

LEASE AGREEMENT

COCHISE COUNTY AIRPORT

This Lease Agreement (“Agreement”) executed effective as of the date of last signature below, by and between Cochise County, Arizona (“LESSOR”) and Cochise AirLease, LLC (“LESSEE”).

NOW THEREFORE, in consideration of the mutual covenants, agreements hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged herein by the parties, LESSOR and the LESSEE agree as follows:

LEASED PREMISES AND USE

Premises – LESSOR hereby leases to LESSEE, and LESSEE accepts, approximately two (2) acres of land located at Cochise County Airport, adjacent to the taxiway “A” as more particularly described in Exhibit A (“Leased Premises”).

LESSEE shall use the premises exclusively for aeronautical purposes, including but not limited to aircraft operations, maintenance, storage, and related aviation activities. Any other use requires prior written approval of LESSOR and the FAA, as applicable.

LESSEE shall comply with:

- (a) All applicable federal, state, and local laws and regulations;
- (b) All current and future FAA regulations, advisory circulars, and grant assurances;
and
- (c) The Cochise County Airport Rules & Regulations and Minimum Standards, as amended.

TERM OF LEASE/ HOLDOVER

The term of this LEASE shall be for a twenty (20) year period, beginning November 1st, 2025, and upon approval of the parties, unless altered by the exercise of the conditions

provided for under the LEASE. LESSEE shall have an option to renew this LEASE, on the same terms and conditions for two (2) additional twenty (20) year periods, by providing written notice of intent to renew to LESSOR at least six (6) months before the expiration of the current twenty (20) year term. The maximum allowable term of the lease is sixty (60) years.

At the commencement of each renewal term, rent shall be adjusted, at LESSOR's discretion, to reflect the then-current fair market value of comparable airport property, consistent with FAA Grant Assurance requirements for self-sustainability. In no event shall the adjusted rent be less than the rent in effect at the end of the immediately preceding term.

During the term of this LEASE, and with the LESSOR's approval, LESSEE may transfer, assign or sublet this LEASE. LESSEE must provide LESSOR with written notice of LESSEE's intent to transfer, assign or sublet this LEASE at least 60 days in advance of the transfer, assignment or sublease agreement.

LESSOR may not unreasonably withhold approval of the transfer, assignment or sublease agreement, but reserves the right to withhold approval if LESSOR has legitimate business concerns about performance of the LEASE by LESSEE's designated transferee, including but not limited to inadequate financial capacity, poor compliance history, safety or regulatory violations, or incompatibility with airport operations or FAA grant assurances.

If LESSEE remains in possession after expiration or termination without a new lease, the tenancy shall be month-to-month at 150% of the last rent rate.

LESSEE may terminate this Agreement at any time upon thirty (30) days' prior written notice.

LESSOR may terminate this Lease upon providing no less than ninety (90) days' written notice to LESSEE if the premises are reasonably required for airport improvements or projects determined to be in the best interest of the public and consistent with FAA policies. In such event, LESSOR will make reasonable efforts to accommodate LESSEE at another suitable location on the airport.

RENTAL PAYMENTS

LESSEE agrees to pay LESSOR rent of One-Thousand, Five Hundred Dollars (\$1,500) per quarter, payable within fifteen (15) days after the end of each calendar quarter.

Rent shall be adjusted annually on the Effective Date anniversary based on the percentage change in the U.S. Bureau of Labor Statistics Consumer Price Index. In any event, the quarterly rent for any renewal lease period shall not be less than that of the previous term. Annual rent increases are not to exceed three percent (3%) per three (3) year term.

Payments shall be made payable to:

Treasurer, Cochise County
Mail to:
Cochise County Facilities Department
1415 West Melody Lane, Building C
Bisbee, Arizona 85603

Late payments will incur interest at 1% per month and a late fee of \$10 per delinquency. Returned checks shall incur a \$25 fee.

IMPROVEMENTS AND MAINTENANCE

LESSEE shall be responsible for all improvements necessary to conduct authorized aeronautical activities on the Leased Premises, subject to LESSOR's prior written approval.

The existing permanent improvements located on the Leased Premises, including a 60' x 60' hangar, taxi lanes, apron, and utility hookups, are hereby recognized and deemed approved by LESSOR, and no further approval shall be required with respect to such existing improvements.

