

NORTH CAROLINA

LICENSE AGREEMENT

CUMBERLAND COUNTY

THIS LICENSE AGREEMENT, made and entered into as of this ___ day of _____, 20___, by and between the **CITY OF FAYETTEVILLE**, (hereafter called “**LICENSOR**”), and **INTERSPACE SERVICES, INCORPORATED d/b/a CLEAR CHANNEL AIRPORTS**, a corporation organized in Pennsylvania and authorized to do business in the State of North Carolina (hereinafter called “**LICENSEE**”);

WITNESSETH:

THAT WHEREAS, the Licensor is duly empowered to operate manage and control the Fayetteville Regional Airport (hereinafter “**Airport**”) and all facilities located thereon under the authority of N.C.G.S. 63-53(3) and Chapter 4 of the Code of Ordinances of the City of Fayetteville; and

WHEREAS, the Licensor, is responsible for oversight of the Fayetteville Regional Airport, hereinafter referred to in its entirety as the “**Facility**”; and,

WHEREAS, the Licensee is a corporation engaged in the business of operating airport display advertising concessions similar in nature to the proposed for the Licensor, and

WHEREAS, the Licensor wishes to grant to Licensee the right to operate the Licensor’s display adverting concession at the Facility under an agreement containing mutually satisfactory terms and covenants.

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, privileges, obligations and agreements herein contained, and intending to be bound hereby, the Licensor and the Licensee hereby mutually undertake, promise and agree, each for itself and its successors and assigns, as follows:

Article I.

TERM

1.1 The term (“**Term**”) of this Agreement shall commence on September 1, 2022, and continue until June 30, 2026.

Article II.

PRIVILDGES AND OBLIGATIONS OF THE LICENSEE

2.1 The Licensor hereby grants to Licensee the right to operate, maintain and provide the Facility-wide display advertising concession. Said right shall not be interpreted to prevent Licensor from allowing use of Un-Assigned Areas (as defined below) from being used

for cultural arts and other non-revenue generating displays. Initial cultural art display is shown on Exhibit "A". Further, said right shall not prevent gift shop concessionaire from distributing and or selling brochures and like items advertising facilities or events. Gift shop concessionaire may only distribute and or sell said items and its leased area.

- 2.2 Licensee shall develop and maintain a comprehensive advertising program totally integrated and coordinated as to design, quality, and content for the Facility. Under this program, Licensee shall have the right to establish, operate, service and maintain prime quality, expertly designed commercial advertising displays including, but not limited to: floor exhibits, wall and floor back-lit units, product cases, brochure cases, posters, exposition space, car and boat displays, direct telephone line, hotel and transportation displays, electronic displays, computer displays, video displays, board advertising, outdoor advertising and other forms of advertising relating to an attractive and profitable means for the graphic display and materials, articles, and services of various manufacturers, industries, companies and persons. Outdoor advertising will conform to Airport architectural standards and must be approved by the Airport Director on a project specific basis.
- 2.3 All installations shall be in good taste, professionally developed, and presented so as to be inoffensive to the general public and of such high caliber as to contribute to the establishment of the Facility as a prestige location for commercial advertising media.
- 2.4 The specific locations for back-lit displays, product cases, poster boards, telephone boards and all other sites available for advertising use at the Facility ("**Assigned Areas**") are subject to selection and approval by the Licensor and are indicated on Exhibit "A", attached hereto and made a part hereof. The Assigned Areas shall be subject to revisions from time to time based on the availability of advertising sites at the Facility and as may be mutually agreed upon by the parties. In such instance, this License shall be amended to show such revisions to Exhibit "A". All Assigned Areas selected are subject to relocation at any time at the Licensor's discretion in accordance with Article 19.17 herein. Should the Licensor and the Licensee disagree on any advertising locations, the Licensor's decision shall be final. The Licensor shall make best efforts to keep available for the use of Licensee during the term of advertising locations of at least equal number, passenger exposure and commercial advertising value as those in the original Exhibit "A". Licensee shall have the exclusive advertising use of all Assigned Areas. The Licensee shall have a continuing right throughout the Term of the Agreement to negotiate with the Airport Director for additional or revised acceptable locations for advertising displays at the Facility, where available.
- 2.5 Licensee shall be responsible for the commercial advertising program within the Assigned Areas at the Facility and shall apply to that program the fiscal, marketing and administrative resources of its organizations. Through its national and regional organization, Licensee shall use its best efforts to:
 - a. Develop, on a continuing basis, integrated master plans for advertising at the Facility.

