

EXHIBIT C

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Airport Board Agreement
Number 23201-E-S2

**AMERICAN AIRLINES SECOND
SUPPLEMENTAL SPECIAL
FACILITIES AGREEMENT**

By and Between

THE DALLAS-FORT WORTH REGIONAL AIRPORT BOARD

and

AMERICAN AIRLINES, INC.

(including provisions for net rent and ground rent)

Dated as of December 1, 1978

THE STATE OF TEXAS } AMERICAN AIRLINES SECOND SUPPLEMENTAL
COUNTY OF TARRANT } SPECIAL FACILITIES AGREEMENT

This AMERICAN AIRLINES SECOND SUPPLEMENTAL SPECIAL FACILITIES AGREEMENT (herein called this or the "Second Supplemental Facilities Agreement"), made and entered into as of the 1st day of December, 1978, by and between the DALLAS-FORT WORTH REGIONAL AIRPORT BOARD (hereinafter called the "Board"), on the one hand, being the duly and lawfully constituted and operating Board of Directors of the Dallas-Fort Worth Regional Airport (hereinafter called the "Airport"), belonging to the Cities of Dallas and Fort Worth, Texas (hereinafter called the "Cities"), and AMERICAN AIRLINES, INC., a Delaware corporation (hereinafter called "Lessee"), on the other hand;

WITNESSETH

WHEREAS, heretofore, the Board and the Lessee executed and delivered a certain lease agreement entitled "American Airlines Special Facilities Lease Agreement" (hereinafter called the "Facilities Agreement"), the same being dated as of October 1, 1972, and pursuant to the terms of which the Board initially leased to the Lessee and confirmed the prior lease of certain lands therein described as the "Leased Lands"; and

WHEREAS, pursuant to the Facilities Agreement, the Cities, as requested by the Board, authorized, among other things, the construction of certain facilities therein described as the "Catering Facilities" upon the tract of land therein described as Tract 1 of the Leased Lands, and further authorized the fabrication and installation of certain passenger service facilities on land theretofore leased from the Board, the financing of all of such facilities having been accomplished pursuant to concurrent ordinance (the "1972 American Bond Ordinance") of the City of Dallas bearing number 13810 and of the City of Fort Worth bearing number 6727; and

WHEREAS, subsequently, as of February 1, 1973, the Board and the Lessee executed and delivered a certain supplemental lease agreement entitled "American Airlines Supplemental Special Facilities Agreement" (hereinafter called the "First Supplemental Facilities Agreement") and the Board therein leased to Lessee certain additional lands and therein agreed to make certain acquisitions, additions, extensions, improvements and modifications to or of the "Special Facilities," as defined in the Facilities Agreement, said facilities being therein defined as the "Combination Freight and Maintenance Facilities"; and

WHEREAS, pursuant to the First Supplemental Facilities Agreement, the Cities, as requested by the Board, authorized the financing of said improvements by the issuance of additional bonds pursuant to the terms of an additional concurrent ordinance (the "1973 American Bond Ordinance") of the City of Dallas bearing number 13978 and of the City of Fort Worth bearing number 6790; and

WHEREAS, the Board has determined it appropriate and desirable to purchase certain airport properties from the City of Fort Worth, and to make certain other acquisitions, additions, extensions, improvements and modifications to or of the Special Facilities, as defined in the Facilities Agreement, all of the same (hereinafter defined as the "Additional Special Facilities") to constitute Special Facilities of and at the Airport, the same to consist of, among others, American's "Flight Administration, Reservations and Training Complex," certain "Passenger Service Facilities" to be constructed at Terminal 3E at the Airport, and certain improvements to be made at the Combination Freight and Maintenance Facilities aforesaid; and

WHEREAS, all of the Additional Special Facilities, when completed, will constitute a part of the Airport's total systems functionally related and subordinate thereto and to the needs or convenience of the general public, including the Lessee as a common carrier serving the public at the Airport, the same to be leased to Lessee hereunder and under the Facilities Agreement, as supplemented; and

WHEREAS, the Board has determined it appropriate and necessary to pay for the costs of the Additional Special Facilities by the issuance of "Additional Bonds" therefor, upon and subject to the terms specified in the 1972 American Bond Ordinance, and the Lessee has agreed that upon the issuance of said bonds the "Net Rent" payable under the Facilities Agreement, as heretofore and hereby supplemented, shall automatically be increased in the amounts required by the 1972 American Bond Ordinance; and

WHEREAS, the Lessee and the Board accordingly desire hereby to evidence their agreement (a) that the Board will purchase and provide the Additional Special Facilities and that the Lessee will lease the same under and subject to the Facilities Agreement, to this Second Supplemental Facilities Agreement and to certain other agreements described herein; (b) that the Lessee authorize and approve the issuance of \$147,000,000 of special facility revenue bonds (herein defined as the "1979 Additional Bonds") for such purpose, the same to constitute "Additional Bonds" within the meaning of the Facilities Agreement, the 1972 American Bond Ordinance and the 1973 American Bond Ordinance; (c) that the Facilities Agreement be further supplemented in the manner herein provided; and (d) that the ordinance authorizing the 1979 Additional Bonds (said ordinance being herein called the "1979 American Bond Ordinance") is approved by the parties; and

WHEREAS, the Board and the Lessee have previously entered into a certain "Passenger Service Special Facilities Agreement" (hereinafter called the "PSF Agreement"), dated as of April 1, 1972, and a certain "Airport Use Agreement", dated as of January 1, 1974, as amended (hereinafter called the "Use Agreement");

NOW, THEREFORE, the Board, for the respective terms herein specified, and for and in consideration of the rents herein and in the Facilities Agreement, the First Supplemental Facilities Agreement, the PSF Agreement and the Use Agreement reserved, and of the covenants and agreements herein contained, has demised and leased, and does by these presents demise and lease to Lessee, and the Lessee has agreed to take and does hereby take from the Board, the Additional Special Facilities and the land designated, respectively, as Tract 1, Tract 2, Tract 3 and Tract 4 on Exhibit 1 attached hereto and incorporated herein, and described by metes and bounds on the composite survey attached hereto as Exhibit 2 and incorporated herein, upon and subject to the following terms, provisions, covenants and considerations, and the parties hereby covenant and agree as follows, to-wit:

ARTICLE I Definitions, The Facilities Agreement

Section 1.1 *Definitions.* (a) All words and terms used herein which constitute defined terms and words in the Facilities Agreement and the First Supplemental Facilities Agreement (this Second Supplemental Facilities Agreement and the First Supplemental Facilities Agreement being hereinafter together called the "Supplemental Facilities Agreements") shall have the same meanings and definitions as are contained therefor in said agreements, except where the same words and terms are expressly defined otherwise herein, and such defined words and terms are incorporated herein for all purposes.

