

**FAYETTEVILLE REGIONAL AIRPORT
AIRLINE EXCLUSIVE SPACE LEASE AND OPERATING AGREEMENT**

CITY OF FAYETTEVILLE
and AMERICAN AIRLINES, INC.

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NORTH CAROLINA

AIRPORT USE AGREEMENT
FOR SCHEDULED AIRLINES

CUMBERLAND COUNTY

THIS AIRPORT USE AGREEMENT (this “Agreement”), entered into _____, _____ 2026, by and between the **CITY OF FAYETTEVILLE** (hereinafter referred to as “**CITY**”) and **AMERICAN AIRLINES, INC.**, a corporation organized and existing under and by virtue of the laws of the State of Delaware (hereinafter referred to as “**USER**”).

WITNESSETH:

WHEREAS, the CITY is a municipal corporation empowered and operating under the laws of North Carolina General Statutes Chapter 160A; and

WHEREAS, the CITY owns and operates a public airport designated as Fayetteville Regional Airport (Grannis Field), hereinafter called the “Airport”, located in the County of Cumberland, in the State of North Carolina; and

WHEREAS, the CITY is authorized to enter into leases on Airport property in accordance with Chapter 63 Section 53; and

WHEREAS, the CITY has delegated its authority for the promulgation and application of certain rules and regulations regarding the maintenance and operation of the Airport and aeronautical related activities in connection therewith to the Airport Director in accordance with the City Code of Ordinances Chapter 3; and

WHEREAS, USER is engaged in the business of air transportation of persons, property, cargo, express, and mail; and

WHEREAS, USER desires the right, license, and permission to use the premises and facilities on the Airport, and CITY is willing to grant the same to USER upon the terms and conditions hereinafter stated;

NOW THEREFORE, in consideration of the promises and covenants contained herein, the parties agree as follows:

ARTICLE I – PREMISES AND AIRPORT USE

The CITY does hereby give and grant unto USER and USER does hereby hire and take from the CITY the following premises, facilities, rights and privileges on and in the Airport, as shown in Exhibit A, if any, and as hereinafter set forth:

(A) USE OF THE AIRPORT. USER shall be entitled to use, in common with others authorized by the CITY, the Airport, its appurtenances, facilities, equipment, and improvements for the purpose of the operation of an air transportation system for the carriage of persons, property, cargo, express, and mail (hereinafter referred to as “Air Transportation”) and uses incidental thereto, which use shall include:

- (1) The handling, ticketing, billing, and manifesting of passengers, baggage, cargo, property, express and mail in Air Transportation.

- (2) The repairing, maintaining, servicing, parking, or storage of aircraft or other equipment owned or operated by USER in such area as may be reasonably approved by CITY.
- (3) The training of personnel in the employ of USER, and the testing of aircraft and equipment owned or operated by USER.
- (4) The right from time to time, but not as a regular course of business, to sell and dispose of USER's aircraft, engines, accessories, and other equipment or supplies, engine oil, and fuel, insofar as same may be necessary to or in furtherance of USER's operations, but not otherwise. It is expressly understood and agreed that USER shall not engage in any separate business including the sale of engine oil, fuels, lubricants, or supplies except where reciprocal agreements require USER to service the aircraft of other certificated scheduled airlines, or where fuel of the type needed is not available from fuel concessionaires doing business at the Airport.
- (5) The servicing of USER's aircraft and other equipment with fuel and other necessary supplies, whether said servicing be performed by USER or its suppliers.
- (6) The right to load and unload USER's aircraft at loading gates as hereinafter designated by the CITY on a non-exclusive, but preferred basis, to afford convenient entrance to the passenger terminal building (hereinafter the "Terminal Building") by USER's passengers. The right to land, taxi, takeoff, load, unload, repair, maintain, service, park, store and test aircraft owned or operated by USER, or the aircraft of any other certificated scheduled airline with a reciprocal agreement and which has been authorized by the CITY to use the Airport and adjacent facilities.
- (7) The right to load and unload persons, property, freight, express, supplies, and mail by such motor vehicles or other means of conveyance as USER may require in the operation of its Air Transportation system. USER shall have the right to transport or make arrangements with others to transport its passengers to and from the Airport in the event the CITY's authorized carriers fail or refuse to render satisfactory service.
- (8) The right to install and operate a reasonable number of identifying signs on the Airport, the general type, size, and location of such signs to be subject to written approval of the CITY. Such approval shall not be unreasonably withheld, conditioned, or delayed.
- (9) The rights to install, maintain, and operate, at the expense of the USER, such radio communication, meteorological and aerial navigation equipment and facilities on the Airport as may be necessary in the opinion of the USER for its operations; provided the location of such equipment and facilities shall be subject to the CITY's approval. Such approval shall not be unreasonably withheld, conditioned, or delayed, and such location shall be subject to the rules and regulations of the Federal Aviation Administration (FAA) and Federal Communications Commission (FCC).
- (10) The rights and privileges granted USER under this Article I, with respect to the performance of ground services and activities in connection with its Air Transportation operations at the Airport, may be performed by USER for any other certificated Air Transportation company authorized by the CITY to use the Airport and its facilities. Such rights and privileges shall be deemed to include all activities necessary to the handling of reservations, ticketing

passengers; loading and unloading passengers and their baggage; loading and unloading property, cargo, and mail; the use of ramp, repair, and maintenance facilities; the use of storage, fueling, and communications facilities; all of which are necessary or convenient to the operation of aircraft in the Airport. The CITY reserves the right to designate the locations within which all of the activities authorized under this Agreement shall be conducted, except to those portions of the premises to be used exclusively by USER.

(B) SPACE IN THE TERMINAL BUILDING. The exclusive use of approximately 3,862.6 square feet of space in the Terminal Building, as shown on Exhibit A, for the exclusive use by USER in the operation of its Air Transportation system for office space, the sale of tickets, handling and manifesting of passengers, cargo, express, mail and baggage and for general traffic operations, and meteorological and radio communication purposes.

(C) PUBLIC SPACE IN TERMINAL BUILDING. The use by USER and its employees, passengers, guests, and invitees, in common with others, of all public space in the Terminal Building and concourse areas, including ticket lobby, waiting room, hallways, restrooms, lounges, and all other public conveniences. Additionally, USER shall have the non-exclusive, but preferred use of 2,236 square feet as shown on Exhibit A, for use as gate lounges and bridge foyers; the CITY shall have the right, however, to assign bridge foyers and loading gates to other users from time to time as the necessity for same arises; provided, however, any such assignment by CITY shall not conflict with USER's or its Affiliates' scheduled flights at such gates.

(D) PARKING SPACE. The use by USER and its employees, in common with others, of adequate vehicular parking space, to be designated by the CITY, located as conveniently as possible to the Terminal Building. The CITY reserves the right during the term of this Agreement to charge reasonable monthly fees for use of such parking spaces by USER, its employees, passengers, and invitees. The amount of such charges shall be at the sole discretion of the CITY.

(E) RIGHT TO INGRESS AND EGRESS. The right to access, ingress, and egress with respect to the Airport and the specific premises outlined in (A) through (D) above, to USER, its employees, passengers, guests, suppliers of materials, and furnishers of services, subject however, to reasonable Airport rules and regulations.

