

## AIRPORT HANGAR LEASE

This Agreement, made and entered into as of October 01st, 2023 by and between the City of Watertown, Wisconsin, a Wisconsin Municipal Corporation, hereinafter called the, "Lessor," and Paul Gardetto, whose hangar address is 1753-A River Dr., Watertown, WI, 53094, hereinafter called the "Lessee(s)."

**WHEREAS**, the Lessor owns and operates an airport known as the Watertown Municipal Airport (hereinafter the "Airport") and Lessee is desirous of leasing from the Lessor a certain parcel of land, as improved, at the Airport, hereinafter more fully described, for the purpose of aircraft and aviation related equipment storage; and,

**WHEREAS**, the Lessee will use the below described property for the purpose of storing aircraft and aviation related equipment and shall conduct only such aircraft maintenance, storage and similar activities as related to its own aircraft and as performed by the Lessee or by regular, lawfully, pay-rolled employees of the Lessee, or bona fide contractors retained or hired by Lessee;

**NOW, THEREFORE**, for and in consideration of the rental charges, covenants and agreements herein contained, the sufficiency of foresaid consideration being deemed acceptable by the parties hereto, the Lessee does hereby lease from the Lessor the following premises, rights, and easements on and to the Airport upon the following terms and conditions.

1. **Property Description:** Hangar No. D21, consisting of land area of 42 feet by 34 feet totaling 1,428 square feet located at the Airport, hereinafter called the "premises."
2. **Hangar Construction:** The Lessee shall have the right to erect, maintain and alter buildings or structures upon the premises provided such buildings or structures conform to the building code requirements of the Wisconsin Department of Commerce and pertinent provisions of any local ordinance then-in effect. All plans for such buildings or structures shall be reviewed and approved in writing by the Lessor or Lessor's agent or representative, prior to construction or modification.
3. **Term:** The term of this lease shall commence on 01/01/22 and continue for twenty (20) years from said date. This agreement shall be reevaluated by the Lessor within said term no sooner, nor later, than, five (5) years following the commencement date and every five (5) years thereafter on the same day/month and rents shall be adjusted accordingly.
4. **Rent:** The Lessee agrees to pay to the Lessor for the use of the premises; rights and easements herein described a yearly rental of \$.11 cents (\$0.11) per square foot for the land leased, for the total annual charge payable on or before January 31<sup>st</sup> of each year during the term of this Lease. Failure on the part of the Lessee to pay the rent hereunder within thirty (30) days after the same shall become due, shall authorize the Lessor to provide written notice thereof issued to Lessee's last known or reasonably ascertainable post office address consistent with the terms of Paragraph 16 hereof. It is understood and agreed that the rental rate specified shall be subject to readjustment at the end of each five (5) years of this Lease, provided that any readjustment of rates shall be reasonable and applicable to all Ground Leases in good and active, binding standing with the Airport. Lessee shall have the right to terminate Lease upon written notice issued hereunder within fifteen (15) days of the effective date of any readjustment of rates under this Paragraph.
5. **Non-Exclusive Use:** The Lessee shall have the right to the non-exclusive use, in common with others, of the airport parking areas, appurtenances and improvements; the right to install, operate, maintain and store, subject to the approval of the Lessor in the interest of safety and convenience of all concerned, all equipment necessary for the safe hangaring of the Lessee's aircraft; the right of ingress to and egress from the premises, which shall also extend to Lessee's employees, guests and patrons;

the right, in common with others authorized to do so, to use common areas of the airport, including runways, taxiways, aprons, roadways, and other conveniences for the take-off, flying and landing of aircraft.