(b) In addition to the defined terms specified in the preambles hereto and to those referred to in paragraph (a), next above, the following words and terms for the purposes of the Supplemental Facilities Agreements and of the Facilities Agreement with respect to matters herein contained supplemental thereto, shall have the following meanings, respectively, unless the context shall clearly appear otherwise, to-wit:

(i) "1979 Additional Bonds" means the bonds herein approved and authorized to be issued for the purpose of financing the Costs of the Additional Special Facilities, the same to be entitled "Dallas-Fort Worth Regional Airport American Special Facilities Revenue Bonds, Series 1979";

(ii) "Additional Special Facilities" means the Flight Administration, Reservations and Training Complex, the Passenger Service Facilities, and the Maintenance Facilities;

(iii) "Completion Date," with reference to the Flight Administration Center, the Flight Reservations Center, the Maintenance Facilities and the Passenger Service Facilities, means the respective date upon which each of said facilities, respectively, is constructed, substantially completed and ready for occupancy, as established by a certificate of the Board's Director of Planning and Engineering, specifying such date;

(iv) "Costs of the Additional Special Facilities" include all of the items of cost included within the definition of "Costs of the Special Facilities" in subsection 1.1(j) of the Facilities Agreement, including any costs for community facilities payable by the Board under the applicable ordinances, rules and regulations of the City of Fort Worth, and including the purchase prices and acquisition costs of any land and existing improvements comprising a part of the Flight Administration, Reservations and Training Complex.

(v) "Flight Administration, Reservations and Training Complex" means and includes the following properties, to-wit:

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(a) the structures, properties, facilities, furnishings and equipment comprising the "Flight Training Center," consisting of the facilities known as the "American Flight Academy" and the "American Training Center," the same being situated on the land designated as Tract 1 on Exhibit 1 attached hereto, and including all training, recreational and similar facilities now or hereafter constructed, installed and operated on said Tract 1; and

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(b) the structures, properties, facilities, furnishings and equipment comprising the "Flight Reservations Center," to be acquired, constructed, fabricated and installed on or as a part of the land designated as Tract 3 on Exhibit 1 attached hereto; and

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(c) the structures, properties, facilities, furnishings and equipment comprising the "Flight Administration Center" to be acquired, constructed, fabricated and installed on or as a part of the land designated as Tracts 2 and 4 on Exhibit 1 attached hereto; and

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(d) a flight computer center and a central heating and cooling plant to be constructed as a part of the Additional Special Facilities, together with any and all other structures, properties, facilities, furnishings and equipment ever hereafter acquired, constructed, fabricated and installed on or as a part of said Tracts 1, 2, 3 or 4.

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(vi) "Maintenance Facilities" means the additional properties, structures, facilities, furnishings and equipment to be financed with a part of the proceeds of the 1979 Additional Bonds and to be made to the Combination Freight and Maintenance Facilities;

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(vii) "Passenger Service Facilities" means the additional properties, facilities, structures and equipment financed with a part of the proceeds of the 1979 Additional Bonds and located upon the land defined in the PSF Agreement and the Use Agreement as the Terminal Tract, the same to consist generally of equipment, fixtures, furnishings and appurtenances of the following types, to-wit: passenger moving and baggage and cargo handling equipment, conveyances and structures; floor, ceiling, wall coverings and interior partitions; electrical and plumbing fixtures, outlets, fixed equipment and utilities in or as a part of or adjacent to the terminal structure, all of which are or will be situated on the Terminal Tract, aircraft loading bridges and ways connected or affixed to the terminal structure, including alternate airside stairways;

(viii) "Starting Date" means —

(A) with respect to the Flight Training Center, the date of delivery of title to the land and improvements comprising said Tract 1 to the Board by the City of Fort Worth, Texas; and

(B) with respect to the Flight Reservations Center, the Flight Administration Center, the Passenger Service Facilities and the Maintenance Facilities, ninety (90) days after the Completion Date, for each of said facilities, or the date of occupancy thereof by the Lessee, whichever is earlier.

Section 1.2. *The Facilities Agreement.* This Second Supplemental Facilities Agreement, together with the First Supplemental Facilities Agreement, is intended to and shall be supplemental to the Facilities Agreement, and all matters included herein are subject to the terms of and shall be controlled and governed by the Facilities Agreement, and where applicable by the First Supplemental Facilities Agreement, where not expressly provided for herein, and, without limiting the generality of the foregoing, in applying the terms and provisions of the Facilities Agreement and the First Supplemental Facilities Agreement to the matters included herein, it is hereby expressly provided (a) that the tracts of land designated and described on the Exhibits hereto (said tracts of land being hereinafter called, respectively, "Tract 1," "Tract 2," "Tract 3," and "Tract 4") shall be and constitute a part of the Leased Lands and the Leased Premises; (b) that the Additional Special Facilities shall be and constitute a part of the Special Facilities; and (c) that the 1979 Additional Bonds shall be "Additional Bonds" within the meaning of that term contained in the Facilities Agreement and the 1972 American Bond Ordinance, and the same shall be and constitute Special Facility Bonds issued under the authority reserved to the Cities in the 1968 Concurrent Bond Ordinance.

ARTICLE II

Terms, Possession, Quiet Enjoyment

Section 2.1. *Effective Date, Terms, Option.* (a) This Second Supplemental Facilities Agreement shall become effective upon the execution and delivery hereof by the Board and the Lessee, and the rights of use and occupancy granted herein shall commence —

(i) as to the Flight Training Center, on the Starting Date as to that facility; and

(ii) as to the Flight Administration Center, the Flight Reservations Center, the Passenger Service Facilities and the Maintenance Facilities, the respective Starting Dates as to each of said properties;

and, subject to the other provisions hereof, said respective terms shall expire —

(A) as to Tract 1, on the date of forty (40) years from the Starting Date as to the Flight Training Center; and

(B) as to Tracts 2, 3 and 4, on the date of the expiration of the maximum term permitted by law, but not exceeding forty (40) years from the Starting Date of the latter of the Flight Administration Center and the Flight Reservations Center as to which the Starting Date has occurred.

