



CO# 1229168

COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER

PAGE 1 OF 157

DATE: 06/28/2016

SUBJECT: **APPROVAL OF EXECUTION OF THE TAX ABATEMENT WITH DALLAS/FORT WORTH INTERNATIONAL AIRPORT BOARD AND AMERICAN AIRLINES, INC. FOR THE AMERICAN AIRLINES CORPORATE HEADQUARTERS FACILITY**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court approve the attached Resolution and Tax Abatement Agreement providing for Tarrant County and Tarrant County Hospital District participation with the City of Fort Worth in the abatement of ad valorem taxes on the eligible real and personal property improvements made by American Airlines, Inc. for the location and construction of a new Corporate Headquarters facility off American Boulevard, for a period of ten (10) years at a maximum abatement percentage of seventy percent (70%) as set forth in the agreement, and authorize the County Judge or his designee to execute the agreement.

BACKGROUND:

In November 2015, the Commissioners Court approved a Resolution of Intent to Participate in Tax Abatement for the American Airlines Corporate Headquarters project, redeveloping the former Sabre building site off American Boulevard for construction of a new headquarters campus. American Airlines is consolidating operations from out of state locations in addition to its current Fort Worth headquarters facility in Centreport to this location. Investment is planned at more than \$350,000,000.00 in combined real and personal property improvements, to be completed by the end of 2019.

The City of Fort Worth has approved and executed a fifteen (15) year tax abatement/economic development program agreement providing between seventy-five percent (75%) to ninety percent (90%) abatement/rebate of real and personal property taxes. The attached Tax Abatement Agreement provides for County and Hospital District participation in tax abatement at a maximum of seventy percent (70%) of new real and personal property value for a period of ten (10) years, beginning with a base abatement of sixty percent (60%) and providing for up to ten percent (10%) additional abatement for employment and performance-based criteria.

SUBMITTED BY: Administrator's Office

PREPARED BY: Lisa McMillan

APPROVED BY:



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FISCAL IMPACT:

Total new real and personal property value to be added is estimated at over \$350,000,000.00. Because the new facility will be a leasehold/possessory interest on tax-exempt land, it is anticipated that the actual taxable value of the real property improvements will be reduced. Based on current tax rates, should American Airlines earn the maximum tax abatement of seventy percent (70%), it is projected the project could receive an annual tax abatement valued at approximately \$111,000.00 from the County and \$96,000.00 from the Hospital District. The total ten (10) year combined County and Hospital District abatement would be valued at just over \$2 million (\$1.1 million - County; \$0.96 million - Hospital District). Over that same period, the County and Hospital District will receive new tax revenues from the unabated portion of the new improvements, estimated at just under \$1 million combined.

Please note: Due to the volume, copies of the packet are not being reproduced for distribution. A complete copy may be viewed online in the Court's agenda at the Tarrant County Website or in the Court's County Clerk's Office.



RESOLUTION

PARTICIPATION IN TAX ABATEMENT FOR AMERICAN AIRLINES CORPORATE HEADQUARTERS, FORT WORTH

WHEREAS, American Airline, Inc., a Delaware corporation duly acting by and through its authorized officers (hereafter referred to as "Company"), plans to construct and equip facilities on real property under its ownership or lease agreement for use as a Corporate Headquarters and supporting and ancillary facilities, more particularly described in the Tax Abatement Agreement attached hereto and incorporated herein by reference ("Real Property"), located in the City of Fort Worth; and

WHEREAS, the Real Property is located within Tarrant County (the "County"), a political subdivision of the State of Texas, which Real Property is located within the City of Fort Worth and within the boundaries of the Dallas/Fort Worth International Airport; and

WHEREAS, the Real Property and all improvements and tangible personal property thereon, whether now existing or hereinafter to be constructed or installed, are subject to ad valorem taxation by the City of Fort Worth and the County; and

WHEREAS, the Real Property and all improvements thereon are located in Reinvestment Zone No. 91 in the City of Fort Worth, Texas, established by Ordinance No. 21968-11-2015 adopted on November 10, 2015, being a commercial-industrial reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended (the "Zone"); and

WHEREAS, the property included in the Zone also qualifies for tax abatement due to its location within a census tract block group that qualifies as an Enterprise Zone under Chapter 2303 of the Texas Government Code; and

WHEREAS, the Tax Abatement Agreement (the "Agreement") between Tarrant County and Company, provides for the construction and installation of certain improvements at an estimated cost of over \$350,000,000 to be completed by December 31, 2019; and

WHEREAS, the Agreement with the Company is conditioned upon specific real and personal property improvements, continued operation of the facility and the addition of new jobs; and

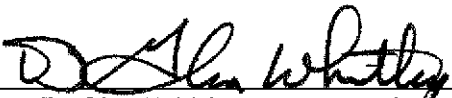
WHEREAS, the Commissioners Court has been requested by the Company to take the steps required pursuant to the Code to permit tax abatement with respect to that portion of the Real Property and the improvements thereon which are subject to the taxing jurisdiction of the County, and has further requested that the County enter in the Agreement; and


WHEREAS, the County has approved the Tarrant County Tax Abatement Policy Statement Guidelines and Criteria for granting tax abatement in reinvestment zones in Tarrant County;

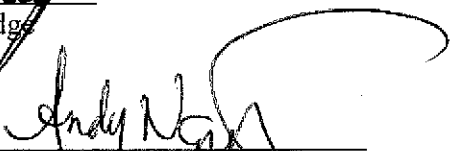
NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Commissioners Court of Tarrant County, Texas:


1. That all recitals set forth in the preamble are hereby found to be true and correct;
2. That the Commissioners Court shall have prudently reviewed each tax abatement agreement approved by a municipality having taxing jurisdiction with respect to property located in the County and within a reinvestment zone designated by such municipality or the state; and according to the adopted guidelines and criteria for tax abatement of the County, shall prudently review and consider each proposed County tax abatement agreement providing participation in tax abatement with a municipality; and shall, solely at its discretion, approve those tax abatement agreements that it finds meet all constitutional and statutory criteria and requirements, and which it finds to be in the best interest of the taxpayers and citizens of the County; and
3. That the Commissioners Court hereby finds that the terms and conditions of the Agreement substantially meet its guidelines and criteria; that the Agreement for the abatement of certain Tarrant County taxes be and is hereby approved; that the County and its Commissioners Court hereby agree to enter into the Agreements as a party thereto; and the County Judge of the County be and is hereby authorized and directed to execute and deliver said Agreement on behalf of the County and its Commissioners Court, substantially in the form attached hereto, and carry out the terms thereof at the appropriate time(s).

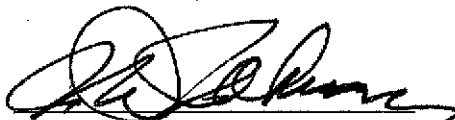
PASSED AND APPROVED, IN OPEN COURT, this 28th day of June, 2016, through Court Order No. 1229160.


B. Glen Whitley, County Judge


Roy C. Brooks
Commissioner, Precinct 1


Andy H. Nguyen
Commissioner, Precinct 2


Gary Fickes
Commissioner, Precinct 3


J.D. Johnson
Commissioner, Precinct 4

THE STATE OF TEXAS §

Tax Abatement Agreement

COUNTY OF TARRANT §

THIS Agreement is executed by and between **AMERICAN AIRLINES, INC.**, a Delaware corporation (hereafter referred to as "**COMPANY**"), the **DALLAS/FORT WORTH INTERNATIONAL AIRPORT BOARD** (hereafter referred to as "**BOARD**"), and **TARRANT COUNTY, TEXAS**, acting by and through its County Judge or his designee, (hereafter referred to as "**COUNTY**").

WITNESSETH:

WHEREAS, the Tarrant County Commissioners Court has elected that the COUNTY be eligible to participate in tax abatement; and

WHEREAS, the Commissioners Court has adopted a Policy Statement for Tax Abatement, herein contained as **Exhibit "F"**, which constitutes appropriate guidelines and criteria governing tax abatement agreements to be entered into by the COUNTY; and

WHEREAS, the Premises (as hereafter defined) is, and the Eligible Property (as hereafter defined) will be, located in Reinvestment Zone No. 91 in the City of Fort Worth, Texas, established by Ordinance No. 21968-11-2015 (the "Ordinance") adopted on November 10, 2015, being a commercial-industrial reinvestment zone for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code, as amended (the "Zone"); and

WHEREAS, the property included in the Zone also qualifies for tax abatement due to its location within a census tract block group that qualifies as an Enterprise Zone under Title 10, Subtitle G, Chapter 2303 of the Texas Government Code, and further described in **Exhibit "C"**, being a commercial-industrial reinvestment zone for the purposes of tax abatement (the "Enterprise Zone") as authorized by Chapter 312 of the Texas Tax Code, as amended; and

WHEREAS, the City Council of the City of Fort Worth has approved and authorized the execution and delivery of a Tax Abatement Agreement as to the Eligible Property thereon, attached hereto as **Exhibit "D"**; and

WHEREAS, COMPANY submitted an application for tax abatement to the County concerning the contemplated Improvements to the Premises (the "Application for Tax Abatement"), attached hereto and incorporated herein as **Exhibit "E"**; and

WHEREAS, COMPANY is a major commercial airline engaged in the carrying of passengers and cargo domestically and internationally, and under a lease with Dallas-Fort Worth International Airport Board approved by the City of Fort Worth and the City of Dallas, COMPANY has acquired a leasehold interest of approximately 97.701 acres of land located within the boundaries of the Dallas /Fort Worth International Airport, more specifically described in **Exhibit "A"**, on which it

plans to construct a new corporate headquarters facility and supporting ancillary improvements and facilities; and

WHEREAS, the Commissioners Court finds that the contemplated use of the Premises, the Eligible Property and the terms of this Agreement are consistent with encouraging development within the Zone and the Enterprise Zone;

NOW THEREFORE, the COUNTY, BOARD, and COMPANY, for and in consideration of the mutual premises and promises contained herein, do hereby agree, covenant and contract as set forth below:

I.
Definitions

- A. "Abatement Term" is defined as the period of ten (10) consecutive tax years beginning with the Commencement Tax Year.
- B. "Added Market Value" is defined as the taxable market value (including taxable leasehold value) of Eligible Property on the Premises above the Base Year Value.
- C. "Base Year Value" is defined as the sum of any taxable value of real property and improvements, leasehold interest and improvements, and taxable tangible personal property located on the Premises in City of Fort Worth Reinvestment Zone No. 91 for tax year 2016, which sum is agreed to be Five Million, Nine Hundred Sixty-Nine Thousand, Nine Hundred Seventy-Four Dollars (\$5,969,974).
- D. "Commencement Tax Year" is defined as the tax year inclusive of, or following, the Completion Date that COMPANY elects to commence the abatement by filing with the Tarrant Appraisal District ("TAD") an Application for Property Tax Exemption per TAD filing requirements, and providing a copy of the Application for Property Tax Exemption to COUNTY. The Commencement Tax Year shall not be later than tax year 2020.
- E. "Completion Date" is defined as (i) the date as of which one or more occupiable buildings comprising a minimum of Nine hundred thousand (900,000) square feet of the corporate headquarters facility to be constructed on the Premises has received at least a temporary certificate of occupancy from the City of Fort Worth, and (ii) the City of Fort Worth has verified completion of all required public improvements associated with such buildings.
- F. "Construction Costs" are defined as site development and building costs, including, without limitation, actual site preparation and development and construction costs, signage costs, contractor fees, the costs of labor, supplies and materials, materials testing, engineering fees, architectural fees and other design, consulting, construction management and professional costs, and contractor, development and permitting fees (including costs expended prior to the date of this Agreement) expended directly in connection with the construction of the Real Property Improvements and landscape improvements.
- G. "DBE Companies" are defined as companies who are a Disadvantage Business Enterprise (DBE), and the term "DBE" shall mean:

- i. a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. "DBE" includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Section 2161.001 of the Texas Government Code, and as it may be updated.
 - ii. a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in F.i. above.
 - iii. a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by F.i. above, and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.
 - iv. a limited liability company that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the company is owned by one or more persons described by F.i. above.

- H. "Effective Date" is defined as the date as of which the COUNTY, COMPANY and BOARD have all executed this Agreement.

- I. "Eligible Property" is defined as Real Property Improvements and Personal Property Improvements constructed, delivered to, installed or placed on the Premises in conjunction with the construction and operation of the new facility(ies), .

- J. "Job" is defined as a permanent full-time or full-time equivalent employment position (collectively, "FTEs") employed directly with COMPANY on the Premises that result in employment of at least forty-hours per week. All FTEs included in a required Job must be eligible for health insurance benefits through COMPANY. Part-time, non-benefit positions shall not be included in this definition. Outsourced or contracted positions shall not be included in this definition.

- K. "Personal Property Improvements" are defined as tangible personal property (except inventory or supplies) delivered to, installed or located on the Premises.

- L. "Premises" is defined as the real property described by metes and bounds in **Exhibit "A"** within City of Fort Worth Reinvestment Zone No. 91, leased by COMPANY.

- M. "Real Property Improvements" are defined as improvements to the Premises, and shall include site improvements and structures or fixtures erected or affixed to the Premises.

- N. "Supply and Service Expenditures" are defined as those local discretionary expenditures made by COMPANY, and/or third party managers hired by COMPANY and/or its

affiliates, directly for the operation and maintenance of Premises and any improvements thereon, excluding utility service costs.

- O. "Tarrant County Companies" are defined as any corporation, partnership, limited liability company or sole proprietorship maintaining an addressed office location within Tarrant County from which such entity conducts all or a substantial part of its business operations within Tarrant County.
- P. "Zone" as used herein is defined as the real property located in City of Fort Worth Reinvestment Zone No. 91 and described by City of Fort Worth Ordinance No. 21968-11-2015, substantially in the form included within Exhibit "B".

II. General Provisions

- A. The Premises is not in an improvement project financed by tax increment bonds.
- B. Neither the Premises nor any of the Improvements covered by this Agreement are owned or leased by any member of the Commissioners Court, or any member of the governing body of any taxing units joining in or adopting this Agreement.
- C. BOARD joins this Agreement as a party solely to memorialize that the BOARD has leased the Premises to COMPANY and that BOARD has authorized the construction of Real Property Improvements thereon in accordance between BOARD and the COMPANY. COUNTY and COMPANY agree that this agreement does not impose any kind of financial or other obligation on BOARD or the Cities of Dallas and Fort Worth, and that neither the Board nor the Cities of Dallas and Fort Worth are responsible for the performance of any of the obligations set forth in this Agreement.

III. Improvement Conditions and Requirements

- A. COMPANY shall cause the improvement of the Premises with completion of Eligible Property Improvements in accordance with this Agreement.
- B. COMPANY shall provide for the completion of combined Real Property Improvements and Personal Property Improvements not later than December 31, 2019, having cumulative initial Construction Costs or acquisition costs of not less than Three Hundred Fifty Million Dollars (\$350,000,000).
- C. COMPANY shall provide for the completion of Real Property Improvements consisting of a new corporate headquarters facility of not less than 900,000 square feet of floor area in office or complimentary and associated uses, or ancillary improvements and facilities, which may include such improvements as dining facilities, conferencing facilities, recreational amenities or similar types of improvements supporting the corporate headquarters facility, no later than December 31, 2019, having minimum Construction Costs upon completion of not less than Two Hundred Million Dollars (\$200,000,000).

- D. COMPANY shall expend or cause to be expended at least Twenty-Five Million Dollars (\$25,000,000) in Construction Costs of Real Property Improvements with DBE Companies.
- E. COMPANY shall expend or cause to be expended at least Fifty Million Dollars (\$50,000,000) in Construction Costs of Real Property Improvements with Tarrant County companies.
- F. COMPANY and/or third party managers hired by COMPANY and/or its affiliates shall expend or cause to be expended at least Seven Hundred Fifty Thousand Dollars (\$750,000) in annual Supply and Service Expenditures with Tarrant County Companies.
- G. COMPANY and/or third party managers hired by COMPANY and/or its affiliates shall expend or cause to be expended at least Three Hundred Fifty Thousand Dollars (\$350,000) in annual Supply and Service Expenditures with DBE companies.
- H. COMPANY will provide for employment of a least four thousand two hundred seventy-nine (4,279) Jobs on the Premises not later than December 31, 2019.
- I. COMPANY shall operate and maintain on the Premises the Eligible Property Improvements as a corporate headquarters for the duration of this Agreement.
- J. All proposed Eligible Property Improvements shall conform to the applicable building codes, zoning ordinances and all other ordinances and regulations of the City of Fort Worth and/or Tarrant County.
- K. The Premises and all Improvements must conform to all applicable state and federal laws and regulations related to air pollution and air quality.

IV.
Abatement Allowed

- A. As set forth in this section, tax abatement allowed herein shall be for Tarrant County and Tarrant County Hospital District ad valorem real and personal property taxes, relative to Added Market Value of the Eligible Property located on the Premises, subject to the following terms and conditions.
- B. If the Improvement Conditions and Requirements set forth in Section III herein and specified below as to each level of abatement are met, COUNTY agrees for each tax year during the Abatement Term to exempt from taxation up to seventy percent (70%) of the Added Market Value of the Eligible Property in accordance with the various requirements established by terms of this Agreement and to be calculated as set forth below.
 - 1. Base Abatement - If COMPANY (i.) causes the improvement of the Premises and the addition of the required Eligible Property to the Premises as set forth in Section III. A., B., C., D., and E., (ii.) provides employment as set forth in Section III. H., (iii.) employs Tarrant County residents for a minimum twenty-five percent (25%) of all Jobs, and (iv.) makes annual Supply and Service Expenditures as set forth in Section III. F. and G., then COUNTY shall exempt

from taxation sixty percent (60%) of the Added Market Value of the Eligible Property.

Dollars spent with DBE Companies may also count as dollars spent with Tarrant County Companies, and vice versa, for the purposes of this Section if the DBE Company is also a Tarrant County Company as defined herein.

Failure to meet the minimum cost requirements set forth in Section III. B and C is an event of default and shall be cause for the termination of this Agreement in accordance with Section VII. Failure to meet the requirements for Jobs, Tarrant County resident employment, and use of DBE and Tarrant County Companies for Construction and Supply and Service Expenditures, as set for in Section III. D., E. F., G., or H. shall be cause for a reduction in the percentage abatement for any year in which the requirements are not met, as set forth in Section IV.B.2.

2. Reduction to Abatement

a. Employment and Spending Deficiencies

In any year that employment and spending levels do not meet the minimum requirements set forth in Section III. D., E., F, or G. or H. , the COUNTY shall reduce the Base Abatement percentage for that year (or for each year of the Abatement Term, as specified), as set forth below. Each reduction is separate and individual and may be cumulative in any year.

- i. If the actual number of Jobs falls below the minimum Jobs requirement of four thousand two hundred seventy-nine (4,279) Jobs, the Base Abatement percentage will be reduced by one percent (1%) for each one percent (1%) Jobs deficiency, for that year.