- b. Follow quality criteria that will recognize the need for integrity of design and advertising content appropriate to the prestige and dignity of the Facility.
 - c. Practice space utilization planning which will recognize and meet the needs of all advertising classifications and ensure maximum revenue return to the Licensor consistent with the scope and integrity of the advertising master plan.
 - d. Provide a sales organization with ability and experience of sufficient scope to solicit and sell local, regional and national advertising for display at the Facility, with a primary emphasis on local advertising.
 - e. Provide advertising and display equipment and fixtures that are consistent with the approved architectural design plan for advertising at the Facility.
- 2.6 Except as provided elsewhere in this Agreement, Licensee shall pay all expenses associated with planning, implementing and operating the display advertising program provided for in this Agreement.
- 2.7 At the request of the Airport Director, certain high technology, novel or other capital intensive forms of advertising displays, improvements, décor and/or equipment agreed to by Licensee shall be placed at the Facility by Licensee (“**New Advertising Concepts**”). If applicable, these New Advertising Concepts shall be more fully described in Exhibit “B” to be attached to this Agreement upon approval by the Airport Director and by Licensee. Exhibit “B” may be altered from time to time upon the written agreement of the parties. This license shall be amended to show any alterations to Exhibit “B” as necessary. All work performed by Licensee relating to New Advertising Concepts shall be in accordance with the provisions of this Agreement.
- 2.8 The Licensee shall have rights of ingress and egress to and from the Assigned Areas, including but not limited to common use roadway, subject to any rules or regulations which may have been established or shall be established in the future by the Licensor or other duly constituted authority. Such rights of ingress and egress shall apply to the Licensee’s employees, customers, agents, contractors, suppliers, and other authorized individuals.
- 2.9 The Licensor shall provide parking facilities to the Licensee’s employees, agent and contractors in common with employees of other Licensees at the Facility. Visiting services personnel shall park in areas designated for temporary vendor parking.
- 2.10 The Licensee may utilize additional storage space identified by the Licensor as available for such purposes, at the discretion of the Licensor.
- 2.11 The Licensee has the right to install and maintain signs in the Assigned Areas provided that the design, installation and maintenance of such signs shall be consistent with the graphic standards and policies of the Licensor as they may be developed and amended and shall have the written approval of the Licensor prior to installation.

Article III.

ADVERTISING STANDARDS

- 3.1 The Licensee agrees to use the Assigned Areas solely for the sale, placement and display of advertising products and shall make good faith efforts in every proper manner to maintain, develop and increase the sales of advertising developed hereunder.
- 3.2 The Licensee shall submit to Licensor, upon request, a schedule of monthly rates to be applied to the advertising locations, with the understanding that advertising locations shall be subject to quantity purchase and other incentive discounts and to standard sales/advertising agency deduction on commissions.
- 3.3 Advertising, advertising copy, advertising materials and manners of presentation (“**Advertisements**”) shall be subject to the approval of the Licensor. Licensee shall not display any Advertisements disapproved by the Licensor. Licensee shall immediately remove from the Facility upon written demand of the Licensor, at Licensee’s sole cost and expense, any disapproved Advertisements. In the event that any disapproved Advertisement is not removed promptly upon receipt of written demand, the Licensor may remove and restore said Advertisement, at Licensee’s expense. The Licensor shall not in any way be held responsible or liable for any damage to any Advertisement so removed.
- 3.4 No Advertisements considered offensive by the Licensor may be presented to the public. The Licensee will promptly remove or modify the presentation of any Advertisement if so directed by the Licensor.
- 3.5 Questions or complaints regarding the quality of service and/or prices, whether raised by patrons’ complaints, clients’ complaints or on the Licensor’s own initiative or otherwise, may be submitted to Licensee for response. Such response shall be provided by Licensee within ten (10) working days.
- 3.6 At the Licensor’s request, Licensee shall meet with the Licensor to review any complaints or concerns regarding the advertising program. Licensee shall endeavor to satisfy all concerns of the Licensor, regarding the display advertising program.
- 3.7 All Advertisements, improvements and equipment used in Licensee’s operation shall conform in all respects to federal, state and local laws, statues, ordinances and regulations.
- 3.8 Licensee shall, at its own expense, identify, provide and maintain in force any and all licenses and permits required for the legal operation of all aspects of the Concession.

Article IV.

IMPROVEMENTS BY LICENSOR

- 4.1 The Licensor shall provide finished floors, walls and ceilings for the Assigned Areas.

- 4.2 All permanent improvements, as set forth by North Carolina law, will be considered an integral part of the Facility and title to such permanent improvements will vest with the Licensor upon the expiration or earlier termination of this Agreement, free and clear from any liens or encumbrances whatsoever.
- 4.3 The Licensor will be responsible for the providing of, maintenance of, and upkeep of the following:
- a. All partitions about the perimeter of the Assigned Areas, all structural walls and supports, all structural roof construction, all structural floor construction and all exterior window walls designed about the perimeter of the Assigned Areas.
 - b. All required electrical and other utility services to the Assigned Areas, except that, as provided in Article VI.
 - c. Licensee shall pay for all telephone service to the Assigned Areas, to include hotel/motel reservations board(s).
- 4.4 Licensee's utility obligations will be limited to the electrical and telephone connections of signs and displays within the Assigned Areas only.

Article V.

IMPROVEMENTS BY LICENSEE

- 5.1 Prior to the beginning of the Term, and upon approval from the Licensor, the Licensee may access the Assigned Areas.
- 5.2 All improvements, displays, equipment and interior design and décor constructed or installed by the Licensee, its agents, or contractors, including the plans and specifications therefore, shall conform to all applicable statutes, ordinances, building codes, and rules and regulations. Licensee shall obtain at its own expense all necessary building permits.
- 5.3 Licensee shall submit plans and specifications for the work to be performed pursuant to this Agreement ("**Preliminary Plans**") to the Licensor for review.
- 5.4 The Airport Director shall, within fourteen (14) days of receipt of any such Preliminary Plans, either approve or disapprove the Preliminary Plans. Review and approval by Airport Director shall refer only to the conformity of such plans and specifications to the general architectural and aesthetic plan for the Assigned Areas and such approval shall not be unreasonably withheld. The Licensor shall reserve the right to reject any Preliminary Plans or portions thereof submitted, and shall provide written notice to Licensee of the reason for such rejection with adequate specificity to allow Licensee to modify such Preliminary Plans accordingly.
- 5.5 In the event of rejection of the Preliminary Plans or any portion thereof by the Licensor, the Licensee shall have to fourteen (14) days to submit adequately revised Preliminary

Plans for Licensor review. Approval of the revised Preliminary Plans by the Licensee shall not be unreasonably withheld.

