

EXHIBIT Z

Execution Copy

GUARANTY

FROM

AMERICAN AIRLINES, INC.

as Company

TO

THE CHASE MANHATTAN BANK

as Trustee

Dated as of August 1, 2000

Dallas-Fort Worth International Airport
Facility Improvement Corporation
American Airlines, Inc. Revenue Refunding Bonds
Series 2000C

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GUARANTY

THIS GUARANTY made and entered into as of August 1, 2000 from AMERICAN AIRLINES, INC., a corporation duly organized and existing under the laws of the State of Delaware and having its principal office at 4333 Amon Carter Boulevard, Fort Worth, Texas 76155 (the "Company"), to THE CHASE MANHATTAN BANK, a New York State Banking Corporation authorized to do business in the State of Texas, having a principal corporate trust office in Houston, Texas, as trustee (the "Trustee"), under the Indenture referred to below.

WITNESSETH:

WHEREAS, the Cities of Dallas and Fort Worth, Texas (the "Governmental Units") are parties to a joint action agreement dated April 15, 1968, entered into pursuant to Chapter 22, Texas Transportation Code, as amended (the "Act"), which governs, among other things, the construction and operation of the Dallas-Fort Worth International Airport (the "Airport");

WHEREAS, the Act authorizes the Governmental Units to create a nonprofit airport facility financing corporation for the purpose of providing financing to pay the costs, including all direct and indirect costs, capitalized interest and reserves therefor, of any airport facility authorized by Sections 22.011(a)-(c) and 22.012 of the Act and for such other purposes as may be set forth in the articles of incorporation of the corporation;

WHEREAS, the Governmental Units have caused the Dallas-Fort Worth International Airport Facility Improvement Corporation, a nonprofit airport facility financing corporation (the "Authority") to be created to act on their behalf in accordance with the Act;

WHEREAS, the Authority, on behalf of the Governmental Units, is authorized to issue revenue bonds for the purpose of financing and refinancing the costs of airport facilities authorized by the Act, which revenue bonds shall be payable solely from the payments made pursuant to an agreement between the Authority and one or more users of the Airport property;

WHEREAS, the Authority intends to issue its Dallas-Fort Worth International Airport Facility Improvement Corporation American Airlines, Inc. Revenue Refunding Bonds, Series 2000C, in the aggregate principal amount of \$100,000,000 (the "Bonds") under and pursuant to a Trust Indenture (the "Indenture"), dated as of August 1, 2000, between the Authority and the Trustee (all terms capitalized herein and not defined shall have the meaning ascribed to such terms in the Indenture);

WHEREAS, the proceeds derived from the issuance of the Bonds, together with other funds, are to be used to refund the Authority's outstanding American Airlines, Inc. Revenue Bonds, Series 1990, currently outstanding in the principal amount of \$393,000,000 (the "Refunded Bonds"), which Refunded Bonds originally financed the acquisition and construction, equipping and improvement of certain airport facilities within the boundaries of the Dallas-Fort Worth International Airport for use by American Airlines, Inc. (the "Company") including, but not limited to (i) expansions and renovations to Airport Terminals 2E and 3E, (ii) the construction of aircraft hangars and related improvements, expansion and renovation of training facilities, (iii) the acquisition of flight simulators and related equipment, and (iv) paying the costs of issuance of the Refunded Bonds (the "Projects");

WHEREAS, the Company will make payments under a Facilities Agreement of even date herewith by and between the Company and the Authority (the "Facilities Agreement") sufficient to pay when due (whether at stated maturity, upon redemption, by acceleration or otherwise) the principal of, premium, if any, and interest on the Bonds;

WHEREAS, the Company desires that the Authority issue the Bonds and apply the proceeds as aforesaid and is willing to enter into this Guaranty in order to enhance the marketability of the Bonds and thereby achieve interest cost and other savings for the Company, and in order to provide an inducement to the purchase of the Bonds by all who shall at any time become the registered owner of the Bonds (collectively, the "Bondholders");

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company does hereby represent, warrant, covenant and agree with the Trustee for the benefit of the Bondholders as follows:

ARTICLE I

REPRESENTATIONS AND WARRANTIES OF COMPANY

Section 1.1 Company Representations and Warranties. The Company does hereby represent and warrant that it is a corporation duly incorporated and in good standing under the laws of the State of Delaware, has the power to enter into and perform this Guaranty and to own its corporate property and assets, has duly authorized the execution and delivery of this Guaranty by proper corporate action and neither this Guaranty, the authorization, execution and delivery and performance hereof, the performance of the agreements herein contained nor the consummation of the transactions herein contemplated will violate in any material respect any provision of law, any order of any court or agency of government or any agreement, indenture or other instrument to which the Company is a party or by which it or its property is bound, or in any material respect be in conflict with or result in a breach of or constitute a default under any indenture, agreement or other instrument or any provision of its certificate of incorporation, bylaws, or any requirement of law. This Guaranty constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as the enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and by general equitable principles.