(Example: 1% of required Jobs is 42 jobs. Total Jobs of 4,237 - 4,279, would provide a 1% reduction in abatement for that year; 4,194 - 4,236 Jobs would provide a 2% reduction)

- ii. If less than twenty-five percent (25%) of all Jobs are filled by Tarrant County residents, COMPANY will receive a ten percent (10%) reduction for that year.
- iii. If spending with DBE Companies is less than Twenty-Five Million Dollars (\$25,000,000) of total Construction Costs, COMPANY will receive a reduction of one percent (1%) from the Base Abatement for each one percent (1%) spending deficiency, up to a maximum reduction of five percent (5%), for each year of the Abatement Term.
- iv. If spending with Tarrant County Companies is less than Fifty Million Dollars (\$50,000,000) in Construction Costs, COMPANY will receive a reduction of one percent (1%) from the Base Abatement for each one percent (1%) spending deficiency, up to a maximum reduction of five percent (5%), for each year of the Abatement Term.

- v. If spending with Tarrant County or DBE Companies for annual Supply and Services Expenditures is less than the minimum requirements set forth in Section III. F. and G., COMPANY will receive a one percent (1%) reduction in the Base Abatement percentage for each one percent (1%) deficiency from the minimum requirement, up to a maximum reduction of five percent (5%), for that year.

3. Additional Percentage Abatement

In any year that COMPANY is eligible to receive all or a portion of the Base Abatement under Sections IV.B.1. and 2., COMPANY may receive up to an additional ten percent (10%) ad valorem tax abatement in any year (or for each year of the Abatement Term, as specified below) that COMPANY meets one or more of the additional performance requirements as set forth below.

- a. For total Jobs above four thousand two hundred seventy-nine (4,279), COMPANY will receive an additional one percent (1%) abatement for each forty-two (42) Jobs added, up to a maximum of ten percent (10%) additional abatement for that year.

(Example: Total Jobs of 4,280 - 4,322 would provide for an additional 1% abatement for that year.)

- b. For employment of Tarrant County residents for more than sixty percent (60%) of all Jobs, COMPANY will receive an additional three percent (3%) abatement for that year.
- c. For use of DBE Companies for Forty Million Dollars (\$40,000,000) or greater of the total Construction Costs of the Eligible Real Property Improvements, COMPANY will receive an additional three percent (3%) abatement for each year of the Abatement Term.
- d. For use of Tarrant County Companies for Seventy-Five Million Dollars (\$75,000,000) or greater of the total Construction Costs of the Eligible Real Property Improvements, COMPANY will receive an additional three percent (3%) abatement for each year of the Abatement Term.
- e. For spending with DBE Companies of more than Three Hundred Fifty Thousand Dollars (\$350,000) in annual Supply and Services Expenditures, COMPANY will receive an additional one percent (1%) abatement for each Fifty Thousand Dollars (\$50,000) of additional expenditures, up to a maximum of two percent (2%) for that year.
- f. For spending with Tarrant County Companies of more than Seven Hundred Fifty Thousand Dollars (\$750,000) in annual Supply and Services Expenditures, COMPANY will receive an additional one percent (1%) abatement for each One Hundred Thousand Dollars (\$100,000) of additional expenditures, up to a maximum of two percent (2%) for that year.

- C. This Agreement is effective beginning the Effective Date and shall expire simultaneously upon expiration of the Abatement Term, as defined below, unless terminated earlier in accordance with the terms and conditions of the Agreement. The term for which COMPANY may receive an abatement shall commence on January 1 of the Commencement Tax Year and shall expire on December 31 of the last year of the Abatement Term. Notwithstanding the foregoing, the rights and obligations of the COMPANY and COUNTY to establish and confirm the level of abatement for the final year of the Abatement Term shall survive for thirteen (13) months beyond the Abatement Term.

V.

Reports, Audits and Inspections

- A. Annual Certification and Reports - Pursuant to state law, COMPANY shall certify annually to the COUNTY that COMPANY is in compliance with the terms of the tax abatement agreement, and shall provide the COUNTY with reports and records reasonably necessary and requested to support each year of the Abatement Term, as follows:
1. Certification - COMPANY shall complete and certify a Tax Abatement Evaluation Report to be provided by COUNTY for each year of the tax abatement agreement, to be due annually not later than April 30. This certification shall include information supporting job creation and retention requirements, reports on Eligible Property values, costs, and spending on construction and supply and services, a narrative description of the project's progress, and other submittals required by the tax abatement agreement. COMPANY shall also obtain and provide to the COUNTY for each year of the Abatement Term a certification by the BOARD, or a representative of the BOARD, that the BOARD'S lease of the Premises to the COMPANY is in effect.
 2. Eligible Property Reports - At a minimum, COMPANY shall make available upon request the following information annually on all Personal Property Improvements for which COMPANY will seek tax abatement:
 - a. Property description;
 - b. Asset number;
 - c. Payment/lease date for property located on Premises; and
 - d. Cost.
 3. Eligible Property Reports for Projects in Progress - COMPANY shall provide County, upon request, information on projects in progress for which fixed asset numbers have not been assigned. The report shall provide information in sufficient detail to identify the Eligible Property to be installed on the Premises. At a minimum, this information shall include:
 - a. Description of materials, machinery and equipment;
 - b. Vendor name, invoice date, invoice number and invoice amount; and
 - c. Payment/lease date for property to be located on Premises.

4. Reports on Equipment Replaced or Removed - Additionally, COMPANY agrees to provide COUNTY, upon request, information on Eligible Property for which COMPANY has received tax abatement and which has been replaced or removed from the Premises. At a minimum, this information shall include:
 - a. Property description;
 - b. Asset number; and
 - c. Approximate date of disposal.
 5. Report Upon Project Completion - Within one-hundred eighty (180) days of completion and occupancy of buildings of the corporate headquarters facility with a minimum 900,000 square feet of floor area, COMPANY shall provide COUNTY with an Eligible Property Report that shall describe all Eligible Property for which the Company is granted tax abatement. The report may contemplate a reconciliation of the general ledger to the personal property rendition to satisfy this requirement.
 6. Additional Reports - Additionally, throughout the term of this agreement, COMPANY shall furnish COUNTY any additional records and information reasonably requested to support the reports required by this agreement.
- B. Right to Audit Books and Records - COUNTY shall have the right to audit the books and records related to the Eligible Property and supporting the Eligible Property reports. COUNTY shall notify COMPANY in advance in writing of their intent to audit in order to allow COMPANY adequate time to make such books and records available.
- C. Inspection - At all times during COMPANY'S normal business hours throughout the term of this Agreement, COUNTY and the Tarrant Appraisal District (TAD) shall have reasonable access to the Premises for the purpose of inspecting the Premises to ensure that the Eligible Property is constructed, installed, maintained and operated in accordance with the terms of this Agreement. All inspections shall be conducted in a manner as to not unreasonably interfere with the installation of the Eligible Property or the operation of the Premises. The inspections shall be conducted within a reasonable time period after notice by COUNTY or TAD to COMPANY, provided, however, that all inspections shall be made with one (1) or more representative(s) of COMPANY present and in accordance with the safety standards of COMPANY and subsequent to the date that a completion certificate is issued by the City of Fort Worth shall not occur more frequently than quarterly.

VI. Use of Premises

The Premises at all times shall be used in a manner that is consistent with the City of Fort Worth zoning ordinances and consistent with the general purpose of encouraging development within the Zone. Both parties acknowledge that the use of the Premises for a corporate headquarters facility and related and ancillary activities in accordance with this Agreement is consistent with such purposes.

VII.
Breach and Recapture

- A. Breach - A breach of this Agreement may result in termination or modification of this Agreement and recapture by COUNTY of taxes which otherwise would have been paid since the execution of this Agreement to COUNTY without the benefit of the Abatement, as set forth in Sections VII(B) and VII(C). Such taxes shall become due sixty (60) days following notice of breach and after the expiration of the cure period as provided in Section VII(B). The following conditions shall constitute a breach of this Agreement:
1. COMPANY terminates the use of the Premises by American Airlines, Inc. or its successor as a corporate headquarters and related and ancillary activities at any time during the term of the Agreement; or
 2. COMPANY fails to meet the Abatement Conditions and Requirements specified in Section III, A., B., C., I., or J., herein; or
 3. COMPANY allows its ad valorem taxes on the Premises owed to COUNTY to become delinquent.
- B. Notice of Breach - In the event that COUNTY makes a reasonable determination that COMPANY has breached this Agreement, then COUNTY shall give COMPANY written notice of such default. COMPANY has sixty (60) days following receipt of said written notice to reasonably cure such breach, or this Agreement may be terminated by COUNTY, and recapture of abated taxes may occur. Notice of default shall be in writing and shall be delivered by personal delivery or certified mail to COMPANY at its address provided in Section IX of this Agreement. It shall be the duty of COUNTY to determine whether to require recapture and payment of abated taxes and to demand payment of such.
- C. Recapture - Should COMPANY commit a breach of this Agreement according to items A(1), (2) or (3) of this Section VII, and COMPANY does not cure as provided in VII.B. above during the cure period, COUNTY may terminate this Agreement and recapture any taxes erroneously abated .
- D. Tax Lien Not Impaired - It is expressly agreed and acknowledged between the parties to this Agreement that nothing in this Agreement shall be deemed or construed to affect the lien for taxes against the property established by Section 32.01 of the Tax Code of the State of Texas. Such lien shall secure the payment of all taxes, penalties and interest ultimately imposed on the property, including any taxes abated and subject to recapture under this Agreement. Any such lien may be fully enforced pursuant to the provisions of the Code. For purposes of this Subsection, "property" refers to the Premises and Eligible Property described herein.

VIII.
Effect of Sale or Lease of Property

The abatement granted by this Agreement shall not be assignable to any new owner of the Premises or to a new lessee of all or a portion of the Premises or owner of the Eligible

Property other than an affiliate of the COMPANY unless such assignment is approved in writing by the COUNTY.

IX.
Notice

All notices called for or required by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail postage prepaid or by hand delivery:

COMPANY: American Airlines, Inc.
Attn: Chuck Allen
4333 Amon Carter Blvd. MD 5673
Fort Worth, TX 76155

COUNTY: Tarrant County
County Administrator's Office
100 E. Weatherford
Fort Worth, Texas 76196

X.
Commissioners Court Authorization

This Agreement was authorized by resolution of the Commissioners Court authorizing the County Judge or his designee to execute this Tax Abatement Agreement on behalf of the COUNTY.

XI.
Severability

In the event any section, subsection, paragraph, sentence, phrase or word is held invalid, illegal or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

XII.
Estoppel Certificate

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested will be addressed to a subsequent purchaser or assignee of COMPANY, shall include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the abatement in effect and such other matters reasonably requested by the party(ies) to receive the certificates.

XIII.
Company's Standing

COMPANY, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the

underlying ordinances, resolutions or City Council actions authorizing same, and COMPANY shall be entitled to intervene in said litigation.

XIV.
Applicable Law

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

XV.
Indemnification

It is understood and agreed between the parties that the COMPANY, in performing its obligations hereunder, is acting independently, and COUNTY assumes no responsibility or liability to third parties in connection therewith, and COMPANY agrees to indemnify, at no cost to the COUNTY, the Cities of Dallas and Fort Worth, or the BOARD, and hold harmless COUNTY, the Cities of Dallas and Fort Worth, the BOARD and the officers, agents, servants and employees of each from any such responsibility or liability. It is further understood and agreed among the parties that COUNTY, in performing its obligations hereunder, is acting independently, and the COMPANY assumes no responsibility or liability to third parties in connection therewith, and COUNTY agrees to the extent allowed by law to indemnify and hold harmless COMPANY from any such responsibility or liability. COUNTY AND COMPANY shall cooperate in the defense of any claim contesting the validity of this agreement.

XVI.
Force Majeure

It is expressly understood and agreed by the parties to this Agreement that the parties shall not be found in default of this Agreement if any party's failure to meet the requirements of this Agreement is delayed by reason of war, civil commotion, Act of God, inclement weather, shortage or lack of materials, strike, unreasonable delay caused by governmental authorities, fire or other casualty of a similar nature.

XVII.
Knowing Employment of Undocumented Workers

COMPANY acknowledges that the COUNTY is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. COMPANY hereby certifies that COMPANY, and any branches, divisions, or departments of COMPANY, does not and will not knowingly employ an undocumented worker, as that term is defined by Section 2264.001(4) of the Texas Government Code. In the event that COMPANY, or any branch, division, or department of COMPANY, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens), subject to any appellate rights that may lawfully be available to and exercised by COMPANY, COMPANY shall repay, within one hundred twenty (120) calendar days following receipt of written demand from the COUNTY, the aggregate amount of the value of the abatement received by COMPANY hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum. COMPANY shall not be considered in violation of this section for any

actions of a subsidiary, affiliate, franchisee of COMPANY or a person or entity with whom COMPANY contracts.

XVIII.
No Other Agreement

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified or supplemented only by an instrument or instruments in writing executed by the parties.

XIX.
Signatories

This Agreement is effective and binding on those parties that have duly signed below.

XX.
Headings

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

XXI.
Successors and Assigns

The parties to this Agreement each bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement.

No successor, executor, administrator or assign is valid in the place of the parties to this Agreement without the written consent of COUNTY and such consent shall not be unreasonably withheld. Notwithstanding the foregoing, the COMPANY may assign this Agreement to any entity which is an affiliate of COMPANY, without the consent of the COUNTY, in which case the benefits and obligations under this Agreement shall apply to the property and premises owned by such assignee. For purposes of the Section, an affiliate shall mean any entity which is related to COMPANY through direct or indirect common ownership or control.

XXII.
Termination

This Agreement shall terminate, in accordance with the terms of this Agreement, unless extended by written agreement of the parties or a written instrument signed by all parties evidencing a delay by force majeure; provided however, that the period of abatement may not extend beyond ten (10) years.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the last date written below.

AMERICAN AIRLINES, INC.,
a Delaware corporation:

By: _____

Name:

Title:

Date: _____

**DALLAS/FORT WORTH
INTERNATIONAL AIRPORT BOARD**

By: _____

Name:

Title:

Date: _____

TARRANT COUNTY, TEXAS

By: B. Glen Whitley
B. Glen Whitley
County Judge

Date: June 28th, 2016

ATTEST:

Nora Campos
Deputy County Clerk

APPROVED AS TO FORM*:

[Signature]
Asst. Criminal District Attorney

**By law, the District Attorney's Office may only approve contracts for its clients. We reviewed this document from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.*

THE STATE OF _____ §

American Airlines Inc.

Acknowledgment

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of _____, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of **American Airlines, Inc.**, and as the _____ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2016.

Notary Public in and for
The State of _____

My Commission Expires

Notary's Printed Name

THE STATE OF _____ §

Dallas/Fort Worth International

Airport Board Acknowledgment

COUNTY OF _____ §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of _____, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed same for and as the act and deed of Dallas/Fort Worth International Airport Board and as the _____ thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the _____ day of _____, 2016.

Notary Public in and for
The State of _____

My Commission Expires

Notary's Printed Name

THE STATE OF TEXAS §

Tarrant County, Texas

Acknowledgment

COUNTY OF TARRANT §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **B. GLEN WHITLEY**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of **TARRANT COUNTY, TEXAS**, as the **County Judge** thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 28th day of June, 2016.

Rachel Nicole Dabbs

Notary Public in and for
The State of Texas

12/30/2017
My Commission Expires

Rachel Nicole Dabbs

Notary's Printed Name

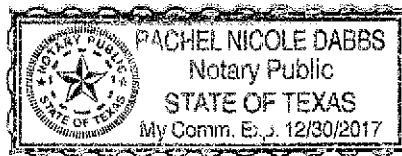


EXHIBIT "A"
DESCRIPTION OF PREMISES

EXHIBIT "A"

BEING a 97.701 acre tract of land situated in the William G. Matthews Survey, Abstract Number 1052 and the V. J. Hutton Survey, Abstract Number 681, Tarrant County, Texas, in the City of Fort Worth, being a portion of the tract of land described in the deed to Dallas-Fort Worth Regional Airport Board recorded in Volume 6710, Page 520, Deed Records of Tarrant County, Texas and being all of the tract of land described as the North Tract in the deed to Dallas-Fort Worth Regional Airport Board recorded in Volume 6653, Page 856, Deed Records of Tarrant County, Texas, also being a portion of Lot 1, Block 3 and all of Lot 1, Block 2, American Airlines Addition according to the plat recorded in Volume 388-133, Page 60, Plat Records of Tarrant County, Texas, and being a portion of the tract of land described as Plot B in the deed to the City of Fort Worth recorded in Volume 5072, Page 417, Deed Records of Tarrant County, Texas, said 97.701 acre tract of land being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found in the westerly right-of-way line of State Highway 360 (a variable width right-of-way) for the northeasterly corner of said North Tract and of said Lot 1, Block 2, American Airlines Addition;

THENCE with the westerly right-of-way line of State Highway 360 the following:

South 00° 55' 57" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 23' 38" East) a distance of 87.75 feet to a 5/8 inch iron rod found for corner;

South 34° 12' 56" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 34° 45' 15" West) a distance of 60.96 feet to a point;

South 00° 47' 18" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 14' 57" East) a distance of 149.86 feet to a 5/8 inch iron rod found for corner;

South 14° 45' 52" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 14° 13' 33" East) a distance of 103.15 feet to a 5/8 inch iron rod found for corner;

South 00° 44' 21" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 12' 02" East) a distance of 99.93 feet to a 5/8 inch iron rod found for corner;

South 15° 53' 36" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 16° 25' 55" West) a distance of 104.32 feet to a 5/8 inch iron rod found for corner;

South 02° 32' 25" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 03° 04' 44" West) a distance of 601.18 feet to a ¾ inch iron rod found for corner;

South 01° 06' 26" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 01° 38' 45" West) a distance of 300.25 feet to a 3.5 inch aluminum monument found for corner;

South 02° 58' 25" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 03° 30' 44" West) a distance of 182.88 feet to a 3.5 inch aluminum monument found for corner;

South 43° 26' 04" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 43° 58' 23" West) a distance of 73.34 feet to a point in the northerly right-of-way line of Trinity Boulevard (a variable width right-of-way);

THENCE departing the westerly right-of-way line of State Highway 360 with the northerly right-of-way line of Trinity Boulevard the following:

South 86° 16' 17" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 86° 48' 36" West) a distance of 119.82 feet to an aluminum disk stamped "DFW Int Airport" found for corner;

North 82° 00' 32" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = North 81° 28' 13" West) a distance of 372.43 feet to a point;

South 87° 44' 01" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 88° 16' 20" West) a distance of 102.31 feet to a 5/8 inch iron rod found for corner;

North 84° 05' 43" West (Volume 6654, Page 856 & Volume 388-133, Page 60 = North 83° 35' 57" West) a distance of 243.89 feet to an aluminum disk stamped "DFW Int Airport" found for the beginning of a non-tangent curve to the right having a radius of 1,372.00 feet;

Northwesterly along said curve through a central angle of 4° 21' 00" an arc distance of 104.17 feet with a chord bearing of North 70° 35' 54" West and a chord distance of 104.14 feet to the end of said curve;

North 68° 29' 39" West a distance of 146.40 feet to an aluminum disk stamped "DFW Int Airport" found for the point of curvature of a curve to the left having a radius of 1,428.00 feet;

Southwesterly along said curve through a central angle of 54° 27' 23" an arc distance of 1,357.23 feet with a chord bearing of South 84° 16' 40" West and a chord

distance of 1,306.72 feet to a 5/8 inch iron rod with a cap stamped "KHA" found at the end of said curve;

South 57° 32' 19" West a distance of 61.02 feet to a 5/8 inch iron rod with a cap stamped "KHA" found for corner;

South 88° 44' 41" West a distance of 153.69 feet to a 5/8 inch iron rod with an orange cap found in the easterly right-of-way line of American Boulevard (a variable width right-of-way) for the beginning of a non-tangent curve to the right having a radius of 700.00 feet;

THENCE departing the northerly right-of-way line of Trinity Boulevard with the easterly right-of-way line of American Boulevard the following:

Northwesterly along said curve through a central angle of 22° 24' 10" an arc distance of 273.70 feet with a chord bearing of North 11° 26' 01" West and a chord distance of 271.96 feet to an aluminum disk stamped "DFW Int Airport" found at the end of said curve;

North 00° 13' 26" West a distance of 559.39 feet to an aluminum disk stamped "DFW Int Airport" found for the beginning of a non-tangent curve to the right having a radius of 1,270.00 feet;

Northeasterly along said curve through a central angle of 24° 59' 55" an arc distance of 554.11 feet with a chord bearing of North 12° 16' 12" East and a chord distance of 549.73 feet to an aluminum disk stamped "DFW Int Airport" found at the end of said curve;

North 23° 59' 25" East a distance of 367.44 feet to a point;

THENCE departing the easterly right-of-way line of American Boulevard North 89° 06' 09" East at a distance of 1,388.49 feet passing the northwesterly corner of said Lot 1, Block 2, American Airlines Addition, continuing with the northerly line of said Lot 1, Block 2 in all a total distance of 1,788.49 feet to a point;

THENCE departing the northerly line of said Lot 1, Block 2 North 00° 53' 51" West a distance of 100.00 feet to a point;

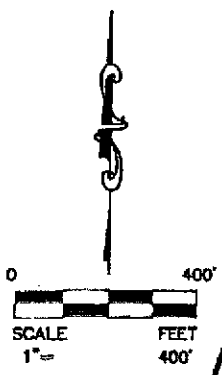
THENCE North 89° 06' 09" East a distance of 300.00 feet to a point;

THENCE South 00° 53' 31" East a distance of 100.00 feet to a point in the northerly line of said Lot 1, Block 2;

THENCE with the northerly line of said Lot 1, Block 2 North 89° 06' 09" East a distance of 398.82 feet to the POINT OF BEGINNING;

CONTAINING a computed area of 97.701 acres (4,255,856 square feet) of land.

