt pursuant to such proceedings, or that the court shall take jurisdiction of Tenant and its assets pursuant to proceedings brought under the provisions of any federal reorganization act, or that a receiver of Tenant's assets shall be appointed, or that Tenant shall be divested of its estate herein by other operation of law or that Tenant shall fail to perform, keep and observe any of the terms, covenants, or conditions herein contained on its part to be performed, the Landlord may give the Tenant written notice to correct such condition or cure such default and, if any such condition or default shall continue for thirty (30) days after the receipt of such notice by Tenant, the Landlord may, after the lapse of said thirty (30) day period and prior to the correction or curing of such condition or default, terminate this Lease by a thirty (30) day written notice; provided, however, that in the event Tenant cannot cure said default within thirty (30) days despite his/her best efforts to do so, and that he/she shall have commenced and thereafter diligently pursued said cure to completion, said default shall not be grounds for terminating this Lease.

Acceptance of rental by Landlord for any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Tenant, shall not be deemed a waiver of any right on the part of Landlord to cancel this Lease for such default.

No waiver of default by Landlord of any of the terms, covenants or conditions hereof to be performed, kept and observed by Tenant shall be construed to be or act as a waiver of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Tenant.

This Lease shall also be subject to termination by the Landlord in the event of any one of the following:

- A. If Tenant shall fail to pay any installments of rent or other charges required to be paid by Tenant within ten (10) days after the same shall become due and payable, subject to the rights of redemption provided by law.
- B. Any illegal act or any violation of State, federal or local law, statute, ordinance or regulation which results in a criminal conviction may result in termination procedures being initiated. Legal costs incurred during said termination procedures shall be the responsibility of Tenant.

In addition to any right of cancellation or any other rights herein given to Landlord, Landlord may cancel this Lease, with or without cause, in its entirety and terminate all or any of its obligations hereunder at any time by thirty (30) days written notice.

18. **Cancellation by Tenant.** Tenant shall have the right upon written notice to the Landlord to terminate this Lease upon the happening of one or more of the following events, if said events are then continuing:

- A. The issuance by any court of competent jurisdiction of an injunction, order or decree: (1) preventing or restraining the use by Tenant of all or any substantial part of the premises used and occupied by Tenant hereunder; (2) preventing or restraining the use of all or a part of the Airport for normal airport purposes which may be used by Tenant and which is necessary for its operations on the Airport; (3) preventing Tenant from operating an automobile rental business and which injunction, order or decree remains in force for a period of at least forty-five (45) days.
- B. If Landlord defaults in any of the terms, covenants or conditions under this Lease and fails to cure the default or make substantial progress with regard thereto within forty-five (45) days following receipt of written demand from Tenant to do so.
- C. If all or a material part of the premises used and occupied by Tenant hereunder is damaged or destroyed, or all or a part of the Airport or Airport facilities which is necessary to the operation of Tenant's business is damaged or destroyed or the use thereof disrupted for causes beyond Tenant's control.
- D. If, by reason of any action of any governmental authority, Tenant is unable to conduct its business for a period of in excess of forty-five (45) days in substantially the same manner or substantially to the same extent as prior to such action.

In addition to any right of cancellation or any other rights herein given to Tenant, Tenant may cancel this Lease, with or without cause, in its entirety and terminate all or any of its obligations hereunder at any time by thirty (30) days written notice.