ARTICLE II

COVENANTS AND AGREEMENTS

Section 2.1 Obligations Guaranteed.

(a) The Company hereby unconditionally guarantees to the Trustee for the benefit of the Bondholders (1) the full and prompt payment of the principal, Purchase Price (as defined in the Indenture) and premium, if any, on the Bonds when and as the same shall become due and payable as provided in the Indenture, whether at the stated maturity thereof, by acceleration, call for redemption

or otherwise and (2) the full and prompt payment of interest on the Bonds, and, to the extent permitted by law, interest on overdue interest and premium, when and as the same shall become due and payable as provided in the Indenture. All payments by the Company hereunder shall be paid in lawful money of the United States of America. Each and every default in payment of the principal of, premium, if any, or interest on any Bond, or interest on overdue interest or premium, shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

(b) The Company further agrees that this Guaranty constitutes an absolute, unconditional, present and continuing guaranty of payment and not of collection, and waives any right to require that any resort be had by the Trustee or the Bondholders to (1) the Trustee's or any Bondholder's rights against any other party, (2) any other right or remedy available to the Trustee or any Bondholder by contract, applicable law or otherwise, or (3) any security held by or for the benefit of the Bondholders for payment of the principal of, premium, if any, or interest on the Bonds, or interest on overdue interest or premium on the Bonds.

Section 2.2 Obligations Unconditional. The obligations of the Company under this Guaranty shall be absolute, unconditional and immediately enforceable when each payment is due and shall remain in full force and effect until the entire principal and Purchase Price of, premium, if any, and interest on the Bonds, and, to the extent permitted by law, interest on overdue interest and premium, shall have been paid in full or duly provided for in accordance with the Indenture, and all costs, Trustee's fees and commissions and expense, including its counsel's fees and expenses as required to be paid by the Company pursuant to the Indenture, shall have been paid in full, and, to the extent permitted by law, such obligations shall not be affected, modified, released or impaired by any state of facts or the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to, or the consent of, the Company:

(a) the waiver, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Authority contained in the Indenture, or of the payment, performance or observance thereof, or the impossibility of performance or unenforceability of any of such obligations, covenants or agreements;

(b) the failure to give notice to the Company of the occurrence of any default or an Event of Default under the terms and provisions of this Guaranty, the Indenture, the Facilities Agreement or the Board Agreements;

(c) the transfer, assignment or mortgaging or the purported transfer, assignment or mortgaging of all or any part of the interest of the Board or the Company in the Projects or any failure of title with respect to the Board's or the Company's interest in the Projects or the invalidity, unenforceability or termination of the Facilities Agreement or any of the Board Agreements;

(d) the assignment or purported assignment of any of the obligations, covenants and agreements contained in this Guaranty;

(e) the waiver, compromise, settlement, release or termination of the Authority's obligations, covenants or agreements contained in the Facilities Agreement, or of the payment, performance or observance thereof, or the impossibility of performance or unenforceability of any of such obligations, covenants or agreements;

(f) the waiver, compromise, settlement, release or termination of any of the obligations, covenants or agreements of the Company under the Facilities Agreement or any of the Board Agreements, or of the payment, performance or observance thereof;

(g) the extension of the time for payment of any principal of and premium, if any, or interest on any Bond, owing or payable on such Bond or of the time for performance of any obligations, covenants or agreements under or arising out of the Facilities Agreement or the Indenture or the extension or the renewal of either thereof;

(h) the modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in any of the Board Agreements, the Facilities Agreement or the Indenture;

(i) the taking or the omission to take any of the actions referred to in any of the Board Agreements, the Facilities Agreement, the Indenture, the Bonds or this Guaranty;

(j) any failure, omission or delay on the part of the Authority or the Trustee to enforce, assert or exercise any right, power or remedy conferred on the Authority, the Trustee or any other person in this Guaranty, the Facilities Agreement or the Indenture, or any other act or acts on the part of the Board, the Authority, the Trustee or any of the Bondholders;

(k) the voluntary or involuntary liquidation, dissolution, merger, consolidation, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Company, the Board or the Authority or any or all of the assets of any of them, or any allegation or contest of the validity of any of the Board Agreements, this Guaranty, the Indenture or the Facilities Agreement, or the disaffirmance of any of the Board Agreements, this Guaranty, the Indenture or the Facilities Agreement in any such proceeding; it being specifically understood, consented and agreed to that this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Company to the same extent and with the same force and effect as if such proceedings had not been instituted, and it is the intent and purpose of this Guaranty that the Company shall and does hereby waive all rights and benefits which might accrue to the Company by reason of any such proceedings;