PLOTTED BY: Shaw, Adam ON: Tuesday, October 27, 2015 AT: 8:19 AM FILEPATH: G:\Production\5001001\001\1666\Survey\CA\004\Drawings\B001\666.001_Development\mtrac.dwg



DALLAS-FORT WORTH REGIONAL AIRPORT BOARD VOLUME 6710, PAGE 520
LOT 1, BLOCK 3 AMERICAN AIRLINES ADDITION VOLUME 388-133, PAGE 60

CITY OF FORT WORTH PLOT B VOLUME 5072, PAGE 417

POINT OF BEGINNING

LOT 1, BLOCK 3 AMERICAN AIRLINES ADDITION VOLUME 388-133, PAGE 60

DALLAS-FORT WORTH REGIONAL AIRPORT BOARD VOLUME 6710, PAGE 520

LOT 1, BLOCK 2 AMERICAN AIRLINES ADDITION VOLUME 388-133, PAGE 60

DALLAS-FORT WORTH REGIONAL AIRPORT BOARD NORTH TRACT VOLUME 6653, PAGE 856

97.701 ACRES
4,255,856 SQUARE FEET

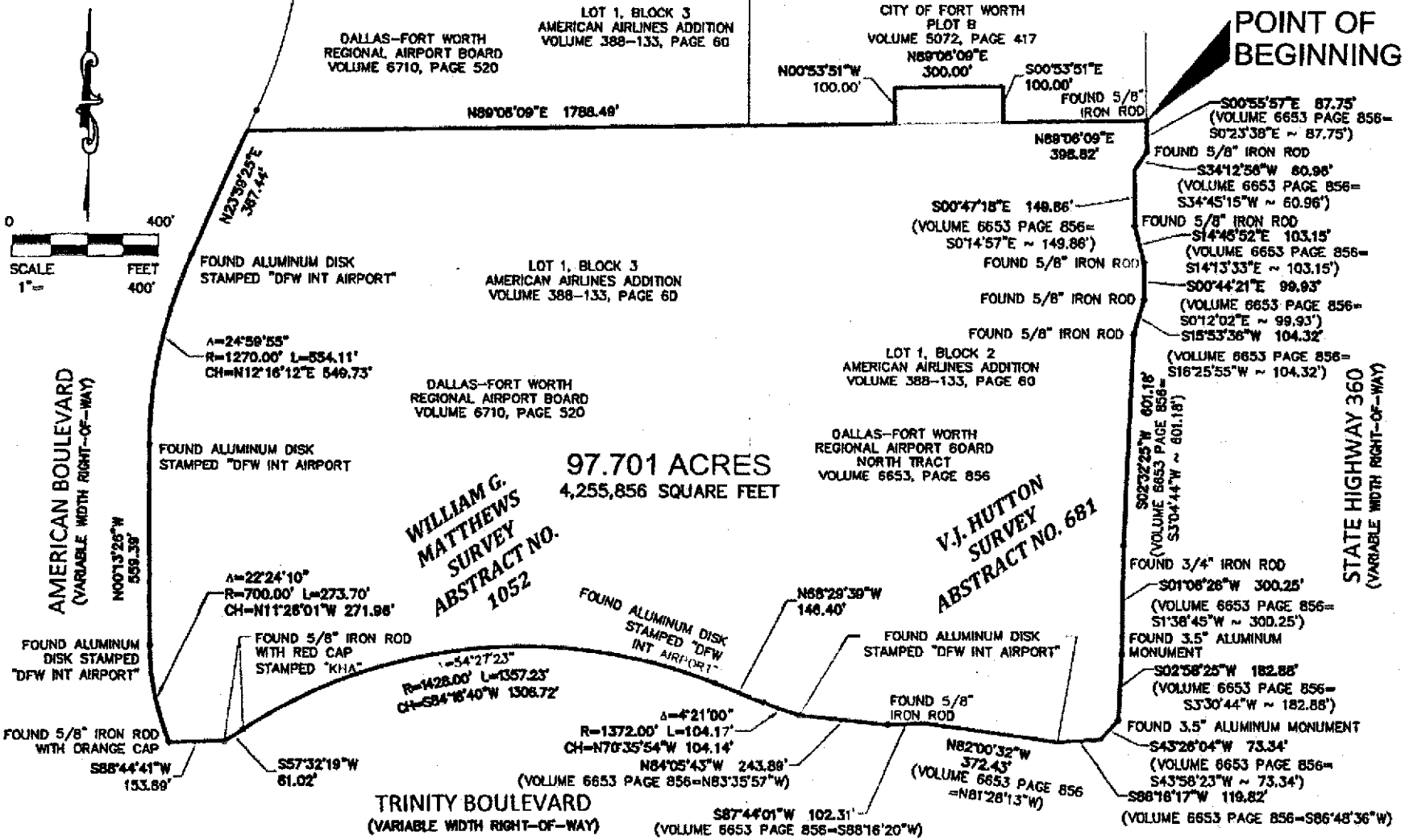
WILLIAM G. MATTHEWS SURVEY ABSTRACT NO. 1052

V.J. HUTTON SURVEY ABSTRACT NO. 681

TRINITY BOULEVARD (VARIABLE WIDTH RIGHT-OF-WAY)

AMERICAN BOULEVARD (VARIABLE WIDTH RIGHT-OF-WAY)

STATE HIGHWAY 360 (VARIABLE WIDTH RIGHT-OF-WAY)



550 Barley Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

DEVELOPMENT TRACT

SHEET 4 OF 4

DATE: OCTOBER 27, 2015

JOB NUMBER: B001666.004

EXHIBIT "B"

CITY OF FORT WORTH REINVESTMENT ZONE NO. 91

ORDINANCE NO. 21968-11-2015

AN ORDINANCE DESIGNATING A CERTAIN AREA IN THE CITY OF FORT WORTH AS "TAX ABATEMENT REINVESTMENT ZONE NUMBER NINETY-ONE, CITY OF FORT WORTH, TEXAS"; PROVIDING THE EFFECTIVE AND EXPIRATION DATES FOR THE ZONE AND A MECHANISM FOR RENEWAL OF THE ZONE; AND CONTAINING OTHER MATTERS RELATED TO THE ZONE.

WHEREAS, pursuant to the City Council's adoption on May 20, 2014 of Resolution No. 4322-05-2014 (the "**Tax Abatement Policy**"), the City of Fort Worth, Texas (the "**City**") has elected to be eligible to participate in tax abatement and has established guidelines and criteria governing tax abatement agreements entered into between the City and various third parties, as authorized by and in accordance with the Property Redevelopment and Tax Abatement Act, codified in Chapter 312 of the Texas Tax Code (the "**Code**"); and

WHEREAS, the City Council desires to promote the development of the area in the City more specifically described in Exhibit "A" of this Ordinance (the "**Zone**") through the creation of a reinvestment zone for purposes of granting a business expansion tax abatement, as authorized by and in accordance with Chapter 312 of the Code; and

WHEREAS, American Airlines, Inc. ("**Company**") wishes to expend or cause to be expended at least \$200 million in real property improvements for the construction of a new corporate headquarters facility to be located in the Zone, and Company intends to install new taxable tangible business personal property in the facility that ultimately will result in a combined real and personal property investment of at least \$350 million (collectively, the "**Improvements**"); and

WHEREAS, Company has applied for real and business personal property tax abatements from the City in return for the installation of the Improvements in the Zone and compliance with certain other employment and spending commitments that will foster economic development in the Zone and the City in general; and

WHEREAS, on November 10, 2015 the City Council held a public hearing regarding the creation of the Zone, received information concerning the Improvements proposed for the Zone and afforded a reasonable opportunity for all interested persons to speak and present evidence for or against the creation of the Zone ("**Public Hearing**"), as required by Section 312.201(d) of the Code; and

WHEREAS, notice of the Public Hearing was published in a newspaper of general circulation in the City on November 3, 2015, which satisfies the requirement of Section 312.201(d)(1) of the Code that publication of the notice occur not later than the seventh day before the date of the public hearing; and

WHEREAS, in accordance with Sections 312.201(d)(2) and (e), of the Code notice of the Public Hearing was delivered in writing not later than the seventh day before the date of the public hearing to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property that is to be included in the proposed Zone;

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF
THE CITY OF FORT WORTH, TEXAS:**

Section 1.

FINDINGS.

That after reviewing all information before it regarding the establishment of the Zone and after conducting the Public Hearing and affording a reasonable opportunity for all interested persons to speak and present evidence for or against the creation of the Zone, the City Council hereby makes the following findings of fact:

- 1.1. The statements and facts set forth in the recitals of this Ordinance are true and correct. Therefore, the City has met the notice and procedural requirements established by the Code for creation of a reinvestment zone under Chapter 312 of the Code.
- 1.2. The Improvements proposed for the Zone, as more specifically outlined in the Public Hearing, are feasible and practical and, once completed will benefit the land included in the Zone as well as the City for a period in excess of ten (10) years, which is the statutory maximum term of any tax abatement agreement entered into under the Chapter 312 of the Code.
- 1.3. As a result of designation as a reinvestment zone, the area within the Zone is reasonably likely to contribute to the expansion of primary employment and to attract major investment in the Zone that will be a benefit to property in the Zone and will contribute to the economic development of the City.

Section 2.

DESIGNATION OF ZONE.

That the City Council hereby designates the Zone described in the boundary description attached hereto as Exhibit "A" and made a part of this Ordinance for all purposes as a reinvestment zone for purposes of granting business expansion tax abatement, as authorized by and in accordance with Chapter 312 of the Code. This Zone shall be known as "Tax Abatement Reinvestment Zone Number Ninety-one, City of Fort Worth, Texas." This project is eligible for commercial/industrial tax abatement pursuant to Section 4.3 of the Tax Abatement Policy.

Section 3.

TERM OF ZONE.

That the Zone shall take effect upon the effective date of this Ordinance and expire five (5) years thereafter. The Zone may be renewed by the City Council for one or more subsequent terms of five (5) years or less.

Section 4.

SEVERABILITY.

That if any portion, section or part of a section of this Ordinance is subsequently declared invalid, inoperative or void for any reason by a court of competent jurisdiction, the remaining portions, sections or parts of sections of this Ordinance shall be and remain in full force and effect and shall not in any way be impaired or affected by such decision, opinion or judgment.

Section 5.

IMMEDIATE EFFECT.

That this Ordinance shall take effect upon its adoption.

ADOPTED AND EFFECTIVE: _____

APPROVED AS TO FORM AND LEGALITY:

By: _____
Peter Vaky
Deputy City Attorney

M&C: _____

EXHIBIT "A"

BOUNDARY DESCRIPTION OF ZONE

BEING a 97.701 acre tract of land situated in the William G. Matthews Survey, Abstract Number 1052 and the V. J. Hutton Survey, Abstract Number 681, Tarrant County, Texas, in the City of Fort Worth, being a portion of the tract of land described in the deed to Dallas-Fort Worth Regional Airport Board recorded in Volume 6710, Page 520, Deed Records of Tarrant County, Texas and being all of the tract of land described as the North Tract in the deed to Dallas-Fort Worth Regional Airport Board recorded in Volume 6653, Page 856, Deed Records of Tarrant County, Texas, also being a portion of Lot 1, Block 3 and all of Lot 1, Block 2, American Airlines Addition according to the plat recorded in Volume 388-133, Page 60, Plat Records of Tarrant County, Texas, and being a portion of the tract of land described as Plot B in the deed to the City of Fort Worth recorded in Volume 5072, Page 417, Deed Records of Tarrant County, Texas, said 97.701 acre tract of land being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found in the westerly right-of-way line of State Highway 360 (a variable width right-of-way) for the northeasterly corner of said North Tract and of said Lot 1, Block 2, American Airlines Addition;

THENCE with the westerly right-of-way line of State Highway 360 the following:

South 00° 55' 57" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 23' 38" East) a distance of 87.75 feet to a 5/8 inch iron rod found for corner;

South 34° 12' 56" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 34° 45' 15" West) a distance of 60.96 feet to a point;

South 00° 47' 18" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 14' 57" East) a distance of 149.86 feet to a 5/8 inch iron rod found for corner;

South 14° 45' 52" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 14° 13' 33" East) a distance of 103.15 feet to a 5/8 inch iron rod found for corner;

South 00° 44' 21" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 12' 02" East) a distance of 99.93 feet to a 5/8 inch iron rod found for corner;

South 15° 53' 36" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 16° 25' 55" West) a distance of 104.32 feet to a 5/8 inch iron rod found for corner;

South 02° 32' 25" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 03° 04' 44" West) a distance of 601.18 feet to a ¾ inch iron rod found for corner;

South 01° 06' 26" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 01° 38' 45" West) a distance of 300.25 feet to a 3.5 inch aluminum monument found for corner;

South 02° 58' 25" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 03° 30' 44" West) a distance of 182.88 feet to a 3.5 inch aluminum monument found for corner;

South 43° 26' 04" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 43° 58' 23" West) a distance of 73.34 feet to a point in the northerly right-of-way line of Trinity Boulevard (a variable width right-of-way);

THENCE departing the westerly right-of-way line of State Highway 360 with the northerly right-of-way line of Trinity Boulevard the following:

South 86° 16' 17" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 86° 48' 36" West) a distance of 119.82 feet to an aluminum disk stamped "DFW Int Airport" found for corner;

North 82° 00' 32" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = North 81° 28' 13" West) a distance of 372.43 feet to a point;

South 87° 44' 01" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 88° 16' 20" West) a distance of 102.31 feet to a 5/8 inch iron rod found for corner;

North 84° 05' 43" West (Volume 6654, Page 856 & Volume 388-133, Page 60 = North 83° 35' 57" West) a distance of 243.89 feet to an aluminum disk stamped "DFW Int Airport" found for the beginning of a non-tangent curve to the right having a radius of 1,372.00 feet;

Northwesterly along said curve through a central angle of 4° 21' 00" an arc distance of 104.17 feet with a chord bearing of North 70° 35' 54" West and a chord distance of 104.14 feet to the end of said curve;

North 68° 29' 39" West a distance of 146.40 feet to an aluminum disk stamped "DFW Int Airport" found for the point of curvature of a curve to the left having a radius of 1,428.00 feet;

Southwesterly along said curve through a central angle of 54° 27' 23" an arc distance of 1,357.23 feet with a chord bearing of South 84° 16' 40" West and a chord

distance of 1,306.72 feet to a 5/8 inch iron rod with a cap stamped "KHA" found at the end of said curve;

South 57° 32' 19" West a distance of 61.02 feet to a 5/8 inch iron rod with a cap stamped "KHA" found for corner;

South 88° 44' 41" West a distance of 153.69 feet to a 5/8 inch iron rod with an orange cap found in the easterly right-of-way line of American Boulevard (a variable width right-of-way) for the beginning of a non-tangent curve to the right having a radius of 700.00 feet;

THENCE departing the northerly right-of-way line of Trinity Boulevard with the easterly right-of-way line of American Boulevard the following:

Northwesterly along said curve through a central angle of 22° 24' 10" an arc distance of 273.70 feet with a chord bearing of North 11° 26' 01" West and a chord distance of 271.96 feet to an aluminum disk stamped "DFW Int Airport" found at the end of said curve;

North 00° 13' 26" West a distance of 559.39 feet to an aluminum disk stamped "DFW Int Airport" found for the beginning of a non-tangent curve to the right having a radius of 1,270.00 feet;

Northeasterly along said curve through a central angle of 24° 59' 55" an arc distance of 554.11 feet with a chord bearing of North 12° 16' 12" East and a chord distance of 549.73 feet to an aluminum disk stamped "DFW Int Airport" found at the end of said curve;

North 23° 59' 25" East a distance of 367.44 feet to a point;

THENCE departing the easterly right-of-way line of American Boulevard North 89° 06' 09" East at a distance of 1,388.49 feet passing the northwesterly corner of said Lot 1, Block 2, American Airlines Addition, continuing with the northerly line of said Lot 1, Block 2 in all a total distance of 1,788.49 feet to a point;

THENCE departing the northerly line of said Lot 1, Block 2 North 00° 53' 51" West a distance of 100.00 feet to a point;

THENCE North 89° 06' 09" East a distance of 300.00 feet to a point;