19. **Subleases and Assignments.** Tenant shall not assign or transfer, in whole or in part, in any manner, this Lease nor any interest therein, nor permit the foregoing Lease to become transferred by operation of law or otherwise, nor do or suffer any acts to be done whereby the same may be or become assigned in whole or in part, unless the written consent of Landlord shall first be obtained in each and every case of subletting, assignment or transfer as shall from time to time occur or be desired. It is expressly agreed by the parties that a change in ownership of the controlling share of stock in Tenant, if any, shall be deemed to be an assignment hereunder. It is expressly agreed by the Tenant that in the event permission be granted by the Landlord as herein provided, the subtenant or assignee shall be required to assume and agree to perform the covenants of this Lease and that notwithstanding any such subletting or assignment, the Tenant shall be and remain liable for the payments of all rents and the performance of all covenants and conditions for the full term of this Lease.
20. **Subordination.** This Lease shall be subordinate to the provisions of any existing or future agreement between the Landlord and the United States of America relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport.
21. **Modification.** Nothing under this Lease shall be deemed to prevent the Landlord and Tenant from entering into other or different agreements or modifications of this Lease, provided that any modifications of this Lease shall be in writing and shall be executed with at least the same degree of formality as this Lease.
22. **Notices.** All notices and other communications authorized or required hereunder shall be in writing and shall be given by mailing the same by certified mail or registered mail, return receipt requested, postage paid, and any such notice or other communication shall be deemed to have been given when received by the party to whom such notice or other communication shall be addressed, or on the date noted that the addressee has refused delivery. If intended for Landlord, the same shall be mailed to the address hereinabove set forth or such other address as Landlord may hereinafter designate by notice to Tenant, and if intended for Tenant, the same shall be mailed to Tenant at 2775 Blue Waters Rd, Eagan, Minnesota, 55121, Attn: General Manager/Vice President, with a copy to: Enterprise Rent-A-Car Company, 600 Corporate Park Drive, St. Louis, Missouri 63105, Attn: Real Estate Director.
23. **Agreement not License.** Nothing contained herein shall be construed to be a grant of a franchise, consent license, permit, right or privilege of any nature or kind whatsoever to operate omnibuses, taxicabs or any other vehicles or conveyances carrying passengers or property, whether for hire or otherwise, outside the Airport or over the public streets or roads located in any political subdivision of the State of Minnesota.
24. **Applicable Law.** This Lease, together with all of its articles, terms and provisions, is made in the State of Minnesota and shall be construed and interpreted according to the laws of the State of Minnesota.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the date first written above.

Tenant: Enterprise Leasing Company

Landlord: City of Marshall, Minnesota

By: _____
Its: General Manager/Vice President

By: _____
Its: Mayor

Witness

Witness: Karla Drown
Finance Director

Exhibit "A"
Lease Rates
for
Office Space (150 Sq. Ft.), Wash Bay (625 Sq. Ft.), and Parking Space (1,800 Sq. Ft.)

Commencing upon the effective date of the lease, November 1, 2021, the annual rental for the rights and privileges granted to the Tenant under the terms of their lease shall be:

<u>YEAR</u>	<u>MONTHLY RENTAL</u>	<u>ANNUAL RENTAL</u>
11/1/2021 – 10/31/2022	\$675.00	\$8,100.00
11/1/2022 – 10/31/2023	\$675.00	\$8,100.00
11/1/2023 – 10/31/2024	\$675.00	\$8,100.00
11/1/2024 – 10/31/2025	\$700.00	\$8,400.00
11/1/2025 – 10/31/2026	\$725.00	\$8,700.00

Exhibit "B"
Office Space (150 Sq. Ft.)



ENTERPRISE OFFICES
10'X15'=150 Sq.Ft.

1 FIRST FLOOR PLAN
NO SCALE



Exhibit "C"
Office Space (150 Sq. Ft.), Wash Bay (625 Sq. Ft.), and Parking Space (1,800 Sq. Ft.)

