

**CITY OF LUVERNE
AIRPORT MANAGER AGREEMENT**

THIS AGREEMENT, Made this 24th day of April, 2026 (the “Effective Date”), by and between the City of Luverne, a Minnesota municipal corporation (hereinafter, the “City”), and GEEUP, LLC, a Minnesota company (hereinafter, the “Manager”) (Collectively, the City and Manager shall hereinafter be referred to as the “parties”);

For convenience, when the term “Airport” is used in this Agreement, it refers exclusively to the City-owned Quentin Aanenson Field, a municipal airport located at 941 S Highway 75, Luverne, MN 56156. In addition, the term “MnDOT” refers to the Minnesota Department of Transportation and “FAA” refers to the Federal Aviation Administration.

RECITALS

WHEREAS, The City is in need of airport management services necessary to keep the Airport safe, accessible and operational on a daily basis; and

WHEREAS, The Manager, as a consultant in the specialized field of aviation, represents to the City that it possesses the skills and abilities necessary to the management, maintenance, and operation of airports.

NOW, THEREFORE, In consideration of the provisions set forth herein, and the mutual agreements of the parties hereto, it is hereby agreed as follows:

AGREEMENT

1. Airport Management Services. The City does hereby retain the Manager to maintain and manage the Airport in a manner and upon the terms and conditions set forth herein.
2. Term; Termination. This Agreement shall be in effect dated May 1, 2026 (“FBO Agreement”).

In addition, City shall have the right to terminate this Agreement for any reason and without cause by giving 90 days' written notice served upon Manager at its office address.

In the event that the Manager fails to comply with the terms and conditions of this Agreement, or is determined to be performing its duties and responsibilities hereunder unsatisfactorily pursuant to Section 7.j below and such unsatisfactory performance is not remedied within timelines provided by the City thereunder, the City shall notify the Manager, in writing, of the alleged violation or unsatisfactory performance of this Agreement and, if the violation or unsatisfactory performance has not been corrected within 30 days from the date of such notice, this Agreement may be immediately terminated by the City.

In the event of death or disability of one or more of Manager’s principal members/employees, the City may immediately terminate this Agreement and give notice thereof to the Manager.

3. Consideration.
 - a. The City will compensate Manager for performance of airport management services under this Agreement at a fee of Two Thousand and Two Hundred Dollars (\$2,200.00) per month to be paid by the City to the Manager at the end of each month while this Agreement is in effect. Notwithstanding anything to the contrary herein, no compensation shall be owed, earned, or payable to Manager unless and until Manager has fully satisfied all Manager obligations in accordance with the terms of this Agreement.

- b. Fuel Sales; Promotion. Manager shall assist in the operation of the existing fuel system at the Airport and promote the sale of fuel to the public. The entire system shall continue to be owned by the City, and Manager shall establish the selling price to be charged and any policies relating to sales and fueling rules. The City shall be responsible for all maintenance and operating costs. While this Agreement is in effect as an incentive for the Manager's promotion of fuel sales, the Manager shall set and notify the City in writing of 100LL and Jet A fuel prices when changed. The City shall receive \$0.30 per gallon for 100LL and \$0.30 per gallon for Jet A fuel sold by the City. The Manager shall receive the difference between the actual fuel sale price and the cost of fuel plus \$0.30 per gallon to the City. Said payments will be made on or before the 15th of each month for the previous month's sales. The Manager shall monitor aviation fuel sales, levels and the ordering of additional supplies.
4. Scope of Services. The Manager shall assist with the operation and supervision of the Airport and all City property located thereupon, according to the terms of this agreement, in all matters not otherwise specifically delegated to other persons, including the following:
- a. The Manager, as part of its duties, shall maintain the Airport premises and buildings, being responsible for all routine maintenance at the Airport without additional compensation unless expressly otherwise stated herein, including but not limited to the following:
 - i. Make at least daily inspections of the runway excluding non-business days, remove all runway hazards, and cause the runway to be closed and marked when it cannot be used.
 - ii. During periods of high winds and drifting snow, the Manager shall monitor runway and taxiway conditions at appropriate intervals and initiate snow and ice control operations as needed to maintain the runway and associated movement areas in a condition that supports safe aircraft operations and applicable FAA advisory guidance. The Manager should initiate snow removal before contaminants reach levels that would significantly degrade aircraft performance, for example runway clearing shall begin when there is .5 inch of wet snow/slush and 1 inch of dry snow.
 - iii. Following a snow event, the Airport Manager shall ensure that snow is removed from around hangars, terminal buildings, precision approach path indicator (PAPI) lights, and other airport structures such that snow is cleared up to 1 foot of tenant hangars (individual hangar tenants are responsible to clear snow and ice from their own doors and hangar doors) and up to walls and exits on AD building, and fuel island to a distance of at least five (5) to six (6) feet from building walls, doors, and exits in a timely manner and, in typical circumstances, no later than 9:00 a.m. on the next calendar day after the end of the snow event, subject to weather conditions, staffing levels, and safety considerations.
 - iv. Make at least weekly inspections of navigational lighting systems and replace any burned out lamps, standards and lenses and advise the City of any repairs that should be made to the system.
 - v. Replace any burned out lamps in the Arrival/Departure Building and hangars as needed.
 - vi. Check and lubricate hangar doors annually.
 - vii. Operate and oversee maintenance of the Airport unicom.
 - viii. Keep and maintain all public areas in a neat, clean, safe, sanitary and orderly condition and manner. No outside storage of any materials, including but not limited to parts, equipment, merchandise, or debris, shall be permitted.