(C) as to the Passenger Service Facilities, on the date of the expiration of the term as to the Terminal Tract as specified in the PSF Agreement and the Use Agreement; and

(D) as to the Maintenance Facilities, on the date of the expiration of the term as to the Combination Freight and Maintenance Facility as specified in the Facilities Agreement, as supplemented by the First Supplemental Facilities Agreement.

(b) Lessee shall have the option to extend the term, as to the Flight Administration, Reservations and Training Complex, as specified in subsection (a), next above, for up to four additional periods of five (5) years each, under the same terms and conditions as herein set forth, except that the rentals and charges for each such period shall be subject to mutual agreement between the Board and the Lessee. Lessee may exercise each such option by written notice to the Board given not later than six (6) months prior to the expiration of the initial or any current extended period, as the case may be.

Section 2.2. *Delivery and Acceptance of Possession.* The Board shall promptly notify the Lessee of the establishment of the Starting Date as to the Flight Training Center and of the establishment of the respective Completion Dates as to the remaining Additional Special Facilities

and the Lessee shall have the exclusive right to possess, occupy and use the Additional Special Facilities and applicable land on and after each such respective date and throughout the remainder of the applicable terms as specified herein.

Section 2.3. *Quiet Enjoyment and Use.* Unless a default has occurred, and upon and subject to the other terms and provisions hereof and of the Facilities Agreement, and where applicable the First Supplemental Facilities Agreement, the PSF Agreement and the Use Agreement, the Lessee shall be suffered and permitted to have peaceful possession and quiet enjoyment of the Additional Special Facilities and the land related thereto and leased hereunder in accordance with the following, to-wit;

(a) Following each respective Starting Date as to the Additional Special Facilities comprising the Flight Administration, Reservations and Training Complex, the Lessee shall be suffered and permitted to have peaceful possession and quiet enjoyment of such Additional Special Facilities and Tracts 1, 2, 3 and 4 for all primary and incidental purposes related to the general operations of the Lessee as a common carrier serving the general public from, into and at the Airport and connecting with other Airports served by the Lessee, including (i) the training of persons who are to be involved in flight-related activities by commercial air carriers and others, cockpit crew training, the training of flight attendants, aircraft repair specialists, passenger service and reservation personnel, (ii) the development, storage, dissemination and use of computerized information and programming relating to Lessee's flight, passenger reservation and operational activities, including flight scheduling and recruiting, passenger reservation data, communication facilities and activities, aircraft availability, repair, scheduling, fueling and loading data and information, and (iii) the execution and administration of all of Lessee's flight activities, flight services, terminal services, maintenance and cargo services at the Airport and at other airports served by the Lessee, and including the administration and executive needs and accounting for the activities of the Flight Reservations Center and the Flight Training Center.

(b) Following the Starting Date as to the Passenger Service Facilities, the Lessee shall be suffered and permitted to have peaceful possession and quiet enjoyment of the Passenger Service Facilities (expressly including the Terminal Tract presently granted to Lessee under the PSF Agreement and the Use Agreement) to the same extent and under and subject to the same terms and conditions as are provided in the PSF Agreement and the Use Agreement for similar facilities provided in connection therewith and located upon the Terminal Tract thereunder, the same to be utilized for the same purposes therein permitted and provided.

(c) Following the Starting Date as to the Maintenance Facilities, the Lessee shall be suffered and permitted to have peaceful possession and quiet enjoyment of the Maintenance Facilities to the same extent and under and subject to the same terms and conditions as are provided in the Facilities Agreement as supplemented and amended by the Supplemental Facilities Agreements for the Combination Freight and Maintenance Facility, the same to be utilized for the same purposes therein permitted and provided.

Section 2.4. *Ingress and Egress.*

(a) The Lessee and its officers, employees, invitees, guests, and suppliers of materials and furnishers of services, shall have the right of ingress and egress between the Flight Administration, Reservations and Training Complex and any public street or roadway outside the Airport by means of the roadways leading to and from the Airport, and between the passenger enplaning and deplaning complex within the Airport and said tracts of Leased Land, and such other points as may be designated by the Executive Director of the Board, all of the same to be used in common with others having rights of passage within the Airport, all without any further or additional fees or charges except entrance booths at the Airport and other than the rent described in the Supplemental Facilities Agreements, the Facilities Agreement, the PSF Agreement and the Use Agreement.

The use of such roadways shall be subject to the reasonable rules and regulations of the Board now in effect or which may hereafter be promulgated for the safe and efficient operation of the Airport.

(b) The Board may, at any time, temporarily or permanently close or consent to or request the closing of any such roadway which is subject to its governmental jurisdiction, and any other area at the Airport presently or hereafter used as such, so long as a reasonably equivalent means of ingress and egress, as provided above, remains available to Lessee. Lessee hereby releases and discharges the Board, its successors and assigns, of and from any and all claims, demands or causes of action Lessee may have against the Board by reason of the exercise of any of the powers reserved to the Board under this subsection.

ARTICLE III

Ground Rent, Net Rent

Section 3.1. *Ground Rent.*

(a) The Lessee, under the terms and provisions of the PSF Agreement, the Use Agreement, the Facilities Agreement and the First Supplemental Facilities Agreement has heretofore agreed and obligated itself (along with others in certain instances) to pay a "ground rental" (as that term is defined in the 1968 Concurrent Bond Ordinance) for its rights in and uses of the Terminal Tract and the land associated with the Combination Freight and Maintenance Facility. Accordingly, no additional Ground Rent is or shall be herein required on account of those lands, and the development, construction, fabrication or installation of the Passenger Service Facilities and the Maintenance Facilities thereon. The provisions of this Section 3.1 relating to "Ground Rent" shall, therefore, relate solely to the lands designated on Exhibit 1 hereto as Tracts 1, 2, 3 and 4. This subsection (a), however, shall in no manner reduce or alter Lessee's obligation to pay Ground Rent or Net Rent in the full amount stated in the Facilities Agreement, the First Supplemental Facilities Agreement or said other agreements.

