

RAYMOND E. BUCK

JOHN B. HONTS
HARRY N. HARRIS

LAW OFFICES OF
RAYMOND E. BUCK
COMMERCIAL STANDARD BUILDING
FORT WORTH 2, TEXAS

April 12, 1946

Mr. Amon Carter
The Fort Worth Star Telegram
Fort Worth, Texas

Dear Amon:

For a long time the City has sought various ways to obtain additional revenue from American Airlines for the use of the field. You and I have agreed that nothing should be done to impair the rights under the existing contract, but that if American could consistently "feed the kitty" a little without doing so, it would not hurt anything.

With that premise, Red Mosier and Amos Culbert have been considering a plan to replace our patchwork of terminal space agreements with one contract, and at the same time to provide for a landing fee for the use of the landing field itself, by a supplement to the original lease. Amos Culbert was here the last week in February while you were in the East. He discussed the matter with me and then conferred with Sam Bothwell a day or two. After they had come to a substantial accord, I sat in a conference with them, and at their suggestion have attempted to put the tentative agreement on paper.

The gist of the deal is that American Airlines has built and/or improved several buildings and structures at the Airport at its own cost and expense, with the agreement that after amortization they will pay the same square foot rental rate, if they continue to require the space. To simplify a rather complicated deal, I have treated the buildings as belonging to the City, with rents prepaid by American to the dates shown by lease agreements, for basic 5-year term, with option for renewal at the same rates, so long as American conducts its operations from Meacham. This makes a flexible agreement which is adjustable to the possibility of American moving its operations to some other airport in the area.

RAYMOND E. BUCK

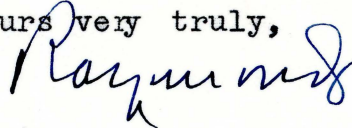
Mr. Amon Carter

-2-

April 12, 1946

By separate agreement, I have amended the original basic lease between the City and the Company only to the extent of providing for a voluntary payment of \$25.00 per schedule trip arrival, to provide needed funds for the City's maintenance obligations. I have specifically provided that the original lease is not otherwise impaired or amended. The negotiations have been based on general principles which you have previously approved and have been more or less preliminary, but we will not consummate the contract until and unless you fully approve, and enclose copies of the proposed contract for your consideration.

Yours very truly,



cc: Messrs. C. R. Smith, New York
O. M. Mosier, New York
Amos Culbert, New York

STATE OF TEXAS I

COUNTY OF TARRANT I

THIS AGREEMENT, made and entered into as of the 1st day of January, 1946, by and between the City of Fort Worth, a municipal corporation within the County of Tarrant, State of Texas, hereinafter called the CITY, and American Airlines, Inc., a private corporation organized under the Laws of the State of Delaware, acting in its own behalf and for the use and benefit of its subsidiary and affiliated air transportation companies hereinafter called the COMPANY.

W I T N E S S E T H :

WHEREAS, the CITY owns, and did prior to April 29, 1932, own, an Airport known as Meacham Field located in the County of Tarrant, State of Texas, hereinafter called Airport; and

WHEREAS, the COMPANY is engaged in the transportation of persons, cargo and mail by air; and

WHEREAS, the CITY and COMPANY did, on the 29th day of April, 1932, make and enter into a lease Agreement, by the terms of which the CITY granted, let and leased unto the COMPANY, and the COMPANY accepted, hired and took from the CITY the premises, appurtenances, rights and privileges therein set out, on, in and incident to said Airport, which is more fully described in said Agreement to which reference is made for all purposes, and which is valid and subsisting at this time; and

WHEREAS, the CITY and COMPANY desire to amend and supplement said lease to the extent and only to the extent herein provided, and otherwise to conform with and adhere to the terms of said lease as originally written.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements contained in said original lease and this supplement, and other valuable considerations, the CITY and the COMPANY have, and by these presents do agree as follows, to-wit:

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I.