- ix. Perform or cause to be performed, at City's expense pursuant to Section 7.e below, any and all routine maintenance and service on all airport equipment such as plow, mowers, compressor, and courtesy car per manufacturer's specifications.
 - x. Report any non-routine item of maintenance or any damage or repairs to Airport facilities which the Manager cannot itself correct to the Public Works Director, so as to enable the City to take whatever actions necessary to make said repairs.
 - xi. Make sure the Airport is operating within all Federal Aviation rules and regulations.
- b. The Manager shall lead and develop promotional activities and programs in consultation with the City and its Airport Board, the success of which shall be measured by such things as number of airport operations, based planes, fuel sales, FBO business, etc. The Manager shall attend all Airport Board meetings and when requested other City meetings unless otherwise excused for valid reasons. The Manager shall assist and coordinate in planning, budgeting, capital improvements, and similar matters with the City, its engineers and in presenting the same and supporting the need thereof with MnDOT, FAA and other officials instrumental in acquiring funding and approval for airport improvements. Further, when said improvements are being made, the Manager shall work with the City to oversee and assure that said projects are properly supervised and completed by third party contractors/vendors.
 - c. The Manager shall provide such assistance to the City as the City may request in the negotiation of terms of leases, licenses, and operating agreements to be entered into between the City and users of the Airport. The Manager shall assist the City in enforcing the terms of such agreements. Nothing herein shall be construed as authorizing the Manager to enter into or extend any contracts with third parties on behalf of the City, nor is the Manager authorized to waive any rights in favor of the City under the terms of such contracts with third parties or otherwise bind the City to any creation, alteration, expansion or waiver of the City's contractual rights and obligations contained in such agreements
 - d. The Manager shall assist the City in such manner as the City requests, at the City's expense pursuant to Section 7.e below, concerning the normal repair and maintenance of buildings on the premises concerning the plumbing, heating, water conditioning, and electrical systems.
 - e. The Manager shall supervise and maintain the Airport and all City-owned property located thereon according to the terms of this Agreement. In carrying out this Agreement, the Manager shall consult with the City to determine what policies are to be followed in the supervision, maintenance, and operation of the Airport. Specifically, but without limitation, the Manager shall do the following:
 - i. Close the airport for use when it becomes unsuitable or unsafe for normal operations.
 - ii. Set traffic patterns for landing, ground movement of planes, parking of planes, automotive parking, and traffic on the public areas of the Airport.
 - iii. When necessary, check the qualifications of individuals using the Airport and report to the City, local law enforcement, and/or FAA officials any violations of local, state, and federal regulations or statutes.
 - iv. Keep order and ensure full enjoyment in use of all Airport facilities by members of the public.
 - v. Recommend that the City deny the use of the Airport to such individuals who repeatedly disobey applicable laws, rules, or regulations or abuse the rights of others of their full use and enjoyment of the Airport facilities.