- 5.6 Once approved by the Licensor, the Preliminary Plans shall become final (“**Final Plans**”). No changes or alterations shall be made to the Final Plans after approval by the Licensor, except as may be agreed to in writing by the parties.
- 5.7 The Licensee shall submit a schedule depicting the estimated time required to complete the construction and installation of the displays and improvements called for in the Final Plans.
- 5.8 Upon written “Notice to Proceed” from the Airport Director, the Licensee shall immediately begin construction and installation of the approved displays and improvements in the Assigned Areas and pursue the same to completion. However, any delay in construction and installation due to fire, earthquake, wars acts of the Licensor or one of the Licensor’s contractors, or other impediment beyond the control of the Licensee shall reasonably extend the time within which such construction and installation shall be completed.
- 5.9 All work shall be at Licensee’s sole cost and expense and Licensee shall provide all necessary labor, supervision, materials, supplies and transportation. If requested by Licensor, Licensee will provide to the Licensor additional displays, similar to one’s used by the Licensee, at cost to Licensor for the cultural displays. Cultural displays shall be limited to a maximum of five (5) and cultural display users will be responsible for their own graphics.
- 5.10 All work performed by Licensee shall be in accordance with the Final Plans. No structural alterations or improvements shall be made to or upon the Assigned Are without the prior written approval of the Licensor. The ultimate control over the quality and acceptability of the finishes in the Assigned Areas will be retained by the Licensor, and all improvements and finishes shall require the written approval of the Licensor, prior to installation.
- 5.11 All improvements made by the Licensee to the Assigned Areas shall be of high quality, safe, fire resistant materials and shall be attractive in appearance.
- 5.12 Licensee and its architect-engineer shall meet with the Airport Director in periodically scheduled meetings to assess the current status of completion.
- 5.13 On reproducible final “as built” copy of the Final Plans for all displays and improvements, as may have been revised by the parties during the course of construction and installation, shall be signed by the Licensee and submitted to the Airport Director within ninety (90) days following completion of the construction and installation.
- 5.14 Upon completion of the work, the Licensee shall forthwith provide the Licensor with a certification and the improvements and displays have been constructed and installed in

accordance with the Final Plans, and in strict compliance with all applicable building codes, laws, statutes, ordinances and regulations.

- 5.15 All permanent improvements made to the Assigned Areas (as described in Article 4.2) by the Licensee shall be and remain the property of the Licensee until the expiration or earlier termination of this Agreement, at which time said permanent improvements shall become the property of the Licensor. However, notwithstanding anything to the contrary in this Agreement, all non-permanent advertising displays, equipment, fixtures, materials and supplies of Licensee, which shall include, without limitation, telephone boards, wall displays and freestanding displays and display cases, shall remain the property of Licensee unless Licensee shall fail within sixty (60) days following the expiration or earlier termination of this Agreement to remove its property. In the event of such failure to remove non-permanent property, title to such property shall, at the option of the Licensor, vest in Licensor at no cost to Licensor.

Article VI.

PRIVILEGE FEES, CHARGES AND ACCOUNTABILITY

- 6.1 Subject to the terms of this Article VI, Licensee agrees to pay to the Licensor thirty percent (30%) of the Gross Revenue derived from the sale of advertising and advertising space at the Facility (“**Percentage Fee**”). “Gross Revenue”, as used herein, shall mean all moneys paid to or payable to Licensee for advertising sales made at or from the Facility, regardless of when or where the order therefore is received, or delivered, whether a cash basis or credit; provided, however, that:
- a. Gross Revenue shall exclude the following:
 1. Any amount paid by advertisers in connection with design, fabrication or installation of the advertiser’s display or with the printing, distributing, or maintaining of the advertiser’s brochures;
 2. Any amount paid by the advertisers to Licensee for telephone service;
 3. Standard 15% selling commission for sales/advertising agencies;
 4. Any sales or excise tax imposed by law and separately stated to and paid by advertiser (“**Sales Tax**”); and
 5. Amounts owed which are deemed uncollectible by Licensee after prudent collection efforts, as described on Exhibit “C,” if applicable.
 6. Any and all taxes imposed by law and levied or assessed to Licensee as a result of its activities at Airport.
 - b. In the event Licensee is unable to collect amounts due from advertisers upon which Licensee had previously based Percentage Fee payments after diligent efforts, such “bad debts” shall be deemed uncollectible and an appropriate adjustment shall be made in Licensee’s subsequent statements and Percentage Fee submissions. If any “bad debts” are collected by Licensee after adjustment, then

an appropriate readjustment shall be made to the revenue statement and Percentage Fee submission, excluding collection costs.

c. Quantity purchase and incentive discounts shall be allowed.