The COMPANY agrees to pay to the CITY the sum of twenty-five (\$25.00) dollars for each Scheduled Trip Arrival, for the use, in common with others authorized so to do, of the landing field and appurtenances, together with all facilities, equipment, improvements and services which have been or may be hereafter provided at or in connection with said Airport and extensions and additions thereto, including roadways, runways, aprons, sewerage and water facilities, flood lights, landing lights, beacons, control tower, signals, radio aids and all other conveniences for flying, landing and takeoff of the aircraft operated by the COMPANY or any of its subsidiary or affiliated companies, and for the use, in common with others authorized so to do, of the public facilities now or hereafter provided at or in connection with said Airport.

Payment shall be made in installments covering the preceding calendar month, and the CITY shall, following the end of each calendar month, transmit to the COMPANY a statement of the fees and charges incurred by the COMPANY during said month, and the same shall be paid by the COMPANY within fifteen (15) days after receipt thereof.

The timetable of the COMPANY, as filed with the Civil Aeronautics Authority, in effect on the first day of each calendar month (a copy of which shall be furnished the CITY'S Airport Manager upon request to COMPANY) shall be the sole basis for determining the number of such Scheduled Trip Arrivals and type of aircraft operated during such month, and no account shall be taken of scheduled changes made during such month, or of the actual number of trip arrivals or aircraft landings occurring during such month, or of flight cancellations, extra sections flown, shuttle, courtesy, test, training, inspection, emergency, special, charter, sight seeing, or other flights. The number of trips shown on the face of such timetable as scheduled to arrive at the Airport on the first day of such month shall be the number of trips for which

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the monthly payment is made without regard to the number of days on which such trips are scheduled to arrive. For example, an arrival shown on the face of such timetable in effect on the first day of a particular month as scheduled to take place on each day during the month shall constitute one Scheduled Trip Arrival. In like manner, an arrival shown on such timetable as scheduled to take place on one or more days of the month, such as an arrival scheduled to take place on every day except Sunday, shall constitute one Scheduled Trip Arrival.

No payment whatever will be exacted or paid for the landing or takeoff of any other type of flight or operation to or from the field than Scheduled Trip Arrivals as hereinabove provided.

II.

In the event the CITY allows or permits any other person, firm or company engaged in air transportation to use said Airport and its facilities on more favorable terms or for a lower charge or fee than fees payable by the COMPANY hereunder shall to that extent abate and terminate.

III.

No higher charge shall be made against the COMPANY by the CITY for the use of Tarrant Field or any other airport in the Fort Worth area which the COMPANY may be from time to time required to use, during the period while the COMPANY is maintaining its principal operations at Meacham Field because of the inadequacy of the runways and facilities thereof.

IV.

In the event that the United States of America or some other agency, governmental or otherwise, not hired, paid and employed by the CITY so to do, should take over, supervise and operate runways, landing areas, lights, radio control tower or other air navigation aids or facilities which shall have been operated and maintained at the Airport by the CITY at its expense, the rentals and fees provided for in Section I of this Agreement shall be reduced in direct proportion to the savings thus realized by the CITY in its operating cost for the Airport.

V.

The COMPANY has voluntarily agreed to pay the fees herein provided, which are in excess of and additional to the requirements of the original lease dated April 29, 1932, in order to assist the CITY to operate, maintain and keep said Airport and its facilities, including without limitation the runways, taxiways, loading areas and areas immediately adjacent to such runways, taxiways, loading areas, in good repair and condition for the service, convenience and proper use of said Airport by the COMPANY in a manner at least equal to the highest standard or ratings for airports of similar size and character issued by the Civil Aeronautics Authority, and in accordance with all rules and regulations of said Authority or any other governmental agency having jurisdiction thereof; and in the event the CITY fails so to do, the COMPANY'S obligation to pay, and the CITY'S right to collect, said fees or any part thereof, shall cease and abate during the period of the CITY'S default and the COMPANY shall have the option, but not the obligation, to expend the fees and charges that would otherwise be payable to remedy or improve the condition which constitutes the default on the part of the CITY.

VI.