6. **Storage and Use:** Lessee shall have the right to store aircraft on the premises; however, Lessee shall not engage in any other business or operations without the express written consent of the Lessor. Lessee understands that a violation of this paragraph is a material default and breach of this Lease which gives the Landlord the rights set forth in Paragraph 16. Both light and heavy maintenance of Lessee's aircraft or related equipment, including operation of a workshop for same, and any other uses incidental or related to such aircraft, may be performed on the premises, but not on a for-hire or any similar basis. Lessee agrees that Lessee shall use the premises for no other purposes without first obtaining the express written approval of the Lessor.
7. **Fuel Storage and Hazardous Materials:** Lessee shall not store or maintain on the leased premises any fuels, or other hazardous materials, and agrees not to dispose of same on the airport premises. Lessee is permitted, however, to store lube oil, cleaning solvents, and paints in approved, closed containers. The Lessor may, in its sole discretion, prohibit or impose restrictions on the storage of said material if, in the Lessor's exclusive opinion, the storage is deemed a safety hazard. Disposing of any petroleum or similar products on or about any portion near or about the premises shall be cause for immediate termination of the lease at Lessor's discretion with all rights accruing in favor of Lessor pursuant to Paragraph 16.
8. **Laws and Regulations:** The Lessee agrees to observe and obey during the term of this Lease all laws, ordinances, rules and regulations promulgated and enforced by the Lessor, and by other proper authority having jurisdiction over the conduct of operations at the Airport. Lessee shall not use the premises for any unlawful purpose in direct or apparent violation of any local, state, or federal statute or ordinance, or of any similar regulation, order, or directive of any governmental agency or interest.
9. **Quiet Enjoyment:** The Lessor covenants that upon paying the rent and performing the covenants and conditions herein contained, Lessee shall peacefully and quietly have, hold, and enjoy the leased premises for the term of this Lease. Lessee agrees that temporary inconveniences such as noise, disturbances, traffic detours and the like, caused by or associated with the construction of premises or Airport improvements or similar related airport or aviation-related activities shall not constitute a breach of quiet enjoyment of the leased premises.
10. **Hold Harmless:** Lessee shall exonerate, save harmless, protect and indemnify the Lessor and its agents, employees, representatives and assigns from and against any and all losses, damages, claims, suits or actions, judgments and costs which may arise or grow out of any injury to or death of person or damage to property arising out of and attributable to the negligence or act, or omission of, or use by Lessee, his, her or its agents, servants, employees, trespassers or guests of the leased premises. Lessee also agrees that it will not hold the City of Watertown or any of its agents, employees, or officials responsible for any loss occasioned by fire, theft, rain, windstorm, hail or from any other act of God or similar cause, whether that cause be the direct, indirect, or merely a contributing factor in producing of the loss to any airplane, automobile, personal property, parts or surplus that may be located or stored in, near or about the hangars, offices, aprons, field, or any other location at the Airport. Lessee further agrees that aircraft and aircraft contents are to be stored at Lessee's risk. Further, Lessee agrees to indemnify Lessor, its agents, officers, representatives, and employees; against all liability of any nature arising directly or indirectly out of the activities of Lessee, his, her or

its agents, servants, employees, trespassers or guests under this lease or by reasons of any act or omission of those persons.

- 11. Insurance:** The Lessee agrees that there shall be on deposit with the Lessor a certifiable policy of liability insurance bearing minimum policy limits and coverage types in full conformity with the attached, "Appendix 1." The policy shall be issued by a company licensed to do business in Wisconsin. The policy shall name the City of Watertown as an additional insured and provide for a minimum of ten (10) days prior written notice to the City of Watertown in the event of cancellation. The Lessee shall provide the City of Watertown with a Certificate of Insurance consistent with demonstrating the requirements herein stated. The cancellation or other termination of any insurance policy issued in compliance with this section shall automatically terminate the lease, unless another policy has been filed and approved pursuant to this section and shall be in effect at the time of such cancellation or termination.
- 12. Maintenance of Buildings:** The Lessee will maintain the structures occupied by them and the surrounding land premises in good order and make such repairs as necessary. The Lessee shall control weeds and landscaping near, about or around the building to the extent the presence of such weeds and landscaping could not be reasonably construed to be determined deleterious to the value of the other improvements at the Airport or the common or exclusive real estate portions or elements of the Airport, itself. In the event of fire or any other casualty to structures owned by the Lessee, the Lessee shall either repair or replace the building or remove the damaged building and restore the leased area to its original condition; such action must be accomplished within one hundred, twenty (120) days of the date the damage. Upon petition by the Lessee, the Lessor may grant an extension of time if it appears such extension is warranted. Lessee further agrees not to deposit any trash, garbage, or similar refuse on any part of the premises. In the event Lessee fails to comply with this paragraph, the Lessor may notify the Lessee in writing that such maintenance, cleaning, repair or replacement shall be done, and in the event that Lessee fails to correct the condition within fifteen (15) days of the Lessor's written notice, the Lessor may enter the premises of the Lessee and provide the necessary custodial service and bill the Lessee for the expense thereof. Lessee agrees that any failure to comply with the foregoing shall, in the sole and exclusive discretion of the Lessor, be cause for immediate termination of the lease with all rights accruing in favor of the Lessor pursuant to Paragraph 16.
- 13. Right to Inspect:** The Lessor reserves the right to request entrance and access to, in and about the premises, which request will not be unreasonably withheld, at any reasonable time for the purpose of making any inspection, maintenance, repair, showing or any other reasonably-related airport function it may deem expedient to the proper enforcement or execution of any of the covenants or conditions of this agreement. A current key will be issued to the Lessor for any purpose hereunder.
- 14. Taxes:** The Lessee shall pay all taxes or assessments that may be levied against the personal property of the Lessee or the buildings which the Lessee may erect on lands exclusively to them. Any failure in the foregoing on the part of the Lessee shall be considered a material breach hereunder. Time shall be of the essence with respect to compliance with this section with the due date designated by taxing authorities being controlling to determining the Lessee's compliance.
- 15. Signs:** No signs, postings or advertising matter may be erected, mounted or similarly located at, on or about the premises without the express, written consent of the Lessor. The Lessee shall display the address assigned to the hangar prominently and conspicuously upon the hangar exterior with lettering the minimum of 3 inches and a maximum of 5 inches.