- vi. Mark, barricade, or close off any hazardous condition that may exist to aeronautical or public use of the Airport and immediately report the same to the FAA and to the City.
 - vii. Issue appropriate NOTAMS of Airport aviation conditions and/or operations to applicable FAA entities. In the event of foreseeable absence, Manager shall notify the City Public Works Director by cell phone no less than forty-eight (48) hours in advance, or as soon as practical in emergencies. Manager shall provide appropriate signage and instructions for issuing NOTAMS during any such absence.
- f. The Manager shall be responsible for spot-spraying for weeds as needed, mowing and trimming all grass to less than six (6) inches and weeds to no less than eight (8) inches on Airport property, including areas adjacent to the runway and runway lights, the areas around the ramp, taxiways, hangar buildings and such other open areas specified by the City, with equipment to be supplied and maintained by the City pursuant to Section 6.d below.
 - g. The Manager shall take all necessary precautions and steps to see that all rules, laws and regulations adopted by the Federal Government, the State of Minnesota, the City of Luverne, or any of its duly authorized agencies, are fully enforced at all times.
 - h. The Manager shall promptly notify the City of any space at the Airport that becomes available for rental and shall assist the City in renting that space if requested.
 - i. The Manager shall cooperate with general aviation users, passenger and cargo carriers, etc. and give advisory information on such matters as Airport conditions, proper aircraft parking, and security measures in effect, etc.
 - j. The Manager shall ensure that the premises are used for Airport purposes only in compliance with rules, laws, and regulations of the FAA, MnDOT , and the City of Luverne or any of its duly authorized agencies.
 - k. The Manager shall attend such conferences or trainings as the City may direct. The City shall pay, or reimburse the Manager , for costs associated with such conferences or trainings. The Manager shall at such conferences or trainings offer advice and cooperation as able.
 - l. The Manager shall recommend to the City such rules and regulations related to the safe operation of the Airport as deemed necessary. All flight regulations shall be in addition, and not contrary, to FAA regulations. No such rules or regulations shall become effective until approved and issued by the City.
 - m. The Manager shall consult with the City in all matters relating to proposals from businesses wishing to locate on the Airport.
 - n. The Manager shall cooperate with local flight services and give assistance to pilots on such matters as flight rules, parking, and field conditions and see that the hangars and other buildings are used for Airport purposes only.
 - o. The Manager shall inspect and immediately report needed repair or maintenance of all Airport fences to the City, as applicable.
5. Standard of Care. Services provided by the Manager or its subcontractors under this Agreement shall be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of Manager's industry. Manager shall put forth reasonable efforts to complete its duties in a timely manner. Manager shall not be responsible for delays caused by factors beyond its control or that could not be reasonably foreseen at the time of execution of this Contract. Manager shall be responsible for costs, delays or damages arising from unreasonable delays in the performance of its duties or services. In all respects the

Manager shall utilize reasonable care in operating any City-owned equipment and comply with all operating instructions given by the City. The Manager shall be responsible for any negligent damage caused to or by such inappropriate use of such equipment.

6. City Responsibilities.

- a. The City agrees to pay for supplies and charges incurred by the Manager in performing maintenance and repairs on City-owned equipment pursuant to Section 4.a.ix above, provided such charges are approved by the City pursuant to Section 7.e below.
- b. The City will pay for expenses incurred by the Manager in connection with the repair of City's buildings pursuant to Section 4.d above, provided such charges are approved by the City pursuant to Section 7.e below.
- c. The City will provide at its own expense snow removal equipment and tools as may be necessary to facilitate Manager's performance of its snow removal obligations under Section 4.e.vii above. The expense of maintaining this equipment such as the cost of repair and cost of fuel shall be paid by the City.
- d. The City will provide such reasonable equipment including fuel and maintenance expenses as is reasonably necessary to facilitate Manager's performance of its mowing and trimming obligations under Section 4.f above.
- e. The City will furnish necessary public liability insurance concerning Airport operations which are subject to this Agreement.
- f. The City shall manage and coordinate all hangar related leasing functions, including but not limited to administration of hangar waitlists, preparation and execution of lease documents, accounts receivable processes, and verification of required insurance.
- g. The City shall spray all lands annually.
- h. The City shall trim all trees annually.
- i. The City shall care for the sign landscaping.

7. Reporting; Accounting; and Oversight.

- a. Manager shall maintain detailed work log of all maintenance and operations work performed that may be submitted for M&O credit, including at a minimum:
 - i. Date the expense was incurred or work was completed;
 - ii. Number of hours for task completion;
 - iii. Description of what task was completed; and
 - iv. Equipment used, if any.

Manager shall provide such itemization in a format compatible with the City and the MnDOT Maintenance and Operations Credit Application, together with all supporting documentation, and shall promptly furnish to the City any additional information, records, or documentation requested in

connection with the preparation, submission, or audit of such applications by the 5th day of the month for each preceding month.