In the event that the CITY shall enter into any lease, contract or agreement with any other air transport operator, with respect to the Airport, containing more favorable terms than this Agreement, or shall grant to any other air transport operator rights or privileges with respect thereto which are not accorded to the COMPANY hereunder, then the same rights, privileges and more favorable terms shall be concurrently and automatically made available to the COMPANY.

VII.

The terms of said original lease of April 29, 1932, are hereby ratified and confirmed, except only to the extent the same

are hereby specifically amended, and the CITY and the COMPANY hereby renounce any claim that said original lease has been otherwise impaired or voided.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

CITY OF FORT WORTH

BY _____

ATTEST:

AMERICAN AIRLINES, INC.

BY _____

ATTEST:

Witness
Frederic G. Union Star
1944

Provisions specified herein

STATE OF TEXAS |
COUNTY OF TARRANT |

THIS INDENTURE OF LEASE, made and entered into this _____ day of March, 1946, by and between the City of Fort Worth, a municipal corporation, within the County of Tarrant, and State of Texas, hereinafter called LESSOR, and American Airlines, Inc., a private corporation organized and existing under the laws of the State of Delaware, acting in its own behalf and for the use and benefit of its affiliated and subsidiary air transport companies, hereinafter called LESSEE.

W I T N E S S E T H :

WHEREAS, LESSOR owns and operates an airport known as Fort Worth Municipal Airport (Meacham Field), located in the County of Tarrant, State of Texas, hereinafter called AIRPORT, which is more fully described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, LESSEE is engaged in the business of transporting persons, property, cargo and mail by air; and

WHEREAS, LESSEE desires to lease certain premises, space, facilities, rights, licenses, services and privileges in, on and about the buildings and areas which constitute the terminal facilities of said AIRPORT, and LESSOR is willing to and has leased the same for its exclusive use to LESSEE upon the terms and conditions hereinafter set out.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, LESSOR does hereby demise, lease and let unto LESSEE, and LESSEE does hereby hire and take from LESSOR, the premises, space, facilities, rights, licenses, services and privileges in connection with and on said AIRPORT, for its sole and exclusive use during the term of this lease.

ADMINISTRATION BUILDING

First Floor:

1. Ticket counter, approximately 30' in length and 2' in width, and a service area between said ticket counter, and the offices 30' in length and 4' in width, containing in all approximately 188 sq. ft. of ticket counter and counter service space, in the main passenger lobby.

2. Ticket office No. 116A, being 13' x 14'1", including 183 sq. ft., and company mail office No. 116, being 9' x 14'1", including 96 sq. ft., aggregating 279 sq. ft. of ticket office floor space.

3. Office Room No. 104A, being 11'6 $\frac{1}{4}$ " x 16'6", with closet 7' x 2'6", including approximately 207 sq. ft., and Office Room No. 134, being 9'6" x 19'4", including 184 sq. ft., aggregating 391 sq. ft. of space; and constituting a total of 858 sq. ft. of floor space on First Floor.

Second Floor:

The entire north wing of the Second Floor, including the old construction, 48'6" x 53' outside, and the addition completed in 1946, which is 20' x 53' outside, said space being designated as Office Room No. 201A, which includes 1,459 sq. ft.; Office Room No. 203, which includes 858 sq. ft., and the new addition which includes 963.3 sq. ft., aggregating 3,280 sq. ft. of floor space in said leased area on the Second Floor.

PASSENGER AND CARGO SERVICE OFFICE

The entire building, completed on or about September 1, 1942, and originally used as a customs building, including approximately 605 sq. ft. of floor space.

BAGGAGE ROOM

The entire building, completed on or about February 5, 1945, by the enclosure and roofing of the area between the main Administration Building and the Passenger and Cargo Service Office described in the next preceding paragraph, including approximately 556 sq. ft. of irregularly shaped floor space.

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INTERNATIONAL BUILDING

The entire building situated in a northerly direction from the Administration Building, which was completed February 15, 1942, consisting of two floors, approximately 89' x 48', including approximately sq. ft. of floor space on the first floor and sq. ft. of floor space on the second floor, aggregating approximately 4,500 sq. ft. of floor space in said building.