ARTICLE II – TERM

The initial term of this Agreement shall be for a period of five (5) years beginning on the 1st day of May 2026 or the date of mutual execution of this Agreement, whichever is later, and ending on the 30th day of April 2031. At the end of the initial five (5) year term, the parties shall have the option of extending this Agreement for up to five (5) additional one (1) year terms, upon such conditions as are mutually acceptable and agreed upon by CITY and USER.

ARTICLE III – FEES AND CHARGES

USER agrees to pay the CITY monthly, without notice or demand for the use of all the premises, facilities, services, rights, licenses, and privileges granted hereunder, the fees and charges as set forth below. In addition to the fees and charges set forth below, USER shall pay the CITY an Operation and Maintenance (O&M) charge of Nine Dollars (\$9.00) per square foot per year for the term of this Agreement for the 3,862.6 square feet of exclusive space. Such payment (to be made in monthly installments) shall be in addition to the amounts set forth in (A) (1), (2), (3), (4), (5), (6) and (7) below, which shall be charged monthly during the term of this Agreement and shall be due on or before the first day of each month.

(A) EXCLUSIVE SPACE IN TERMINAL BUILDING

- (1) For 321.6 square feet of air-conditioned Airline Counter space, the sum of \$27.00 per square foot per year.
- (2) For 867.7 square feet of air-conditioned Ticket Office and Administrative Space, the sum of \$12.00 per square foot per year.
- (3) For 1,404 square feet of Airline Baggage Make Up Space, the sum of \$3.79 per square foot per year.
- (4) For 414.3 square feet of Ticket Cueing Area the sum of \$10.00 per square foot per year.
- (5) For 855 square feet of Baggage Claim Area the sum of \$6.00 per square foot per year.
- (6) For 125 square feet of land for Glycol Storage (Crate), the sum of \$4.00 per square foot per year.
- (7) For 100 square feet of land for Glycol Storage (Tank), the sum of \$4.00 per square foot per year.

(B) NON-EXCLUSIVE SPACE IN TERMINAL BUILDING. For 2,236 square feet of space in Concourse A for the operation of loading gates and lounges on a non-exclusive, but preferred basis, the sum of \$10.00 per square foot annually for the term of this Agreement.

(C) LATE PAYMENTS. Any fee payable by USER under this Agreement that is not paid within ten (10) days after written notice of such failure to USER from the CITY shall bear a late payment fee at the rate of one and one-half percent (1.5%) per month from the due date until paid.

If any payment of the fees by USER due under this Article shall not be paid within ten (10) days of the due date, which is thirty (30) days from date of invoice, interest shall accrue at a rate equal to one and one-half percent (1.5%) per month. Such interest shall begin on the day following the due date for such fees and all interest shall be calculated on a 365-day year. In the event it becomes necessary for CITY to institute legal proceedings to collect any of the fees payable under this Agreement, the USER agrees to pay all reasonable and necessary expenses incurred by CITY in such legal proceedings, including reasonable attorney's fees. Further, the failure of USER to timely pay the fees payable under this Agreement is grounds for termination of this Agreement in accordance with the provisions of ARTICLE XII of this Agreement. The rentals and fees set out hereinabove in Sections A and B of this Article shall be billed to the USER monthly on or before the 10th day of each calendar month next succeeding that for which billing is made.

(D) ADDITIONAL SPACE. It is understood that whenever USER desires additional space in the existing Terminal Building and such space is available and contiguous with existing leased premises that the rates shall be on the same cost basis, as set forth in this Article III for such additional space. Should USER be required to move to new facilities as opposed to taking additional contiguous

space, then the fees and charges for such new facilities shall be agreed upon in advance of such move.

- (E) INTERCOM AND PUBLIC ADDRESS SYSTEM. For use, in common with other users authorized by the CITY, of an intercom and public address system, a pro-rata share of CITY's monthly cost. It is agreed that USER's prorata share for the use of said intercom and public address system shall be \$35.00 per month, which shall be due on or before the first day of each month.
- (F) JETBRIDGE USAGE FEES. A monthly charge for jet bridge use, based on the actual number of USER's uses of the CITY's jet bridges. It is agreed that the USER's cost for each use shall be Five Dollars (\$5.00), subject to annual updates.

USER will maintain a record of the actual number of jet bridge uses during each month and shall submit said record to the CITY via the Real Estate Division within five (5) days following the end of each month. Upon receipt of said record of jet bridge uses each month, CITY shall prepare and submit to USER an invoice. USER shall in turn remit payment to CITY, without additional notice or demand, within thirty (30) days after receipt of said invoice.

- (G) LANDING FEES. A monthly charge, based on the actual number of USER's revenue trip arrivals at said Airport, as follows:

One Dollar and Fifty Cents (\$1.50) per thousand pounds of certified gross landing weight over 12,500 pounds, subject to updates as approved in the City's fee schedule, adopted by the City Council.

Such weight shall be computed on the basis of the maximum gross landing weight as certificated by the Federal Aviation Administration for each type of aircraft operated by USER at said Airport.

Actual revenue trip arrivals shall include only those scheduled flights flown by USER, which actually land at said Airport during the month in question. Such flights shall be independent of USER's published schedule and shall not include ferry flights, inspection flights, courtesy or sightseeing flights, flights returning to or diverted to said Airport due to mechanical difficulties, weather conditions, or other conditions beyond USER's control which flights do not generate revenue traffic at said Airport, or any other non-revenue flights landing at said Airport.

USER will maintain a record of the actual number of revenue landings during each month for each type of aircraft operated at said Airport by USER and will submit said record to the CITY via the Real Estate Division within five (5) days following the end of each month. The number of such landings for the month in question, multiplied by the applicable weight for each type of aircraft as above described, shall determine the weight for which monthly payment shall be made.

On receipt of said record of actual revenue landing for each month, CITY via the Real Estate Division shall prepare and submit to USER an invoice. USER shall in turn remit payment to CITY, without notice or demand, within thirty (30) days after receipt of said invoice.

CITY shall have the right to inspect, at reasonable times, such of USER's records reasonably necessary to permit CITY to verify USER's operations and weight reports.

(H) PRORATA CHARGES OF JOINT USE TERMS. USER shall pay the CITY its pro-rata share of the CITY's cost of providing certain jointly used services and items as follows:

- (1) A pro-rata share of the CITY's cost of providing public safety officers based on the number of USER's enplaned passengers each month in comparison with the number of enplaned passengers of other signatory airlines. The costs of public safety officers shall be based on the average annual salary, plus benefits of public safety officers. Upon the date hereof, such monthly cost to be prorated amongst signatory airlines is agreed to be Twenty-Six Thousand Four Hundred Twenty-Six Dollars & Twenty-Seven Cents (\$26,426.27) and shall continue to be such amount for the duration of the term of this Agreement.
- (2) A pro-rata share of the CITY's costs for contract maintenance services based on the number of USER's enplaned passengers each month in comparison with the number of enplaned passengers of other signatory airlines. It is agreed that the monthly apportionment to be prorated amongst the signatory airlines for the term to satisfy CITY's requirement is Six Thousand Five Hundred Thirty-Four Dollars and Zero Cents (\$6,534.00).
- (3) For purposes of this Agreement, "enplaned passenger" shall mean all ticketed originating and on-line or off-line transfer passengers of USER and of all other passenger air carriers serving the Airport; provided, however, "enplaned passengers" shall not include non-revenue passengers.