6.2 The Percentage Fee shall be paid by the ten (10) day of the month, beginning in October 2022 for the areas in which Licensee used the Assigned Areas for display advertising purposes. A report justifying the fees to be paid shall be provided by the tenth day of the month as well. Notwithstanding the above:

Percentage Fee payments otherwise due to the Licensor shall first be applied by Licensee to compensate for Licensee's capital investment into any approved New Advertising Concepts, as may be described in any future Exhibit "B" hereto. Exhibit "A" improvements are not considered New Advertising Concepts.

6.3 Based amount: licensee shall pay to Licensor Eight Hundred Eighty-Three dollars & Thirty-Three Cents (\$883.33) per month as a base monthly amount, or thirty percent (30%) of gross billing, whichever is greater. Notwithstanding the above: The Base Amount will take effect on September 1, 2022. Should Airport experience a twenty percent (20%) reduction in any month enplanements, as compared to same month in the previous year, Licensor agrees to allow Licensee to make base amount reductions proportionate to change in Licensor's enplanements for that month.

6.4 If passenger enplanements and deplanements at the Facility during any calendar quarter of the Terms shall fall twenty-five percent (25%) below those recorded during the same quarter of previous year, percentage fee shall be reduced by five percentage points. If passenger enplanements and deplanements at the Facility during any calendar quarter of the term shall fall fifty percent (50%) below those recorded during the same quarter of the previous year, percentage fee shall be reduced by ten percentage points. If passenger enplanements and deplanements at the Facility during any calendar quarter of the Term shall fall seventy-five percent (75%) below those recorded during the same quarter of the previous year, percentage fee shall be reduced by fifteen percentage points. The fee payable to Licensor shall be subject to reduction equal to actual advertising revenues lost or unearnable from removed advertising locations where ten percent (10%) or more (as a percent of potential advertising revenues) of the Assigned Areas shown in Exhibit "A", as may be amended by the parties, are deleted at the request of the Airport without the assignment to Licensee of replacement advertising locations of at least equal passenger exposure and commercial value as the deleted locations. The airport fee payment to the Licensor shall be subject to temporary pro-rata reduction equal to advertiser payments refunded to or withheld by affected advertisers where a display case or other display advertisement in an Assigned Area was visually obstructed or subject to electric supply failure for more than three (3) days without fault to Licensee.

6.5 Licensee shall furnish to the Licensor for each calendar month a statement showing total Gross Revenue for the preceding calendar month. With each monthly statement, the Licensee shall remit to the Licensor the Percentage Fee derived through the end of the

last calendar month. Licensee shall include therewith, invoices to verify improvement and display capital expenses.

- 6.6 Licensee shall pay for all telephone service and electrical connections within Assigned Areas. The Licensor shall pay for all heating, air conditioning, electrical service and other utility service provided to the Assigned Areas.
- 6.7 The Licensee shall keep full and accurate books and records showing all Gross Revenue, and the Licensor shall have the right, through its representatives, and at all reasonable times, to inspect and audit all such records as may be necessary to verify the reported Gross Revenue, including State of North Carolina sales tax return records. The Licensee agrees that all such books and records shall be made available at Licensee's office location for at least a two (2) year period following the end of each Agreement year.
- 6.8 No later than one hundred twenty (120) days after the end of Licensee's fiscal year, Licensee shall furnish to the Licensor the written statement of a Certified Public Accountant stating that the Percentage Fee paid by the Licensee to the Licensor pursuant to this Agreement during each of Licensee's fiscal years is accurate. Such statement shall also state Gross Revenues as shown on the books and records of Licensee that were used to compute the Percentage Fee made to the Licensor during this period covered by the statement.
- 6.9 Without waiving any other right of action available to the Licensor, in the event that Licensee is delinquent for a period of fifteen (15) days or more in paying to the Licensor any fees payable to the Licensor pursuant to this Agreement, the Licensee shall pay to the Licensor interest thereon at the rate of five percent (5%) per month from the date such amount was due and payable until paid. Such interest shall not accrue with respect to disputed amounts being contested in good faith by Licensee.
- 6.10 In the event that any additional Percentage Fee shall be determined to be rightly due and owing by any audit of Licensee's books and records as provided in Article 6.7, such amount shall forthwith be paid by the Licensee to the Licensor with interest thereon at the rate of twelve percent (12%) per annum from the date such additional Percentage Fee became due; provided, however, that such audit is not contested in good faith by Licensee.
- 6.11 Notwithstanding the above sections of article six (6), Licensee shall be permitted to deduct any amounts due herein through any monies or relief which is granted to it through the FAA, CRRSA, ARPA, or any other federal program so long as Licensee provides any and all paperwork and/or permission in order to be applicable for said relief.

Article VII.

OPERATIONAL STANDARDS

- 7.1 The management, maintenance and operation of the Assigned Areas shall at all times be under the supervision and direction of an active, qualified, competent manager who shall at all times be subject to the direction and control of the Licensee.
- 7.2 The operations of Licensee, its employees, agents, suppliers and contractors shall be conducted in an orderly and proper manner.
- 7.3 The Licensee agrees that its employees and contractors shall be of sufficient number so as to properly conduct the Licensee's operation.