HANGAR BUILDING

✓ The entire building, known as the American Airlines Hangar, being approximately 100' x 50', which was constructed by LESSEE at its sole cost and conveyed to the City, and thereafter leased by the City to LESSEE on or about April 29, 1932, for a period of 33 years, said building being commonly referred to as the American Airlines Hangar and Office Building, including an extension and addition to said building which was completed during the year of this lease, adding 600 sq. ft. of space to said building, this lease being merely confirmatory of the existing lease aforesaid, in so far as it relates to said building.

AERO-OVERHAUL BUILDING

The entire building, lying east of the American Airlines Hangar next hereinabove described, which is known as the Aero-Repair Shop, being approximately 132' x 40', including approximately 16,298 sq. ft. of floor space in the old structure, and approximately 5,300 sq. ft. of floor space that was added to said building on or about March 1, 1946.

EMPLOYEES' CAFETERIA AND LOCKER ROOM

The entire building located southwest of the area way between the American Airlines Hangar and the Aero-Repair Shop, which is approximately 119' x 29', and contains approximately 3,511 sq. ft. of floor space.

RENTALS

LESSEE agrees to pay, and LESSOR agrees to accept, for the use of said premises, facilities, rights, licenses, services and privileges granted hereunder, rentals, computed on a per annum

basis unless otherwise indicated, as follows, to-wit:

1. Administration Building - first floor, \$2.04 per sq. ft. per annum; second floor, \$1.50 per sq. ft. per annum.
2. Passenger and Cargo Service Office - \$1.40 per sq. ft. per annum.
3. Baggage Room - \$1.00 per sq. ft. per annum.
4. International Building - \$1.75 per sq. ft. per annum.
5. American Airlines Hangar and Office Building - All rent prepaid.
6. Aero-Overhaul Building - \$310.00 per month.
7. Employees' Cafeteria and Locker Room - \$1.00 per sq. ft. per annum, and an additional sum equaling 1% of the gross sales.

LESSEE has heretofore expended from its own funds the sums hereinafter set out in payment of the cost of construction and/or permanent improvements or additions to the respective buildings and/or space leased and let hereunder, with the mutual agreement that said expenditures shall constitute prepaid rentals at the rate hereinabove set out, for the use, occupancy and enjoyment of the respective spaces, buildings and the following credits represent prepaid and unearned rent for the exclusive use and occupancy of said respective space, buildings, and premises as of the beginning date of this lease:

<u>Premises</u>	<u>Prepaid and Unearned Rent</u>
Ticket Counter and Baggage Space	
Ticket Offices No. 116A and 116	
Office Rooms No. 104A and 134	
Second Floor, north wing, of the Administration Building	
Passenger and Cargo Service Office	
Baggage Room	
International Building	
Hangar Building	
Aero-Overhaul Building	
Employees' Cafeteria and Locker Room	

WHEREFORE, no additional rentals shall be due and payable to LESSOR by LESSEE on said respective premises until the term for which said rentals are prepaid has expired. Thereafter, LESSEE shall pay LESSOR monthly in advance on or before the first day of each calendar month, the rental due and payable for the use of each of the leased premises at the rates hereinabove set out.

TERM

The initial term of this lease shall be for a period of five (5) years commencing on the day of , 1946, and ending on the day of , 1951, provided however, that LESSEE is hereby given the option of renewing same for a second term of five years on the same rent with respect to any space occupied by it at the expiration of the initial term; and, provided further, that LESSEE may cancel this agreement in whole or only in so far as it relates to any one or more units or space of facilities leased hereunder, at any time that LESSEE is not in default in its rentals, by giving 30 days' advance written notice to LESSOR upon or after the appearance of any one of the following events:

- (a) The failure or refusal of the Civil Aeronautics Authority, at any time during the term of this Agreement or any renewal thereof, to permit LESSEE to operate into or from the Airport with any type of aircraft which LESSEE may reasonably desire to operate into and from the Airport, including, without limiting the generality of the foregoing, the failure or refusal of the Civil Aeronautics Authority at any such time to permit LESSEE to operate into or from the Airport with any type of aircraft licensed to operate into or from other airports of like size and character;
- (b) The termination of LESSEE'S obligation to or right from (imposed or granted by contract or otherwise) the United States Government or governmental agencies for the carriage of United States air mail

to, from or through the Fort Worth metropolitan area or its environs;