LESSEE shall maintain improvements in good repair, safe condition, and free of hazards, in compliance with FAA, state, and local building and safety regulations, including any required markings or signage.

Unless otherwise agreed in writing, all improvements shall become the property of LESSOR upon termination of this Lease, without reimbursement to LESSEE, if not removed by LESSEE at or prior to the time of termination. LESSEE shall have the right, at its sole discretion, to remove any improvements it has installed on the Leased Premises prior to or upon termination, provided that such removal does not cause material damage to the Leased Premises and the site is restored to a condition reasonably acceptable to LESSOR. LESSOR may require removal of improvements and restoration of the site at LESSEE's expense if such improvements are not accepted by LESSOR.

UTILITIES AND ACCESS

LESSEE shall be responsible for arranging and paying for all utilities required for its operations.

LESSOR shall provide access via existing roads and taxiways. LESSEE shall notify LESSOR of any use that may damage surfaces and is responsible for repair of damage caused by its operations. Temporary closures for maintenance or safety are permitted.

ENVIRONMENTAL PROTECTION AND HAZARDOUS MATERIALS

LESSEE shall comply with all environmental laws regarding use, storage, and disposal of fuel, oil, solvents, and other hazardous substances.

LESSEE shall promptly notify LESSOR and all applicable agencies of any spill or release and shall remediate at LESSEE's expense. Documentation of remediation shall be provided to LESSOR.

No underground tanks may be installed without LESSOR's prior written consent.

INSURANCE AND INDEMNITY

LESSEE shall maintain insurance meeting FAA requirements, including an overall single limit insurance policy of One Million Dollars (\$1,000,000.00), which shall provide the equivalent of "Hangars Keepers" liability coverage.

LESSOR shall be named as Additional Insured. Policies shall provide 30 days' advance notice of cancellation. Certificates of insurance shall be provided before occupancy and upon renewal.

LESSEE agrees to indemnify and hold harmless LESSOR, its officers, agents, and employees from any claims or damages arising from LESSEE's use of the premises, except those caused solely by LESSOR's negligence.

DEFAULT AND REMEDIES

The following constitute defaults:

- A. Nonpayment of rent or other sums when due;
- B. Violation of any law or regulation applicable to the Premises;

- C. Unauthorized assignment or sublease;
- D. Failure to maintain insurance; or
- E. Failure to perform any obligation under this Agreement.
- F. Abandonment of the Premises; or
- G. Bankruptcy or insolvency of LESSEE.

LESSOR shall give written notice of default. If LESSEE fails to cure within 30 days (or sooner if safety is at risk), LESSOR may terminate this Lease and re-enter the Premises.

Indemnity and environmental obligations survive termination.

ASSIGNMENT AND SUBLETTING

The LESSEE is authorized to sublet the individual improvements, namely hangar space and associated apron without additional written permission of the LESSOR. The LESSEE shall not assign, lease or convey this LEASE to any third party without the written consent of the LESSOR.

NOTICES

Notices to LESSOR shall be sent to:

Cochise County Facilities Department
1415 West Melody Lane, Building C
Bisbee, Arizona 85603

Notices to LESSEE shall be sent to:

Cochise AirLease, LLC
PO Box 747
Willcox, AZ 85643
CochiseAirLease@gmail.com

ENTIRE AGREEMENT

This Agreement, including Exhibit A, constitutes the entire agreement and supersedes prior discussions. Amendments must be in writing signed by both parties.

SUCCESSORS AND ASSIGNS

This Agreement shall bind and inure to the benefit of the parties and their respective successors and permitted assigns.

COUNTERPARTS AND ELECTRONIC SIGNATURES

This Agreement may be executed in counterparts and by electronic signature, each deemed an original.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement effective as of the date last signed below.

LESSEE:

Michael Wear
Manager, Cochise AirLease, LLC

Date

LESSOR:


Frank Antenori, Chairman
Cochise County Board of Supervisors

Date

ATTEST:

Lara Loewenheim
Clerk of the Board

APPROVED AS TO FORM:



Bert Whitehead IV, Esq.
Civil Deputy County Attorney

9/23/2025

Exhibit A: Leased Premises – Cochise AirLease, LLC