**16. Default:** The Lessee shall be deemed in default upon:

- a) Failure to pay rent within thirty (30) days after due date;
- b) The filing of a petition under the Federal Bankruptcy Act or any amendment thereto including a petition for reorganization or an arrangement;
- c) The commencement of a proceeding for dissolution or for the appointment of a receiver;
- d) The making of an assignment for the benefit of creditors;
- e) Violation of any restrictions, conditions, provisions contained in this lease, or failure to keep any of its covenants after written notice to cease such violation and failure to correct such violation within thirty (30) days.

In the event of a default, except for the payment of rent, the Lessor shall give written notice of the nature of the default to the Lessee issued to Lessee's last known or reasonably ascertainable post office address. The Lessee shall have thirty (30) days from the date of said notice to cure any Default if so allowed under any applicable or controlling provision hereunder. Failure to timely pay rent shall constitute a Default without further required notice except as required under Wisconsin state statutes or governing Wisconsin Administrative Code. Default as defined under this paragraph, shall authorize the Lessor, at its sole and exclusive option, to declare this lease void, cancel the same, and re-enter and take possession of the premises. In any litigation to enforce the terms of this lease, the Lessor may recover all costs, damages and expenses suffered by Lessor by reason of Lessee's default, including attorney fees to the extent permitted by law. As an alternative, Lessor may elect to cure any default and add the cost attributable to such cure to Lessee's rent and recover the same upon the successive collection of rent, and, in case of failure to so recover such amounts, said amounts shall be additional damages recoverable by the Lessor in suit to enforce or make any form of recovery under this lease.

- 17. Title:** Title to the building or associated improvements erected, modified or maintained by the Lessee shall remain with the Lessee and shall be transferable pending written approval by the Lessor. Upon termination of this lease, the Lessee may, at the sole and exclusive option of the Lessor, remove the buildings, equipment, and property, and restore the leased property to its original, pre-lease condition.
- 18. Return of Possession:** At the termination of this Lease, Lessee shall surrender peaceable possession of the property to Lessor in as good of condition as when Lessee entered into this agreement, reasonable wear and tear being excepted.
- 19. Option to Renew:** Lessor does hereby grant unto Lessee the right and option to renew and extend the term of this lease for two (2) additional period(s) of ten (10) years each. Such renewal and extension shall be on like covenants, agreements, terms, provisions, and conditions as are contained herein, except that the Rent shall be adjusted as set forth in Paragraph 4 of this lease. Lessee shall provide written notice to Lessor of Lessee's exercise of this option to renew not later than one hundred twenty (120) days prior to the expiration of any term under this lease.
- 20. Snow Removal:** The Lessor agrees to provide snow removal services to the Lessee's leased premises as reasonably possible in, near and about the premises-hangar area, except within five (5) feet of hangar door(s) or exterior walls or impediments as reasonably possible. Snow removal shall be accomplished only after all runways, apron, and primary taxiways have been first cleared.
- 21. Risk of Operation:** Lessee shall take possession of the premises subject to the known and unknown but reasonably inferable hazards of operating, maintaining, and storing an aircraft and shall assume



all risks of accidents to agents, employees, guests, trespassers and self in the pursuit of said uses detailed first written and detailed above. Further, Lessee agrees that Lessor shall in no way be liable for any damage or loss due to any reason other than those set forth in this lease or by virtue of a reckless or negligent act by the Lessor.