- (c) The designation of any other airport in substitution for or in addition to the Airport, the failure or refusal to designate the Airport or the withdrawal of designation of the Airport, by the Post Office Department or any other competent governmental authority, as the terminal point for the Fort Worth metropolitan area and its environs for the receiving and dispatching of United States air mail;
- (d) Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof for airport purposes, and the remaining in force of such injunction for a period of at least ninety (90) days;
- (e) The inability of LESSEE to use, for a period in excess of ninety (90) days, the Airport or any of the premises, facilities, rights, licenses, services or privileges leased to LESSEE hereunder because of any law or any order, rule, regulation or other action or any nonaction of the Civil Aeronautics Authority or any other governmental authority, or because of fire, earthquake, other casualty or acts of God or the public enemy;
- (f) The default by LESSOR in the performance of any covenant or agreement herein required to be performed by LESSOR and the failure of LESSOR to remedy such default for a period of sixty (60) days after receipt from LESSEE of written notice to remedy the same; provided, however, that no notice of cancellation, as above provided, shall be of any force or effect if LESSOR shall have remedied the default prior to receipt of LESSEE'S notice of cancellation;
- (g) The assumption by the United States Government or

any authorized agency thereof of the operation, control or use of the Airport and facilities, or any substantial part or parts thereof, in such a manner as substantially to restrict LESSEE, for a period of at least ninety (90) days, from operating thereon for the carrying of passengers, cargo, property and United States air mail.

- (h) The removal of LESSEE'S air transportation operations or a substantial portion thereof to another airport or airports within the Fort Worth area.

LESSEE'S performance of all or any part of this Agreement for or during any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by LESSOR, shall not be deemed a waiver of any right on the part of LESSEE to cancel this Agreement for failure by LESSOR so to perform, keep or observe any of the terms, covenants or conditions hereof to be performed, kept and observed. No waiver of default by LESSEE of any of the terms, covenants and conditions herein contained to be performed, kept and observed by LESSOR, shall be construed to be or act as a waiver by LESSEE of any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by LESSOR.

In the event the LESSEE exercises its option of cancellation for any reason other than the fault or neglect of LESSOR, LESSEE shall not be entitled to recover any of the rental which has been prepaid.

MAINTENANCE AND OPERATION

LESSOR, during the initial term of this lease and any renewal thereof, shall operate, maintain and keep in good repair the Airport, Administration Building (including all public and passenger space, and all of LESSEE'S exclusive space therein), vehicular parking spaces, all appurtenances, facilities and services now or hereafter connected with the foregoing and all

appurtenances, facilities and services now or hereafter connected with the Buildings leased to LESSEE.

LESSOR, at its cost, shall keep the public and passenger space in the Administration Building adequately and attractively supplied, equipped, furnished and decorated and shall operate and maintain adequate directional signs in said spaces and in all other public and passenger spaces on the Airport, including without limitation, signs indicating the location of all public restaurants, restrooms, newstands, post offices, telegraph offices, baggage counters and check rooms, and all other facilities for passenger or public use in the Administration Building or elsewhere on the Airport. LESSOR, at its cost, shall provide janitor service, adequate heat, light, gas, electricity and water for the public and passenger space.

LESSOR, at its expense, shall provide sufficient personnel and facilities and take such measures, as are required by the circumstances, to avoid and eliminate any unreasonable congestion and obstructions as may from time to time occur with respect to passengers' use of and access to ticket counter areas, the lobby, passenger lounges, waiting rooms, hallways, entrances and exits and other public and passenger conveniences in or appurtenant to the Administration Building. In furtherance thereof, LESSOR, in authorizing or permitting the use of space in the aforesaid areas of the Administration Building by concessionaires, shall at all times retain or provide sufficient space in said areas for reasonably uncongested and unobstructed use thereof by passengers.

