

COMMERCIAL REAL ESTATE LEASE AGREEMENT

This Lease Agreement (“Lease” or “Agreement”) made the _____ day of July, 2026, by and between the City of Watertown, a Wisconsin, municipal corporation, hereinafter referred to as “Lessor,” and Holz Motors, Inc. - Watertown, a Wisconsin corporation, d/b/a Holz Chevrolet Buick GMC, hereinafter referred to as “Lessee”, collectively referred to herein as the “Parties”, agree as follows:

WHEREAS, the Lessor is the owner of the real property located at 1720 and 1732 River Drive, Watertown, Wisconsin, which property has historically been leased to the Lessee for use as a parking lot; and

WHEREAS, the Parties previously entered into a lease agreement for the above-referenced parking lot, which remained in effect from 1996 through 2021 and has since expired; and

WHEREAS, the Parties desire to renew and continue their leasing relationship and to establish updated terms and conditions governing the Lessee’s continued use of the parking lot property; and

WHEREAS, the Parties wish to formalize their mutual understanding through the execution of a new lease agreement.

NOW, THEREFORE, IT IS HEREBY AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. Description of the Premises. The Lessor agrees to lease to the Lessee, the following described real estate situated in the City of Watertown, Jefferson County, Wisconsin:

Being a part of Lot 2 of Certified Survey Map No. 2044, as recorded in Volume 6, pages 347, 348 and 349 as Document No. 833781, a part of Outlot 12 of the Seventh Ward in the Southwest 1/4 of Section 9, Township 8 North, Range 15 East, in the City of Watertown, Jefferson County, and a part of Lot 2 of Certified Survey Map No. 2272 as recorded in Volume 8, page 47, as Document 853206, a part of Outlot 9 and 12 of the Seventh Ward in the Southwest 1/4 of Section 9, Township 8 North, Range 15 East, in the City of Watertown, Jefferson County, Wisconsin, bounded and described as follows:

Commencing at the Northwest corner of said Lot 2 of Certified Survey Map No. 2044; thence South 13° 36’ 17” West, 394.89 feet along a westerly line of said Lot 2 of Certified Survey Map No. 2044; thence South 08° 58’ 18” West, 185.817 feet along a westerly line of said Lot 2 of Certified Survey Map No. 2044; thence South 24° 14’ 02” East, 78.332 feet along a westerly line of Lot 2 of Certified Survey Map No. 2272; thence South 78° 06’ 29” East, 22.072 feet; thence South 85° 05’ 38” East, 36.721 feet; thence North 08° 36’ 00” East, 650.90 feet to the North line of Lot 2 of Certified Survey Map No. 2044; thence

North 87° 29' 06" West, 65.871 feet along the North line of Lot 2 of Certified Survey Map No. 2044 to the point of beginning. (Containing 56,732 square feet or 1.3 acres.)

Hereinafter known as the "Premises".

2. Term. The term of this Lease shall be for a period of twenty (20) years commencing on July 1, 2026, and terminating on June 30, 2046. ("Initial Term").

3. Rent. The Lessee agrees to pay the Lessor as rent for the Premises during the Initial Term of this Lease, the sum of six thousand dollars (\$6,000.00) annually. Payment to be made on the first day of January during each year of the Lease Initial Term ("Annual Payment Date").

4. Renewal Option. Upon the expiration of the initial twenty (20) year term, if the Lessor does not have any need for the Premises, the Lessor hereby grants Lessee a ten (10) year renewal option. Lessee must provide written notice to the Lessor at least six (6) months prior to the expiration of the Initial Term of their intent to renew or non-renew this Agreement.

5. Termination Option. The Lessee shall have the right to terminate the Lease prior to the Lease Initial Term upon written notice provided that such notice is made to Lessor three (3) months in advance of an Annual Payment Date. The Lease will terminate upon said Annual Payment Date unless otherwise agreed upon by the Parties. Lessee shall remain responsible for all other obligations under the Lease until termination. Upon terminating the Lease, neither the Lessor nor Lessee shall have any further obligations, liability, or rights under the Lease (except for such terms set forth in the Lease that expressly survive termination).

6. Use of Premises. The Premises is presently used as a parking lot. Lessee shall be permitted to install curbing, asphalt and the appropriate landscaping to accommodate the parking area, including appropriate lighting, subject to the height restrictions contained herein.

7. Surface Maintenance. Lessee shall be responsible for maintaining the surface of the Premises at its expense so as not to develop potholes or other irregularities.