ARTICLE IV – AUTHORITY TO GRANT RIGHTS

The CITY represents that it has the right and authority to grant the rights, licenses, and privileges herein granted and has the full power and authority to enter into this Agreement.

ARTICLE V – OTHER CHARGES AND FEES

No other rental fees, licenses, excise or operating taxes, tolls, or other charges except those herein set forth shall be charged USER or any of its suppliers of materials or furnishers of services for the privileges and rights granted under this Agreement; provided, however, that such suppliers of materials or furnishers of services to USER shall not have the right to supply materials or furnish services to others (except USER's Affiliates) without entering into a concession agreement and paying the necessary fees as shall be required by the CITY.

ARTICLE VI – RIGHT TO PURCHASE SUPPLIES AND MATERIALS

USER shall have the right to purchase such materials, goods, and services as it deems necessary for the operation of its business and the CITY shall make no charges or fees against USER's suppliers of materials, goods, or services (including without limitation, its ground handlers). USER shall not have the right or privilege of supplying same to other parties or persons (except its Affiliate(s)) without entering into such concession agreements and paying such charges and fees as shall be required by the CITY.

ARTICLE VII – MAINTENANCE AND OPERATION

During the term of this Agreement and any renewal hereof, the CITY shall operate, maintain, and keep in good repair and maintenance all Airport property, including the Terminal Building, all public and passenger space, all vehicular parking spaces, all field lighting and all other Airport appurtenances and facilities,

specifically including the space and facilities granted USER pursuant to the terms of this Agreement. Furthermore, the CITY shall keep the Airport and all approaches free from obstructions, unreasonable congestion and interference. The CITY shall use its best efforts in the cleaning and removal of snow, vegetation, stones and other foreign matter from all runways, taxiways, loading areas, and aprons so that same may be safe for the use by USER as set forth in this Agreement. The CITY shall maintain and operate the Airport in all respects in a manner at least equal to the highest standards or rating for airports of similar size and character as required by the Federal Aviation Administration and other governmental agency having jurisdiction thereof.

The CITY shall keep the public and passenger space in the Terminal Building adequately and attractively supplied, equipped, furnished and decorated, and will provide and supply adequate light, electricity, heat, air conditioning and water for all public space in the Terminal Building. The CITY shall further provide and maintain adequate directional signs in all public and passenger spaces on the Airport. The CITY shall provide janitorial services, as shall be necessary to keep all public and passenger space clean, neat, and orderly. The CITY shall keep all vehicular parking spaces clean, neat and orderly. The CITY shall provide USER with air conditioning and janitorial services for the premises leased or used by USER as further described herein, it being understood that the cost of the air conditioning and janitorial service is included in the Operations and Maintenance charge. Should CITY fail to perform any obligation required of it by this Article within thirty (30) days after written notice from USER specifying such failure, then USER shall have the right, but not the duty, to perform said obligation and USER may deduct the reasonable cost of performing such obligation from any rentals, fees, or charges subsequently becoming due from USER to the CITY under the terms of this Agreement (such deduction to be accompanied by an invoice setting for the costs incurred by USER in performing such obligations); provided, however, that if the health and safety of any person shall be adversely affected and USER so states in its notice to the CITY, then USER may perform such obligation without awaiting the expiration of thirty (30) days.

Conversely, if USER fails to perform any obligation required of it by this Agreement within thirty (30) days after written notice from CITY specifying such failure, then the CITY shall have the right, but not the duty, to perform said obligation and the CITY shall add the reasonable costs of performing said obligations to any rentals, fees, or charges subsequently becoming due from USER (such additional costs to be set forth in an invoice delivered to USER).

The CITY agrees to maintain the landing field, runways, aprons, and taxiways in good order and repair and otherwise in a manner at least equal to the standards or rating for airports of similar size and character as required by the Federal Aviation Administration and other governmental agencies having jurisdiction thereof.

ARTICLE VIII – RULES AND REGULATIONS

The CITY may adopt reasonable rules and regulations that USER agrees to observe and obey with respect to the use of the Airport in accordance with City Code of Ordinances Section 3-13 and 3-53. Such rules and regulations as may be adopted shall provide for the safety of those using the Airport; provided that such rules and regulations shall not be inconsistent with the provisions of this Agreement or other procedures prescribed or approved from time to time by the Federal Aviation Administration with respect to the operation of USER’s aircraft at the Airport and shall be applied by CITY in a non-discriminatory manner.

ARTICLE IX – SPACE FOR GOVERNMENT AGENCIES

If CITY makes available adequate space and facilities at the Airport for the use of the Federal Aviation Administration, Weather Bureau, Post Office Department, Customs and Immigration agents, or any and all

other governmental agencies requiring space therein, any such space and facilities shall be furnished without charge to USER.

ARTICLE X – CONTROL OF RATES, FARES, OR CHARGES

CITY shall have no control whatsoever over the rates, fares or charges that USER may prescribe for any of its services to, from, through or at the Airport.

ARTICLE XI – DAMAGE OR DESTRUCTION OF TERMINAL BUILDING

If the property which is to be occupied by USER shall be partially damaged by fire or other casualty, but not rendered untenable, the same shall be repaired with due diligence by the CITY at its own cost and expense, and the rent hereunder shall be proportionately paid up to the time of such damage and shall thenceforth cease until such time as the premises shall be restored; provided, however, that the rent provided herein shall continue and be paid by USER on any usable portion of the said property, covered by this Agreement, which has not been rendered unusable by fire or other casualty and the rent on such portion of said property shall be proportionately paid. If after ninety (90) days from the time of such damage or destruction the said premises are not restored, and no contract for repair or reconstruction thereof has been signed, USER shall have the right upon notice to the CITY to cancel this Agreement insofar as it relates to said premises.

USER shall be responsible to pay for the repair of any damage to any Airport property caused by USER's tugs or towing trucks. Likewise, USER shall immediately clean or pay for terrazzo/carpet cleaning in concourse or terminal areas caused by USER's employees or service personnel tracking in grease and oil from USER's repair areas.

ARTICLE XII – TERMINATION BY CITY

In the event that USER shall file a voluntary petition in bankruptcy, or that proceedings in bankruptcy shall be instituted against it and USER is thereafter adjudicated bankrupt pursuant to such proceedings, or if the courts shall take jurisdiction of USER and its assets pursuant to proceedings brought under the provision of any federal reorganization act, or if a receiver of USER's assets shall be appointed, or if USER shall be divested of, or be presented by any final action of any federal or state authority from conducting and operating its Air Transportation business for the carriage of persons or property, or mail by aircraft at the Airport, or if USER shall fail to perform, keep and observe any of the terms, covenants, and conditions herein contained on the part of USER to be performed, kept or observed, the CITY may give USER notice in writing to correct such conditions or cure such default; and, if any such condition or default shall continue for sixty (60) days after the receipt of such notice by USER, CITY may, after the lapse of said sixty (60) day period and prior to correction of or curing of such condition or default, terminate this Agreement, and the same shall thereupon cease and expire in the same manner and to the same effect as if it were the expiration of the original term. The acceptance of payment by the CITY after a default of any of the terms, covenants, and conditions herein contained to be performed, kept and observed by USER, shall not be deemed a waiver of any right on the part of the CITY to terminate this Agreement for such default. No waiver by CITY of any default of any of the terms, covenants, or conditions hereof to be performed, kept, and observed by USER shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants, and conditions herein contained to be performed, kept, and observed by USER.