22. **Lease Transfer:** The Lessee may not, at any time during the time of this lease, assign or transfer this agreement or any interest contained therein, without the express, written consent of the Lessor.
23. **City of Watertown Not Responsible for Acts or Omissions of Third Parties:** The City of Watertown shall not be responsible or liable to Lessee or any Lessee agents, employees, guests or trespassers for any loss or damage that may be occasioned by or through either the acts or omissions of persons occupying any part of the hangar(s) adjacent to the premises, or tenants in any other part of the hangar or improvements on, near or about the premises under any subleases or similar arrangements then-in effect. Nothing shall preclude Lessee from bringing any action necessary to obtain damages from third parties on the premises if damages are incurred by the Lessee as a result of the actions of such third parties.
24. **Airport Development:** The Lessor reserves the right, in its sole and exclusive discretion, to further develop or improve the Airport as it sees fit without interference or hindrance. If the development or improvement of the Airport requires the relocation of the Lessee, the Lessor agrees to provide a compatible and comparable location and agrees to relocate all buildings or provide similar facilities for the Lessee at no cost to the Lessee.
25. **Cumulative Right:** The rights of the parties under this Lease are cumulative and shall not be construed as exclusive unless otherwise required by law or specifically identified as such hereunder.
26. **Subordination Clause:** This Lease shall be subordinate to the provisions of any existing or future agreement between the Lessor and the United States and/or the State of Wisconsin 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 or state funds for the development of the Airport. Furthermore, this Lease may be amended to include provisions required by those agreements with the United States or the State of Wisconsin.
27. **No Agency or Partnership:** Nothing in this Lease shall be construed to create any type of partnership, agency or any other type of relationship between the parties other than a "landlord/tenant" relationship.
28. **Entire Agreement/Amendment:** This Lease contains the entire agreement of the parties and there are no other promises, obligations, covenants or conditions in or a part of any other agreement whether oral or written. This Lease may be modified or amended in writing if said writing is signed by each party bound hereunder.
29. **Severability:** If any portion of this Lease shall be held invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable and remain in full force and effect. If a court of competent personal and subject matter jurisdiction finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provisions it would become valid and enforceable, then such provision shall be deemed to be written, construed and enforceable as so limited and done so in the manner most harmonizing to the balance of the agreement.
30. **Arbitration:** Any controversy or claim arising out of or relating to this Lease or any alleged breach thereof, which cannot be settled between the parties, may be settled by arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the dispute rendered by the arbitrator(s) shall be final and binding on the parties.

31. **Representations:** Each party hereto represents that it has validly entered into this Agreement and has the legal authority to do so in binding fashion.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this day of \_\_\_\_\_, 20\_\_\_\_ in the City of Watertown, Jefferson County, Wisconsin.

LESSOR: CITY OF WATERTOWN

LESSEE:

By: \_\_\_\_\_  
Mayor

\_\_\_\_\_ Paul Gardetto

Attest: \_\_\_\_\_  
City Clerk

N76W36221 Saddlebrook Lane,  
Oconomowoc, WI 53066

Lessee address for communications  
pursuant to Agreement:

*Paul R. Gardetto*

STATE OF WISCONSIN )  
 ) ss.  
COUNTY OF JEFFERSON )

Personally appeared before me this \_\_\_\_ day of \_\_\_\_\_, 2023, Emily McFarland and Mark Stevens who acknowledged that they were Mayor and City Clerk, respectively of the City of Watertown and that they, as such Mayor and City Clerk, being authorized to do so, executed the foregoing instrument consisting of \_\_\_\_ typewritten pages on the City's behalf.

\_\_\_\_\_  
Notary Public, State of Wisconsin  
My commission expires \_\_\_\_\_, 20\_\_\_\_

STATE OF WISCONSIN )  
 ) ss.

COUNTY OF JEFFERSON )

Personally appeared before me this 27 day of September, 2023, Paul Gardetto who acknowledged that they are said Person of \_\_\_\_\_ and that they, as such \_\_\_\_\_ being authorized to do so, executed the foregoing instrument on \_\_\_\_\_'s behalf.

*Linda Marie Kuklinski*  
Notary Public, State of Wisconsin  
My commission expires 9/20, 2026