LESSOR shall supply and furnish at its own cost water, heat, and electric current to serve the space exclusively used by LESSOR in the Administration Building and in the Baggage Room, and shall furnish and supply at its cost and expense water to serve the Passenger and Cargo Service Office. LESSEE shall supply and furnish at its own cost all janitor or porter service to the space exclusively occupied by it, and in addition thereto shall supply and furnish at its own cost electric current required and consumed by its radio equipment, and heat and electric current to

serve the Passenger and Cargo Service Office, and all utility service to the International Building, the Hangar Building, the Aero-Overhaul Building and the Employees Cafeteria and Locker Room, excepting only the sewerage tax.

In the event that LESSOR fails to perform, for or within a period of thirty (30) days after written notice from LESSEE so to do, any obligation required by this Agreement to be performed by LESSOR at LESSOR'S cost, LESSEE, upon the expiration of such thirty (30) day period, may, but shall not be obligated to, perform such obligation of LESSOR and deduct the reasonable cost to LESSEE of performing such obligation from any rentals, fees or charges subsequently becoming due from LESSEE to LESSOR under this Agreement; provided, however, that if LESSOR'S failure to perform any such obligation adversely affects or endangers the health or safety of LESSEE or of any of its employees, agents, passengers, guests, patrons, invitees or its or their suppliers of materials or furnishers of service or any of its or their property, and if LESSEE so states in its aforesaid notice to LESSOR, LESSEE may, but shall not be obligated to, perform such obligation of LESSOR at any time after the giving of said notice and without awaiting the expiration of said 30 day period, and LESSEE may deduct its reasonable costs of performance thereof from any rentals, fees or charges as aforesaid.

SPACE FOR UNITED STATES WEATHER BUREAU,
POST OFFICE, CIVIL AERONAUTICS AUTHORITY
AND EXPRESS AGENCIES

LESSOR shall make available reasonable and convenient space and facilities at the Airport for the use of the United States Post Office Department or any person required to use such space by regulations thereof, and an express agency or agencies at a reasonable rental charge to such persons, governmental agency and express agencies, which rental charge shall not be more than Dollars (\$) per square foot per annum; and LESSOR shall make available reasonable and convenient space and facilities at the Airport for the use of the United States Weather Bureau and Civil Aeronautics Authority at a reasonable rental charge to such Governmental agencies.

OPTION TO LEASE ADDITIONAL SPACE

In the event LESSOR constructs a new Administration Building on the Airport, LESSOR will build such building in a manner which will provide LESSEE with space equivalent in size to, and as desirably located as the space which LESSEE shall then have in the present Administration Building under this Agreement. LESSOR will not charge more for space in the new Administration Building than provided herein. Upon occupancy by LESSEE of space in the new Administration Building, it may at its option terminate its rights and obligations with respect to all or any part of its space in the present Administration Building by giving LESSOR written notice of such termination.

DAMAGE OR DESTRUCTION OF PREMISES

If any building of LESSOR in which LESSEE occupies exclusive space hereunder shall be partially damaged by fire, the elements, the public enemy or other casualty, but not rendered untenable, the same shall be repaired with due diligence by LESSOR at its own cost and expense. If the damage shall be so extensive as to render such building untenable but capable of being repaired in thirty (30) days, the same shall be repaired with due diligence by LESSOR at its own cost and expense, and the rent payable hereunder with respect to LESSEE'S exclusive space in such building shall be proportionately paid up to the time of such damage and shall thenceforth cease until such time as such building shall be fully restored. In case any such building is completely destroyed by fire, the elements, the public enemy or other casualty, or so damaged that it will or does remain untenable for more than thirty (30) days, at the option of LESSEE either (1) said building shall be repaired or reconstructed with due diligence by LESSOR at its own cost and expense, and the rent payable hereunder with respect to LESSEE'S exclusive space in said building shall be proportionately paid up to the time of such damage or destruction and shall thenceforth cease until such time as said building shall be fully restored, or (2) if within twelve (12) months after the time of such damage or destruction said building shall not have been repaired or reconstructed for

LESSEE'S use, LESSEE may give LESSOR written notice of its intention to then cancel this Agreement in its entirety or to cancel, as of the date of such damage or destruction, such part of this Agreement as relates only to said building, and LESSOR shall return to LESSEE prepaid and unearned rents.