(l) any event or action that would, in the absence of this clause, result in the release or discharge by operation of law of the Company from the performance or observance of any obligation, covenant or agreement contained in this Guaranty;

(m) the default or failure of the Company fully to perform any of its obligations set forth in this Guaranty;

(n) the damage to, or condemnation, destruction, redelivery, repossession or surrender of, all or a portion of the Projects or the abandonment, non-completion or curtailment of one or more of the Projects, or the release, substitution or replacement of any property comprising all or a portion of the Projects;

(o) the release, substitution or replacement of any security pledged under the Indenture;

(p) any determination of the illegality, irregularity, invalidity or unenforceability of, or any defect in, the Bonds, any of the Board Agreements, the Facilities Agreement, or the Indenture or any of the provision thereof;

(q) any present or future law or order of any government (de jure or de facto) or of any agency thereof, purporting to reduce, amend or otherwise affect the Bonds or to vary any terms of payment thereof;

(r) any claim of immunity on behalf of the Authority or any other obligor on the Bonds or with respect to any property of the Authority or any other obligor on the Bonds;

(s) any failure of the Authority or the Trustee to mitigate damages resulting from any default by the Company under the Facilities Agreement or by the Company under this Guaranty or by the Authority under the Indenture or any failure of the Board to mitigate damages resulting from any default by the Company under any of the Board Agreements;

(t) any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or a guarantor; or

(u) any other occurrence whatsoever, whether similar or dissimilar to the foregoing.

Section 2.3 No Waiver or Set-Off. No act of commission or omission of any kind or at any time on the part of the Authority or the Trustee, or their successors and assigns, in respect of any matter whatsoever shall in any way impair the rights of the Trustee to enforce any right, power or benefit under this Guaranty, and no set-off, counterclaim, reduction, or diminution of any obligation, or any defense of any kind or nature (other than performance by the Company of its obligations hereunder), which the Company has or may have against the Authority or the Trustee or any assignee or successor thereof shall be available hereunder to the Company.

Section 2.4 Events of Default.

(a) An "Event of Default" shall exist if any of the following occurs and is continuing:

(1) the Company defaults in any guarantee referred to in Section 2.1(a)(1) hereof;

(2) the Company defaults in any guarantee referred to in Section 2.1(a)(2) hereof;

(3) the Company fails to observe and perform any covenant (other than such referred to in Section 2.4(a)(1) and (2) above) of this Guaranty and such failure continues for more than sixty (60) days after written notice of such failure has been given to the Company by the Trustee;

(4) any warranty, representation or other statement by the Company contained in this Guaranty is false or misleading in any material respect as of the date made; or

(5) the occurrence of an "Act of Bankruptcy," provided that with respect to the filing of an involuntary petition in bankruptcy or other commencement of a bankruptcy or

similar proceeding against the Company, such petition or proceeding shall remain undismissed for ninety (90) days. For purposes of this Section 2.4, "Act of Bankruptcy" shall mean the commencement of a bankruptcy or similar proceeding by or against the Company, as debtor, including, but not limited to, the following: making a general assignment for the benefit of creditors, the commencing of a voluntary case under the Federal Bankruptcy Code or the filing of a petition thereunder, petitioning or applying to any tribunal for the appointment of a receiver or any trustee for the Company or a substantial part of the assets of the Company, commencing any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or the appointment of a receiver or any trustee for the Company or any substantial part of any of the properties of the Company.

(b) Upon an Event of Default hereunder, the Trustee shall have the right to proceed first and directly against the Company under this Guaranty without resorting to any security held by the Authority or the Trustee under the Indenture.

(c) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Guaranty shall, after payment of accrued fees and expenses of the Trustee and the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund or the Bond Purchase Fund, as appropriate for the benefit of the Bondholders and such moneys shall be applied in accordance with the terms of the Indenture.

(d) The Trustee shall be under no obligation to institute any suit or to take any remedial action under this Guaranty, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the enforcement of any rights and powers under this Guaranty upon any Event of Default, until it shall be indemnified to its satisfaction by the Bondholders against any and all liability (including, without limitation, reasonable compensation for services, costs and expenses, outlays, and counsel fees and expenses and other disbursements) not due to its negligence or willful misconduct.

Section 2.5 Waiver of Notice; Expenses. The Company hereby expressly waives notice from the Trustee or the Bondholders of their acceptance and reliance on this Guaranty. The Company agrees to pay all costs, expenses and fees, including all reasonable attorneys' fees and expenses which may be incurred by the Trustee in enforcing or attempting to enforce this Guaranty or protecting the rights of the Trustee or the Bondholders following any default on the part of the Company hereunder, whether the same shall be enforced by suit or otherwise.