8. Snow Removal. Lessee shall be responsible for and pay for snow removal from the Premises, at its option.

9. Airport Use Restriction. Due to the fact that the Premises are part of the Watertown Municipal Airport and were acquired by the use of state, federal and/or local funds, the following land use restrictions shall apply:

A. The Lessor reserves the right to further develop or improve the landing area of the Watertown Municipal Airport as it sees fit, regardless of the desires or view of the Lessee, and without interference or hinderance.

B. The Lessor reserves the right, but shall not be obligated to the Lessee, to maintain and keep, in repair, the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.

C. This Lease shall be subordinate to the provisions of and requirements of any existing or future agreements between the Lessor and the State of Wisconsin and/or the United States, relative to the development, operation or maintenance of the Watertown Municipal Airport.

D. The Lessee agrees to comply with the notification and review requirements covered in part 77 of the Federal Aviation Regulations, in the event any future structure or building is planned for the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises.

E. There is hereby reserved to the Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the air space above the surface of the Premises. This public right of flight shall include the right to cause in said air space, any noise inherent in the operation of any aircraft used for navigation or flight through the said air space or landing at, taking off from, or operation on the Watertown Municipal Airport.

F. If the Lessee erects a structure or object or permits growth of any tree above the mean sea level elevation of 865 feet, Lessor reserves the right to enter land leased and remove offending structure at expense of Lessee.

G. If Lessee makes use of the Premises in any manner which might Interfere with the operation of aircraft from the Watertown Municipal Airport, or otherwise constitute a hazard, the Lessor reserves the right to enter leased Premises and cause the abatement of such interference at the expense of the Lessee.

H. This Lease and all the provisions hereof shall be subject to whatever right the United States Government now has, or in the future may have, or acquire affecting the control, operation, regulation and taking over of said airport or the exclusive or non-exclusive use of the airport by the United States during the time of war or national emergency.

10. Aviation Easement Conditions. Lessee and its successors and assigns, grant Lessor, for use and benefit of the public, a perpetual easement and right of way for the free and unobstructed passage of aircraft and the right to cause such sound, noise, vibration and dusts that comes with the operation of such aircraft at such altitude or height above ground and through/across air space over the Premises, provided that air space in said easement and right of way shall be that which lies above 865 feet above the mean sea level elevation. Lessee acknowledges and agrees that the City shall not be liable for, and Lessee hereby waives any claims arising from, aircraft operations within the easement area, including noise, vibration, fumes, dust, light, or any other impacts associated with such aircraft operations. Determination of objects which encroach into the easement shall be based on the mean sea level elevation indicated in the easement height description.

A. The Lessee, for itself, its successors and assigns, does hereby covenant that it will not construct, nor permit to remain upon said land, any object that extends above the heights included in the easement height description.

B. The Lessee, for itself, its successors and assigns, does hereby further give to the Lessor, a continuing right of entry to keep the air space above the easement heights clear for the purpose of effecting and maintaining such clearances, and of removing any and all objects which now, or may hereafter, extend above the easement height description.

C. The Lessee shall not hereafter use or permit or suffer the use of said land in such a manner as to create radio or electro-magnetic interference with radio communications between the airport and aircraft.

D. The Lessee shall not permit lights, lighted signs and other lighted objects as to make it difficult for pilots to distinguish between airport lights and others, or as to result in glare in the eyes of pilots using the airport, or as to impair visibility in the vicinity of the airport, or otherwise to endanger the landing, taking off or maneuvering of aircraft.

E. It is understood and agreed that these covenants and agreements shall be binding upon the successors and assigns of the parties, that these covenants and agreements shall run with the land, and that for the purpose of this instrument, the real estate described in this lease and owned by the Lessor, shall be the dominant tenement and the interests of the Lessee shall be the servient tenement.

11. Lawful Conduct. Lessee covenants and agrees that it will continue to observe and obey all local, state and federal laws, rules and regulations, and the rules and regulations of all public boards, commissions, officers, and any insurance company that may insure the premises, relating to the Premises and the streets and sidewalks appurtenant thereto; and shall indemnify and save harmless the said Lessor from any infringements or violations by the Lessee of such laws, regulations, rules, ordinances and orders.

12. Public Liability Insurance. The Lessee agrees to carry at all times during the term of this Lease, or any renewal thereof, at its expense, a public liability policy in which the interests of the Lessee in the Premises shall be adequately insured from any and all liability, damage, expense, cause of action, suits, claims or judgments arising from injury to persons or property, and/or death of persons, while in, upon or about the Premises, or upon the adjoining streets and sidewalks, in minimum amounts of three million dollars (\$3,000,000.00) per occurrence, five million dollars (\$5,000,000.00) cumulative. The Lessor shall be listed as an additional insured. The Lessee shall file such policy or policies or copies thereof with the Lessor and shall provide statements from the insurance companies that said policies are in full force and effect during the Lease term or any renewal thereof.