In the event that the Airport or any other premises herein leased are rendered untenable or unusable because of the condition thereof, there shall be a reasonable and proportionate abatement of the rentals, fees and charges provided for herein during the period that the same are so untenable or unusable, and LESSOR shall return to LESSEE all prepaid and unearned rents.

CANCELLATION BY LESSOR

LESSOR may cancel this Agreement by giving LESSEE sixty (60) days advance written notice to be served as hereinafter provided, upon or after the happening of any one of the following events;

but shall repay to lessee all prepaid & unearned rents unless cancellation is based on contingencies (f) hereafter set out

- (a) The filing by LESSEE of a voluntary petition in bankruptcy;
- (b) The institution of proceedings in bankruptcy against LESSEE and the adjudication of LESSEE as a bankrupt pursuant to such proceedings;
- (c) The taking by court of jurisdiction of LESSEE and its assets pursuant to proceedings brought under the provisions of any Federal reorganization act;
- (d) The appointment of a receiver of LESSEE'S assets;
- (e) The divestiture of LESSEE'S estate herein by other operation of law;
- (f) The abandonment by LESSEE of its conduct of air transportation at the Airport;
- (g) The default by LESSEE in the performance of any covenant or agreement herein required to be performed by LESSEE and the failure of LESSEE to remedy such default for a period of sixty (60) days after receipt from LESSOR of written notice to remedy the

same; provided, however, that no notice of cancellation, as above provided, shall be of any force or effect if LESSEE shall have remedied the default prior to receipt of LESSOR'S notice of cancellation.

Notwithstanding anything to the contrary herein contained, LESSOR shall not have the right to cancel, or give notice of cancellation of, this Agreement solely by reason of LESSEE'S failure or refusal to pay all or any part of the rentals, fees or charges provided for in this Agreement if, within thirty (30) days after such failure or refusal, LESSEE shall have given to LESSOR a written notice stating that LESSEE in good faith predicates such failure or refusal upon either or both of the following: (a) Any provision of this Agreement granting to LESSEE in specified events a reduction in or abatement of any rentals, fees or charges payable by LESSEE to LESSOR hereunder, or (b) any provision of this Agreement authorizing LESSEE in specified events to deduct from any such rentals, fees or charges, the reasonable cost to LESSEE of performing any obligation or obligations required by this Agreement to be performed by LESSOR.

No waiver of default by LESSOR of any of the terms, covenants or conditions hereof to be performed, kept and observed by LESSEE shall be construed to be or act as a waiver of any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by LESSEE. The acceptance of rental by LESSOR for any period or periods after a default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by LESSEE, shall not be deemed a waiver of any right on the part of LESSOR to cancel this Agreement for failure by LESSEE to so perform, keep or observe any of the terms, covenants or conditions of this Agreement.

SUSPENSION AND ABATEMENT

In the event that LESSOR'S operation of the Airport, or LESSEE'S operations at the Airport, should be restricted substantially by action of the Federal Government, or any agency thereof,

or by action of the State of Texas or any agency thereof, then either party hereto shall have the right, upon written notice to the other, to a suspension of this lease and an abatement of a just proportion of the services and facilities to be afforded hereunder, or a just proportion of the payments to become due hereunder, from the time of such notice until such restriction shall have been remedied and normal operations restored. Ascertainment of all matters hereunder shall be determined by agreement or by arbitration as provided in the following paragraph.

ARBITRATION

Any controversy or claim arising out of, or relating to, the provisions of paragraphs under "Damage or Destruction of Premises" and "Suspension and Abatement" of this Agreement, which shall not have been settled by agreement between the parties hereto within ninety (90) days after notice of such controversy or claim has been served by the claimant upon the other party, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of Procedure, then obtaining, of the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction thereof.