ARTICLE XIII – TERMINATION BY USER

USER, in addition to any right of termination or any other rights herein given to USER, may cancel this Agreement in its entirety and terminate all of its obligations hereunder at any time by sixty (60) days' written notice, upon or after the happening of any one of the following events:

The failure or refusal of the Federal Aviation Administration to continue the right of USER to operate into and from said Airport; the termination of USER's obligation or right (imposed by contract or otherwise) to the Federal Government for the carriage of United States mail to, from, or through said Airport; issuance by any court of competent jurisdiction of any injunction in any way preventing or restraining the use of said Airport, and the remaining in force of such injunction for a period of at least sixty (60) days; the breach by the CITY of any of the covenants and agreements herein contained and the failure of CITY to remedy such breach for a period of sixty (60) days after receipt of written notice or the existence of such breach; the inability of USER to use said premises and facilities for a period of sixty (60) days or more due to any order, rule or regulation of any appropriate governmental authority having jurisdiction over the operation of USER, or due to war, sabotage, earthquake, or other cause which is not a result of the negligent acts or negligent omissions of USER or its employees; or any action of the Federal Aviation Administration refusing to permit USER to operate into, from, or through said Airport such aircraft as USER may reasonably desire to operate, if such aircraft has been previously approved by the Federal Aviation Administration.

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

ARTICLE XIV – COVENANT NOT TO GRANT MORE FAVORABLE TERMS

CITY covenants and agrees not to enter into any contract or agreement with any other certificated air transportation operator containing more favorable terms than this Agreement or to grant to any other certificated air transportation operator any rights, privileges, or concessions which are not accorded to USER hereunder, unless the same terms, rights, privileges, and concessions are concurrently made available to USER. CITY shall charge non-signatory carriers a rate that is at least 25% above the rate charged to signatory carriers.

ARTICLE XV – QUIET ENJOYMENT

CITY agrees that, upon payment of the fees and charges and performance of the covenants and agreements on the part of USER to be performed hereunder, USER shall have and enjoy the peaceful use of the premises, and all the rights, privileges, and concessions herein set forth.

ARTICLE XVI – SURRENDER OF POSSESSION

USER agrees to yield and deliver to CITY possession of the premises set aside exclusively for the use of USER at the termination or expiration of this Agreement, or of any renewal or extension hereof, in good condition in accordance with its express obligations hereunder, except for the express maintenance and repair obligations of CITY, reasonable wear and tear, fire, or other casualty. USER shall have the right at any time during said term, or any renewal or extension thereof, or within sixty (60) days after termination, to remove any fixtures, equipment, and personal property installed or placed by it at its own expense, in, on or about the premises without restriction whatsoever; subject, however, to any lien for unpaid rents or fees; provided, however, that there shall be no lien on the USER's aircraft; and further provided, however, that USER shall pay reasonable compensation to CITY for damages to the premises and property on the premises which may be injured or destroyed by such removal and that USER, in the removal of any such property, shall not in any way unreasonably interfere with the operation of the Airport.

ARTICLE XVII-AIRPORT RESPONSIBILITY

USER, under the terms of this Agreement, will not be in control or possession of said Airport (except as to the parts set aside exclusively for the use of USER), and USER does not assume responsibility for the conduct or operation of the said Airport, or for the condition of same which is not due to USER's own negligent acts or negligent omissions.

ARTICLE XVIII-INDEMNITY

To the extent permitted by law, USER agrees to defend, indemnify, and hold harmless the CITY from any and all liability and claims for any injury or damage to third persons or their property caused by fault or negligence of USER, its agents, servants, employees, contractors, or licensees, in connection with its use of the Airport pursuant to this Agreement; provided, however, that USER shall not be liable for any injury or damage or loss occasioned by the negligence or willful misconduct of CITY, its agents, or employees; and provided further that CITY shall give USER prompt and reasonable notice of any such claims or actions and USER shall have the right to investigate, compromise, and defend the same. Indemnification of the City by USER does not constitute a waiver of the City's governmental immunity in any respects under North Carolina law.

ARTICLE XIX-INSURANCE

USER shall furnish City certificates of insurance for:

- a. Public liability, passenger liability, and property damage, and said liability coverage limits shall be at least \$50,000,000.00 if operating aircraft at the Airport.
- b. Comprehensive liability insurance covering all activities conducted, and vehicles and equipment operated under this Agreement with coverage limits in the minimum amount of \$50,000,000.00 per occurrence, for bodily injury and property damage.
- c. Workers' Compensation and Occupational Disease Insurance including Employer's Liability Insurance, in the amounts and form required by the State of North Carolina.
- d. Commercial automobile liability insurance in the amount of one million dollars (\$1,000,000).

Tenant's liability insurance coverage in the amount of \$1,000,000.00 for the purpose of covering any damage to USER's belongings.

All the above insurance coverages shall be maintained by USER while this Agreement is in effect. All authorized affiliated airlines shall be responsible for providing evidence of insurance for the same levels of coverage shown above. USER and authorized affiliate airlines shall name the City, its employees, and its officers as an additional insured under the above policies (excluding Workers Compensation), covering USER's and their authorized affiliate airlines' activities at the Airport, which said certificate or certificates shall contain provisions that, in case of cancellation of any such insurance, City shall be given thirty (30) days' prior notice of such cancellation. Certificates of insurance shall be provided to City upon USER's execution of this Agreement; and thereafter, to the City's Risk Coordinator within ten (10) days of a request. It is agreed that any insurance maintained by City shall apply in excess of and shall not contribute with insurance provided under this Agreement. USER is solely responsible to provide insurance for its personal property and equipment located at the Airport. All rights of subrogation against the City, its employees, and its officers are hereby waived in favor of City and such waiver shall be illustrated on all certificates of insurance provided to City under this Article.

Any deductible or self-insured retention policies applicable to required coverages shall be paid by USER and City shall not be required to participate therewith.

Each of the insurance policies and certificates required herein, except for Workers' Compensation Insurance, shall bear the provision that the insurance company agrees that thirty (30) days prior to cancellation of or reduction in the insurance afforded by the policy, written notice shall be provided to the City's Risk Coordinator.

All insurance will be obtained by the USER from insurance companies authorized by the State of North Carolina to do business in North Carolina and with a rating establishing the insurer as a company with sound financial strength and stability in the airline insurance marketplace, or acceptable to City.

The failure of USER to maintain all of the insurance coverages required by this Article, or to pay all of the insurance premiums when due and payable, shall be grounds for the immediate termination of this Agreement, without any prior notice by City, notwithstanding any contrary provisions contained in this Agreement.

USER's liability to City under this Article shall not be limited to the amounts of the insurance coverage provided herein.

ARTICLE XX-FEDERAL AVIATION ADMINISTRATION

Whenever the term "Federal Aviation Administration" (FAA) is used in this Agreement, it shall be construed as referring to the Federal Aviation Administration created by the Federal Government under the Federal Aviation Act of 1958.

ARTICLE XXI-ASSIGNMENT OF RIGHTS

USER shall not at any time assign any of its rights or privileges granted under this Agreement, or any part thereof, without consent in writing of CITY, such consent not to be unreasonably withheld, conditioned, or delayed; provided however, that USER may upon written notice to CITY without such consent assign this Agreement to any corporation with which USER may merge or consolidate or which may succeed to its business, assets, or any substantial part thereof.