13. Assignment of Lease. This Lease shall not be assignable by the Lessee without first obtaining the prior written consent of the Lessor. In the event that this Lease shall be assigned, it is agreed that the Sub-Lessee shall remain liable for the performance of all the terms and covenants of this Lease.

14. Breach of Lease. If there is a material breach of this Lease by the Lessee in any of the covenants or agreements contained herein, and such breach shall continue for a period of fourteen (14) days after written notice thereof shall have been given to the Lessee, then Lessor may, at any time thereafter, declare the terms of this Lease ended and terminated without any further or other notice thereof. Lessor may then re-enter the leased Premises and take possession thereof. The

Lessee covenants and agrees that in the event of any default or breach on its part, whether Lessor exercises its option to terminate this Lease or not, that it will save the Lessor harmless, and indemnify it on account of any damages, reasonable attorney fees and other costs and disbursements sustained or incurred by Lessor by reason of any of the Lessee's defaults or breach of this Lease.

15. Third Party Beneficiary. This Agreement including, but not limited to, indemnification provisions, is for the benefit of the Parties only and does not create, nor is it intended to create any benefit or liability to third parties.

16. Parties Bound. The covenants, conditions and agreements contained in this Lease shall be binding upon and inure to the benefit of the Parties hereto, their respective heirs, administrators, successors and assigns.

17. Entire Agreement. This written agreement constitutes the entire lease agreement between the Parties, and may not be modified, except in writing, mutually agreed upon by the Lessor and Lessee.

18. Condition of Premises. Upon Lessee taking possession of the Premises, Lessee shall be assumed to have accepted the Premises in its then existing condition. No representation, statement or warranty, express or implied, has been made by or on behalf of the Lessor as to such condition or as to the use that may be made of such property. In no event shall the Lessor be liable for any defect in such property or for any limitation in its use. Lessor is not aware of any defects in the Premises at the time of the execution of this Lease.

19. Indemnification. The Lessee hereby covenants and agrees to indemnify, defend and hold the Lessor harmless from any and all claims or liabilities which may arise from any cause whatsoever as a result of Lessee's use and occupancy of the Premises, and further shall indemnify the Lessor for any losses which the Lessor may suffer in connection with the Lessee's use and occupancy or care, custody and control of the Premises. The Lessee also hereby covenants and agrees to indemnify and hold harmless the Lessor from any and all claims or liabilities which may arise from any latent defects in the Premises that the Lessor is not aware of at the signing of the Lease or at any time during the Lease term.

20. Notices. Payments and notices shall be addressed to the following:

Lessor:
City of Watertown
City Clerk
106 Jones Street
Watertown, WI 53094

With a copy to:
City of Watertown
City Attorney
106 Jones Street
Watertown, WI 53094

City of Watertown
Finance Director/Treasurer
106 Jones Street
Watertown, WI 53094

Lessee:
Holz Motors, Inc. - Watertown
PO Box 661
Watertown, WI 53094

With a copy to:
Amundsen Davis
Attn: Joseph Tierney
111 East Kilbourn Avenue
Suite 1400
Milwaukee, Wisconsin 53202

21. Jurisdiction and Venue. Any action at law or in equity brought under this Agreement for the purpose of enforcing a right or rights provided for by this Agreement will be tried in a court of competent jurisdiction in Jefferson County, Wisconsin, and the Parties waive all provisions of law providing for a change of venue in these proceedings to any other county.

22. Paragraph Headings. Paragraph headings as used herein are for convenience only and will not be deemed to be a part of such paragraphs and will not be construed to change the meaning thereof.

23. Limitation of Municipal Liability. Nothing contained within this Agreement is intended to be a waiver or estoppel of Watertown or its insurer, to rely upon the limitations, defenses, and immunities contained within Sections 345.05 and 893.80, Wis. Stats. To the extent that

indemnification is available and enforceable, City or its insurer, shall not be liable in indemnity, contribution, or otherwise for an amount greater than the limits of liability of municipal claims established under Wisconsin law.

24. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which is deemed to be an original.

25. Severability. If any term of this Agreement is held unenforceable by a court having jurisdiction, then to the extent the unenforceable term can be severed from the remainder of this Agreement without affecting the enforceability of the remainder of this Agreement or substantially frustrating its purpose, it will be so severed, and the remainder of this Agreement will remain in effect and enforceable.

IN WITNESS WHEREOF, the Parties have set their hands and seal this _____ day of July, 2026.

City of Watertown, Lessor

Robert Stocks, Mayor

Holz Motors, Inc. – Watertown d/b/a Holz Chevrolet Buick GMC, Lessee

JJ Weis, President