Section 2.6 Dissolution or Merger of the Company. Except as hereinafter provided, the Company agrees that during the term hereof it will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity unless the surviving entity or transferee, as applicable, is a solvent corporation or other entity and, concurrently with such transaction, irrevocably and unconditionally assumes in writing, by means of an instrument which is delivered to the Authority and the Trustee, all of the obligations of the Company herein (unless the Company is the survivor, in which case no such written assumption shall be required). Upon any dissolution, disposition, merger or consolidation in accordance with the preceding sentence, the successor entity formed by such consolidation or into which the Company is merged or to which such

disposition is made shall succeed to, and be substituted for, and shall exercise every right and power of, the Company under this Guaranty with the same effect as if such successor entity had been named as the Company herein. Upon any dissolution or disposition in accordance with the next preceding sentence where the Company is not the surviving entity, the Company shall automatically be released from all of its obligations hereunder.

Section 2.7 Benefit and Enforcement. This Guaranty shall not be deemed to create any right, or to be in whole or in part for the benefit of any person other than the Trustee, the Company, the Bondholders, and their permitted successors and assigns. This Guaranty is entered into by the Company for the benefit of the Trustee, the registered owners from time to time of the Bonds and any successor Trustee or Trustees under the Indenture and may be enforced by or on behalf of the registered owners of the Bonds only by the Trustee by such actions, suits and proceedings, at law or in equity, as it may be advised shall be necessary or expedient to preserve and protect its interest and the interests of the Bondholders hereunder. However, the Trustee shall proceed to enforce this Guaranty upon written request of the registered owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding and upon being indemnified for its expenses and any liability to be incurred by the Trustee other than liability arising from its willful misconduct or negligence in connection with any action so taken.

ARTICLE III

NOTICES

Section 3.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or when mailed by registered or certified mail, postage prepaid, to American Airlines, Inc., MD 5662, P.O. Box 619616, Dallas/Fort Worth Airport, Texas 75261-9616, Attention: Treasurer, with a copy to American Airlines, Inc., MD 5675, P.O. Box 619616, Dallas/Fort Worth Airport, Texas 75261-9616, Attention: Corporate Secretary.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Effective Date: Termination. The obligations of the Company hereunder shall arise absolutely and unconditionally upon the Closing Date (as defined in the Facilities Agreement). This Guaranty shall terminate on such date as the Indenture is discharged and satisfied in accordance with Article XVI of the Indenture or if a Letter of Credit (as defined in the Indenture) is provided and the Company has requested the return of the Guaranty in accordance with Section 7.2 of the Indenture.

Section 4.2 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised

from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Guaranty, it shall not be necessary to give any notice. In the event any provision contained in this Guaranty should be breached, and thereafter duly waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification of this Guaranty shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the parties to this Guaranty.

Section 4.3 Amendments. This Guaranty may be amended by the Company and the Trustee only in accordance with the provisions of the Indenture.

Section 4.4 Entire Agreement; Counterparts. This Guaranty constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

Section 4.5 Severability. The invalidity or unenforceability of any one of more phrases, sentences, clauses or sections contained in this Guaranty shall not affect the validity or enforceability of the remaining portions of this Guaranty, or any part thereof.

Section 4.6 Governing Law. THIS GUARANTY SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TEXAS (EXCEPT THE CONFLICTS OF LAW PROVISIONS CONTAINED WITHIN THE LAWS OF THE STATE OF TEXAS SHALL NOT APPLY). NOTHING CONTAINED IN THIS SECTION 4.6 SHALL AFFECT THE RIGHT OF ANY PARTY TO COMMENCE ANY ACTION, SUIT OR PROCEEDING IN CONNECTION WITH ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY ALLEGED BREACH HEREOF IN ANY COURT OF COMPETENT JURISDICTION.

IN WITNESS WHEREOF, the Company has caused this Guaranty to be executed in its name and behalf by its duly authorized officer as of the date first above written.

AMERICAN AIRLINES, INC.

By: Leslie M Benners
Name: LESLIE M. BENNERS
Title: Managing Director
Corporate Finance & Banking

THE CHASE MANHATTAN BANK,
as Trustee

By: _____
Authorized Signatory

IN WITNESS WHEREOF, the Company has caused this Guaranty to be executed in its name
and behalf by its duly authorized officer as of the date first above written.

AMERICAN AIRLINES, INC.

By: _____
Name: _____
Title: _____

THE CHASE MANHATTAN BANK,
as Trustee

By:  _____
Authorized Signatory