ARTICLE XXII-NOTICES

Notices to the CITY provided for herein shall be sent by certified mail, postage prepaid, or by reliable overnight delivery service, addressed to the Fayetteville City Hall, with attention to City Manager at: 433 Hay Street, Fayetteville, NC 28301, and a copy to the Fayetteville Regional Airport Director at: 400 Airport Road, Suite 1, Fayetteville, NC 28306; and notices to USER shall be sent certified mail, postage prepaid, or by reliable overnight delivery service, addressed to:

U. S. Mail Deliveries:

Attention: _____

Overnight Deliveries:

Attention: _____

or such other respective addresses as the parties may designate in writing from time to time.

ARTICLE XXIII SUBORDINATION/NON-DISCRIMINATION

It is agreed between the parties hereto that this Agreement is subordinate to any lease or agreement between the CITY and/or the United States Government, the State of North Carolina, or any agency or department thereof, for the use of the Airport.

- A. USER, for itself, its personal representatives, successors in interest and assigns, as part of the consideration hereof, does hereby covenant and agree, except as permitted by law: (1) that no person, on the grounds of race, color, creed, political ideas, sex, age or physical or mental handicap, shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person, on the grounds of race, color, creed, political ideas, sex, age or physical or mental handicaps shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that USER 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, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, as said Regulations may be amended.
- B. USER shall furnish its accommodations and/or services on a fair, equal and nondiscriminatory basis to all users thereof, and it shall charge fair, reasonable and non-discriminatory prices for each accommodation and/or service; however, USER may be allowed to make reasonable discounts or other similar types of price reductions to purchasers on a nondiscriminatory basis.
- C. Noncompliance with Article XXIII(A) that is not cured by a court order or settlement shall constitute a material breach thereof, and in the event of such noncompliance, City shall have the right to terminate this Agreement and the estate hereby created without liability therefore, or, at the election of City or the United States, either or both said Governments shall have the right to judicially enforce Article XXIII(A) and XXIII(B), provided; however, that a breach shall not exist during the pendency in the courts of an action related to discrimination.
- D. USER agrees that it shall insert the provisions of Article XXIII(A), XXIII(B), and XXIII(C) in any lease or other agreement by which it grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public on the premises herein leased.

In the exercise of the privileges and use of the facilities granted said USER hereunder and in performance of its duties and obligations set out herein, the USER covenants and agrees that the USER and its representatives will not discriminate against and will make reasonable efforts to accommodate persons with disabilities as required by the Americans with Disabilities Act.

ARTICLE XXIV-AFFIRMATIVE ACTION

USER assures that it will undertake an affirmative action program to the extent required by 14 CFR Part 152, Subpart E. USER assures that no person shall be excluded on the grounds of race, creed, color, national origin, or sex from participating in any employment activities covered in 14 CFR Part 152, Subpart E. USER assures that no person shall be excluded on these grounds from participating or receiving the services or benefits of any program or activity covered by this Subpart. USER assures that it will require that its covered sub-contractors and sub-organizations provide assurance to the CITY that they similarly will undertake

affirmative action programs and that they will require assurances from their sub-organizations to the extent required by 14 CFR Part 152, Subpart E, to the same effect.

CIVIL RIGHTS – TITLE VI ASSURANCE

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this Agreement, USER, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);

Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex); Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);

Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

ARTICLE XXV-COMPLIANCE WITH RULES AND REGULATIONS, GOVERNING LAW

USER covenants and agrees to comply with, and this Agreement shall be subject to, all federal, state, and municipal laws, ordinances, rules, and regulations now and hereafter enacted, which may be applicable to the operation of its business at the Airport, including such reasonable rules and regulations as may be adopted by the CITY, provided that they do not conflict with the terms hereof. The validity, interpretation, and execution of this Agreement and the performance of and rights accruing under this Agreement are all to be governed by the laws of the State of North Carolina.

ARTICLE XXVI-TAXES

USER shall pay all taxes that are assessed legally against equipment, merchandise, or other personal property belonging to USER located on the Airport.

It is the intent of this Agreement that the real estate and the appurtenances thereto belonging shall be and remain the property of the CITY during the entire term of this Agreement, subject only to the right of USER to use the same during the term of this Agreement and any and all renewals thereof.

ARTICLE XXVII-INVALID PROVISION/SEVERABILITY

It is expressly understood and agreed by and between the parties hereto that in the event any covenant, condition, or provision herein contained is held to be invalid by any court of competent jurisdiction, or otherwise appears to both parties to be invalid, the invalidity of such covenant, condition, or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of such covenant, condition, or provision does not materially prejudice either the CITY or USER in their respective rights and obligations contained in the valid covenants, conditions, or provisions of this Agreement.

ARTICLE XXVIII-CANCEL AND SUPERSEDE PROVISION

This Agreement hereby cancels and supersedes all previous agreements between the parties hereto relating to the premises, rights, privileges, and licenses herein described.

ARTICLE XXIX – AFFILIATES

For purposes of this Agreement “Affiliate” shall mean any air transportation company that (i) is a parent or subsidiary of USER, or (ii) operates at the Airport under a trade name of the USER and uses the USER’s two-letter designator code for its flights serving the Airport, or (iii) operates at the Airport using a trade name of a parent or subsidiary of the USER and uses the two-letter designator code of such parent or subsidiary for its flights serving the Airport. USER shall designate its Affiliate(s) in writing and shall serve as financial

guarantor solely for rentals, landing fees and other fees incurred by any such Affiliate at the Airport while operating as USER's designated Affiliate hereunder. USER may at any time give the CITY thirty (30) days' prior written notice that such an air transportation company otherwise meeting the definition of an "Affiliate" hereunder shall no longer be considered an Affiliate of USER for purposes of this Agreement, and any guaranty by USER of Affiliate's rentals, landing fees and other fees shall terminate and be ineffective as to any amounts incurred by such air transportation company after the effective date of termination of "Affiliate" status. An Affiliate shall enter into a separate operating agreement with the CITY and shall secure its own aviation insurance for liability purposes.

Notwithstanding anything to the contrary contained in this Agreement, during such period of time that an air transportation company is an Affiliate of USER in accordance with the terms hereof, (1) such Affiliate shall have the same rights to use USER's premises and the Airport as USER; (2) such Affiliate shall be charged at the same landing fee rates as USER without payment of any non-signatory premiums; and (3) such Affiliate's passengers shall be counted as enplaned passengers of USER for purposes of any charges under this Agreement based on enplaned passengers.

ARTICLE XXX – VENUE

The parties expressly agree that if litigation is brought in connection with this Agreement, the appropriate venue shall be either (1) the Courts of the State of North Carolina in Cumberland County (Fourteenth Judicial District of North Carolina) or (2) the United States District Court for the Eastern District of North Carolina.

ARTICLE XXXI- E-VERIFY

USER hereby acknowledges that "E-Verify" is a federal program operated by the US Department of Homeland Security and other federal agencies which is used to verify the work authorization of newly hired employees pursuant to federal law and in accordance with Article 2, Chapter 64 of the North Carolina General Statutes. USER further acknowledges that all employers, as defined by Article 2, Chapter 64 of the North Carolina General Statutes, must use E-Verify and after hiring an employee to work in North Carolina, shall verify the work authorization of the employee through E-Verify in accordance with NCGS §64-26(a). USER hereby represents and warrants through execution of this Agreement that USER complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and further represents and warrants that USER will require any subcontractors currently employed by or subsequently hired by USER in connection with its operations at the Airport to comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of this Agreement.