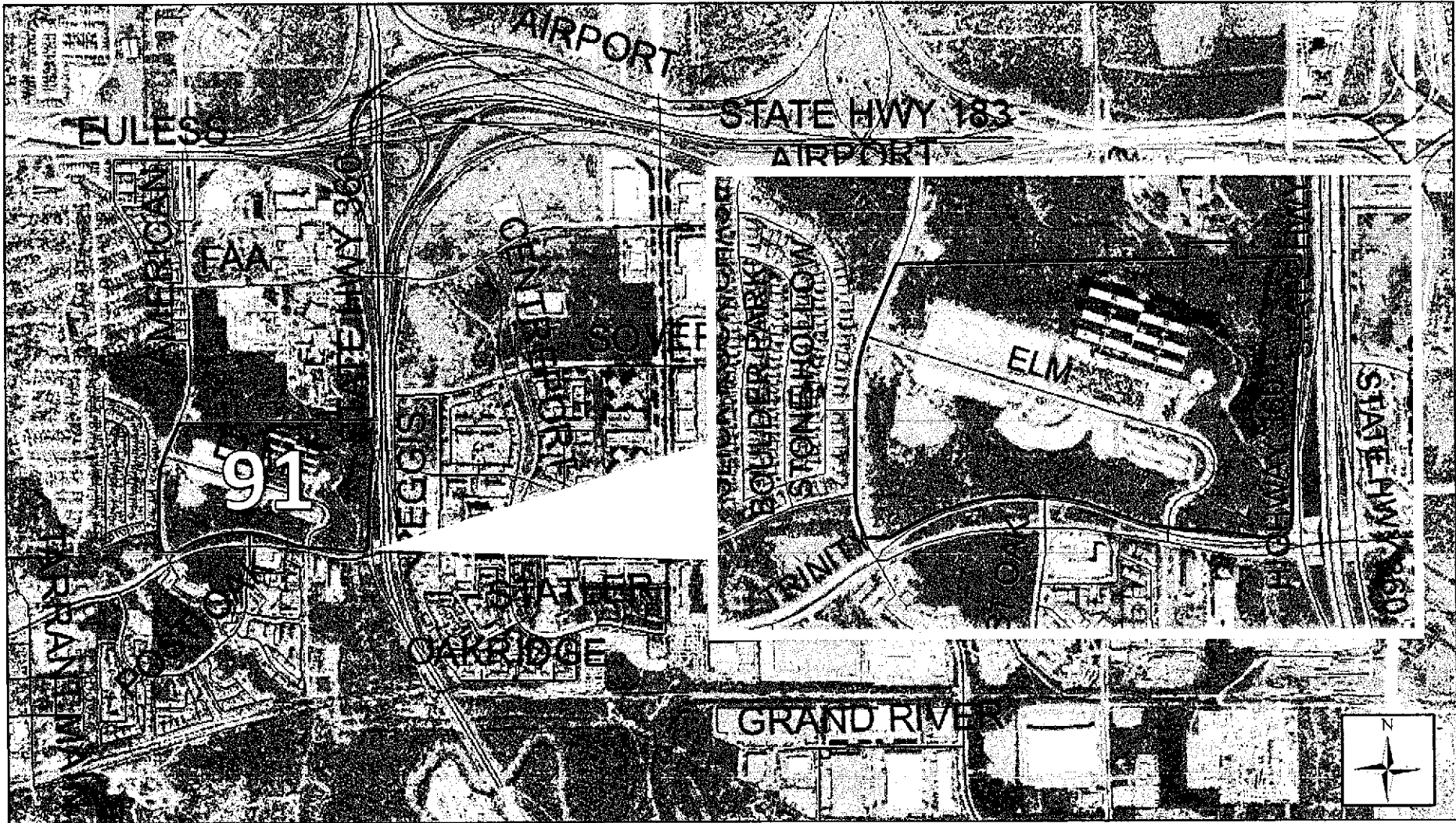
THENCE South 00° 53' 31" East a distance of 100.00 feet to a point in the northerly line of said Lot 1, Block 2;

THENCE with the northerly line of said Lot 1, Block 2 North 89° 06' 09" East a distance of 398.82 feet to the POINT OF BEGINNING;

CONTAINING a computed area of 97.701 acres (4,255,856 square feet) of land.



Tax Abatement Reinvestment Zone No. 91 - American Airlines
13951 Trinity Boulevard, Fort Worth, Texas 76155
"Exhibit A"



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EXHIBIT "C"

ENTERPRISE ZONE LETTER



OFFICE OF THE GOVERNOR
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT
GOVERNOR

July 23, 2015

Mr. B. Glen Whitley
County Judge
Tarrant County
100 East Weatherford Street
Fort Worth, TX 76196

SUBJECT: Chapter 312 Tax Abatement Act and Texas Enterprise Zone

Dear Mr. Whitley,

According to Texas Government Code Title 10, Subtitle G, Chapter 2303, an area automatically qualifies for designation as an enterprise zone if the area is:

- 1) a block group, as defined by the most recent federal decennial census available at the time of designation, in which at least 20 percent of the residents of the block group have an income at or below 100 percent of the federal poverty level;
- 2) an area designated by the federal government as a renewal community, a federal empowerment zone, or a federal enterprise community, including any developable area approved by the federal agency responsible for making that designation;
- 3) an area located in a distressed county; or
- 4) an area inside the boundaries of a defense base development authority established under Chapter 379B, Local Government Code.

Based on the most recent federal decennial census available at the time of designation, Census Tract 1065.17 Block Group 1 located in Tarrant County is a 2010 Enterprise Zone with a poverty rate of 24.26%. Based on the Enterprise Zone Finder on the Texas Site Selection website, the following addresses are located in Census Tract 1065.17, Block Group 1:

- 4700 American Boulevard, Fort Worth, TX 76155
- 4200 American Boulevard, Fort Worth, TX 76155
- 13951 Trinity Boulevard, Fort Worth, TX 76155

If you have any further questions, please call me at (512) 936-6443.

Best Regards,

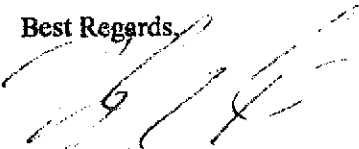

Zachary Scott
Program Specialist

EXHIBIT "D"

CITY OF FORT WORTH TAX ABATEMENT AGREEMENT

STATE OF TEXAS §

COUNTY OF TARRANT §

CITY SECRETARY
CONTRACT NO. 111341

TAX ABATEMENT AGREEMENT

This **TAX ABATEMENT AGREEMENT** ("**Agreement**") is entered into by and between the **CITY OF FORT WORTH, TEXAS** (the "**City**"), a home rule municipality organized under the laws of the State of Texas; **AMERICAN AIRLINES, INC.** ("**Company**"), a Delaware corporation; and the **DALLAS/FORT WORTH INTERNATIONAL AIRPORT BOARD** (the "**Board**").

RECITALS

A. On May 20, 2014, the City Council of the City of Fort Worth ("**City Council**") adopted Resolution No. 4322-05-2014, stating that the City elects to be eligible to participate in tax abatement and setting forth guidelines and criteria governing tax abatement agreements entered into between the City and various third parties, entitled "**General Tax Abatement Policy**" (the "**Policy**"), which is incorporated herein by reference and hereby made a part of this Agreement for all purposes.

B. The Policy contains appropriate guidelines and criteria governing tax abatement agreements to be entered into by the City as contemplated by Chapter 312 of the Texas Tax Code, as amended (the "**Code**").

C. On November 10, 2015, the City Council adopted Ordinance No. 21968-11-2015 (the "**Ordinance**") establishing Tax Abatement Reinvestment Zone No. 91, City of Fort Worth, Texas (the "**Zone**").

D. The property included in the Zone is also qualifies for tax abatement due to its location within a census tract block group that qualifies as an enterprise zone under Chapter 2303 of the Government Code.

E. Company is a certificated air carrier.

F. Company intends to acquire a leasehold interest in approximately 97.01 acres of property in the City and combine such property with approximately 0.689 acres it currently leases, for a combined project site of 97.701 acres more specifically described in **Exhibit "A"** (the "**Land**"). The Land is located within the boundaries of Dallas/Fort Worth International Airport, and the leaseholds for both portions of the Land originated in the same lease between the Board and Company. The Board as well as the governing bodies of the City of Fort Worth and the City of Dallas have approved execution of an

amendment and restatement of the lease of the Land between the Board and Company. Company wishes to construct a new corporate headquarters facility on the Land consisting of not less than 900,000 square feet of floor area in office and complimentary and associated uses (the "Required Improvements") along with ancillary improvements and facilities, which may include such improvements as dining facilities, conferencing facilities, recreational amenities or similar types of improvements supporting the corporate headquarters facility (the "Ancillary Improvements"). Exhibit "A" is attached hereto and hereby made a part of this Agreement for all purposes.

G. In order to encourage Company to undertake the Required Improvements, the City has offered a fifteen (15)-year economic development incentive consisting of (i) a one (1)-year real and personal property tax abatement, as governed by this Agreement, and (ii) an Economic Development Program Grant Agreement that provides for the City to pay fourteen (14) annual economic development grants to Company, as authorized by Chapter 380 of the Texas Local Government Code and governed by that certain Economic Development Program Grant Agreement to be by and between the City and Company, as authorized by the City Council's approval during its regular meeting on November 10, 2015 of agenda item M&C C-27526 (the "Economic Development Program Agreement").

H. Company has submitted an application for tax abatement to the City concerning the Land, the Required Improvements and Ancillary Improvements, the leasehold interest in the Land and the Required Improvements, and New Taxable Tangible Personal Property to be located on the Land (the "Application"), which Application is attached hereto as Exhibit "B" and hereby made a part of this Agreement for all purposes.

I. The Required Improvements that are contemplated hereunder and the terms of this Agreement are consistent with encouraging development of the Zone and generating economic development and employment retention opportunities in the City, in accordance with the purposes for creation of the Zone, and are in compliance with the Policy, the Ordinance and other applicable laws, ordinances, rules and regulations.

J. The provisions of this Agreement, and the proposed use of the Land and nature of the Required Improvements, satisfy the eligibility criteria for commercial/industrial tax abatement pursuant to Section 4.3 of the Policy.

K. Written notice that the City intends to enter into this Agreement, along with a copy of this Agreement, has been furnished in the manner prescribed by the Code to the presiding officers of the governing bodies of each of the taxing units that have jurisdiction over the Land.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows: **AGREEMENT**

1. **INCORPORATION OF RECITALS; LIMITED ROLE OF THE BOARD.**

The City Council has found, and the City and Company hereby agree, that the recitals set forth above are true and correct and form the basis upon which the parties have entered into this Agreement. The Board joins this Agreement as a party solely to memorialize that (i) the Board has leased or will lease the Land to Company on terms and conditions substantially in accordance with the Lease attached hereto as **Exhibit "C"** and (ii) the Board consents to construction of the Required Improvements and Ancillary Improvements solely in accordance with the Lease. The City and Company agree that this Agreement does not impose any kind of financial or other obligation or liability on the Board or the City of Dallas, and that neither the Board nor the City of Dallas are responsible for performance of any of the obligations set forth in this Agreement. However, it is a condition of the Abatement provided hereunder that the Board has executed the Lease.

2. **DEFINITIONS.**

In addition to terms defined in the body of this Agreement, the following terms will have the definitions ascribed to them as follows:

Abatement means the abatement of a percentage of the Combined Tax Increment, calculated in accordance with this Agreement, not to exceed (i) 75% if the Combined Taxable Value is less than \$100,000,000.00; (ii) 80% if the Combined Taxable Value is at or between \$100,000,000.00 and \$199,999,999.99; (iii) 85% if the Combined Taxable Value is at or between \$200,000,000.00 and \$299,999,999.99; and (iv) 90% if the Combined Taxable Value is \$300,000,000.00 or more.

Affiliate means all entities, incorporated or otherwise, under common control with, controlled by or controlling Company. For purposes of this definition, "control" means fifty percent (50%) or more of the ownership determined by either value or vote.

Ancillary Improvements has the meaning ascribed to it in Recital F.

Application has the meaning ascribed to it in Recital H.

Base Year Value means the sum of any taxable value of the Land, improvements on the Land, leasehold in the Land and improvements, and Taxable Tangible Personal Property located on the Land for tax year 2015, which sum is agreed to be Five Million, Three Hundred Seventy-one Thousand, One Hundred Eighty-eight Dollars (\$5,371,188.00).

Certificate of Completion has the meaning ascribed to it in Section 5.1.

Code has the meaning ascribed to it in Recital B.

Combined Tax Increment means the City's assessed ad valorem taxes for the Commencement Tax Year that are based on the value of the Leasehold Interest, along with the taxable value of the Land and all improvements thereon, if any, and on the value of Taxable Tangible Personal Property over the Base Year Value.

Combined Taxable Value means the sum of any taxable appraised value for the Commencement Tax Year of: i) the Leasehold Interest, ii) the Land and any improvements located on the Land (should such interests become taxable at any time prior to, or during, the Commencement Tax Year), and iii) Taxable Tangible Personal Property.

Commencement Tax Year means the tax year inclusive of, or following, the Completion Date that Company elects to commence the abatement by filing with the Tarrant Appraisal District an Application for Property Tax Abatement Exemption between January 1 and April 30 of said tax year and providing a copy of the Application for Property Tax Abatement Exemption to the City. The Commencement Tax Year shall not be later than tax year 2020.

Completion Date means (i) the date as of which all occupiable Required Improvements constructed on the Land have received at least a temporary certificate of occupancy from the City, and (ii) the City has verified completion of all required Public Improvements, as evidenced by a written statement signed by both the City and Company's general contractor that the final punch list related to the Public Improvements has been completed.

Completion Deadline means December 31, 2019.

Construction Costs means Hard Construction Costs, plus the following costs expended by Company directly in connection with construction of the Required Improvements and Ancillary Improvements: engineering, architectural and other design and consulting fees (including such costs expended prior to the date of this Agreement); construction management fees; costs of governmental permits and inspection fees related to site preparation and construction; and landscaping.

Corporate Headquarters means the largest administrative office of American Airlines, Inc. (or its successor) housing the senior executives and office personnel and identified in materials as its main domestic corporate headquarters.

DFW means Dallas/Fort Worth International Airport.

Director means the director of the City's Economic Development Department.

Economic Development Program Agreement has the meaning ascribed to it in Recital G.

Effective Date has the meaning ascribed to it in Section 3.

Fort Worth Certified M/WBE Company means a minority or woman-owned business that has received certification as either a minority business enterprise (MBE), a woman business enterprise (WBE) or a disadvantaged business enterprise (DBE) by the North Central Texas Regional Certification Agency (NCTRCA) and that has a principal business office located within the corporate limits of the City that performs a commercially useful function and that provides the services for which Company is seeking credit under this Agreement.

Fort Worth Company means a business that has a principal office located within the corporate limits of the City that performs a commercially useful function and that provides the services for which Company is seeking credit under this Agreement.

Fort Worth Construction Commitment has the meaning ascribed to it in Section 4.4.

Fort Worth Construction Percentage has the meaning ascribed to it in Section 5.2.2.

Fort Worth Employment Commitment has the meaning ascribed to it in Section 4.6.2.

Fort Worth Employment Percentage has the meaning ascribed to it in Section 5.2.5.

Fort Worth Resident means an individual whose primary residence is at a location within the corporate limits of the City.

Fort Worth Supply and Service Percentage has the meaning ascribed to it in Section 5.2.6.

Fort Worth Supply and Service Spending Commitment has the meaning ascribed to it in Section 4.7.1.

Full-time Equivalent Job means a job provided on the Land by Company or an Affiliate to one (1) or more individuals, whether new or retained, for at least forty (40) hours per week.

Hard Construction Costs means actual site development and construction costs expended by Company for the Required Improvements, including directly-related contractor fees, costs of construction labor, supplies and materials for site preparation, construction and landscaping, and materials testing.

Land has the meaning ascribed to it in Recital F.

Lease means that certain amended and restated lease of the Land and the improvements located on the Land by the Board to Company in substantially same form as that attached hereto as **Exhibit "D"**, attached hereto and hereby made a part of this Agreement for all purposes, as it may subsequently be amended.

Leasehold Interest means the leasehold in the Land and improvements thereon provided by the Lease.

M/WBE Construction Commitment has the meaning ascribed to it in Section 4.5.

M/WBE Construction Percentage has the meaning ascribed to it in Section 5.2.3.

M/WBE Supply and Service Percentage has the meaning ascribed to it in Section 5.2.7.

M/WBE Supply and Service Spending Commitment has the meaning ascribed to it in Section 4.7.2.

New Taxable Tangible Personal Property means any personal property other than inventory or supplies that (i) is subject to ad valorem taxation by the City; (ii) is located on the Land; (iii) is owned or leased by Company; and (iv) was not located in the City prior to the Effective Date of this Agreement.

Ordinance has the meaning ascribed to it in Recital C.

Overall Completion Percentage has the meaning ascribed to it in Section 5.2.1.

Overall Employment Commitment has the meaning ascribed to it in Section 4.6.1.

Overall Employment Percentage has the meaning ascribed to it in Section 5.2.4.

Policy has the meaning ascribed to it in Recital A.

Public Improvements means those public improvements required, necessary or advisable to serve the Required Improvements constructed on the Land, and constructed in accordance with an approved community facilities agreement referencing this Agreement.

Real Property Commitment has the meaning ascribed to it in Section 4.2.

Records has the meaning ascribed to it in Section 4.10.

Required Improvements has the meaning ascribed to it in Recital F.

Supply and Service Expenditures means those local discretionary expenditures made by Company, an Affiliate or a third party manager directly for the operation and maintenance of the Land and any improvements thereon, excluding utility service costs.

Taxable Tangible Personal Property means any personal property other than inventory or supplies that (i) is subject to ad valorem taxation by the City; (ii) is located on the Land; and (iii) is owned or leased by Company.

Term has the meaning ascribed to it in Section 3.

Total Investment Commitment has the meaning ascribed to it in Section 4.3.

Zone has the meaning ascribed to it in Recital C.

3. **TERM.**

This Agreement will take effect on the date as of which all parties have executed this Agreement (the "**Effective Date**") and, unless terminated earlier in accordance with its terms and conditions, will expire on December 31 of the Commencement Tax Year (the "**Term**").

4. **COMPANY'S OBLIGATIONS AND COMMITMENTS.**

4.1. **Use of Land; Lease; Maintenance of Corporate Headquarters in the City.**

From the Completion Date until expiration of the Term of this Agreement, Company must use the Land for American Airlines, Inc.'s (or its successor's) business operations, or the operations of another business approved in writing by the City Council. Throughout the Term of this Agreement, Company or an entity to whom this Agreement has been lawfully assigned in accordance with Section 10 must own the Leasehold Interest. In addition, throughout the Term of this Agreement, American Airlines, Inc. (or its successor) must maintain its Corporate Headquarters at a location in the City. In the event that American Airlines, Inc. (or its successor) fails to maintain its Corporate Headquarters in the City, the City may terminate this Agreement immediately by providing written notice to Company (or its successor). The right of the City to terminate as expressed herein, is not intended to preclude the Company from requesting, or the City from negotiating, a modification of this Agreement as an alternative to termination. However, any such modification must be approved as an amendment as set forth in Section 19.

4.2. **Real Property Improvements.**

By the Completion Date, Company must have expended or caused to be expended at least Two Hundred Million Dollars (\$200,000,000.00) in Construction Costs for the Required Improvements and Ancillary Improvements, and the Completion Date must occur on or before the Completion Deadline (collectively, the "**Real Property Commitment**"). The Board has agreed within the Lease to permit Company to construct the Required Improvements and Ancillary Improvements solely in accordance with the terms and conditions of the Lease, with the explicit understanding that this Agreement does not impose any financial obligation or other liability on the Board or DFW.

4.3. Installation of Tangible Personal Property.

If less than Three Hundred Fifty Million Dollars (\$350,000,000.00) in Construction Costs for the Required Improvements and Ancillary Improvements have been expended by the Completion Deadline, Company must provide evidence that New Taxable Tangible Personal Property having a cost of at least the difference between the amount of Construction Costs expended for the Required Improvements and any Ancillary Improvements and Three Hundred Fifty Million Dollars (\$350,000,000.00) has been installed on the Land by the Completion Deadline. The commitment to expend, or cause to be expended, a combined minimum of Three Hundred Fifty Million Dollars (\$350,000,000.00) in Construction Costs or Construction Costs and New Taxable Tangible Personal Property shall hereinafter be referred to as the "**Total Investment Commitment**".