INDEMNITY

LESSEE agrees to indemnify and hold LESSOR harmless from and against all liability for injuries to persons or damage to property caused by LESSEE'S negligent use or occupancy of the demised premises; provided, however, that LESSEE shall not be liable for any injury, damage or loss occasioned by the negligence of LESSOR, its agents or employees; and provided further that LESSOR shall give to LESSEE prompt and timely notice of any claim made or suit instituted which in any way directly or indirectly, contingently or otherwise, affects or might affect LESSEE, and LESSEE shall have the right to compromise and defend the same to the extent of its own interest.

QUIET ENJOYMENT

LESSOR agrees that, on payment of the rent and performance of the covenants and agreements on the part of LESSEE to be

performed hereunder, LESSEE shall peaceably have and enjoy the leased premises and all the rights and privileges of the Airport, its appurtenances and facilities granted herein.

SURRENDER OF POSSESSION

Upon the expiration or other termination of this Agreement or any renewal thereof, LESSEE'S rights to use the premises, facilities, rights, licenses, services and privileges herein leased shall cease and LESSEE shall forthwith upon such expiration or termination surrender the same.

Except as otherwise provided herein, all fixtures, not including buildings, equipment and other property bought, installed, erected, or placed by LESSEE in, on or about the Airport and premises leased under this Agreement (such fixtures, equipment and other property to include, without limitation, storage tanks, pipes, pumps, wires, poles, machinery and airconditioning equipment) shall be deemed to be personalty and remain the property of LESSEE and LESSEE shall have the right at any time during the term of this Agreement, or any renewal or extension thereof, and for an additional period of six (6) months after the expiration or other termination of said term as the same may be renewed or extended, to remove any or all of its property from the Airport; provided LESSEE is not in default in its payments to LESSOR hereunder and subject further to LESSEE'S obligation to repair all damage, if any, resulting from such removal. Any and all property not removed by LESSEE prior to the expiration of the aforesaid six (6) months' period, shall thereupon become a part of the land on which it is located and title thereto shall thereupon vest in LESSOR. LESSEE shall not be obligated to remove the buildings which are hereby leased to it in whole or in part.

NOTICES

Notices to LESSOR provided for herein shall be sufficient if sent by registered mail, postage prepaid, addressed to Municipal Building, Fort Worth, Texas, and notices to LESSEE, if sent by

registered mail, postage prepaid, addressed to American Airlines, Inc., 100 East 42nd Street, New York City, New York, or to such other respective addresses as the parties may designate to each other in writing from time to time.

SUCCESSORS AND ASSIGNS BOUND BY COVENANTS

All the covenants, stipulations and agreements in this Agreement shall extend to and bind the legal representatives, successors and assigns of the respective parties hereto.

CONFORMITY OF AGREEMENT

In the event that LESSOR shall enter into any lease, contract or agreement with any other air transport operator, with respect to the Airport, containing more favorable terms than this Agreement, or shall grant to any other air transport operator rights or privileges with respect thereto which are not accorded to LESSEE hereunder, then the same rights, privileges and more favorable terms shall be concurrently and automatically made available to LESSEE.

LEGAL EFFECT - EXISTING LEASE

The parties hereto by and through their predecessors in office and/or corporate predecessor, did make and enter into a certain Airport Lease Agreement dated April 29, 1932, covering the use of said Airport and its facilities, by LESSEE as corporate successor to American Airways, Inc., for primary period of thirty-three (33) years ending April 30, 1966, and it is expressly agreed that said lease is valid and subsisting, and that it is not the intention of the parties to alter, amend, diminish or impair the same except and unless expressly herein provided in regard to the payment of the specified rentals; and the reference to the Hangar Building in this instrument is not intended to shorten the lease term or impair the rights provided in said original lease with reference to said Building.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

LESSOR:

CITY OF FORT WORTH

BY: _____

ATTEST:

LESSEE:

AMERICAN AIRLINES, INC.

BY: _____

ATTEST:

Euler

Fidelity Union Skin