ARTICLE XXXII- FORCE MAJEURE

Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by an act of war, hostile foreign actions, adverse governmental actions, pandemic or epidemic, nuclear explosion, earthquake, hurricane, tornado, other catastrophic natural event or act of God, or any other circumstances for which it is not responsible or which are not within its control.

ARTICLE XXXIII- N.C. DIVESTMENT OF COMPANIES BOYCOTTING ISRAEL OR INVESTING IN IRAN CERTIFICATION

USER certifies that: (i) it is not identified on the Final Divestment List or any other list of prohibited investments created by the NC State Treasurer pursuant to N.C.G.S. 147-86.58; (ii) it has not been designated by the NC State Treasurer pursuant to N.C.G.S. 147-86.81 as a company engaged in the

boycott of Israel ((i) and (ii) to be collectively referred to as “FD Lists”); and (iii) it will not take any action causing it to appear on the Treasurer’s FD Lists created by the NC State Treasurer during the term of this Agreement. By signing this Agreement, USER further agrees, as an independent obligation, separate and apart from this Agreement, to reimburse the City for any and all damages, costs and attorneys’ fees incurred by the City in connection with any claim that this Agreement or any part thereof is void due to USER appearing on the Treasurer’s FD Lists at any time before or during the term of this Agreement.

IN WITNESS WHEREOF, CITY and USER have signed, sealed, and attested this Agreement in appropriate and lawful manner.

ATTEST:

CITY OF FAYETTEVILLE

Jennifer L. Ayre, City Clerk

BY: _____
Douglas J. Hewett, ICMA-CM

APPROVED AS TO FORM:

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Lachelle H. Pulliam, City Attorney

Tiffany R. Murray, Chief Financial Officer

ATTEST:

American Airlines, Inc.

Secretary

BY: _____
Print: _____

[Notary Block to Follow

STATE OF _____
COUNTY OF _____

I, _____, Notary Public of said County and State, do hereby certify that _____, personally appeared before me this day and acknowledged that he/she is _____ of American Airlines, Inc., and being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and notarial seal, this the ____ day of _____, 2025.

Place seal here ↓

NOTARY PUBLIC

My commission expires: _____

EXHIBIT "A"
American Airlines, Inc.
Leased Spaces

Area	Description	Square Footage
5	Airline Counter Space	321.6
6	Airline Ticket Cueing Area	414.3
13	Ticket Office and Administrative Space	867.7
25	Baggage Claim Area	$((5,133/2)*(1/3)) = 855$
16	Airline Baggage Makeup Space	$4,211.3*(1/3) = 1,404$
59	Passenger Holding Area	$(6,707.3*(1/3)) = 2,236$
Cargo ramp	Land for Glycol Storage (Crate)	125
Cargo ramp	Land for Glycol Storage (Tank)	100

EXHIBIT "B"

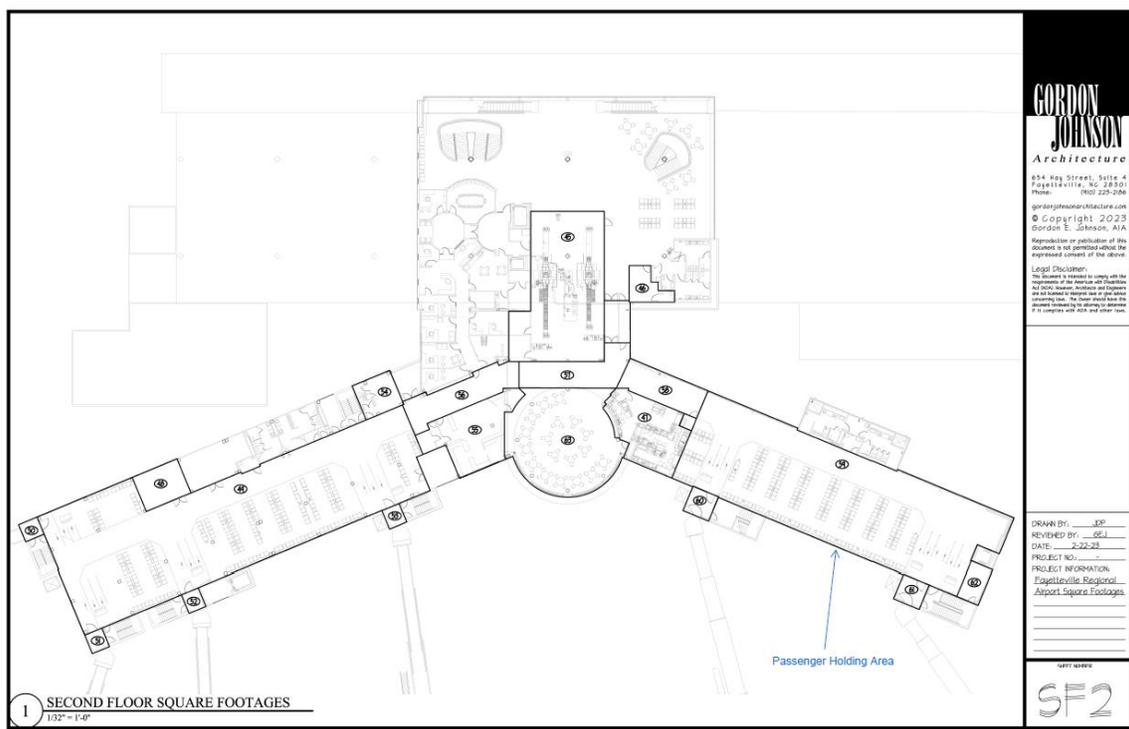
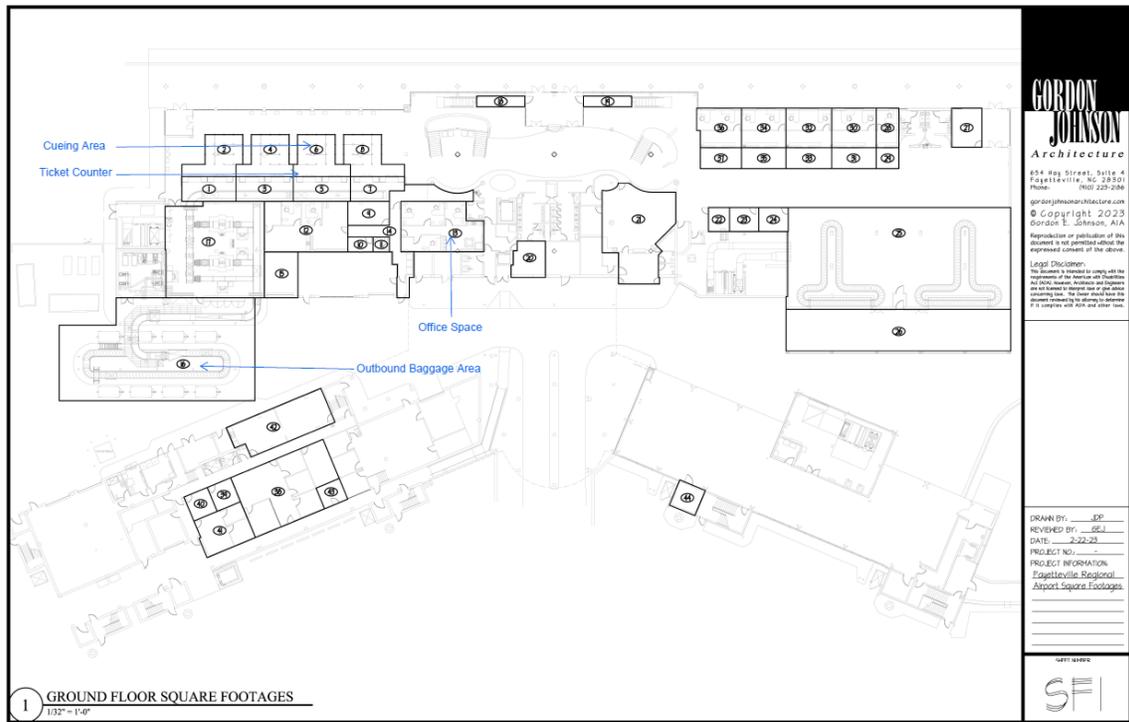
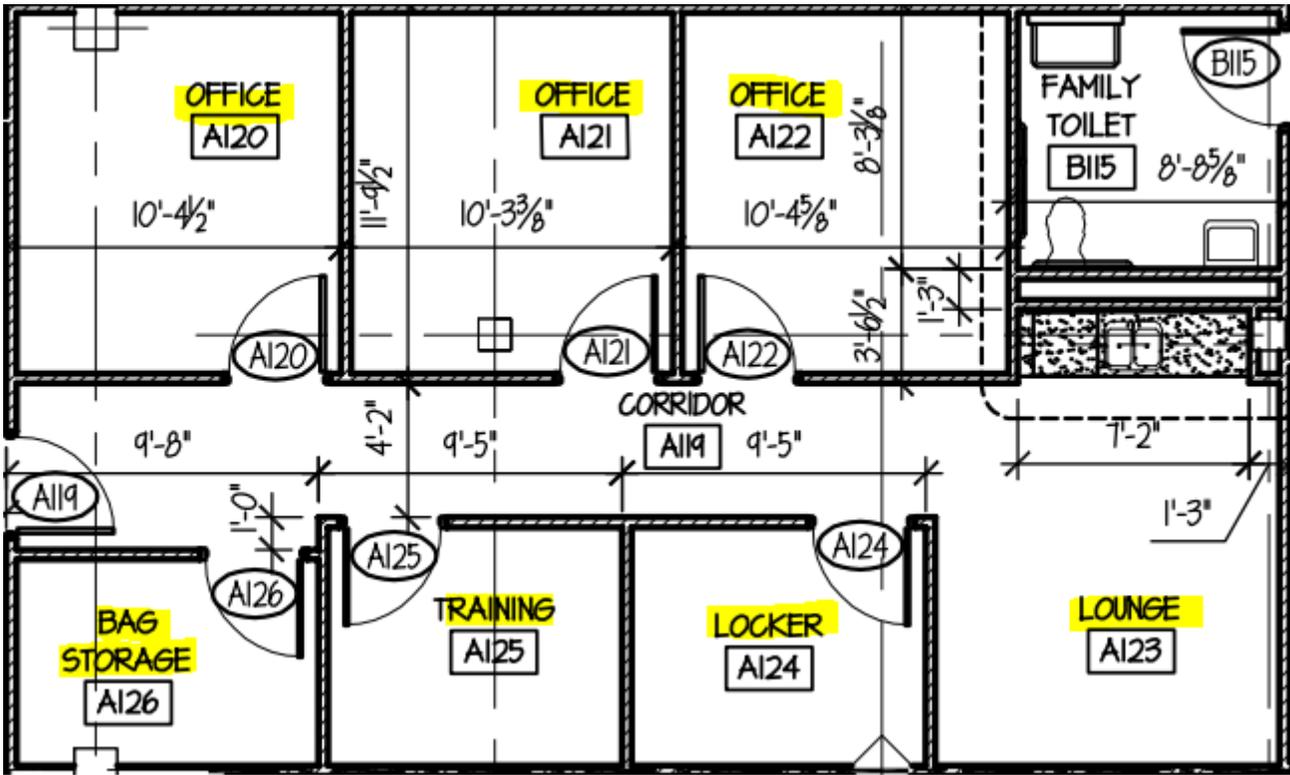