Article VIII.

MAINTENANCE

- 8.1 Licensors shall not be required to make repairs or improvements of any kind at the Licensee's assigned Areas except as follows:
 - a. Structural repairs to the roof, floor and walls and windows of the terminal.
 - b. General maintenance and upkeep of the Licensor's interior common use areas and external areas and;
 - c. The Licensor shall have the right to construct or install over, in, under or through the assigned Areas new lines, pipes, mains, wires conduits and equipment; provided, however, that such repair, alteration, replacement or construction shall not unreasonably interfere with Licensee's use of the Assigned Areas. The Licensor will repair at its sole cost, any damage resulting from such activities.
- 8.2 The Licensee agrees to provide at its own expense such janitorial, and cleaning services and supplies as may be necessary or required in the operation and maintenance of the Assigned Areas. The Licensee also agrees to keep and maintain the Assigned Areas in a clean, neat and sanitary condition, and attractive in appearance.
- 8.3 The Licensee agrees to maintain and make necessary general repairs to all of the Assigned Areas and to the improvements, fixtures and equipment therein, including, without limitations, signs, showcases, displays, and telephone boards. Licensee agrees to keep and maintain in good condition the electrical equipment located at or on the Assigned Areas.
- 8.4 All repairs done by the Licensee or on its behalf shall be of first class quality in both materials and workmanship. All repairs shall be made in conformity with the rules and regulations prescribed from time to time by federal, state or local authority having jurisdiction over the work in the Licensee's Assigned Areas.
- 8.5 The Licensee shall, in a timely manner, provide for the adequate sanitary handling and removal of all trash, garbage and other refuse caused as a result of the Licensee's operations.

- 8.6 The Licensor shall provide, or cause to be provided, during the term of this Agreement, security protection similar to that afforded to other Licensees at the Facility, and it will issue and enforce rules and regulations with respect to all portions of the Facility. The Licensee shall have the right, but shall not be obligated, to provide such additional or supplemental public protection as it may desire at its own cost. Any extra security protection shall be subject to Licensor regulation and shall in no way hinder or interfere with Licensor.
- 8.7 The delivery to the Facility of any and all materials relating to the advertising concession shall be in a manner and location established by the Licensor.

Article IX.

COMPLIANCE AND GOVERNING LAW

- 9.1 The Licensee, its officers, agents, servants, employees, contractors, and licensees shall, in the carrying out of this Agreement, comply with all present and future laws, ordinances, orders, directives, rules and regulations of the United States of America, the State of North Carolina, the County of Cumberland and the City of Fayetteville, their respective agencies, departments, authorities or commissions (“**Applicable Law**”).
- 9.2 Except as otherwise provided herein, Licensee shall pay, or in good faith contest, on or before their respective due dates, to the appropriate collecting authority, all federal, state and local taxes and fees if any may be levied upon Licensee on account of the business being conducted by Licensee in the Assigned Areas. It is the expressed intent of the parties that this Agreement not be a lease and that this Agreement grants no real property rights to Licensee. Licensee’s advertising displays and equipment shall not be viewed as the real property of Licensee. Licensee shall not be liable for any property, real estate, or lease tax levied at the Facility. Per Article V, Improvements by Licensee (5.15), if such taxes are levied on permanent improvements prior to the expiration or earlier termination of this Agreement, the Licensee shall be responsible for the payment or abatement of such taxes. If such taxes are levied on said improvements after the expiration or earlier termination of this Agreement, Licensor shall be responsible for the payment or abatement of such taxes, as applicable. Licensee shall maintain in current status all federal state, and local licenses and permits required for the operations of the business conducted by Licensee.
- 9.3 Licensee shall pay wages that are not less than the minimum wages required by law to persons employed on its operations hereunder.
- 9.4 The laws of North Carolina govern this Agreement. Any disputes relating to this Agreement must be resolved in accordance with the laws of the State of North Carolina.

Article X.

ASSIGNMENTS AND SUBAGREEMENTS

- 10.1 Licensee shall not assign this Agreement or allow same to be assigned by operation of law or otherwise without the prior written consent of Licensor.

Article XI.

INSURANCE AND INDEMNIFICATION

- 11.1 Licensee shall protect, defend, indemnify and hold Licensor, its officers, employees, invitees, boards and commissions, completely harmless from the against any and all liabilities, demands, suits, claims, losses, fines or judgments arising by reason of the injury or death of any person or damage to any property, including all costs from investigation and defense thereof (including but not limited to attorney fees, court costs and expert fees), of any nature whatsoever to the extent caused by the negligence or willful misconduct of Licensee, its agents, employees, invitees, licensees, or contractors and arising out of or incident to the operation of the Facility advertising program pursuant to this Agreement or the use by Licensee of the Assigned Areas, regardless of where the injury, death or damage may occur. Licensee shall have the right to control the defense of any such claim, suite or other action as mentioned above for which Licensee indemnifies the Licensor. This subsection shall not create any third party rights and shall not be interpreted as a waiver by the Licensor of any immunities or limitations on damages available to the Licensor pursuant to Applicable Law. Indemnification of Licensor by Licensee does not constitute a waiver of the City's governmental immunity in any respects under North Carolina law.
- 11.2 Licensee shall maintain throughout the Term Commercial General Liability insurance in an amount of not less than One Million Dollars (1,000,000.00) combined single limit. Such insurance policies shall name the Licensor, its officers, employees, boards and commission as additional insures to the full extent of Licensee's insurance coverage but in no event less than the required minimum coverage limit amount.
- 11.3 Licensee shall maintain throughout the Term, workers' compensation insurance as statutory limits.
- 11.4 Licensee agrees that all insurance policies specified herein, except workers' compensation, shall contain a severability of interest or cross liability provision endorsement which shall read generally as follows:
- In the event of one of the assured incurring liability to any other of the assured, this policy shall cover the assured against whom claim is or may be made in the same manner as if separate policies had been issued to each assured. Nothing contained herein shall operate to increase the limits of liability.
- 11.5 Licensee agrees that all insurance policies shall provide that they will not be altered or canceled without thirty (30) days advance written notice to the Licensor. Such insurance