- b. The Manager shall submit to the City a monthly report on the 10th day of the following month, covering any types of information requested by the City; for example, the number of aircraft based at the Airport, number of aircraft movements, number of air carrier movements, number of passengers boarding, and other information.
 - c. Upon the City's request, the Manager shall provide a written report concerning any hazardous conditions addressed by Manager pursuant to Section 4.e.vi above.
 - d. Manager is responsible for all airport gasoline and diesel fuel charges and for ensuring that each gas card remains with its assigned vehicle or piece of equipment at the airport.
 - e. In accordance with established City purchasing policies and procedures the Manager may charge reasonably necessary expenditures to the accounts of the City, making certain that such charges are recorded as being relative to the Airport. It is specifically provided, however, that the Manager shall not charge any sum in excess of One Hundred Dollars (\$100.00) per project without the specific approval of the City Administrator unless the same is an emergency requiring immediate action.
 - f. The Manager may employ such persons to assist it in the performance of its duties hereunder provided Manager advises the City of such individual employees, their duties and appropriate contact information.
 - g. Prior to June 1st of every year while this Agreement is in effect, the Manager shall report to the City on the Airport conditions and activities and make suggestions for the facility and services therein rendered (Annual Budget Process).
 - h. The Manager's books and records related to airport operations shall be available to the City for examination or audit. Reports and audits shall be submitted to the City in such forms as prescribed by the City and at such reasonable times and intervals as requested by the City.
 - i. The Manager shall see that any agreements between fixed base operators, lessees, or licensees, operating at the airport, and the City shall be complied with. Violations of any type shall be reported to the City immediately.
 - j. The City shall conduct a general review of the Manager's performance of this Agreement upon the one year anniversary of the Effective Date of this Agreement and at successive one year intervals thereafter. In the event the City, in its discretion, determines that there are deficiencies existing in the performance of this contract by the Manager, the City shall give to the Manager written notice of the specific deficiencies determined by the City. Such notice shall be given in the time and manner described above and the Manager shall be required to correct the same within the time period described above. Failure of the Manager to correct the same within such time shall constitute a default of this Agreement entitle the City to terminate this Agreement pursuant to Section 2 above. Any failure by the City to conduct such review shall not be deemed as a satisfactory review or a waiver of any such deficiencies that may have existed when said review was to have occurred, nor shall failure to list a deficiency be deemed as a waiver of the City's right to subsequently enforce such contractual obligations.
8. Insurance. At all times after the commencement of the term of this Agreement and during the full term of this Agreement, the Manager shall maintain and keep current a general commercial liability insurance policy with minimum coverage limits of Two Million Dollars (\$2,000,000) per occurrence or as indicated in the policies or certificate(s) of insurance attached hereto as Exhibit A, whichever amounts are greater, including coverage for contractual liability, and a products and completed operations policy in the minimum amounts

of One Million (\$1,000,000) Dollars per occurrence and Two Million (\$2,000,000) Dollars general aggregate, or as indicated in the policies or certificate(s) of insurance attached hereto as Exhibit A, whichever amounts are greater, which policies shall include the City as a named insured and shall be in a form acceptable to the City. The Manager shall additionally maintain workers' compensation coverage and employer's liability insurance as required by law. Each policy of insurance shall be issued by a reputable casualty insurance company or companies, authorized to do business in the State of Minnesota, shall be non-cancelable with respect to the City except upon 30 days' prior written notice to the City, and copies of such policies or Certificates of Insurance evidencing the same are attached hereto as Exhibit A, and updated copies of the same shall be provided to the City promptly upon request. Failure to maintain the insurance policies required herein or to provide any required policy copy or Certificate of Insurance to the City shall entitle the city to immediately terminate this Agreement without prior notice to the Manager.

9. Indemnification. The Manager shall indemnify, protect, save, hold harmless and insure the City, and its respective officers, directors, employees and members and agents, from and against any and all claims and demands for, or litigation with respect to, all damages which may arise out of or be caused by the Manager or its agents, employees, contractors, subcontractors, or sub-consultants with respect to the Manager's performance of its obligations under this Agreement. The Manager shall defend the City against the foregoing, or litigation in connection with the foregoing, at the Manager's expense, with counsel reasonably acceptable to the City. The City, at its expense, shall have the right to participate in the defense of any Claims or litigation and shall have the right to approve any settlement, which approval shall not be unreasonably withheld. The indemnification provision of this Section shall not apply to damages or other losses proximately caused by or resulting from the negligence, gross negligence or willful misconduct of the City. All indemnification obligations shall survive termination, expiration or cancellation of this Agreement.

10. General Terms.

a. *Independent Contractor.* The Manager, at all times and for all purposes hereunder, shall be an independent contractor and is not an employee of the City for any purpose. No statement contained in this Agreement shall be construed so as to find the Manager to be an employee of the City, and the Manager shall not be entitled to any of the rights, privileges, or benefits of employees of the City, including but not limited to, workers' compensation, health/death benefits, and indemnification for third-party personal injury/property damage claims.