4.4. Construction Spending Commitment for Fort Worth Companies.

By the Completion Date, Company must have expended or caused to be expended at least Fifty Million Dollars (\$50,000,000.00) in Hard Construction Costs for the Required Improvements with Fort Worth Companies (the "**Fort Worth Construction Commitment**").

4.5. Construction Spending Commitment for Fort Worth Certified M/WBE Companies.

By the Completion Date, Company must have expended or caused to be expended at least Twenty-five Million Dollars (\$25,000,000.00) in Hard Construction Costs for the Required Improvements with Fort Worth Certified M/WBE Companies (the "**M/WBE Construction Commitment**"). Dollars expended with Fort Worth Certified M/WBE Companies will also count as dollars expended with Fort Worth Companies for purposes of measuring the Fort Worth Construction Commitment outlined in Section 4.4.

4.6. Employment Commitments.

4.6.1. Overall Employment.

At least 4,279 Full-time Equivalent Jobs must be provided and filled on the Land by the Completion Deadline (the "**Overall Employment Commitment**"). Determination of compliance with the Overall Employment Commitment will be based on the employment data provided to the City in accordance with Section 4.8.4.

4.6.2. Employment Commitment for Fort Worth Residents.

At least 400 of the Full-time Equivalent Jobs provided on the Land by the Completion Deadline must be filled with Fort Worth Residents (the "**Fort Worth Employment Commitment**"). Determination of compliance with the Fort Worth Employment Commitment will be based on the employment data provided to the City in accordance with Section 4.8.4. Full-time Equivalent Jobs held by Fort Worth Residents will also count as Full-time Equivalent Jobs for purposes of measuring the Overall Employment Commitment outlined in Section 4.6.1.

4.7. Supply and Service Spending Commitments.

4.7.1. For Fort Worth Companies.

In the calendar year immediately preceding the Commencement Tax Year, Company, its Affiliates, and/or a third party manager hired by Company and/or its Affiliates, must expend or cause to be expended at least Seven Hundred Fifty Thousand Dollars (\$750,000.00) in Supply and Service Expenditures with Fort Worth Companies (the "**Fort Worth Supply and Service Spending Commitment**").

4.7.2. For Fort Worth Certified M/WBE Companies.

In the calendar year immediately preceding the Commencement Tax Year, Company, its Affiliates, and/or a third party manager hired by the Company and/or its Affiliates, must expend or cause to be expended at least Three Hundred Fifty Thousand Dollars (\$350,000.00) in Supply and Service Expenditures with Fort Worth Certified M/WBE Companies (the "**M/WBE Supply and Service Spending Commitment**"). Dollars expended with Fort Worth Certified M/WBE Companies will also count as dollars expended with Fort Worth Companies for purposes of measuring the Fort Worth Supply and Service Spending Commitment outlined in Section 4.7.1.

4.8. Reports and Filings.

4.8.1. Plan for Use of Fort Worth Certified M/WBE Companies.

Within ninety (90) calendar days following the Effective Date, Company, or its designee, must file a plan with the Director as to how Company intends to meet the M/WBE Construction Commitment. Company agrees to meet with the City's M/WBE Office as reasonably necessary for assistance in implementing such plan and to address any concerns that the City may have with such plan.

4.8.2. Construction Spending Reports.

4.8.2.1. Semi-annual Reports.

From the Effective Date until the Real Property Commitment, the Total Investment Commitment, the Fort Worth Construction Commitment and the M/WBE Construction Commitment have been satisfied, Company, or its designee, must provide the Director with a semi-annual report in a form reasonably acceptable to the City that specifically outlines the then-current aggregate Construction Costs expended by and on behalf of Company for the Required Improvements as well as the then-current aggregate Hard Construction Costs expended by and on behalf of Company for Required Improvements with Fort Worth Companies and with Fort Worth Certified M/WBE Companies.

4.8.2.2. Final Construction Report.

Within sixty (60) calendar days following the Completion Date, in order for the City to assess whether Company met the Real Property Commitment and the extent to which

Company met the Fort Worth Construction Commitment and the M/WBE Construction Commitment, Company, or its designee, must provide the Director with a report in a form reasonably acceptable to the City that specifically outlines (i) the total Construction Costs expended by and on behalf of Company by the Completion Date for the Required Improvements; (ii) the total Hard Construction Costs expended with Fort Worth Companies by and on behalf of Company by the Completion Date for the Required Improvements; and (iii) the total Hard Construction Costs expended with Fort Worth Certified M/WBE Companies by and on behalf of Company by the Completion Date for the Required Improvements, together with supporting invoices and other documents reasonably necessary to demonstrate that such amounts were actually paid by Company, including, without limitation, final lien waivers signed by Company's general contractor.

4.8.3. Personal Property Report.

On or before February 1, of the Commencement Tax Year, in order for the City to assess the amount of the Tangible Personal Property on the Land that qualifies as New Tangible Personal Property, and to verify the costs of any New Tangible Personal Property used to meet the Total Investment Commitment, Company must provide the Director with a report in a form reasonably acceptable to the City that lists the New Taxable Tangible Personal Property that was installed on the Land between the Effective Date and the Completion Deadline and the cost of such New Taxable Tangible Personal Property, together with reasonable supporting documentation concerning the identification and cost (including invoices and receipts) of such New Taxable Tangible Personal Property.

4.8.4. Employment Report.

On or before February 1, of the Commencement Tax Year, in order for the City to assess the degree to which the Overall Employment Commitment, the Fort Worth Employment Commitment were met, Company must provide the Director with a report in a form reasonably acceptable to the City that sets forth the total number of individuals and the total number of Fort Worth Residents who held employment positions comprising Full-time Equivalent Jobs on the Land as of December 31 of the year preceding the Commencement Tax Year.

4.8.5. Supply and Service Spending Report.

On or before February 1, of the Commencement Tax Year, in order for the City to assess the degree to which the Fort Worth Supply and Service Spending Commitment and the M/WBE Supply and Service Spending Commitment have been met, Company must provide the City with a report in a form reasonably acceptable to the City that sets forth the aggregate Supply and Service Expenditures made during the calendar year immediately preceding the Commencement Tax Year with Fort Worth Companies and with Fort Worth Certified M/WBE Companies, together with reasonable supporting documentation.

4.8.6. General.

Company agrees to supply any additional information reasonably requested by the City that is pertinent to the City's evaluation of compliance with each of the terms and conditions of this Agreement.

4.8.7. Annual Certification.

Each year of the Term through and including the Commencement Tax Year, Company shall obtain and provide to the City a certification from a representative of the Board that the Lease remains in effect. Company shall provide that certification, along with its own certification that Company is in compliance with each applicable term of this Agreement, to the City on or before May 1 of the year in question.

4.9. Inspections.

At any time during Company's normal business hours (but once the Certificate of Completion has been issued in accordance with Section 5.1, not more frequently than quarterly), throughout the Term and following reasonable notice to Company, the City will have the right to inspect and evaluate the Land and any improvements thereon, and Company and any of its Affiliates located on the Land will provide full access to any facilities on the Land reasonably necessary for the City to monitor compliance with the terms and conditions of this Agreement. Company will cooperate with the City during any such inspection and evaluation. Notwithstanding the foregoing, Company will have the right to require that any representative of the City be escorted by a Company representative or security personnel during any such inspection and evaluation.

4.10. Audits.

The City will have the right throughout the Term to audit the financial and business records of Company and any Affiliates that relate to the Required Improvements and any other documents necessary to evaluate compliance with this Agreement or with the commitments set forth in this Agreement, including, but not limited to construction documents and invoices as well as employment

records of an Affiliate solely to the extent that Full-time Jobs provided by an Affiliate are included in the employment report submitted pursuant to Section 4.8.4 (collectively "**Records**"). Company will make or cause to be made all Records available to the City on the Land or at another location in the City acceptable to both parties following reasonable advance notice by the City and will otherwise cooperate with the City during any audit.

4.11. Abatement Application Fee.

The City acknowledges receipt of the required Application fee of Five Thousand Dollars (\$5,000.00). Of such amount, Two Thousand Dollars (\$2,000.00) is nonrefundable and will be used by the City for the purposes set forth in the Policy. If construction work on the Required Improvements begins within one (1) year from the date of the Application, the remaining Three Thousand Dollars (\$3,000.00) of such fee will be credited to Company's benefit against any permit, impact, inspection or other lawful fee required by the City in connection with the Required Improvements. If construction work on the Required Improvements does not begin within one (1) year from the date of the Application, Company will not receive a credit or refund of any portion of the fee.

5. CITY OBLIGATIONS.

5.1. Issuance of Certificate of Completion.

Within ninety (90) calendar days following receipt by the City of both the final construction expenditure report for the Required Improvements, as required by Section 4.8.2.2, and the expenditure report for New Taxable Tangible Personal Property, as required by Section 4.8.3, and assessment by the City of the information contained therein in accordance with the City's rights under Sections 4.9 and 4.10, if the City is able to verify that both the Real Property Commitment, as outlined in Section 4.2, was met, *and* that the Total Investment Commitment, as outlined in Section 4.3, was met, the Director will issue Company a certificate stating the total amount of Construction Costs expended for the Required Improvements and the Ancillary Improvements by the Completion Date; the amount of Hard Construction Costs expended specifically with both Fort Worth Companies and with Fort Worth Certified M/WBE Companies for the Required Improvements by the Completion Date; and the total costs of New Taxable Tangible Personal Property installed on the Land by the Completion Deadline if costs of New Taxable Tangible Property are necessary to meet the Total Investment Commitment (the "**Certificate of Completion**"). The Certificate of Completion will serve as verification that the Real Property Commitment and the Total Investment Commitment were met and will also establish the extent to which the Fort Worth Construction Commitment and the M/WBE Construction Commitment were met.

5.2. Tax Abatement.

Subject to Section 5.2.9 and all other terms and conditions of this Agreement, provided that both the Real Property Commitment, as outlined in Section 4.2, was met, *and* the Total Investment Commitment, as outlined in Section 4.3, was met, the City will grant an Abatement for the Commencement Tax Year. The overall percentage of the Abatement will equal the sum of the Overall Completion Percentage, the Fort Worth Construction Percentage, the M/WBE Construction Percentage, the Overall Employment Percentage, the Fort Worth Employment Percentage, the Fort Worth Supply and Service Percentage, and the M/WBE Supply and Service Percentage, as outlined in Sections 5.2.1, 5.2.2, 5.2.3, 5.2.4, 5.2.5, 5.2.6, and 5.2.7, respectively, as follows:

5.2.1. Completion of Required Improvements (25-40%).

A percentage of the Abatement will be based on the fact that both the Real Property Commitment, as outlined in Section 4.2, and the Total Investment Commitment, as outlined in Section 4.3, were met (the "**Overall Completion Percentage**"). The amount of the Overall Completion Percentage will be established on the basis of the combined taxable appraised value of the Land, improvements on the Land and Taxable Tangible Personal Property for the Commencement Tax Year, not to exceed forty percent (40%) in any case, as follows:

- (a) If the Combined Taxable Value for the Commencement Tax Year is less than \$100,000,000.00, the Overall Completion Percentage will be twenty-five percent (25%);
- (b) If the Combined Taxable Value for the Commencement Tax Year is at or between \$100,000,000.00 and \$199,999,999.99, the Overall Completion Percentage will be thirty percent (30%);
- (c) If the Combined Taxable Value for the Commencement Tax Year is at or between \$200,000,000.00 and \$299,999,999.99, the Overall Completion Percentage will be thirty-five percent (35%); and
- (d) If the Combined Taxable Value for the Commencement Tax Year is \$300,000,000.00 or more, the Overall Completion Percentage will be forty percent (40%).

5.2.2. Fort Worth Construction Cost Spending (Up to 7.5%).

A percentage of the Abatement will be based on the extent to which the Fort Worth Construction Commitment, as outlined in Section

4.4, was met (the "Fort Worth Construction Percentage"). The Fort Worth Construction Percentage will equal the product of seven and one-half percent (7.5%) multiplied by the percentage by which the Fort Worth Construction Commitment was met, which will be calculated by dividing the actual Hard Construction Costs expended for the Required Improvements by the Completion Date with Fort Worth Companies for the Required Improvements by Fifty Million Dollars (\$50,000,000.00), which is the Fort Worth Construction Commitment. For example, if Company only expended \$40,000,000.00 in Hard Construction Costs for the Required Improvements by the Completion Date with Fort Worth Companies, the Fort Worth Construction Percentage would be 6% instead of 7.5% (or $.075 \times [\$40 \text{ million}/\$50 \text{ million}]$, or $.075 \times .80$, or $.06$). If the Fort Worth Construction Commitment was met or exceeded, the Fort Worth Construction Percentage will be seven and one-half percent (7.5%).

5.2.3. Fort Worth M/WBE Construction Cost Spending (Up to 7.5%).

A percentage of the Abatement will be based on the extent to which the M/WBE Construction Commitment, as outlined in Section 4.5, was met (the "M/WBE Construction Percentage"). The M/WBE Construction Percentage will equal the product of seven and one-half percent (7.5%) multiplied by the percentage by which the M/WBE Construction Commitment was met, which will be calculated by dividing the actual Hard Construction Costs expended for the Required Improvements by the Completion Date with Fort Worth Certified M/WBE Companies by Twenty-five Million Dollars (\$25,000,000.00), which is the M/WBE Construction Commitment. If the M/WBE Construction Commitment was met or exceeded, the M/WBE Construction Commitment will be seven and one-half percent (7.5%).

5.2.4. Overall Employment (Up to 15%).

A percentage of the Abatement will be based on the extent to which the Overall Employment Commitment, as outlined in Section 4.6.1, was met (the "Overall Employment Percentage"). The Overall Employment Percentage will equal the product of fifteen percent (15%) multiplied by the percentage by which the Overall Employment Commitment was met, which will be calculated by dividing the actual number of Full-time Equivalent Jobs provided on the Land by December 31 of the year preceding the Commencement Tax Year by 4,279, which is the number of Full-time Equivalent Jobs constituting the Overall Employment Commitment. For example, if only 3,637 Full-time Equivalent Jobs were provided on the Land by December 31 of the year preceding the Commencement Tax Year, the Overall Employment Percentage would be 12.75% instead of 15% (or $.15 \times [3,637/4,279]$), or

.15 x .84996, or .12749 (rounded to .1275). If the Overall Employment Commitment was met or exceeded, the Overall Employment Percentage will be fifteen percent (15%).

5.2.5. Fort Worth Employment (Up to 5%).

A percentage of the Abatement will be based on the extent to which the Fort Worth Employment Commitment, as outlined in Section 4.6.2, was met (the "**Fort Worth Employment Percentage**"). The Fort Worth Employment Percentage will equal the product of five percent (5%) multiplied by the percentage by which the Fort Worth Employment Commitment was met, which will be calculated by dividing the actual number of Full-time Equivalent Jobs provided on the Land and filled with Fort Worth Residents by the December 31 of the year preceding the Commencement Tax Year by 400, which is the number of Full-time Equivalent Jobs comprising the Fort Worth Employment Commitment. If the Fort Worth Employment Commitment was met or exceeded, the Fort Worth Employment Percentage will be five percent (5%).

5.2.6. Fort Worth Supply and Service Spending (Up to 7.5%).

A percentage of the Abatement will be based on the extent to which the Fort Worth Supply and Service Spending Commitment, as outlined in Section 4.7.1, was met (the "**Fort Worth Supply and Service Percentage**"). The Fort Worth Supply and Service Percentage will equal the product of seven and one-half percent (7.5%) multiplied by the percentage by which the Fort Worth Supply and Service Spending Commitment was met, which will be calculated by dividing the amount of Supply and Service Expenditures made with Fort Worth Companies during the calendar year preceding the Commencement Tax Year by Seven Hundred Fifty Thousand Dollars (\$750,000.00), which is the number of dollars comprising the Fort Worth Supply and Service Spending Commitment. For example, if Company made only Six Hundred Seventy-five Thousand Dollars (\$675,000.00) in Supply and Service Expenditures during the calendar year preceding the Commencement Tax Year, the Fort Worth Supply and Service Percentage would be 6.75% instead of 7.5% (or $.075 \times [\$675,000/\$750,000]$, or $.075 \times .90$, or $.0675$). If the Fort Worth Supply and Service Spending Commitment was met or exceeded, the Fort Worth Supply and Service Percentage will be seven and one-half percent (7.5%).

5.2.7. M/WBE Supply and Service Spending (Up to 7.5%).

A percentage of the Abatement will be based on the extent to which the M/WBE Supply and Service Spending Commitment, as outlined in Section 4.7.2, was met (the "**M/WBE Supply and Service**

Percentage”). The M/WBE Supply and Service Percentage will equal the product of seven and one-half percent (7.5%) multiplied by the percentage by which the M/WBE Supply and Service Spending Commitment was met, which will be calculated by dividing the amount of Supply and Service Expenditures made with Fort Worth Certified M/WBE Companies during the calendar year preceding the Commencement Tax Year by Three Hundred Fifty Thousand Dollars (\$350,000.00), which is the number of dollars comprising the M/WBE Supply and Service Spending Commitment. If the M/WBE Supply and Service Spending Commitment was met or exceeded, the M/WBE Supply and Service Percentage will be seven and one-half percent (7.5%).

5.2.8. No Offsets.

A deficiency in attainment of one commitment may not be offset by the exceeding attainment in another commitment. For example, if Company failed to meet the M/WBE Construction Commitment by \$5,000.00, but exceeded the Fort Worth Construction Commitment by \$5,000.00, the percentage of Abatement available hereunder would still be reduced in accordance with Section 5.2.3 on account of Company's failure to meet the M/WBE Construction Spending Commitment.

5.2.9. Abatement Limitation.

Notwithstanding anything to the contrary herein, the Abatement hereunder will be based on the combined increase in the taxable value of the Leasehold Interest (compared to the taxable value of the prior possessory interests) and the taxable appraised value, if any, of the Land and any improvements thereon since January 1, 2015 and on the increase in the value of Taxable Tangible Personal Property installed on the Land, up to a maximum combined increase of Five Hundred Twenty-five Million Dollars (\$525,000,000.00). In other words, if the combined increase in the taxable appraised value of the Leasehold Interest (compared to the taxable value of the prior possessory interests); the taxable appraised value, if any, of the Land and any improvements thereon; and (iii) the taxable appraised value of the Taxable Tangible Personal Property for the Commencement Tax Year is more than \$525,000,000.00 over their combined values as of January 1, 2015, the Abatement hereunder will be applied only to the first \$525,000,000.00 in value, and Company will be required to pay full taxes on any remaining taxable value. For example, if the combined increase in the taxable appraised value of the Leasehold Interest (compared to the value of the prior possessory interests); the taxable appraised value, if any, of the Land and any improvements thereon; and the taxable appraised value of the Taxable Tangible Personal Property for the Commencement Tax Year is \$600,000,000.00 in excess of their combined value as of January 1, 2015,

Company's Abatement would be applied as if the increase in combined value had been only been \$525,000,000.00, and Company would pay full taxes on the \$75,000,000.00 difference over that cap.