(b) The Lessee hereby agrees to pay to the Board beginning on the first day of the first month after the Starting Date as to the Flight Training Center and on the first day of each month thereafter throughout the initial term of this Agreement as specified herein as to Tract 1, as Ground Rent for the use and occupancy of Tract 1, a monthly rental in the amount of \$1,250.00, being the same ground rental presently being paid by Lessee under the terms of the "American Airlines Training Facilities Lease", rescinded pursuant to Section 5.1 hereof.

(c) Subject to the optional method of payment granted to Lessee below, the Lessee agrees to pay to the Board from January 1, 1982, the estimated starting date as to the Flight Administration Center, and throughout the initial term of this Agreement as to Tracts 2, 3, and 4, for the use and occupancy of Tracts 2, 3 and 4, an annual Ground Rent in the amount of \$75,000. It is provided, however, that the Lessee shall have the right to fully prepay the Ground Rent required by this subsection (c) by contributing and conveying to the Board, free and clear of all encumbrances by, through, or under it, except for easements for utilities and public rights-of-way and alleys appearing of record, and without additional cost to the Board, all of the land comprising Tract 3. In the event the Lessee should elect to prepay such Ground Rent in the manner above provided, it shall notify the Board of such election not less than five (5) business days in advance of the date of proposed delivery of the 1979 Additional Bonds, as such date is specified in the Board's Contract of Purchase of said Bonds. If the Lessee elects to pay said Ground Rent when and as due and payable, then the Board agrees to pay the Lessee for said Tract 3 at said closing a purchase price therefor from the proceeds of the 1979 Additional Bonds in an amount mutually agreed upon, failing which the Lessee shall prepay said Ground Rent by conveying Tract 3 to the Board in the manner above provided.

(d) It is acknowledged by the Lessee that the Board has executed a certain "Sale, Purchase and Continuing Services Agreement" with the City of Fort Worth, by which said City has agreed to

perform certain continuing public services at the Flight Administration, Reservations and Training Complex, thus relieving the Board from any obligation to render such services to the Lessee and from the costs of rendering the same. In the event the Lessee shall request the Board to perform any part or all of such services through its own facilities and personnel or by means other than by said City under said agreement, then the Lessee hereby agrees to pay during the period of the initial term hereof as to Tracts 2, 3 and 4 during which such services are otherwise rendered by the Board an additional Ground Rent for the use and occupancy of said Tracts 2, 3 and 4 in an amount equal to the lesser of (i) the actual out-of-pocket costs to the Board of providing the services requested plus 10%, or (ii) a Ground Rent as to Tracts 2, 3 and 4 computed in accordance with the formula contained in Section 5.1(b) of the Facilities Agreement.

(e) If the respective Starting Dates as to Tracts 2, 3, and 4, commence on a date other than the first day of a month or the terms granted hereunder, including the term granted as to Tract 1, or under the Facilities Agreement as amended expires or is terminated on a date other than the last day of a month, the ground rent payable for the part of the month during which rent is due shall be computed by prorating the monthly ground rent installment on a daily basis, and ground rent shall be paid only for the portion of the month for which due.

Section 3.2. *Net Rent*

(a) The Lessee hereby expressly covenants, acknowledges and agrees that the 1979 Additional Bonds constitute "Additional Bonds" under and subject to the terms and provisions of the Facilities Agreement and the First Supplemental Facilities Agreement, and are issued under, pursuant to and in compliance with the 1972 American Bond Ordinance and the 1973 American Bond Ordinance. Accordingly, the provisions of Section 5.2 of the Facilities Agreement are hereby expressly made applicable to the 1979 Additional Bonds, and the Net Rent payable initially with respect to the Series 1972 Bonds and the Series 1973 Bonds shall be and is hereby expressly increased to the amount required by Section 5.2 of the Facilities Agreement and by the 1972 American Bond Ordinance and by the Series 1973 American Bond Ordinance in the event of the issuance of Additional Bonds thereunder and in compliance therewith, and said Section 5.2 in its entirety is hereby expressly confirmed and incorporated herein.

(b) The parties hereto expressly acknowledge, recite, covenant and agree that this Second Supplemental Facilities Agreement is and shall constitute the written instrument required by Section 8.2(c) of the 1972 American Bond Ordinance as a prerequisite to the issuance of Additional Bonds thereunder, and this Section 3.2 is included in response thereto.

Section 3.3. *1968 Concurrent Bond Ordinance; Other Costs.* This Second Supplemental Facilities Agreement is expressly subject at all times to the terms, provisions, conditions and requirements of the 1968 Concurrent Bond Ordinance, and as contemplated and required thereby, the Net Rent payable under Section 3.2, above, is intended to be and shall be a net return to the Board, and accordingly, in addition to the payment of the Ground Rent and the Net Rent, the Lessee hereby agrees to pay all operation and maintenance expenses applicable to the Additional Special Facilities, including, without limitation, any insurance premiums applicable thereto, any and all ad valorem or other property taxes lawfully levied or assessed against the leasehold interest of the Lessee in and to the Leased Premises, any and all lawful excise or other type of taxes imposed on or in respect of such properties, and the expenses of upkeep thereof of every kind and character, including the repair or ordinary restoration thereof. No charges, fees, or tolls, other than herein expressly provided for and other than the regular charges imposed at entrance control booths at the Airport, if used, shall be charged or collected by the Board from the Lessee, its agents and employees, or its suppliers of materials or furnishers of service, for the use of any of the Leased Premises or the exercise of any of the rights, licenses, services and privileges expressed in or implied by this Second Supplemental Facilities Agreement.

Section 3.4. *Place of Payments, Use of Funds, Delinquencies.*

(a) All payments of Ground Rent and Net Rent required under or by reason of this Second Supplemental Facilities Agreement shall be paid, used and applied in the manner, at the place and

for the purposes stated in Section 5.4 of the Facilities Agreement with respect to Ground Rent and Net Rent initially payable thereunder.

(b) Subsection (b) of Section 5.4 of the Facilities Agreement is hereby incorporated herein for all purposes and is hereby expressly made applicable to the rentals payable hereunder.

ARTICLE IV

Financing and Construction of Additional Special Facilities

Section 4.1. *1979 Additional Bonds.* (a) The Costs of the Additional Special Facilities shall be paid with the proceeds from the sale of the 1979 Additional Bonds.