The Manager acknowledges that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due Manager under this Agreement, and that it is the Manager's sole obligation to comply with the applicable provisions of all Federal and State tax laws.

The Manager shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services identified herein.

b. *Nondiscrimination.* The Manager for itself, its personal representatives, successors in interest, and assigns agrees that: (1) no person on the grounds of race, color, religion, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of all airport facilities; (2) in the construction and maintenance of any improvements on, over, or under such land and the furnishing of services thereon or therein, no person on the grounds of race, color, religion or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination, (3) the Manager shall use the premises in compliance with all other requirements imposed by or pursuant of Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21; Nondiscrimination 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. The Manager further agrees to comply with any corrective or remedial actions required by the FAA, MnDOT, or other federal/state authorities to enforce these requirements.

- c. *Compliance with Laws.* The Manager shall be subject to, and conform to all laws, rules, and regulations of the Federal, State, City Government, or appropriate agencies thereof, in any and all activities to be carried out under this agreement.
- d. *Assignment.* The Manager shall not assign or delegate any of its duties or responsibilities under this Agreement without the prior written approval of the City.
- e. *Voluntary and Knowing Action.* The parties, by executing this Agreement, state that they have carefully read this Agreement and understand fully the contents thereof; that in executing this Agreement they voluntarily accept all terms described in this Agreement without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- f. *Interest by City Officials.* No elected official, officer, or employee of the City shall during his or her tenure or employment and for one year thereafter, have any interest, direct or indirect, in this Agreement or the proceeds thereof.
- g. *Governing Law.* This Agreement shall be deemed to have been made and accepted in Rock County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Agreement without regard to its choice of law or conflict of laws principles.
- h. *Data Practices.* The parties acknowledge that this Agreement is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 *et seq.*
- i. *Records Retention and Availability.* The Manager agrees that the City, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may deem reasonably necessary, shall have access to, and the right to examine, audit, excerpt, and transcribe, any books, documents, papers, records, etc. which are pertinent to the accounting practices and procedures of the Manager and involve transactions relating to this Agreement. The Manager agrees to maintain these records for a period of three (3) years from the date of termination of this Agreement.
- j. *Requirements of the United States.* This Agreement shall be subject and subordinate to the provisions of any existing or future agreement between the City and the United States or the State of Minnesota, or any agency thereof, or 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 or operation of the Airport.
- k. *Commitments to Federal or State Agencies.* Nothing herein shall be construed to prevent the City from making such commitments as it desires to the Federal Government or to the State of Minnesota in order to qualify for the expenditure of federal and state funds at the Airport. Notwithstanding the foregoing, no such additional commitments shall result in an increase in Manager's obligations hereunder without the Manager's written consent.
- l. *Force Majeure.* Neither the City nor the Manager will be deemed to be in breach of this Agreement if either is prevented from performing any of its obligations hereunder by reason of Force Majeure. Force Majeure means any prevention, delay, or stoppage due to strikes, lockouts, labor disputes, acts of God, including inclement weather and/or periods of rain or snow, inability to obtain labor or materials, or reasonable substitutes therefore, governmental restrictions or requirements, governmental regulations, governmental controls, inability to timely obtain governmental approvals, enemy or hostile governmental action, civil commotion, fire or other casualty, pandemic or other declared local public health emergency, and other causes beyond the reasonable control of the party obligated to perform. All of the foregoing events excuse the performance by either party for a period equal to any prevention, delay, or stoppage, including the obligations imposed with regard to commencement or payment of monthly service fees and other charges to be paid by the City pursuant to this Agreement.

- m. *Dispute Resolution.* The Manager and the City agree to negotiate all disputes between them under this Agreement in good faith for a period of thirty (30) days from the date of notice of dispute prior to proceeding to formal dispute resolution or exercising their respective rights under law.
- n. *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement to the extent of its invalidity or unenforceability, and this Agreement shall be construed and enforced as if the Agreement did not contain that particular provision to the extent of its invalidity or unenforceability.
- o. *Entire Agreement.* These terms and conditions constitute the entire Agreement between the parties regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Agreement.

[Signature pages to follow]

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be signed by its duly authorized officers and have caused their respective seals to be affixed thereto, as of the date first above written.

CITY OF LUVERNE

By: _____
Patrick T. Baustian, Its Mayor

By: _____
Jill Wolf, Its City Administrator

By: _____
Jim Juhl, Its Airport Board Vice Chair

GEEUP, LLC

By:  _____
Laura Gee, Its Owner

Exhibit A
(Certificates of Required Insurance)