5.3. Consideration of Enhanced Community Facilities Participation.

The City agrees to promptly consider in good faith a request by Company for the City to contribute up to Two Million Dollars (\$2,000,000.00) in City enhanced community facility funds for public roadway improvements and other public infrastructure improvements or upgrades that may benefit the Required Improvements. Costs expended by the City on such improvements or upgrades may not be used to satisfy the Total Investment Commitment. Notwithstanding anything to the contrary herein, Company understands and agrees that nothing in this Agreement commits the City to contribute any funding for any such improvements or upgrades, and that any financial participation with regard to such improvements or upgrades must be based on plans submitted by Company that are acceptable to the City's staff and that are specifically approved for City funding by the City Council in a public meeting conducted in accordance with Chapter 551, Texas Government Code.

6. DEFAULT, TERMINATION AND FAILURE BY COMPANY TO MEET VARIOUS DEADLINES AND COMMITMENTS.

6.1. Failure to Complete Project.

If the Real Property Commitment, as outlined in Section 4.2, is not met, or if the Total Investment Commitment, as outlined in Section 4.3, is not met, the City will have the right to terminate this Agreement immediately upon provision of written notice to Company, in which case the City will have no further obligation to Company hereunder, and Company shall repay to the City the amount of any tax abatement realized by Company prior to such termination.

6.2. Failure to Submit Reports.

If Company fails to submit any report or information to the City pursuant to and in accordance with the provisions of Section 4.8, the City will notify Company in writing. Company will have thirty (30) calendar days from the date of such notice to provide the City with any such report or information in full. If the City has not received the report or information in full within such thirty (30) calendar days, the City will have the right to terminate this Agreement immediately upon provision of written notice to Company, in which case the City will have no further obligation to Company hereunder. The right of the City to terminate as expressed herein, is not intended to preclude the Company from requesting, or the City from negotiating, a modification of this Agreement as an

alternative to termination. However, any such modification must be approved as an amendment as set forth in Section 19.

6.3. Failure to Pay City Taxes.

An event of default will occur under this Agreement if any City taxes owed by Company or an Affiliate or arising on account of Company's or an Affiliate's operations on the Land become delinquent and Company or the Affiliate does not either pay such taxes or properly follow the legal procedures for protest and/or contest of any such taxes. In this event, the City will notify Company in writing and Company will have thirty (30) calendar days to cure such default. If the default has not been fully cured by such time, the City will have the right to terminate this Agreement immediately upon provision of written notice to Company, in which case the City will have no further obligation to Company hereunder, but the City will retain all other rights and remedies that may be available to it under the law or in equity. The right of the City to terminate as expressed herein, is not intended to preclude the Company from requesting, or the City from negotiating, a modification of this Agreement as an alternative to termination. However, any such modification must be approved as an amendment as set forth in Section 19.

6.4. Violations of City Code, State or Federal Law.

An event of default will occur under this Agreement if any written citation is issued to Company or an Affiliate due to the occurrence of a Company violation of a material and applicable provision of the City Code on the Land or on or within any improvements thereon (including, without limitation, any violation of the City's Building or Fire Codes and any other City Code violations related to the environmental condition of the Land; the environmental condition of other land or waters which is attributable to operations on the Land by the Company; or to matters concerning the public health, safety or welfare) and such citation is not paid or the recipient of such citation does not properly follow the legal procedures for protest and/or contest of any such citation. An event of default will occur under this Agreement if the City is notified by a governmental agency or unit with appropriate jurisdiction that Company or an Affiliate, or any successor in interest thereto; any third party with access to the Land pursuant to the express or implied permission of Company or an Affiliate, or any successor in interest thereto; or if the City (on account of the Required Improvements or the act or omission of any party other than the City on or after the effective date of this Agreement) is declared to be in violation of any material state or federal law, rule or regulation on account of the Company's operations or management of the Land or Company's construction of improvements on the Land (including, without limitation, any violations related to the environmental condition of the Land; the environmental condition of other land or waters which is attributable to Company's operations on the Land; or to matters concerning the public health, safety or welfare). Upon the occurrence of such default, the City will notify

Company in writing, and Company will have (i) thirty (30) calendar days to cure such default or (ii) if Company has diligently pursued cure of the default but such default is not reasonably curable within thirty (30) calendar days, then such additional amount of time that is reasonably necessary to effect cure, as determined by both parties mutually and in good faith. If the default has not been fully cured by such time, the City will have the right to terminate this Agreement immediately by providing written notice to Company and will have all other rights and remedies that may be available to it under the law or in equity. The right of the City to terminate as expressed herein, is not intended to preclude the Company from requesting, or the City from negotiating, a modification of this Agreement as an alternative to termination. However, any such modification must be approved as an amendment as set forth in Section 19.

6.5. Knowing Employment of Undocumented Workers.

Company acknowledges that the City is required to comply with Chapter 2264 of the Texas Government Code, enacted by House Bill 1196 (80th Texas Legislature), which relates to restrictions on the use of certain public subsidies. *Company hereby certifies that Company, and any branches, divisions, or departments of Company, does not and will not knowingly employ an undocumented worker, as that term is defined by Section 2264.001(4) of the Texas Government Code. In the event that Company, or any branch, division, or department of Company, is convicted of a violation under 8 U.S.C. Section 1324a(f) (relating to federal criminal penalties and injunctions for a pattern or practice of employing unauthorized aliens), subject to any appellate rights that may lawfully be available to and exercised by Company, Company must repay, within one hundred twenty (120) calendar days following receipt of written demand from the City, the amount of Abatement received by Company hereunder, if any, plus Simple Interest at a rate of four percent (4%) per annum based on the amount of Abatement received as of December 31 of the tax year in which the Abatement was granted.*

For the purposes of this Section 6.5, "Simple Interest" is defined as a rate of interest applied only to an original value, in this case the amount of Abatement. This rate of interest can be applied each year, but will only apply to the amount of the Abatement received and is not applied to interest calculated. For example, if the aggregate amount of Abatement received by Company is \$10,000 and it is required to be paid back with four percent (4%) interest five years later, the total amount would be $\$10,000 + [5 \times (\$10,000 \times 0.04)]$, which is \$12,000. This Section 6.5 does not apply to convictions of any Affiliate of Company, any franchisees of Company, or any person or entity with whom Company contracts. Notwithstanding anything to the contrary herein, this Section 6.5 will survive the expiration or termination of this Agreement as to convictions for actions for offenses occurring prior to the termination of this Agreement.

6.6. Sale, Assignment or Conveyance of Lease to a Third Party.

If Company sells, assigns or otherwise conveys its entire Leasehold Interest to any other person or entity, and this Agreement has not been assigned to that person or entity in accordance with Section 10 of this Agreement, this Agreement will terminate on the effective date of the sale, assignment or conveyance.

6.7. General Breach.

Unless stated elsewhere in this Agreement, Company will be in default under this Agreement if Company breaches any term or condition of this Agreement. In the event that such breach remains uncured after thirty (30) calendar days following receipt of written notice from the City referencing this Agreement (or, if Company has diligently and continuously attempted to cure following receipt of such written notice but reasonably requires more than thirty (30) calendar days to cure, then such additional amount of time as is reasonably necessary to effect cure, as determined by both parties mutually and in good faith), the City will have the right to terminate this Agreement immediately by providing written notice to Company. The right of the City to terminate as expressed herein, is not intended to preclude the Company from requesting, or the City from negotiating, a modification of this Agreement as an alternative to termination. However, any such modification must be approved as an amendment as set forth in Section 19.

6.8. Failure to Meet Construction Cost Spending, Employment, or Supply and Service Spending Commitments.

A failure to meet the Fort Worth Construction Commitment, the M/WBE Construction Commitment, the Overall Employment Commitment, the Fort Worth Employment Commitment, the Fort Worth Supply and Service Spending Commitment, or the M/WBE Supply and Service Spending Commitment will not constitute a default hereunder or provide the City with the right to terminate this Agreement, but, rather, will only cause the percentage of Abatement available to Company pursuant to this Agreement to be reduced in accordance with this Agreement.

7. INDEPENDENT CONTRACTOR.

It is expressly understood and agreed that Company will operate as an independent contractor in each and every respect hereunder and not as an agent, representative or employee of the City. Company will have the exclusive right to control all details and day-to-day operations relative to the Land and any improvements thereon and will be solely responsible for the acts and omissions of its officers, agents, servants, employees, contractors, subcontractors, licensees and invitees. Company acknowledges that the doctrine of *respondeat superior* will not apply as between the City and Company,

its officers, agents, servants, employees, contractors, subcontractors, licensees, and invitees. Company further agrees that nothing in this Agreement will be construed as the creation of a partnership or joint enterprise between the City and Company.

8. INDEMNIFICATION.

COMPANY, AT NO COST TO THE CITY, THE BOARD OR THE CITY OF DALLAS, AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, THE BOARD AND THE CITY OF DALLAS, AND THEIR OFFICERS, AGENTS SERVANTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, ACTIONS, COSTS AND EXPENSES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, THOSE FOR PROPERTY DAMAGE OR LOSS (INCLUDING ALLEGED DAMAGE OR LOSS TO COMPANY'S BUSINESS AND ANY RESULTING LOST PROFITS) AND/OR PERSONAL INJURY, INCLUDING DEATH, THAT MAY RELATE TO, ARISE OUT OF OR BE OCCASIONED BY (i) COMPANY'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS AGREEMENT OR (ii) ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF COMPANY, ITS OFFICERS, AGENTS, ASSOCIATES, EMPLOYEES, CONTRACTORS (OTHER THAN THE CITY) OR SUBCONTRACTORS, RELATED TO THE REQUIRED IMPROVEMENTS; THE LAND AND ANY OPERATIONS AND ACTIVITIES THEREON; OR THE PERFORMANCE OF THIS AGREEMENT OR OTHERWISE. CITY AND COMPANY SHALL COOPERATE IN THE DEFENSE OF ANY CLAIM CONTESTING THE VALIDITY OF THIS AGREEMENT.

9. NOTICES.

All written notices called for or required by this Agreement must be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid, or by hand delivery:

City:

City of Fort Worth
Attn: City Manager
1000 Throckmorton
Fort Worth, TX 76102

Company:

American Airlines, Inc.
Attn: Chuck Allen
4333 Amon Carter Blvd., MD 5673
Fort Worth, TX 76155

with copies to:

the City Attorney and
Economic Development Dept. Director
at the same address

10. ASSIGNMENT AND SUCCESSORS.

Company may not assign, transfer or otherwise convey any of its rights or obligations under this Agreement to any person or entity other than an Affiliate of the Company that is also a certificated air carrier, or that has accepted an assignment of the Leasehold Interest such that the Affiliate is a lessee of tax exempt real property, without the prior consent of the City Council, which consent will not be unreasonably withheld, conditioned on (i) the assignee or successor will own the Leasehold Interest (ii) the value of New Taxable Tangible Personal Property located on the Land is equivalent to any New Taxable Tangible Personal Property necessary to meet the Total Investment Commitment; (iii) the prior approval of the assignee or successor and a finding by the City Council that the proposed assignee or successor is financially capable of meeting the terms and conditions of this Agreement; and (iv) prior execution by the proposed assignee or successor of a written agreement with the City under which the proposed assignee or successor agrees to assume and be bound by all covenants and obligations of Company under this Agreement. Any lawful assignee or successor in interest of Company of all rights under this Agreement will be deemed "Company" for all purposes under this Agreement. Notwithstanding the above, the City hereby agrees and consents to any merger, stock transfer, asset transfer, or other internal corporate restructuring of Company (including, without limitation, that involving American Airlines, Inc. and American Airlines Group, Inc. ("AAL") and/or any other wholly-owned subsidiary or subsidiaries of AAL or similar internal restructuring within Company's organization) (an "Internal Restructuring") and any related assignment or transfer of the Leasehold Interest, all New Taxable Tangible Personal Property, and this Agreement that may occur or may be deemed to occur as a result of any such Internal Restructuring, and the City waives any right it may have to terminate, amend or modify this Agreement and any claim of breach or default hereunder in each case arising directly in connection with or as a result of any such Internal Restructurings.

11. COMPLIANCE WITH LAWS, ORDINANCES, RULES AND REGULATIONS.

This Agreement will be subject to all applicable federal, state and local laws, ordinances, rules and regulations, including, but not limited to, all provisions of the City's Charter and ordinances, as amended.

12. GOVERNMENTAL POWERS.

It is understood that by execution of this Agreement, the City does not waive or surrender any of its governmental powers or immunities.

13. SEVERABILITY.

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired. If any provision of this Agreement is held to be invalid, illegal or unenforceable, and the effect of such holding is that the City cannot grant Company the amount of Abatement intended hereunder, the City staff will recommend that the City Council authorize an amendment to the Economic Development Program Agreement to provide Company an additional grant or grants under that Agreement in an amount equal to the difference between the amount of Abatement that Company would have received under this Agreement in accordance with the calculations set forth herein and the amount of Abatement that Company actually received directly on account of the holding in question.

14. NO WAIVER.

The failure of either party to insist upon the performance of any term or provision of this Agreement or to exercise any right granted hereunder will not constitute a waiver of that party's right to insist upon appropriate performance or to assert any such right on any future occasion.

15. VENUE AND JURISDICTION.

If any action, whether real or asserted, at law or in equity, arises on the basis of any provision of this Agreement, venue for such action will lie in state courts located in Tarrant County, Texas or the United States District Court for the Northern District of Texas – Fort Worth Division. This Agreement will be construed in accordance with the laws of the State of Texas.

16. NO THIRD PARTY RIGHTS.

The provisions and conditions of this Agreement are solely for the benefit of the City and Company, and any lawful assign or successor of Company, and are not intended to create any rights, contractual or otherwise, to any other person or entity.

17. INTERPRETATION.

In the event of any dispute over the meaning or application of any provision of this Agreement, this Agreement will be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of this Agreement. In the event of any direct conflict between the body of this Agreement and the Application, the body of this Agreement will control.

18. CAPTIONS.

Captions and headings used in this Agreement are for reference purposes only and will not be deemed a part of this Agreement.

19. ENTIRETY OF AGREEMENT.

This Agreement, including any exhibits attached hereto and any documents incorporated herein by reference, contains the entire understanding and agreement between the City and Company, and any lawful assign and successor of Company, as to the matters contained herein. Any prior or contemporaneous oral or written agreement is hereby declared null and void to the extent in conflict with any provision of this Agreement. Notwithstanding anything to the contrary herein, this Agreement may not be amended unless executed in writing by both parties and approved by the City Council of the City in an open meeting held in accordance with Chapter 551 of the Texas Government Code.

20. COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which will be considered an original, but all of which will constitute one instrument.

21. BONDHOLDER RIGHTS.

The Required Improvements will not be financed by tax increment bonds. This Agreement is subject to the rights of holders of outstanding bonds of the City. The City represents that, to the best of its knowledge, there are no bond covenants that prohibit granting a City tax abatement on the Land and improvements located on the Land.

22. CONFLICTS OF INTEREST.

Neither the Land nor any improvements thereon are owned or leased by any member of the City Council, any member of the City Plan or Zoning Commission or any member of the governing body of any taxing unit with jurisdiction in the Zone.

23. FORCE MAJEURE.

It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, strike, inclement weather, shortages or unavailability of labor or materials, unreasonable delays by the City (based on the then-current workload of the City department(s) responsible for undertaking the activity in question) in issuing any permits, consents, or certificates of occupancy or conducting any inspections of or with respect to

the Land or any improvements located thereon, or other circumstances which are reasonably beyond the control of the party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstance is similar to any of those enumerated or not, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such design or construction requirement shall be extended for a period of time equal to the period such party was delayed. Notwithstanding anything to the contrary herein, it is specifically understood and agreed that any failure to obtain adequate financing to complete any Required Improvements by the Completion Deadline will not be deemed to be an event of force majeure and that this Section 22 will not operate to extend the Completion Deadline in such an event.

EXECUTED as of the last date indicated below:

[SIGNATURES IMMEDIATELY FOLLOW ON NEXT THREE (3) PAGES]

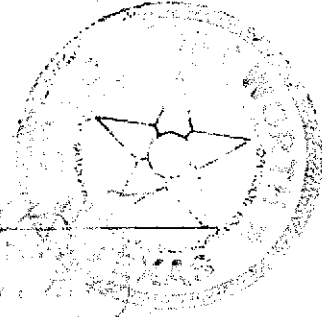
CITY OF FORT WORTH:

By: *Jesus J. Chapa*
Jesus J. Chapa
Assistant City Manager

Date: 12-18-15

ATTEST:

By: *M. J. [unclear]*
Name: *[unclear]*
Title: *City Secretary*



Date: 12/18/15

APPROVED AS TO FORM AND LEGALITY:

By: *Peter Vaky*
Peter Vaky
Deputy City Attorney

M&C: C-27526 11-10-15

AMERICAN AIRLINES, INC.,
a Delaware corporation:

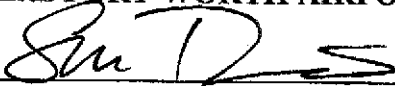
By: 

Name: **Timothy Skipworth**

Title: **Vice President - Airport Affairs & Facilities**

Date: 12/17/2015

DALLAS FORT WORTH AIRPORT BOARD:

By: 
Name: *Sean Donohue*
Title: *Chief Executive Officer*

Date: 12-18-15

EXHIBITS

“A” – Description and Map Depicting the Land

“B” – Tax Abatement Application

“C” – Form of Lease

EXHIBIT "A"

BEING a 97.701 acre tract of land situated in the William G. Matthews Survey, Abstract Number 1052 and the V. J. Hutton Survey, Abstract Number 681, Tarrant County, Texas, in the City of Fort Worth, being a portion of the tract of land described in the deed to Dallas-Fort Worth Regional Airport Board recorded in Volume 6710, Page 520, Deed Records of Tarrant County, Texas and being all of the tract of land described as the North Tract in the deed to Dallas-Fort Worth Regional Airport Board recorded in Volume 6653, Page 856, Deed Records of Tarrant County, Texas, also being a portion of Lot 1, Block 3 and all of Lot 1, Block 2, American Airlines Addition according to the plat recorded in Volume 388-133, Page 60, Plat Records of Tarrant County, Texas, and being a portion of the tract of land described as Plot B in the deed to the City of Fort Worth recorded in Volume 5072, Page 417, Deed Records of Tarrant County, Texas, said 97.701 acre tract of land being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found in the westerly right-of-way line of State Highway 360 (a variable width right-of-way) for the northeasterly corner of said North Tract and of said Lot 1, Block 2, American Airlines Addition;

THENCE with the westerly right-of-way line of State Highway 360 the following:

South 00° 55' 57" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 23' 38" East) a distance of 87.75 feet to a 5/8 inch iron rod found for corner;

South 34° 12' 56" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 34° 45' 15" West) a distance of 60.96 feet to a point;

South 00° 47' 18" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 14' 57" East) a distance of 149.86 feet to a 5/8 inch iron rod found for corner;

South 14° 45' 52" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 14° 13' 33" East) a distance of 103.15 feet to a 5/8 inch iron rod found for corner;

South 00° 44' 21" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 12' 02" East) a distance of 99.93 feet to a 5/8 inch iron rod found for corner;

South 15° 53' 36" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 16° 25' 55" West) a distance of 104.32 feet to a 5/8 inch iron rod found for corner;

South 02° 32' 25" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 03° 04' 44" West) a distance of 601.18 feet to a ¾ inch iron rod found for corner;

South 01° 06' 26" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 01° 38' 45" West) a distance of 300.25 feet to a 3.5 inch aluminum monument found for corner;