EXHIBIT "C"

Ticket Office and Administrative Space – 867.7 sq. ft.



Airline Baggage Make-up Space – 4,211.3

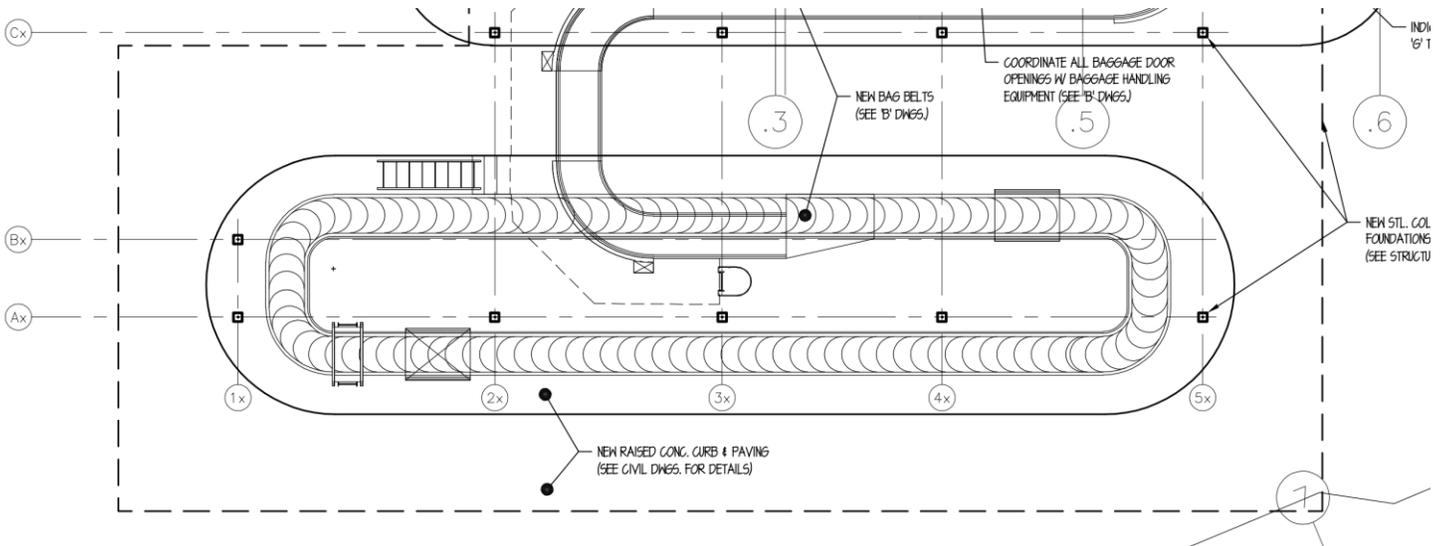
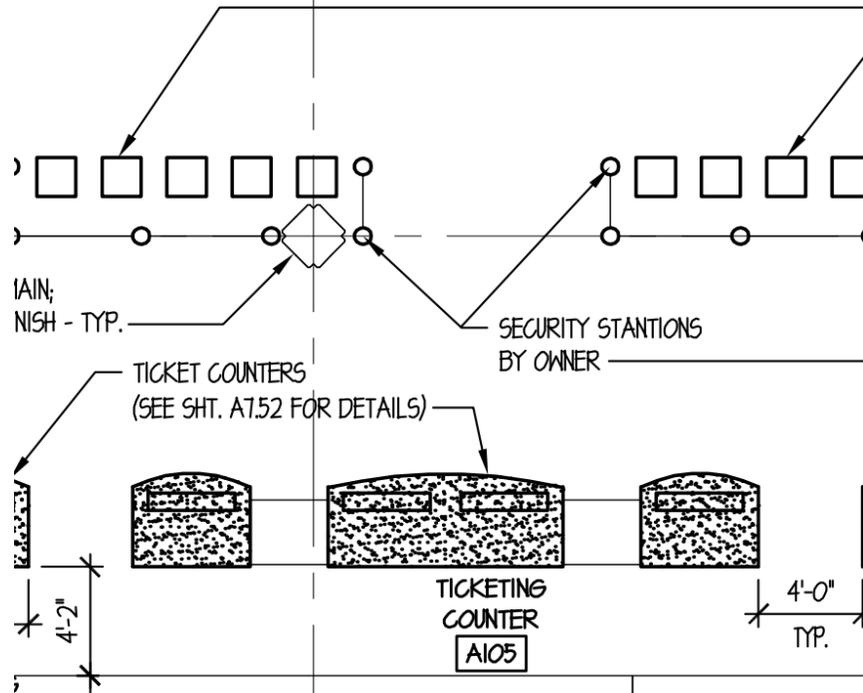