(b) The Board has prepared and the Lessee hereby approves the form and substance of the ordinance authorizing the 1979 Additional Bonds, which said approval shall be evidenced by the execution of a separate approval executed by any officer of the Lessee, and such approval shall be with and shall have the effect stated, recited and contained in Section 10.7 of the Facilities Agreement.

(c) Subject to the receipt of the proceeds from the sale of the 1979 Additional Bonds and the continuing adequacy and availability of said proceeds for the purpose, the Board will cause the Additional Special Facilities to be constructed, fabricated, installed and equipped in accordance with plans and specifications therefor prepared and approved in the manner provided in Section 4.2 hereof.

Section 4.2. *Plans and Specifications, Approvals, Construction Charges, Contracts.* Section 10.5 of the Facilities Agreement shall apply to the development and construction of the Additional Special Facilities; provided, however, that with respect to the Passenger Service Facilities, final plans and specifications shall be prepared by the Board based upon conceptual plans and specifications prepared by the Lessee.

ARTICLE V

Miscellaneous

Section 5.1. *Rescission of Existing Lease.* It is hereby agreed by the parties that the existing agreement, dated as of May 1, 1971, entitled "American Airlines Training Facilities Lease," between the Board (as the successor in interest to the City of Fort Worth, as original lessor), as lessor and the Lessee, as lessee, and relating to the properties comprising the Flight Training Center and Tract 1, is hereby mutually rescinded and declared to be null and void, except only with respect to the Lessee's obligation to pay "Debt Service Rental" under paragraphs (a), (b) and (c) of Section 3A thereof and subject to the credits provided in said Section. It is acknowledged by the Board, however, that pursuant to the terms and provisions of Article II of a certain "Sale, Purchase and Continuing Services Agreement," dated as of December 1, 1978, between the Board and the City of Fort Worth, said City has obligated itself to pay when due, and in full not later than the earliest redemption date thereof, all principal, interest and redemption premiums owing on the bonds to which the aforesaid Debt Service Rental relates; and the Board hereby assigns to the Lessee the right to seek enforcement of Article II of said Sale, Purchase and Continuing Services Agreement should for any reason said bonds be not paid as agreed; provided, however, such assignment shall not prevent the Board, acting alone, from enforcing said obligation of said City.

Section 5.2. *Extraordinary Redemption of 1979 Additional Bonds.* It is acknowledged and understood that the 1979 American Bond Ordinance will require the Board to redeem the outstanding 1979 Additional Bonds prior to maturity or other redemption date upon the happening of the extraordinary conditions described in subsection 3.4(c) of the 1979 American Bond Ordinance. The Board and the Lessee agree to take all legal and reasonable actions appropriate to the avoidance of any such mandatory redemption, failing which the following provisions shall apply, to-wit:

(a) In the event the Board is required by said subsection 3.4(c) to redeem the 1979 Additional Bonds on a date when there remains outstanding an aggregate total of fifty percent (50%) or more in principal amount of the 1979 Additional Bonds and of any future issue of other Additional or Completion Bonds issued to finance the completion of the Additional Special

Facilities or the construction of other additional special facilities on Tracts 1, 2, 3 and/or 4, the Board shall give written notice to the Lessee at least ninety (90) days prior to the date upon which the 1979 Additional Bonds must be redeemed. Lessee shall provide the funds necessary to accomplish such redemption not later than five (5) business days prior to the redemption date and by one of the following methods, at the Lessee's option, to-wit:

(i) by purchasing all of the properties comprising the Flight Administration, Reservations and Training Complex, subject to the rights of the holders of any other said Additional or Completion Bonds at the time outstanding, for a purchase price equal to the amount necessary to redeem the then outstanding 1979 Additional Bonds, and, upon payment of such amount, the Board shall convey and transfer said properties to the Lessee free and clear of encumbrances by, through or under it, except for easements of record and for any rights of the holders of any such other Additional or Completion Bonds; after all of which, this Agreement shall be null and void insofar as it applies to the Flight Administration, Reservations and Training Complex; or

(ii) by continuing this Agreement and arranging with the Board to refinance the then outstanding 1979 Additional Bonds, in which event the respective terms prescribed herein for the Flight Administration, Reservations and Training Complex and the Net Rent provisions hereof shall be adjusted in such manner as is necessary to accommodate the terms and amortization requirements of such refinancing arrangement; or

(iii) by implementing another method of funding mutually approved by the parties in a timely manner, failing which, one of the above methods shall be implemented.

(b) In the event the Board is required by said subsection 3.4(c) to redeem the 1979 Additional Bonds on a date when there remains outstanding an aggregate total of less than fifty percent (50%) in principal amount of the 1979 Additional Bonds and of any future issues of other Additional or Completion Bonds issued to finance the completion of the Additional Special Facilities or the construction of other additional special facilities on Tracts 1, 2, 3 and/or 4, the Board shall give written notice to the Lessee at least ninety (90) days prior to the date upon which the 1979 Additional Bonds must be redeemed. Lessee shall provide the funds necessary to accomplish such redemption not later than five (5) business days prior to the redemption date and by one of the following methods, at the Lessee's option, to-wit:

(i) by providing the funds required for such purpose and continuing this Agreement in all respects, except that all Net Rent hereunder shall be treated as fully prepaid; or

(ii) by implementing the method described in subparagraph (ii) of paragraph (a), next above, or by the action permitted as required by subparagraph (iii) of said paragraph (a).

Section 5.3. *Incorporated Provisions.* It is hereby expressly understood and agreed that all terms and provisions of the Facilities Agreement and the First Supplemental Facilities Agreement are incorporated herein for all purposes, and all rights, privileges and obligations of the respective parties hereto and thereof are hereby made applicable to the Flight Administration, Reservations and Training Complex to the same extent there made applicable to the Initial Special Facilities thereunder, except that to the extent any provisions contained herein are or may be inconsistent with the provisions of the Facilities Agreement and the First Supplemental Facilities Agreement said agreements are hereby expressly amended to conform with the provisions hereof and to authorize, confirm and ratify the transactions herein contained. Additionally, the Lessee hereby expressly agrees that this Agreement is subject to the terms and provisions of the 1972 American Bond Ordinance, the 1973 American Bond Ordinance and the 1979 American Bond Ordinance; and any provisions therein imposing any duty or obligation upon the Lessee shall be fully binding upon the Lessee to the same extent as if such provisions were expressly contained herein.