South 02° 58' 25" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 03° 30' 44" West) a distance of 182.88 feet to a 3.5 inch aluminum monument found for corner;

South 43° 26' 04" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 43° 58' 23" West) a distance of 73.34 feet to a point in the northerly right-of-way line of Trinity Boulevard (a variable width right-of-way);

THENCE departing the westerly right-of-way line of State Highway 360 with the northerly right-of-way line of Trinity Boulevard the following:

South 86° 16' 17" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 86° 48' 36" West) a distance of 119.82 feet to an aluminum disk stamped "DFW Int Airport" found for corner;

North 82° 00' 32" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = North 81° 28' 13" West) a distance of 372.43 feet to a point;

South 87° 44' 01" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 88° 16' 20" West) a distance of 102.31 feet to a 5/8 inch iron rod found for corner;

North 84° 05' 43" West (Volume 6654, Page 856 & Volume 388-133, Page 60 = North 83° 35' 57" West) a distance of 243.89 feet to an aluminum disk stamped "DFW Int Airport" found for the beginning of a non-tangent curve to the right having a radius of 1,372.00 feet;

Northwesterly along said curve through a central angle of 4° 21' 00" an arc distance of 104.17 feet with a chord bearing of North 70° 35' 54" West and a chord distance of 104.14 feet to the end of said curve;

North 68° 29' 39" West a distance of 146.40 feet to an aluminum disk stamped "DFW Int Airport" found for the point of curvature of a curve to the left having a radius of 1,428.00 feet;

Southwesterly along said curve through a central angle of 54° 27' 23" an arc distance of 1,357.23 feet with a chord bearing of South 84° 16' 40" West and a chord

distance of 1,306.72 feet to a 5/8 inch iron rod with a cap stamped "KHA" found at the end of said curve;

South 57° 32' 19" West a distance of 61.02 feet to a 5/8 inch iron rod with a cap stamped "KHA" found for corner;

South 88° 44' 41" West a distance of 153.69 feet to a 5/8 inch iron rod with an orange cap found in the easterly right-of-way line of American Boulevard (a variable width right-of-way) for the beginning of a non-tangent curve to the right having a radius of 700.00 feet;

THENCE departing the northerly right-of-way line of Trinity Boulevard with the easterly right-of-way line of American Boulevard the following:

Northwesterly along said curve through a central angle of 22° 24' 10" an arc distance of 273.70 feet with a chord bearing of North 11° 26' 01" West and a chord distance of 271.96 feet to an aluminum disk stamped "DFW Int Airport" found at the end of said curve;

North 00° 13' 26" West a distance of 559.39 feet to an aluminum disk stamped "DFW Int Airport" found for the beginning of a non-tangent curve to the right having a radius of 1,270.00 feet;

Northeasterly along said curve through a central angle of 24° 59' 55" an arc distance of 554.11 feet with a chord bearing of North 12° 16' 12" East and a chord distance of 549.73 feet to an aluminum disk stamped "DFW Int Airport" found at the end of said curve;

North 23° 59' 25" East a distance of 367.44 feet to a point;

THENCE departing the easterly right-of-way line of American Boulevard North 89° 06' 09" East at a distance of 1,388.49 feet passing the northwesterly corner of said Lot 1, Block 2, American Airlines Addition, continuing with the northerly line of said Lot 1, Block 2 in all a total distance of 1,788.49 feet to a point;

THENCE departing the northerly line of said Lot 1, Block 2 North 00° 53' 51" West a distance of 100.00 feet to a point;

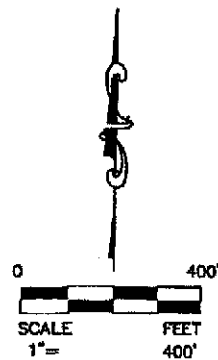
THENCE North 89° 06' 09" East a distance of 300.00 feet to a point;

THENCE South 00° 53' 31" East a distance of 100.00 feet to a point in the northerly line of said Lot 1, Block 2;

THENCE with the northerly line of said Lot 1, Block 2 North 89° 06' 09" East a distance of 398.82 feet to the POINT OF BEGINNING;

CONTAINING a computed area of 97.701 acres (4,255,856 square feet) of land.

PLOTTED BY: Shaw, Adam ON: Tuesday, October 27, 2015 AT: 8:19 AM FILEPATH: C:\Production\500\1001666\Survey\DA\1004\Drawings\803\666.001_Development Tract.dwg



AMERICAN BOULEVARD
(VARIABLE WIDTH RIGHT-OF-WAY)

FOUND ALUMINUM DISK STAMPED "DFW INT AIRPORT"

FOUND 5/8" IRON ROD WITH ORANGE CAP

FOUND ALUMINUM DISK STAMPED "DFW INT AIRPORT"

FOUND ALUMINUM DISK STAMPED "DFW INT AIRPORT"

FOUND 5/8" IRON ROD WITH RED CAP STAMPED "KHA"

FOUND ALUMINUM DISK STAMPED "DFW INT AIRPORT"

TRINITY BOULEVARD
(VARIABLE WIDTH RIGHT-OF-WAY)

WILLIAM G. MATTHEWS SURVEY ABSTRACT NO. 1052

97.701 ACRES
4,255,856 SQUARE FEET

LOT 1, BLOCK 3 AMERICAN AIRLINES ADDITION VOLUME 388-133, PAGE 60

DALLAS-FORT WORTH REGIONAL AIRPORT BOARD VOLUME 6710, PAGE 520

DALLAS-FORT WORTH REGIONAL AIRPORT BOARD NORTH TRACT VOLUME 6653, PAGE 856

LOT 1, BLOCK 2 AMERICAN AIRLINES ADDITION VOLUME 388-133, PAGE 60

V.J. HUTTON SURVEY ABSTRACT NO. 681

CITY OF FORT WORTH PLOT B VOLUME 5072, PAGE 417

N00°53'51"W 100.00'

N89°06'09"E 300.00'

S00°53'51"E 100.00'

FOUND 5/8" IRON ROD

N89°06'09"E 398.82'

S00°47'18"E 149.86'
(VOLUME 6653 PAGE 856=
S0°14'57"E ~ 149.86')

FOUND 5/8" IRON ROD

FOUND 5/8" IRON ROD

FOUND 5/8" IRON ROD

POINT OF BEGINNING

S00°55'57"E 87.75'
(VOLUME 6653 PAGE 856=
S0°23'38"E ~ 87.75')

FOUND 5/8" IRON ROD

S34°12'56"W 60.86'
(VOLUME 6653 PAGE 856=
S34°45'15"W ~ 60.96')

FOUND 5/8" IRON ROD

S14°45'52"E 103.15'
(VOLUME 6653 PAGE 856=
S14°13'33"E ~ 103.15')

S00°44'21"E 99.93'
(VOLUME 6653 PAGE 856=
S0°12'02"E ~ 99.93')

S15°53'36"W 104.32'
(VOLUME 6653 PAGE 856=
S16°25'55"W ~ 104.32')

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FOUND 5/8" IRON ROD

STATE HIGHWAY 360
(VARIABLE WIDTH RIGHT-OF-WAY)

FOUND 3/4" IRON ROD

S01°08'28"W 300.26'
(VOLUME 6653 PAGE 856=
S1°38'45"W ~ 300.25')

FOUND 3.5" ALUMINUM MONUMENT

FOUND 3.5" ALUMINUM MONUMENT

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DUNAWAY

550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

DEVELOPMENT TRACT

SHEET 4 OF 4

DATE: OCTOBER 27, 2015

JOB NUMBER: 8001666.004

EXHIBIT "B"

TAX ABATEMENT APPLICATION

EXHIBIT "C"
FORM OF LEASE

**AMENDED AND RESTATED
AMERICAN AIRLINES
LEASE AGREEMENT**

By and Between

THE DALLAS/FORT WORTH INTERNATIONAL AIRPORT BOARD

and

AMERICAN AIRLINES, INC.

Dated Effective as of December 17, 2015

As amended and restated from the American Airlines Special Facilities Agreement, dated October 1, 1972, and all its supplements, amendments, and assignments executed prior to the date hereof.

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This Amended and Restated Lease (this "Lease"), dated as of December 17, 2015 (the "Effective Date"), is made by and between the Dallas / Fort Worth International Airport Board (together with its successors and assigns, "DFW") and American Airlines, Inc., a Delaware corporation (together with its permitted successors and assigns, "AMERICAN"), pursuant to the terms and conditions set forth below. This Lease is an amendment and a complete restatement of a lease between said parties entitled American Airlines Special Facilities Lease Agreement and dated as of October 1, 1972, together with all its supplements and amendments executed prior to the Effective Date (collectively the "1972 Lease"). This document shall, as of the Effective Date, totally and completely amend and restate the 1972 Lease. Specifically, prior to the Effective Date the 1972 Lease shall govern the rights, duties and obligations of DFW and AMERICAN with respect to the premises covered thereby, and on and after the Effective Date this Lease shall govern the rights, duties and obligations of DFW and AMERICAN with respect to the Premises. Under no circumstances shall this Lease be construed as a new lease or a termination of the 1972 Lease.

WHEREAS, pursuant to the 1972 Lease, DFW leased to AMERICAN various lands and facilities at the Dallas/Fort Worth International Airport (the "Airport");

WHEREAS the only lands still leased by AMERICAN pursuant to the 1972 Lease (the "1972 Leased Premises") are several tracts located in the area of the southwest corner of the intersection of Texas State Highway 360 and Texas State Highway 183, entirely within the corporate limits of the City of Fort Worth, Texas, all of which lands are owned by the Cities of Dallas and Fort Worth, Texas (the "Cities") and comprise part of the Airport, and some of which lands have been in continual possession of AMERICAN or its assigns since before the 1972 Lease;

WHEREAS the 1972 Lease was set to expire as to part of the 1972 Leased Premises in the year 2039; and was set to expire as to the remainder of the 1972 Leased Premises in the year 2043 (assuming AMERICAN exercised its extension options); and

WHEREAS DFW and AMERICAN desire by this Lease to amend and restate in its entirety the 1972 Lease, resulting, among other things, in an extension of the term, a revision of the leased premises, and additional financial and environmental protections, all as set forth below:

DEFINITIONS

As used in this Lease, the following terms shall have the respective meanings set forth below:

"1972 Lease" is defined in the first paragraph of this Lease above.

"1972 Leased Premises" is defined in the third paragraph of this Lease above.

"Action" is defined in Section 24.13.

"Airport" is defined in the second paragraph of this Lease above.

"AMERICAN" is defined in the first paragraph of this Lease above.

"AMERICAN Infrastructure Improvements" is defined in Section 4.4.

"CEA" is defined in Section 21.1.

"Cities" is defined in the third paragraph of this Lease above.

"Concluding Environmental Assessment" is defined in Section 21.1.

"Construction Documents" is defined in Section 4.1(b).

"DFW" is defined in the first paragraph of this Lease above.

"DFW Airport Code" is defined in Section 8.2.

"DFW Environmental Rules" is defined in Section 21.1.

"DFW Representations" is defined in Section 6.1.

"DFW's Reserved Interests" is defined in Section 1.2.

"DFW Utility Systems" is defined in Section 1.3.

"Discharge" is defined in Section 21.1.

"EAD" is defined in Section 21.1.

"Effective Date" is defined in first paragraph of this Lease above.

"Environmental Indemnitees" is defined in Section 21.8(a).

"Environmental Impact Claim" is defined in Section 21.1.

"Environmental Law(s)" is defined in Section 21.1.

"Environmental Site Inspection" is defined in Section 21.1.

"ESI" is defined in Section 21.1.

"Event of Default" is defined in Section 20.1.

"Extended Term(s)" is defined in Section 2.2.

"Fee Estate" is defined in Section 7.1.

"Force Majeure" is defined in Section 24.11.

"Foreclosure" is defined in Section 15.5.

"Governmental Entities" is defined in Section 9.1.

"Hazardous Material(s)" is defined in Section 21.1.

"Incentives" is defined in Section 9.1.

"Initial Term" is defined in Section 2.1.

"Land" is defined in Section 1.1.

"Laws" and "Law" are defined in Section 8.2.

"Lease" is defined in first paragraph above.

"Leasehold Improvements" is defined in Section 4.1(a).

"Leasehold Mortgage" is defined in Section 15.5.

"Major Improvement" is defined in Section 4.1(b).

"Mortgagee" is defined in Section 15.5.

"NPDES" is defined in Section 21.1.

"New Headquarters" is defined in Section 4.6.

"Partial Condemnation" is defined in Section 19.1.

"PCB's" is defined in Section 21.1.

"Premises" is defined in Section 1.1.

"Prepaid Rent" is defined in Section 3.1(b).

"Prevailing Party" is defined in Section 24.13.

"Prime Rate" means the per annum interest rate shown as the "prime rate" in the Money Rates column or section of the most recent issue of *The Wall Street Journal*.

"Process Wastewater" is defined in Section 21.1.

"Release" is defined in Section 21.1.

"Removable Property" means all trade fixtures, furniture, equipment, flight simulators, lifts, racking, shelving, signage bearing AMERICAN's name or the name of AMERICAN's subtenants or licensees, and all other items of personal property that may be removed without material damage to the Premises, including display furnishings and satellite and other communication equipment.

"Rent" is defined in Section 3.1(c).

"Sign" is defined in Section 13.1.

"Solid Waste" is defined in Section 21.1.

"Sublessee" is defined in Section 21.1.

"TPDES" is defined in Section 21.1.

"Term" is defined in Section 2.2.

"Tract" is defined in Section 2.2.

"Work" is defined in Section 4.5(a).

ARTICLE 1 - Demise, Premises, and Reservations

1.1 DFW, in consideration of the rents hereinafter reserved and agreed to be paid by AMERICAN, hereby leases to AMERICAN, and AMERICAN, upon the terms and conditions hereinafter set forth, hereby leases from DFW, the land particularly described in Exhibit A, situated at the Airport within the City of Fort Worth, County of Tarrant, State of Texas (the "Land"), together with any and all of DFW's right, title and interest in any (a) improvements, buildings, fixtures, and personal property now or in the future located on the Land, (b) development rights associated with the Land, but only for the permitted uses as set forth in this Lease, and (c) appurtenances belonging or appertaining to the Land (collectively, the "Premises"). AMERICAN's rights in the air space of the Premises shall be subject to the air navigation rights of the United States of America and the rules and regulations pertaining thereto. Any land that was leased pursuant to the 1972 Lease but is not included within the Land is hereby deemed to be returned to DFW free of any leasehold estate.

1.2 It is agreed and understood that the Land's groundwater and oil, gas and other minerals (collectively, "DFW's Reserved Interests") are expressly reserved to DFW, but DFW hereby waives and covenants not to grant, sell or convey any right to enter upon the surface of the Land to conduct any drilling, exploration, or mining activities during the Term for the purpose of producing DFW's Reserved Interests, nor any other rights to remove the same in any manner, or to any extent that would affect the surface of the Land or any of the Leasehold Improvements; provided, however, that an oil and gas operator shall not be prevented from exploring for, drilling for and producing DFW's Reserved Interests by operations on surface locations outside the Land, including, but not limited to, horizontal or directional drilling operations, so long as the same are at least one thousand feet from the boundary of the Land and are at a depth below the surface of the Land that will not cause any damage to or change in the surface of the Land or the Leasehold Improvements.

1.3 DFW reserves the right, easement and license, for its own benefit, or for the benefit of others, to install and maintain within the Land existing and future underground utility systems, or other underground systems, including without limitation systems for the transmission of natural gas, systems for the supply of heat, water, gas and electricity, and systems for the furnishing of fire alarm, fire protection, sprinkler, sewerage, drainage, telephone and other communications services, including all lines, pipes, mains, wires, conduits, and equipment connected with or appurtenant to such systems, even if such systems serve properties other than the Premises (collectively, the "DFW Utility Systems"); and DFW reserves the right to enter upon the Premises and to make such temporary disruptions or destruction of the surface of the Premises as may be reasonably necessary to the installation or maintenance of the

DFW Utility Systems; provided, however, the DFW Utility Systems shall be underground, shall not unreasonably interfere with AMERICAN's use and enjoyment of the Premises, and provided further that DFW shall repair, at its expense, any damage to the Premises caused by the use, installation and maintenance of the DFW Utility Systems, and shall restore the Premises to the condition in which AMERICAN had maintained them, all within a reasonable period of time thereafter. Notwithstanding anything to the contrary contained in this Lease, any new DFW Utility Systems shall be located along the boundary of the Land and in a location that does not extend more than twenty feet within the exterior of such boundary.

ARTICLE 2 - Term of Lease, Right of Termination

2.1 AMERICAN shall have and hold the Premises for an initial term that commenced as provided in the 1972 Lease and will expire on December 31, 2043 (the "Initial Term").

2.2 AMERICAN shall have and hold the Premises for an extended term that shall commence at the expiration of the Initial Term and will expire on December 31, 2114, unless terminated early as set forth below (the "Extended Term"). The Initial Term and the Extended Term shall hereafter be collectively referred to as the "Term". The Premises shall be divided into four separate tracts, designated on Exhibit B as Tracts 1, 2, 3, and 4 (each a "Tract"). Notwithstanding anything to the contrary contained in this Section 2.2, and assuming AMERICAN timely delivers a 6-month termination notice to DFW, AMERICAN may at any time, and from time to time, terminate this Lease as to one or more of the Tracts, and thereafter AMERICAN shall have no leasehold interest with respect to the Tract(s) so terminated. Any such termination must be as to the entirety of the Tract(s) terminated. Additionally, in connection with any termination of Tracts 2 or 3, AMERICAN may in its discretion alter the boundary between Tracts 2 and 3, but only within the cross-hatched area shown in Exhibit B. The division of the Premises into separate Tracts applies only with respect to the right of termination in this Section 2.2. For all other purposes, including without limitation default under this Lease and the remedies therefor, the Premises shall be treated as a single parcel, and a default occurring on fewer than all of the Tracts shall affect the entire Premises.

ARTICLE 3 - Rent

3.1 (a) During the Initial Term, AMERICAN shall continue to pay Rent to DFW in the amount of Fifteen Thousand and 0/100ths Dollars (\$15,000.00) per annum, payable in advance on the first business day of each calendar month in equal monthly installments of One Thousand Two Hundred Fifty and 0/100ths Dollars (\$1,250.00).

(b) AMERICAN shall pay Rent to DFW for the Extended Term in one lump sum, payable within ten business days after the execution of this Lease by both DFW and AMERICAN, in an amount that has been determined to be the present value of the fair market rental value of the Premises for the Extended Term, and further based on the assumption of a developable site on Tract 3 that is free of structures to be demolished and removed. That lump sum is Fourteen Million and 0/100ths Dollars (\$14,000,000.00), less Four Million and 0/100ths Dollars (\$4,000,000.00) for AMERICAN's cost of demolition and removal of certain existing improvements on and around Tract 3 and certain other extraordinary costs to prepare certain portions of the Premises for development, resulting in a total lump sum prepayment of Rent for the Extended Term (the "Prepaid Rent") in the amount of Ten Million and 0/100ths Dollars (\$10,000,000.00).

(c) The rental payments contemplated in subsections (a) and (b) of this Section 3.1 are collectively defined as the "Rent". In the event AMERICAN terminates this Lease early as to some or all of the Tracts pursuant to Section 2.2 above, there shall be no reduction or rebate of any part of the Prepaid Rent.