must provide that it will be considered primary insurance as respects any other valid and collectible insurance, self-insured retention, or deductible the Licensor may possess. Any other insurance or self-insured retention of the Licensor shall be considered excess insurance only.

- 11.6 Licensee shall obtain all insurance required from an insurance company or companies licensed to do business in the State of North Carolina. The insurance company must be acceptable to the Licensor. Approval may be denied a company based on its best rating or other indication of financial inadequacy.
- 11.7 Licensee shall provide to the Licensor such evidence of compliance with Licensor's insurance requirements as the Licensor may from time to time request. At a minimum the Licensee shall provide licensor with an annual update of its certificate of insurance. All such certificates shall be completed to show compliance with Licensee's obligation hereunder. The Licensor may also require copies of the declaration pages, insurance policy, and endorsements thereto.

Article XII.

TERMINATION OF LICENSOR

- 12.1 In addition to all other remedies available to the Licensor, this Agreement shall be subject to termination by Licensor, at its election, should any one or more of the following events occur ("**Licensee Default**"):
- a. If Licensee shall neglect or fail to perform or observe any of the terms, provisions, conditions or covenants herein contained and on Licensee's part to be performed and observed and if such neglect or failure should continue for a period of thirty (30) days after receipt by Licensee of written notice of such neglect or failure or, if more than thirty (30) days shall be required because of the nature of the default, if licensee shall fail within said thirty (30) day period to commence and thereafter diligently proceed to cure such default;
 - b. If the concession rights hereby created shall be taken by execution or by other process of law;
 - c. The taking by a court of competent jurisdiction of Licensee's assets pursuant to proceedings under the provisions of any federal or state reorganization code or act, insofar as the enumerated remedies for license default are provided for or permitted in such code or act;
 - d. If any court of competent jurisdiction shall enter a final order with respect to Licensee providing for modification or alternation of rights of creditors;
 - e. If Licensee shall fail to make productive use of the Assigned Areas; or,
 - f. If Licensee shall abandon all or any part of the Assigned Areas or shall discontinue the conduct of its operations in all or any part of the Assigned Areas
- 12.2 In the event Licensee shall fail to cure a Licensee default within the time herein specified, the Licensor, then, or at any time thereafter, while such breach is continuing, shall have

the right, at its election, to terminate this Agreement by giving at least ten (10) days written notice to Licensee.

- 12.3 If Licensor shall terminate this Agreement by reason of a condition of Licensee default, Licensee shall forthwith remove its non-permanent improvements, fixtures, displays and equipment from the Assigned Areas at its own expense. Per Article V (5.15), if same is not removed within sixty (60) days, title to said property shall, at the option of Licensor, vest in Licensor at no cost to Licensor.

Article XIII.

TERMINATION BY LICENSEE

- 13.1 In addition to all other remedies available to the Licensee, this Agreement shall be subject to termination by the Licensee, as its election, should any one or more of the following events occur (“**Licensor Default**”):
- a. The issuance of an order or injunction by any court of competent jurisdiction preventing or restraining the use of the Facility in such a manner as to substantially restrict the Licensee from conducting its operation of the Facility display advertising concession where such order or injunction was not caused by any act or omission of the Licensee; provided that such order or injunction remain in force of such injunction for at least sixty (60) days;
 - b. The breach by the Licensor of any of the material terms, covenants, or conditions of this Agreement to be kept, performed, and observed by the Licensor, and the failure of the Licensor to remedy such breach, for a period of sixty (60) days after receipt of written notice from the Licensee of the existence of such breach;
 - c. The assumption of the United States Government, or any authorized agency thereof, of the operation, control or use of the Facility and its facilities in such a manner as to substantially restrict the Licensee from conducting its display advertising concession if such restriction be continued for a period of sixty (60) days or more;
 - d. If the number of enplaned passengers at the Facility decreases forty percent (40%) or more below the traffic recorded during the same quarter of calendar year _____; or,
 - e. The destruction of such a significant portion of the Facility terminal building(s) due to fire, earthquake or any other causes not the fault of Licensee so as to make continuation of the advertising concession commercially unreasonable.
- 13.2 In the event of any Licensor default, the Licensee shall, in lieu of or in addition to termination of this Agreement, be granted an abatement in all of its obligations, fees and charges which may otherwise have been due Licensor from the outset of such Licensor default until the cessation of such event of default.
- 13.3 In the event any condition of Licensor default shall occur, Licensee shall, then, or at any time thereafter while such breach or event it continuing, having the right, at its election,

to terminate this Agreement by giving at least ten (10) days written notice to Licensor. Licensee shall, upon the passing of the ten (10) days, quit and surrender the Assigned Areas and all permanent improvements, as described in Articles 4.2 and 5.15, to the Licensor. In such event, Licensee shall be reimbursed by the Licensor for the undepreciated portion of its actual capital costs (including, without limitation, construction and installation costs) of the permanent and nonpermanent improvements, fixtures, displays and equipment used or acquired to be used in the Assigned Areas per a ten (10) year straight-line depreciation schedule substantiated by actual invoices.