SECTION 5.4. *Insufficiency in Funds.* In the event the proceeds from the sale of the 1979 Additional Bonds are insufficient to pay the Costs of the Additional Special Facilities in full, then the Lessee shall either (a) pay the amount of the insufficiency, or (b) amend the plans and specifications relating to the Additional Special Facilities so that the proceeds of the 1979 Additional Bonds will be sufficient to complete the Additional Special Facilities, or (c) request the issuance of Completion Bonds for that purpose, in which event the Board shall request the Cities to issue such Completion Bonds. However, no representation is made or assurance given or implied by the Board that the Cities will consent to the request of the Board, and the Cities are not required to issue any such Completion Bonds. In the event the Cities are unwilling for any reason to issue Completion Bonds, the Lessee shall either pay the amount of any such deficiency or amend the plans and specifications to produce the effect aforesaid. In the event of the issuance of such Completion Bonds, then the Net Rent payable under Section 3.2 hereof shall thereupon be automatically increased in accordance with the ordinance authorizing such Completion Bonds. It is provided, however, that such ordinance shall not be adopted until the Lessee has approved such ordinance, after the receipt of which approval the same shall be binding on Lessee. Such Completion Bonds shall be on a parity as to lien on "Pledged Revenues" (as defined in the 1972 American Bond Ordinance) with Series 1972 Bonds, the Series 1973 Bonds and the 1979 Additional Bonds and shall be issued as Special Facilities Bonds subject to and in accordance with the terms, conditions and provisions of the 1968 Concurrent Bond Ordinance and the 1972 American Bond Ordinance.

Section 5.5. *Representations By The Board.* The Board makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Board is the duly and lawfully created, existing and organized Board of Directors of the Airport, having the power to enter into the transaction contemplated by this Second Supplemental Facilities Agreement and to carry out its obligations hereunder, and by proper action the Board has been duly authorized to execute and deliver this Second Supplemental Facilities Agreement; and

(b) The Board is not in default in any of its covenants or obligations contained in the Facilities Agreement or the First Supplemental Facilities Agreement.

Section 5.6. *Representations by Lessee.* The Lessee makes the following representations as the basis for its undertakings herein contained:

(a) It is a corporation duly incorporated under the laws of the State recited aforesaid; is in good standing under its Certificate of Incorporation or Charter and the laws of said State; is duly authorized to do business in the State of Texas; has the power to enter into this Second Supplemental Facilities Agreement without violating the terms of any other agreement to which it may be a party; and by proper corporate action has been duly authorized to execute and deliver this Second Supplemental Facilities Agreement; and

(b) It will occupy and possess the Leased Premises, including expressly those facilities financed hereunder as a part of the American Special Facilities on behalf of the Cities and the Board for the public purposes of the Airport and for which the same are being acquired or constructed and are to be operated hereunder, subject to the control and jurisdiction of the Board and the Cities in accordance with the terms hereof.

(c) It is not in default in any of its covenants or obligations contained in the Facilities Agreement or the First Supplemental Facilities Agreement.

Section 5.7. *Acquisition of Tracts 1, 2, 3 and 4.* It is hereby acknowledged and agreed that Tract 1 is to be purchased from the City of Fort Worth pursuant to the terms of a certain "Sale, Purchase and Continuing Services Agreement," between the Board and said City dated as of December 1, 1978, concurrently with the delivery of the 1979 Additional Bonds; that Tract 2 shall be purchased by the Board from the Lessee concurrently with the delivery of the 1979 Additional Bonds for a purchase price equal to the acquisition costs thereof by the Lessee; that Tract 3

shall be acquired by the Board from the Lessee, either by purchase or in prepayment of Ground Rent as elsewhere herein provided, concurrently with the delivery of the 1979 Additional Bonds; and that Tract 4 is presently owned by Lessee subject to certain encumbrances which will be removed by Lessee not later than March 1, 1979, and will be purchased by the Board from the Lessee on or before March 30, 1979, for a purchase price equal to the acquisition costs thereof to the Lessee. The Board and Lessee hereby further agree that the provisions hereof relating to said respective Tracts shall become operational as to each on the respective dates upon which title to the same is acquired by the Board. Lessee agrees that it will, upon the respective dates above specified as to Tract 2, 3 and 4, and upon receipt of payment therefor (except with respect to Tract 3 should Lessee elect or be required to prepay Ground Rent, as aforesaid), deliver and convey to the Board good, sufficient and marketable title to Tracts 2, 3 and 4, free and clear of all encumbrances, except easements for public rights-of-way and utilities appearing of record, under general warranty by Lessee, except as to Tract 3 in the event Ground Rent is prepaid in which case the conveyance will be by special warranty from Lessee, and in all events subject to such further title requirements as may be required by the Board's Contract of Purchase of the 1979 Additional Bonds. It is provided, however, that Lessee, at any time prior to the conveyance of Tracts 2 and/or 4 to the Board, is authorized to convey a single tract of land, not exceeding five (5) acres, out of Tracts 2 and/or 4 to the City of Fort Worth for the purpose of the construction of the fire station required by it pursuant to the aforesaid Sale, Purchase and Continuing Services Agreement in which event the tract conveyed to the City of Fort Worth shall not be included within the land leased hereunder.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the day and year first above written but actually on December , 1978.

(SEAL)

DALLAS-FORT WORTH REGIONAL AIRPORT BOARD

ATTEST:

Barbara Hollis
Staff Secretary

By [Signature]
Executive Director

APPROVED:

Charles C. Wells
Legal Counsel to Board

AMERICAN AIRLINES, INC.

ATTEST:

Robert C. Denton
Secretary

By [Signature]
Senior Vice President

(SEAL)

THE STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, the undersigned authority in and for Dallas County, Texas, on this day personally appeared Ernest E. Dean and Barbara Hollis, each known to me to be the person whose name is subscribed to the foregoing instrument and known to me to be, respectively, Executive Director and Staff Secretary of the Dallas-Fort Worth Regional Airport Board, and each acknowledged to me that the same was executed for the purposes and considerations therein expressed and in the capacity therein stated, and as the act and deed of said Board.

GIVEN UNDER MY HAND and seal of office, this day of December, 1978.