Exhibit "D"

Airline Counter & Queuing – 735.9 sq. ft.



Baggage Claim Area – 5,133 sq. ft.

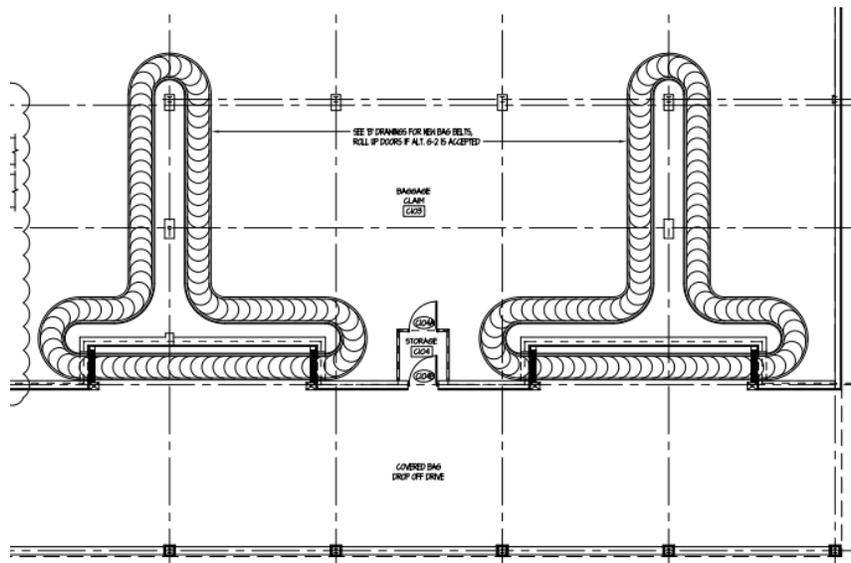
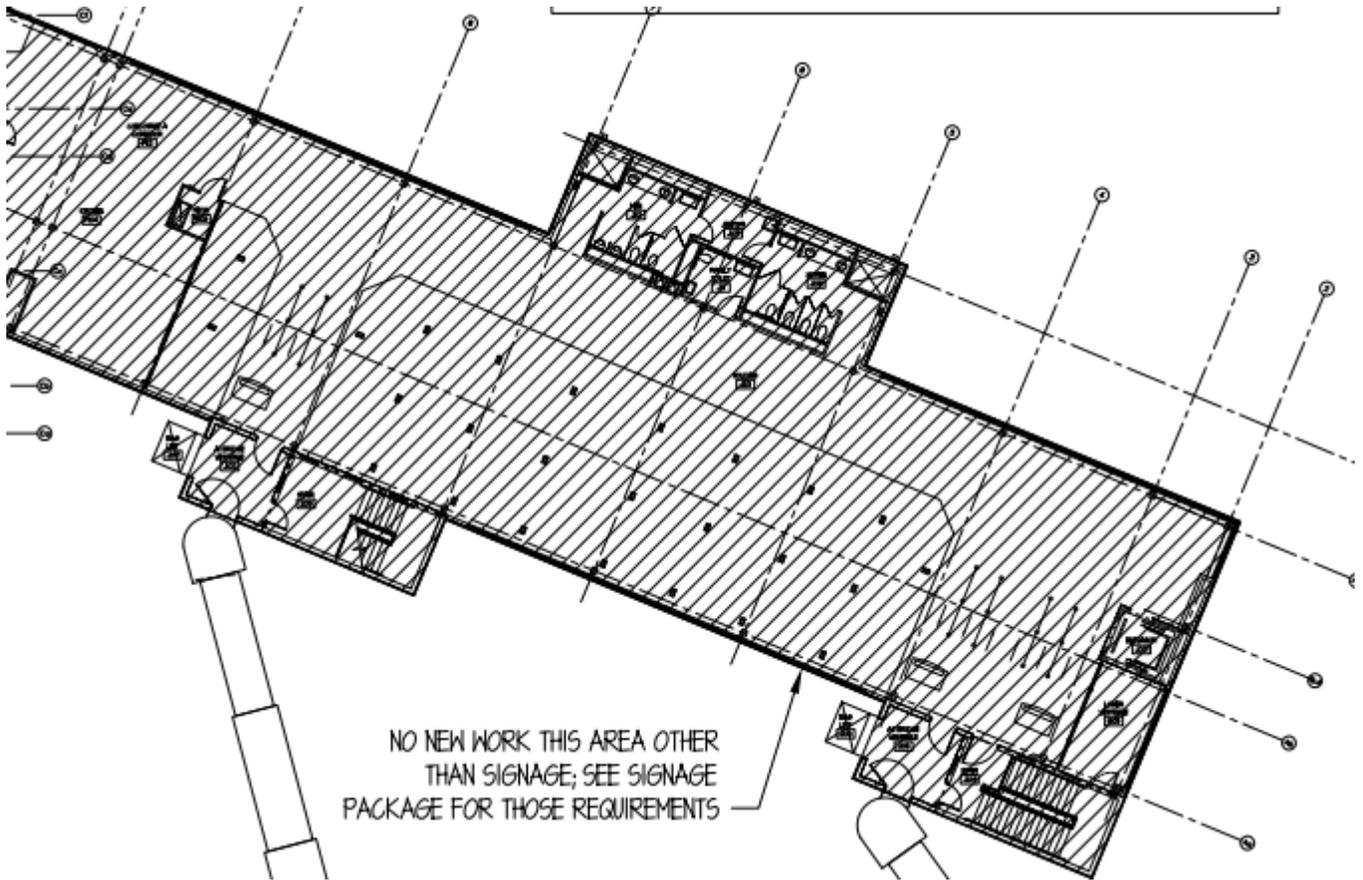


EXHIBIT "E"

Passenger Holding – 6,707.3 sq. ft.



[End of Document]