Article XIV.

SECURITY

- 14.1 Licensee agrees to observe all security requirements of the Federal Aviation Regulations Part 107, and the Licensor's security rules and regulations, as the same may be from time to time amended. Licensee shall take steps as may be necessary or directed by the Licensor to ensure that its employees, guests, invitees, agents and contractors observe these requirements. Further, Licensee agrees to pay fines as may be levied by Federal Aviation Administration or like agencies for regulatory infractions directly attributable to its employees, guests, invitees, visitors, agents or contractors.

Article XV.

FIRE AND OTHER DAMAGE

- 15.1 In the event that structural or permanent portions of the Assigned Areas shall be partially damaged by fire or other casualty not the default of Licensee, the Licensee shall give immediate notice after discovery thereof to the Licensor and the same shall be repaired at the expense of the Licensor without unreasonable delay unless Licensor determines that the damage is so extensive that repair or rebuilding is not feasible. From the date of such casualty until such area is so repaired (including if such area is not repaired), Percentage Fee payments hereunder shall abate in the amounts proportional to the loss of available advertising space; provided, however, that if an area shall be so slightly injured in any such casualty so as not to be rendered unfit for normal usage, the fees related thereto shall not cease or be abated during any repair period. In the event of the area being damaged by fire or other casualty to such an extent as to render it necessary in the exclusive judgment of the Licensor not to rebuild the same, then, at the option of the Licensor or Licensee, upon thirty (30) days written notice to the other, this Agreement as it applies to said area shall cease and come to an end, and the fees payable to the Licensor shall be proportionally adjusted to represent the loss of the use of the area to Licensee. If the Licensor elects to rebuild said areas, the Licensor shall notify Licensee of such intention within thirty (30) days of the date of the damage.

Article XVI.

AMENDMENT

- 16.1 This Agreement constitutes the entire agreement between the parties. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless the same is in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

Article XVII.

APPROVALS BY

- 17.1 Whenever this Agreement calls for approval by the Licensor, such approval shall be evidenced by the written approval of the Airport Director or his designee.

Article XVIII.

ENVIRONMENTAL PROTECTION

- 18.1 Licensee agrees to comply in the performance of this Agreement with all applicable environmental laws, statues, ordinances, regulations and orders, including all rules and regulations adopted by Licensor relating to protection of the environment.

Article XIX.

GENERAL PROVISIONS

- 19.1 Federal Aviation Act, Section 308 – Nothing herein contained shall be deemed to grant the Licensee any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act. Without derogation to the Act and subject to the terms and provisions hereof, the Licensee shall have the sole right to use the Assigned Areas for advertising purposes under the provisions of this Agreement.
- 19.2 Subordination to Agreements with the United States Government – This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the Licensor and the United States Government relative to the operation or maintenance of the Facility, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the Licensor for Licensor purposes, or the expenditure of federal funds for the improvement or development of the Licensor, including the expenditure of federal funds for the development of the Facility in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time. The Licensor covenants that it has no existing agreements with the United States Government in conflict with the express provisions hereof
- 19.3 Non-waiver of Rights – No waiver of default by either party of any of the terms, covenants and conditions hereof to be performed, kept and observed by the other party shall be construed as, or shall operate as, a waiver of any subsequent default of any of the

terms, covenants or conditions herein contained, to be performed, kept and observed by the other party.

- 19.4 Notices – All notices, requests and other communications under this Agreement shall be effectively given only if in writing and sent by United States registered or certified mail, return receipt requested, postage prepaid or by nationally recognized and receipted overnight courier services (e.g. Fedex, DHL or Airborne Express) guaranteeing next business day deliver, addressed as follows:

If to Licensor:

Name: City of Fayetteville,
Address: 339 Alexander St.
Attn: Real Estate Manager
Fayetteville, NC 28301

If to Licensee:

Name: Interspace Airport Advertising
Address: 4635 Crackersport Road
Attn: _____
Allentown, PA 18104-9597

or such addresses of which Licensor or Licensee shall have provided notice as herein provided.

- 19.5 Captions – The headings of the several articles of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.
- 19.6 Severability – If one or more clauses, sections or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, the parties hereto agree that the remaining portions of this Agreement or portions thereof shall not be affected thereby, and such remaining provisions or portions thereof shall remain in full force and effect.
- 19.7 Right to Develop Facility – The Licensor reserves the right to engage in further major development and improvement of the Facility as it may see fit regardless of the desire or view of the Licensee and without interference or hindrance, subject to the terms and conditions contained herein.
- 19.8 Incorporation of Required Provisions – The parties incorporate herein by reference all provisions lawfully required to be contained herein by any governmental body or agency.
- 19.9 Non-liability of Officers and Employees – No member, director or officer of any Licensor board or commission or its sponsoring authority, nor any officer, director, employee, elected or appointed official of Licensee shall be charged personally or held

personally or held contractually liable by or to the other due to any breach of this Agreement or relating to the execution of this Agreement.