Notary Public in and for Dallas County, Texas

THE STATE OF NEW YORK
COUNTY OF NEW YORK

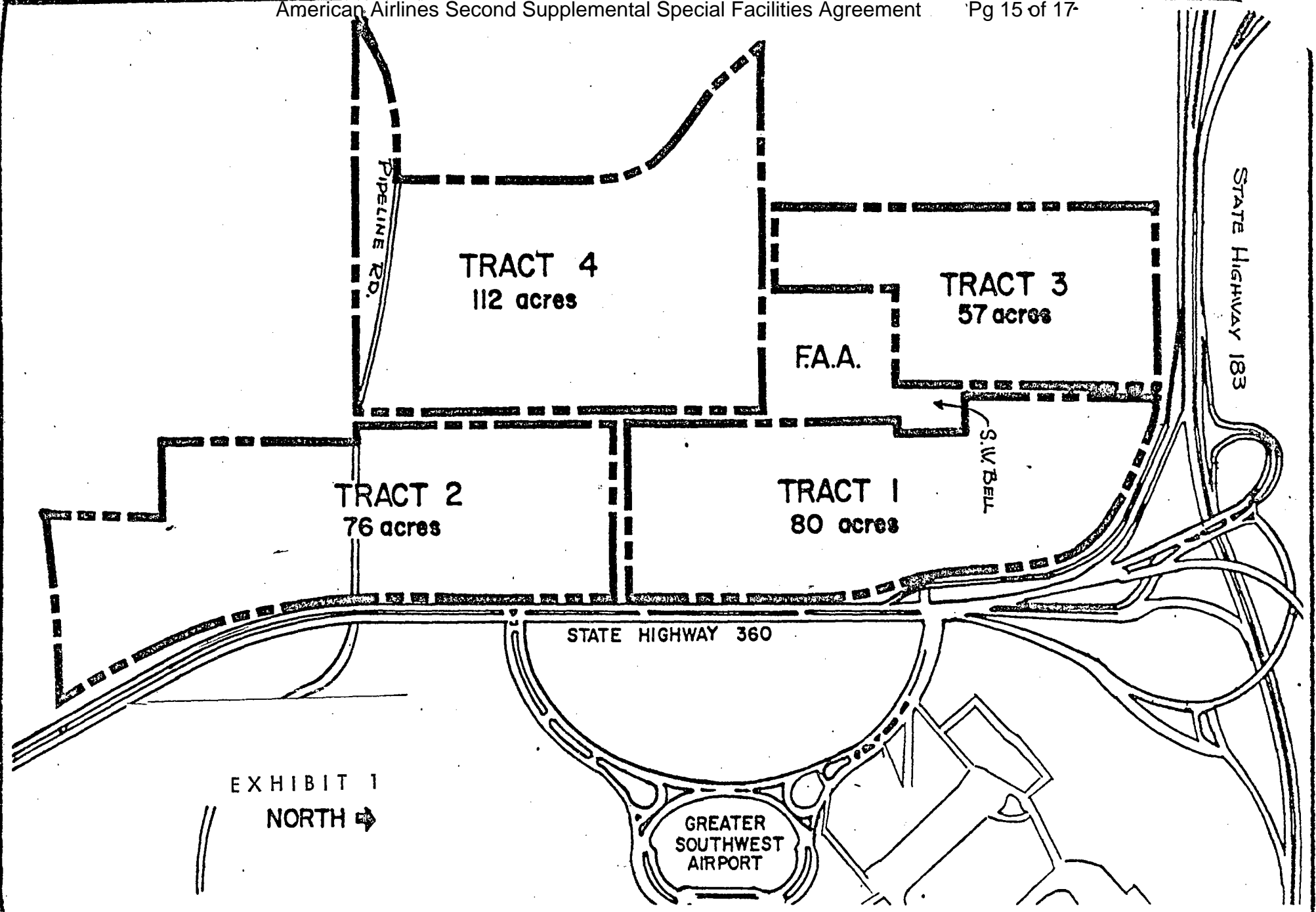
BEFORE ME, the undersigned authority in and for New York County, New York, on this day personally appeared *D. Lloyd M. ...* and *A. ...*, each known to me to be respectively, Senior Vice President and Secretary of American Airlines, Inc., a Delaware corporation, and each acknowledged to me that he executed the same for the purposes and consideration therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND and seal of office, this the *3* day of December, 1978.

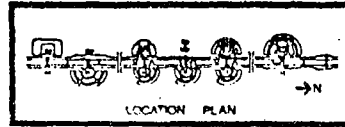
Gale Kay Wall

Notary Public in and for New York County, New York

GALE KAY WALL
Notary Public, State of New York
No. 31-9509200
Qualified in New York County *jd*
Commission Expires March 30, 1978



APPROVED	NO	DATE	REVISION	BY



DALLAS - FORT WORTH REGIONAL AIRPORT BOARD

DRAWN BY _____
 APPROVED BY _____
 ISSUE DATE _____

PO BOX 9800 DFW, DALLAS/FORT WORTH AIRPORT, TEXAS 75209

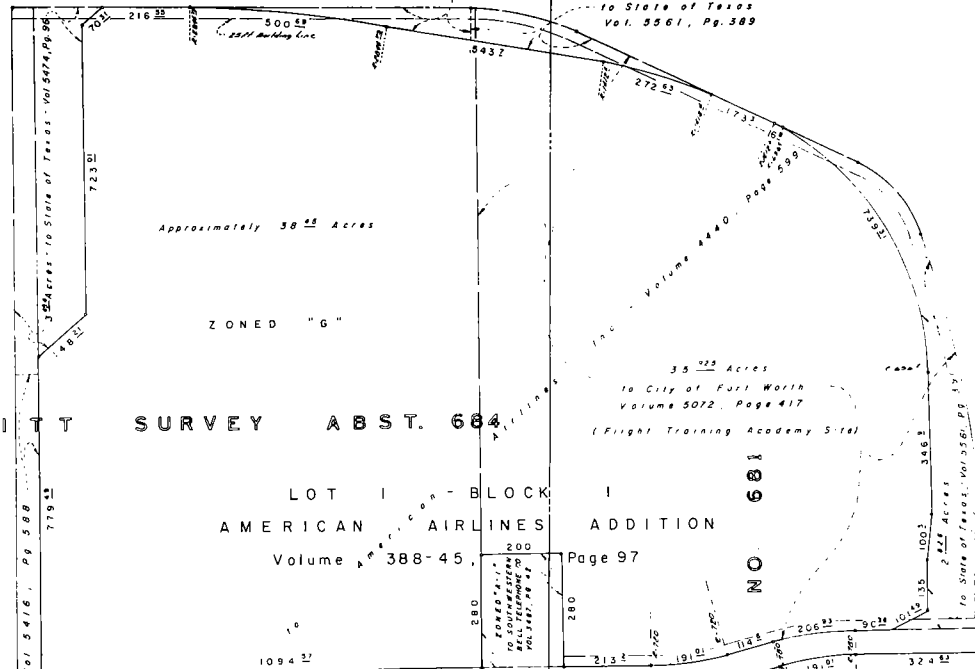
CONTRACT NUMBER _____

SHEET NUMBER _____
 OF SHEETS _____
 DFW.