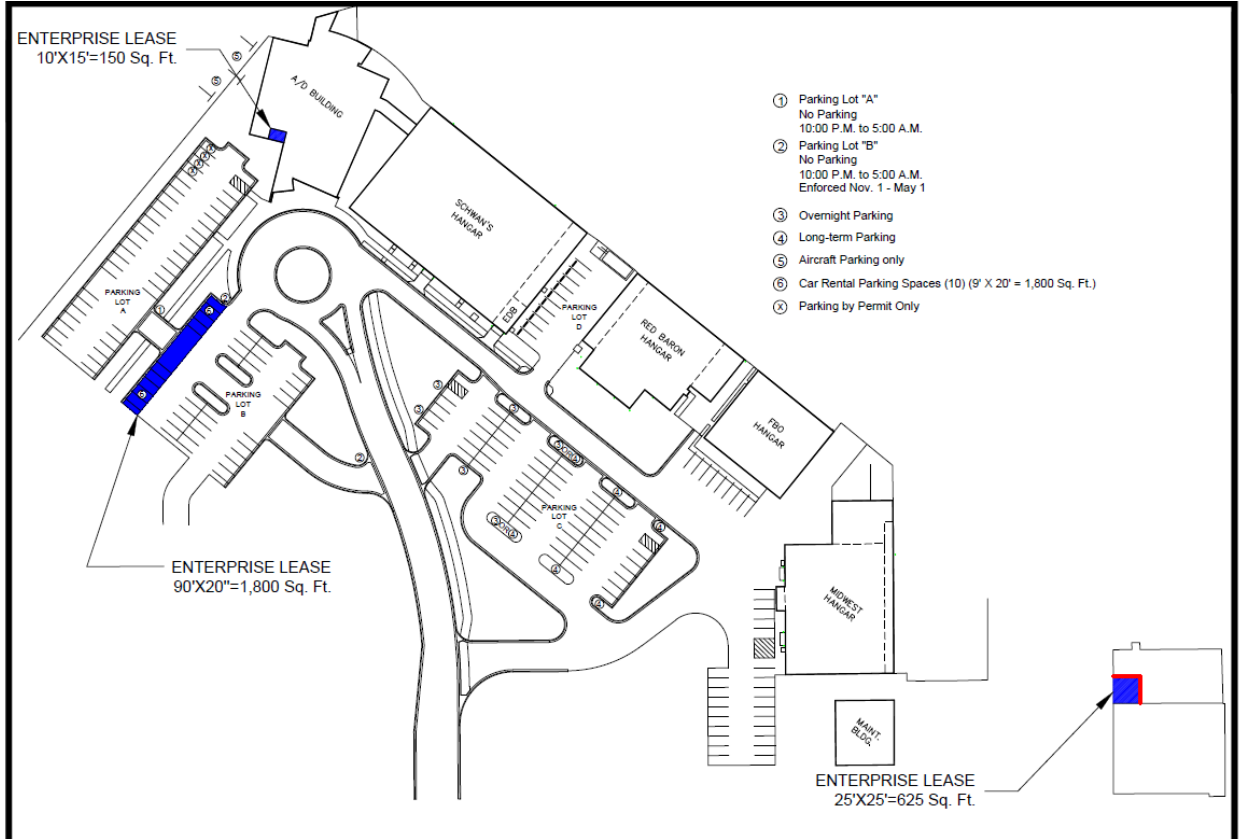


Exhibit "D" **Landlord's Work**

Landlord, at its sole cost and expense (except as otherwise expressly provided in this Lease or as may otherwise be expressly agreed in writing between Landlord and Tenant at any time hereafter) will undertake and diligently complete, subject to delays for causes beyond its reasonable control, (a) the construction of interior improvements to the wash bay; and (b) the construction of other exterior improvements (driveway, road access, etc...), all in accordance with the approved plans and specifications (as defined below and as modified from time to time in accordance with this Exhibit "D"). Such work described in the preceding sentence (the "Landlord's Work") will be performed in a neat and workmanlike manner and will conform to all applicable governmental codes, laws and regulations in force at the time such work is completed, and will not be deemed to be substantially complete until a certificate of occupancy (or its equivalent) has been issued for the wash bay by the appropriate governmental authorities. Landlord and Tenant will each use its best endeavors to develop, review and approve all space plans, working drawings, final drawings, specifications, changes (if applicable) and other matters promptly, diligently and within time periods reasonably requested by the other party or by the architects, contractors and other professionals engaged in the design and construction of the work.

The scope of Landlord's work as referenced in (a) and (b) above shall include, but not be limited to, the following:

- Installation of (10) new sheets of wall board and make necessary repairs to existing wash bay interior walls
- Installation of (2) new 8' LED light fixtures to be installed on each side of the wash bay walls (exact location to be determined by Tenant)
- Apply new white paint to walls and existing ceiling
- Apply new epoxy anti-slip sand grit floor paint to wash bay area floors
- Install new electrical circuit, wiring and installation as needed for Tenant equipment including (2) vacuums, and a pressure washer (equipment to be supplied by Tenant and exact location to be determined by Tenant)
- Construct a new drivable path to allow vehicle passage from south end of airport parking lot to the City Maintenance Building to allow direct passage to wash bay