- 19.10 Successors and Assigns Bound. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, where permitted by this Agreement.
- 19.11 Right to Amend. In the event that the Federal Aviation Administration or its successors requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Facility, or otherwise, the Licensee agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required.
- 19.12 Force Majeure. Neither the Licensor nor the Licensee shall be deemed in violation of this Agreement if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of material, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not within its control.
- 19.13 Right of Relocation. The Licensor reserves the general right to relocate portions of the Assigned Area. Notice of such relocation demands shall be provided to Licensee in writing from the Licensor no less than sixty (60) days prior to such relocation requirement. Subsequent costs and the financial impact to Licensee of such relocation shall be deducted by Licensee from subsequent Percentage Fee payments.
- 19.14 Venue and Forum Selection. The Parties expressly agree that if litigation is brought in connection with this contract and (1) the litigation proceeds in the Courts of the State of North Carolina, the parties agree that the appropriate venue shall be in Cumberland County (Twelfth Judicial District of North Carolina); or (2) the litigation proceeds in a federal court, the parties agree that the appropriate venue shall be the United States District Court for the Eastern District of North Carolina.
- 19.15 Morality Clause. If, in the sole opinion of the City of Fayetteville, at any time Licensee or any of its owner(s) or employee(s) or agent(s) (collectively referenced as an "Actor") engages in any one or more actions that bring disrepute, contempt, scandal, or public ridicule to the Actor or subject the Actor to prosecution or offend the community or public morals or decency or denigrate individuals or groups in the community served by the City of Fayetteville or are scandalous or inconsistent with community standards or good citizenship or may adversely affect the City of Fayetteville's finances, public standing, image, or reputation or are embarrassing or offensive to the City of Fayetteville or may reflect unfavorably on the City of Fayetteville or are derogatory or offensive to one or more employee(s) or customer(s) of the City of Fayetteville, the City of Fayetteville may immediately upon written notice to Licensee terminate this Contract, in addition to any other rights and remedies that the City of Fayetteville may have hereunder or at law or in equity.

19.16 E-Verify. Licensee acknowledges that “E-Verify” is the federal E-Verify 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. Licensee 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 the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS §64-26(a). Licensee pledges, attests and warrants through execution of this contract that Licensee complies with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and further pledges, attests and warrants that any subcontractors currently employed by or subsequently hired by Licensee shall comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of this contract.

Article XX.

DISADVANTAGED BUSINESS ENTERPRISE AND NONDISCRIMINATION

- 20.1 Licensee agrees to submit all information necessary for the Licensor to determine the eligibility of an individual or firm for certification as a Disadvantaged Business Enterprise, or a regional or local sub-operator. Licensee agrees that it will comply with the Licensor’s Disadvantaged Business Enterprise Program, which Program shall be in accordance with 49 CFR Part 23 and shall apply to Licensee as a “Licensor Licensee.” Licensee agrees that participation by Disadvantaged Business Enterprise will be in accordance with the goals and objectives of the Licensor’s Program.
- 20.2 Nondiscrimination. The Licensee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E.

Article XXI.

ENTIRE AGREEMENT

- 21.1 The parties hereto understand and agree that this instrument contains the entire agreement between the parties hereto. The parties hereto further understand and agree that the other party and its agents have made no representations or promises with respect to this Agreement or the making or entry into this Agreement, except as in this Agreement expressly set forth. No claim or liability or cause for termination shall be asserted by either party against the other and such party shall not be liable by reason of the making of any representations or promises not expressly stated in this Agreement, any other written or oral agreement with the other being expressly waived.

- 21.2 The individuals executing this Agreement personally warrant that they have full authority to execute this Agreement on behalf of the entity for whom they are acting herein.
- 21.3 The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachment hereto, and have sought and receive whatever competent advice and counsel necessary for them to from a full and complete understanding of all rights and obligations herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the date and year first above written.

CITY OF FAYETTEVILLE

City Manager

ATTEST:

Secretary

LICENSEE

Chairman

ATTEST:

Secretary

STATE OF NORTH CAROLINA
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 _____, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and notarial seal, this the ____ day of _____, 2022.

Notary Public

My commission expires: _____

STATE OF NORTH CAROLINA
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 _____, being authorized to do so, executed the foregoing on behalf of the corporation.

Witness my hand and notarial seal, this the ____ day of _____, 2022.

Notary Public
My commission expires: _____

Exhibit C

Interspace Airport Advertising Collection Procedures

- Personal phone contact is attempted throughout the quarter to answer customer questions or to resolve any discrepancies.
- Monthly statements of accounts are sent to each advertiser.
- After 10 days, the advertiser is sent a letter requesting payment and/or appropriate address or billing changes.
- After 20 days, a letter is sent requesting immediate payment, and advertisers are warned that further delinquency will result in display removal.
- After 45 days, the advertiser is informed that the display is being removed and held as collateral with the security deposit until payment in full is received.
- Appropriate legal action is pursued when necessary.