STATE HIGHWAY 183

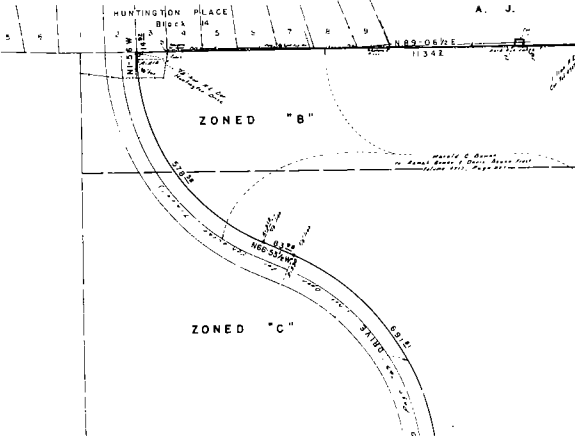
0.422 Acres
 to State of Texas
 Vol. 5474, Pg 96

0.122 Acres
 to State of Texas
 Vol. 5561, Pg. 589

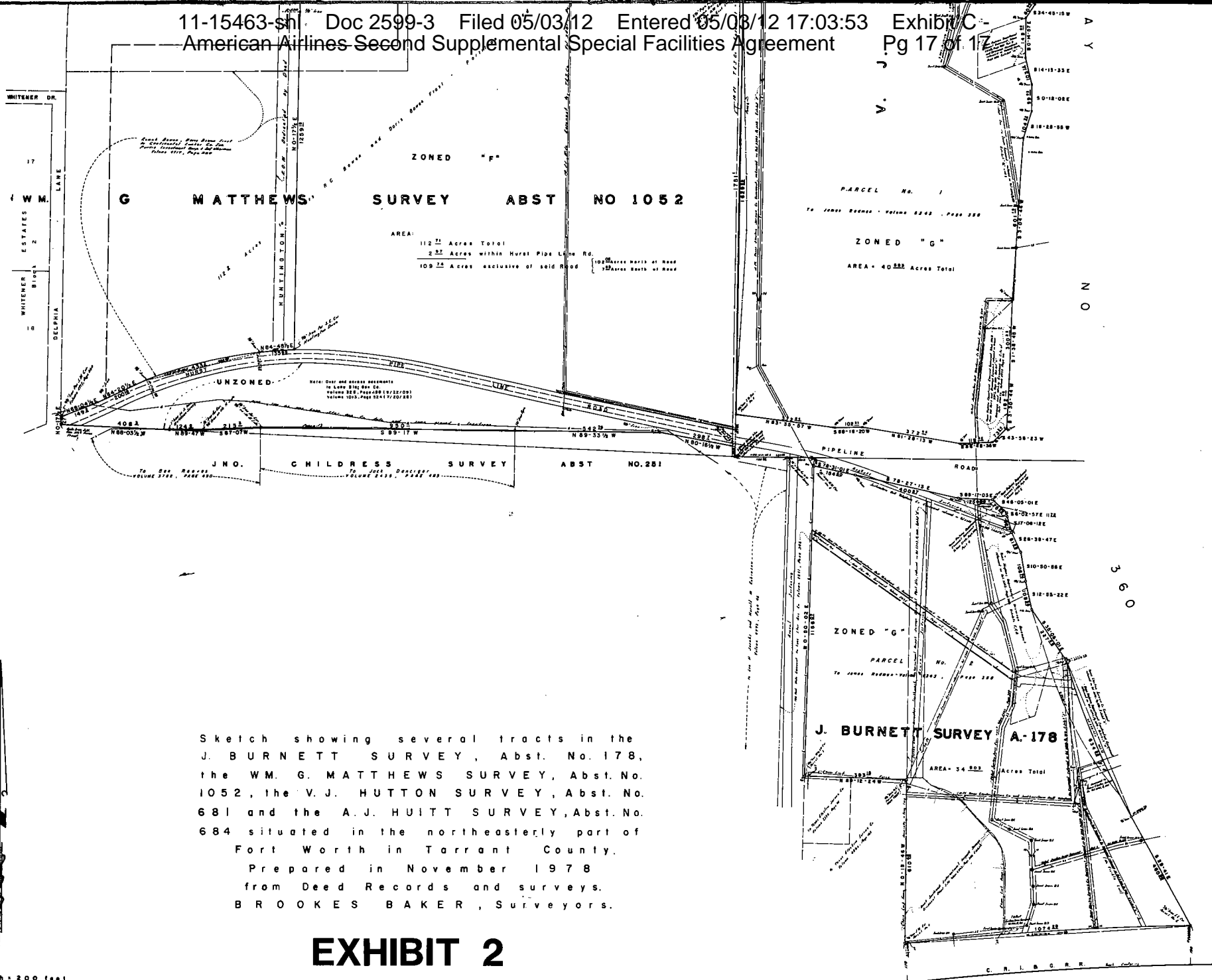


A. J. HUITT SURVEY ABST. 664
 LOT 1 - BLOCK 1
 AMERICAN AIRLINES ADDITION
 Volume 388-45, Page 97

Note: Easements pertaining to American Airlines Addition and the tract designated as American Airlines Stewardess College are not shown.



STATE HIGHWAY



Sketch showing several tracts in the J. BURNETT SURVEY, Abst. No. 178, the W.M. G. MATTHEWS SURVEY, Abst. No. 1052, the V. J. HUTTON SURVEY, Abst. No. 681 and the A. J. HUITT SURVEY, Abst. No. 684 situated in the northeasterly part of Fort Worth in Tarrant County. Prepared in November 1978 from Deed Records and surveys. BROOKES BAKER, Surveyors.

EXHIBIT 2