3.2 In addition to Rent set forth above, AMERICAN shall be responsible for paying DFW any default interest specified in Section 20.1.

3.3 All payments required to be paid to DFW pursuant to this Lease shall be delivered to the Airport Department of Finance, P.O. Box 619428 (if by mail), 2400 Aviation Drive (if in person), DFW Airport, Texas, 75261-9428, or to such other addresses as designated by DFW following not less than thirty days' written notice to AMERICAN.

ARTICLE 4 - Demolition and Construction of Improvements

4.1 (a) AMERICAN, at its sole risk and expense, shall construct the improvements generally described on Exhibit C, and shall have the right from time to time in its sole discretion, to demolish, construct and alter any Leasehold Improvements and AMERICAN Infrastructure Improvements as long as all of the same (i) are done in strict compliance with all Laws and the terms of this Lease and (ii) any improvements constructed on the Land after the Effective Date are of a design and of a quality, taken as a whole, that are consistent with other Class A office campuses in the Fort Worth, Texas area. Any improvements constructed on the Land by AMERICAN, whether now existing or hereafter constructed, are referred to herein as the "Leasehold Improvements").

(b) Prior to the construction of any buildings, parking garages or other major structures on the Land (a "Major Improvement"), AMERICAN and/or its subtenants, at their sole expense, shall cause

an architect to prepare and submit to DFW, for DFW's review, a reasonable number of original copies of the complete set of final plans and specifications for each and every Major Improvement, together with an anticipated construction schedule of key events and dates (the "Construction Documents"). Within thirty (30) days after the receipt by DFW of the Construction Documents, DFW shall return the same to AMERICAN, indicating, in DFW's opinion, whether the Construction Documents with regard to such construction activity comply or do not comply with the requirements of this Lease. If, in DFW's opinion, the Construction Documents do not comply with the requirements of this Lease, DFW shall additionally, and at the same time, provide AMERICAN with comments to enable AMERICAN's architect to make the Construction Documents so comply. Such process shall continue until DFW indicates in writing to AMERICAN that the Construction Documents so comply, except the time period for DFW's subsequent reviews shall be limited to ten (10) days after submission of the revised Construction Documents by AMERICAN. The failure of DFW to timely respond to either the initial submission of the Construction Documents or any subsequent submission of the Construction Documents shall be deemed DFW's approval of the same if DFW fails to timely respond after AMERICAN delivers a notice to DFW, with respect to the delivery of the applicable Construction Documents, that conspicuously notifies DFW that the failure of DFW to timely respond within the applicable period shall be deemed an approval of the Construction Documents. Once approved by DFW, the Construction Documents shall not be materially modified or amended without prior written consent of DFW, which consent shall not be unreasonably withheld, conditioned or delayed.

(c) Notwithstanding anything in this Lease to the contrary, neither DFW's review of the Construction Documents nor any subsequent approvals or inspections with respect to the construction of the Leasehold Improvements and AMERICAN Infrastructure Improvements shall (i) relieve, or waive as to any specific item(s), AMERICAN's obligation to construct the improvements in accordance with applicable Law, and (ii) be deemed to create any express or implied warranties or representations by DFW or any of its employees, agents, representatives or designees as to the structural integrity, technical or mechanical sufficiency, or safety of the improvements or as to any physical condition or feature pertaining to the Premises.

4.2 AMERICAN shall include in all construction contracts entered into by it in connection with any Major Improvement a provision requiring the contractor to indemnify, hold harmless, defend and insure DFW, the Cities, and their directors, officers, councils, employees, from and against the risk of legal liability for death, injury or damage to persons or property, direct or consequential, arising or alleged to arise out of, or in connection with, the performance of any or all of such construction work, whether the claims and demands made are just or unjust, unless same are caused by the negligence or

willful act of the indemnified parties. AMERICAN shall furnish, or require the contractor to furnish, proof of insurance required by this Lease.

4.3 If a mechanic's lien affidavit or other attempted lien or order for the sale of the Premises shall be filed against the Premises, AMERICAN shall, at its own cost and expense, within sixty (60) days after notice by DFW to AMERICAN of the filing thereof, cause the same to be canceled and discharged of record, "bond-off" the same in compliance with applicable Law, or furnish DFW with a surety bond issued by a surety company protecting DFW and the Cities from any loss because of AMERICAN'S non-payment of such lien claim. AMERICAN shall be entitled to contest any such lien claims by appropriate judicial proceedings. **AMERICAN AGREES TO INDEMNIFY, DEFEND, AND HOLD HARMLESS DFW AND THE CITIES FROM AND AGAINST ANY AND ALL COSTS AND EXPENSES OF ANY KIND (INCLUDING REASONABLE ATTORNEYS' FEES) IF ANY SUCH LIEN CLAIM IS FILED, AMERICAN FAILS TO TIMELY REMEDY THE SAME AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE, AND THEREAFTER DFW IS FORCED TO TAKE ACTION TO CLEAR TITLE TO THE PREMISES. NOTHING IN THIS LEASE SHALL BE DEEMED OR CONSTRUED IN ANY WAY AS CONSTITUTING THE CONSENT OR REQUEST OF DFW OR THE CITIES, EXPRESS OR IMPLIED BY INFERENCE OR OTHERWISE, TO ANY CONTRACTOR, SUBCONTRACTOR, LABORER OR MATERIALMAN FOR THE PERFORMANCE OF ANY LABOR OR THE FURNISHING OF ANY MATERIALS FOR ANY SPECIFIC ALTERATION, ADDITION, IMPROVEMENT OR REPAIR THAT WOULD GIVE RISE TO THE FILING OF ANY LIEN AGAINST THE FEE ESTATE, NOR AS GIVING AMERICAN ANY RIGHT, POWER OR AUTHORITY TO CONTRACT FOR OR PERMIT ANY RENDERING OF ANY SERVICES OR THE FURNISHING OF ANY MATERIALS THAT WOULD GIVE RISE TO THE FILING OF ANY LIEN AGAINST THE FEE ESTATE. NOTICE IS HEREBY GIVEN THAT DFW AND THE CITIES SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO AMERICAN, OR TO ANYONE HOLDING THE PREMISES THROUGH OR UNDER AMERICAN, UPON CREDIT, AND THAT NO MECHANIC'S OR OTHER LIEN FOR SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE FEE ESTATE.**

4.4 AMERICAN shall be responsible at its expense for the design and construction of all infrastructure improvements required to provide access and utilities to the Premises, whether now or in the future (the "AMERICAN Infrastructure Improvements"). Such design and construction of the AMERICAN Infrastructure Improvements shall be performed in strict compliance with this Article 4.

DFW makes no representation regarding the duty, ability, or willingness of the City of Fort Worth to permit utility connections or roadway improvements outside the boundaries of the Airport, nor as to fees that may be required to obtain necessary permits from the City of Fort Worth for said utility connections or roadway improvements. DFW shall not be obligated to reimburse AMERICAN for any such fees or expenses.

4.5 (a) AMERICAN, whether through contractors or otherwise, shall supervise and direct the construction and development of any Leasehold Improvements and AMERICAN Infrastructure Improvements (the "Work"). AMERICAN, and its design professionals and contractors, shall be responsible for all construction methods, techniques, sequences, procedures and coordination of the Work.

(b) AMERICAN shall cause its contractors to provide and timely pay for all labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for the proper execution and completion of the Work.

(c) The Work will be done in a good and workmanlike manner. All Work will be of good quality, free from material faults and defects and in substantial conformity with the Construction Documents therefor.

(d) AMERICAN at its sole cost: (i) shall pay all sales, consumer, use and other similar taxes required by Law; and (ii) shall secure and pay for all permits, governmental fees, and licenses necessary for the proper execution and completion of the Work.

(e) AMERICAN may designate a project manager to supply necessary assistance in connection with any Work. AMERICAN or the project manager shall exercise general supervision of the Work to insure correct performance of the Work.

(f) AMERICAN shall cause its contractors to correct any material defects in workmanship and/or materials performed or supplied for the Work or which fails to comply to any material extent with the Construction Documents, whether observed prior to, or within one (1) year after, substantial completion of the Work and whether or not fabricated, installed or completed, within a reasonable time after notification of such discrepancies and defects by DFW. As between DFW and AMERICAN, AMERICAN shall bear all costs of correcting such rejected work.

(g) AMERICAN shall be responsible for initiating, maintaining and supervising all safety precautions and programs with respect to the Work. AMERICAN shall take (or require that its

general contractor take) all reasonable precautions for the safety of, and shall take all reasonable steps to prevent damages, injury or loss to: (i) all employees and subcontractors performing the Work; and (ii) all materials and equipment to be incorporated therein, whether in storage or on or off the site, and in the care, custody or control of AMERICAN, or any of its contractors or subcontractors and other property on the site or adjacent thereto, including trees, shrubs, lawns, lots, pavements, roadways, construction, and utilities not designated for removal, relocation or replacement in the course of the Work.

4.6 Following the execution of this Lease, AMERICAN shall demolish the existing Leasehold Improvements located on Tract 3 and construct thereon the Leasehold Improvements and AMERICAN Infrastructure Improvements generally shown on Exhibit C attached hereto (collectively, the "New Headquarters"). Exhibit C contains a site plan showing the approximate footprint of all buildings and other structures AMERICAN is to construct as part of the New Headquarters. Without implying or otherwise indicating that DFW's approval is required, DFW hereby approves the location of the New Headquarters, as shown or described in Exhibit C. The New Headquarters must comply with all requirements of this Article 4, and AMERICAN shall obtain necessary permits, licenses and approvals required by this Lease and under applicable Law.

ARTICLE 5 - Ownership of Improvements

5.1 During the Term, all Leasehold Improvements, once constructed, shall be owned by DFW.

ARTICLE 6 - Acceptance of the Premises

6.1 AMERICAN occupied the Premises at the time it became part of the Airport and has continued to occupy most of the Premises since that time. AMERICAN hereby acknowledges that it has conducted all necessary due diligence and that the entire Premises is suitable for all permitted uses. AMERICAN acknowledges that it has inspected the entire Premises in its present condition. Notwithstanding anything to the contrary contained in this Lease, it is understood and agreed that the Premises is being accepted "as is" without any representation or warranty by DFW or the Cities, other than the representations and warranties of DFW expressly set forth in this Lease (collectively, the "DFW Representations"). Except for the DFW Representations, DFW has not made and does not hereby make any express or implied representations or warranties whatsoever with respect to the condition of the Premises, including without limitation any representation or warranty regarding compliance with Laws, merchantability, environmental condition, fitness for any particular purpose, or for its profitability, and AMERICAN acknowledges that except for the DFW Representations, it is entering into this Lease without relying upon any statement or representation made by DFW or by any agent of DFW or any other

person. DFW has made no representations concerning infrastructure to be made on the Airport by DFW or other DFW improvements. **AMERICAN WAIVES ANY AND ALL CLAIMS OR CAUSES OF ACTION AGAINST DFW AND THE CITIES** arising from the matters disclaimed in this Section 6.1.

ARTICLE 7 - Covenant of Title and Quiet Possession

7.1 DFW represents and warrants to AMERICAN that the Cities are vested with fee simple title to the Premises (the "Fee Estate") and have full right and lawful authority to lease the Premises to AMERICAN pursuant to this Lease and to authorize (and have authorized) DFW to lease the Premises to AMERICAN. Neither the Cities nor DFW shall disturb AMERICAN'S quiet possession of the Premises during the Term, provided no Event of Default has occurred and is continuing. No security interests, mortgages or other liens, whether consensual or involuntary, shall be created on the Fee Estate which impair or disturb AMERICAN's rights hereunder, and any of the same shall in all events be subordinate and subject to this Lease.

7.2 DFW hereby represents and warrants to AMERICAN as follows:

(a) No joinder or approval of another person is required with respect to DFW's right and authority to enter into this Lease other than the Cities and the Federal Aviation Administration, which DFW represents has been obtained;

(b) There are no voluntary liens or security interests, and to the best of DFW's knowledge, there are no claims of involuntary liens or security interests, affecting the Fee Estate or DFW's right and authority to enter into this Lease;

(c) There is no underlying or senior lease covering the Premises or affecting DFW's right and authority to enter into this Lease; and

(d) There are no local governmental zoning laws or restrictions affecting DFW's right and authority to enter into this Lease.

ARTICLE 8 - Use of Premises, Compliance with Laws

8.1 AMERICAN, and all AMERICAN's approved subtenants and assignees, may use the Premises only for (a) the development, construction, repair, maintenance, replacement and operation of buildings used for offices, training facilities, conference centers, technology centers and housing, which housing must be directly associated with such uses, as well as associated parking and other amenities and

uses that directly support any of the foregoing, including, without limitation, cafeterias, food courts, retail outlets, taverns, fitness facilities and the like that are being operated solely for the benefit of employees and invited guests of the Premises, and not for the benefit of the general public, and (b) such other lawful purposes as may be approved by official resolution of DFW. No person claiming by, through or under AMERICAN may use the Premises for any other purpose without DFW's prior written consent, which may be withheld in DFW's sole discretion. Restaurants and retail facilities not otherwise complying with this Section 8.1 are expressly prohibited on the Premises. General purpose hotels, restaurants and retail facilities that are open to the general public are expressly prohibited on the Premises.

8.2 AMERICAN hereby represents and warrants that any Leasehold Improvements, AMERICAN Infrastructure Improvements, the Premises and all parts thereof shall be in full compliance with all applicable federal, state, and local laws, including without limitation all applicable statutes, regulations, ordinances, permits, codes, orders, and the DFW Airport Code of Rules and Regulations (as published by DFW and as amended and supplemented from time to time (herein called the "DFW Airport Code"), and all regulations of any board of fire underwriters having jurisdiction which affect the intended use of the Premises (collectively, the "Laws" or the "Law"). AMERICAN shall be required to comply with all requirements applicable to the Leasehold Improvements, the AMERICAN Infrastructure Improvements and any other improvements, the Premises, and operations thereon to the extent mandated by the Law. Notwithstanding anything to the contrary contained in this Lease, (a) the terms "Laws" and "Law" shall specifically exclude the DFW Design Criteria Manual and DFW's policies and procedures related to the environment, and any other similar DFW rules or regulations that are primarily intended for terminal and other airline transportation operations, (b) DFW agrees to be reasonable in its application of the DFW Airport Code to the Premises, and any future modifications and additions to the DFW Airport Code that are applicable to the Premises (i) shall be reasonable, (ii) shall be nondiscriminatory, (iii) shall not be in conflict with any other applicable Laws and (iv) shall not unreasonably and adversely affect AMERICAN's rights under this Lease, and (c) prior to final promulgation of any material amendment to the DFW Airport Code that will affect the Premises, DFW shall provide AMERICAN with reasonable notice of, and opportunity to comment on, such change, and nothing herein shall prejudice the right of AMERICAN to undertake appropriate legal action to contest any proposed amendment to the DFW Airport Code that will affect the Premises.

ARTICLE 9 - Taxes; Utilities

9.1 AMERICAN agrees to pay all taxes of any kind, if any, which may accrue as to AMERICAN's business operations, which may accrue as to AMERICAN's use and occupancy of the fee estate or the leasehold estate concerning the Premises, or which may accrue as to the personal property

situated on the Premises, regardless of which party legally owes the taxes. AMERICAN shall be entitled to seek whatever tax exemptions may be available, but DFW makes no representations whatsoever concerning the current or future tax-exempt status of the Premises or property thereon. DFW shall reasonably cooperate with AMERICAN as necessary to give AMERICAN standing to seek or defend any available tax exemptions and to defend against any claim or levy of tax upon the fee estate of DFW or the leasehold estate of AMERICAN, at AMERICAN's expense. AMERICAN shall have the sole right and authority to contest any taxes levied on the leasehold estate leased to AMERICAN hereunder; provided, however, in no event shall the foregoing provision be construed as prohibiting (a) DFW or the Cities from participating in the contest of taxes levied or threatened to be levied on the Fee Estate or (b) any taxing authority, in its capacity as a taxing authority, from challenging, disputing or otherwise contesting the appraised value of the Fee Estate or such leasehold estate, levying any taxes thereon, revoking, denying or challenging any tax exemptions or tax abatements thereon, or taking any such other action as may be permitted by applicable law in acting in its capacity as a taxing authority. In addition, AMERICAN expects to receive certain economic incentives ("Incentives") from the City of Fort Worth, Texas, and Tarrant County, Texas (the "Governmental Entities") in connection with the Premises and the location of AMERICAN's business and personnel within the City of Fort Worth and Tarrant County. DFW shall cooperate to the extent AMERICAN reasonably requests and at no cost to DFW in order to satisfy any condition established in connection with AMERICAN's receipt of the benefit of Incentives, including, without limitation, supplying any necessary information, executing required forms (in form and content reasonably acceptable to DFW), and other similar actions. The parties intend that AMERICAN will receive all economic benefits derived from Incentives.

9.2 AMERICAN shall arrange and pay for all fuel, gas, light, power, water, sewage, garbage disposal, telephone, cable and other utility charges for the Premises, and the expenses of installation, maintenance, use, and service in connection with the foregoing.

ARTICLE 10 - Maintenance by DFW

10.1 DFW shall have no duty or obligation to maintain any portion of the Premises, Leasehold Improvements or the AMERICAN Infrastructure Improvements, except as reasonably necessary to repair physical damage caused by DFW's disturbance thereof, and then only under the supervision of AMERICAN.

ARTICLE 11 - Maintenance by AMERICAN; Condition at Termination

11.1 At its expense, AMERICAN shall use reasonable care and diligence to keep and maintain the Premises free from waste or nuisance. At the expiration or earlier termination of this Lease (as to the

entire Premises or as to any individual Tract), AMERICAN shall, with respect to that portion of the Premises affected by the expiration or termination of the Lease, and at DFW's election, either (i) deliver the Land, the Leasehold Improvements and AMERICAN Infrastructure Improvements to DFW in their "as-is," "where-is" condition, subject to AMERICAN's right to remove Removable Property, or (ii) demolish and remove any Leasehold Improvements and AMERICAN Infrastructure Improvements and return vacant, unimproved land to DFW. DFW must exercise the option granted in this Section 11.1 within either one hundred eighty days after notice of termination is given by AMERICAN in accordance with Section 2.2 or, in the event of the expiration of this Lease, within one hundred eighty days before the expiration of this Lease, and if DFW elects to have AMERICAN demolish and remove any Leasehold Improvements and AMERICAN Infrastructure Improvements, AMERICAN shall have a period of one hundred eighty days following the termination or expiration of this Lease to complete the same. The failure of DFW to timely deliver its written election to AMERICAN as required by this Section 11.1 shall be deemed an election by DFW for AMERICAN to deliver the Land, the Leasehold Improvements and AMERICAN Infrastructure Improvements to DFW in their "as-is," "where-is" condition, subject to AMERICAN's right to remove Removable Property. Regardless of the election made by DFW pursuant to this Section 11.1, the Land, Leasehold Improvements and/or AMERICAN Infrastructure Improvements returned to DFW must be in compliance with Article 21 hereof.

ARTICLE 12 - Alterations, Additions and Improvements

12.1 Subject to the construction permitting and code enforcement process required by Law, and notwithstanding anything to the contrary set forth in this Lease, AMERICAN shall have the right to construct, alter or improve the interior of any building or other Leasehold Improvement without the consent or approval of DFW.

12.2 AMERICAN acknowledges that any exterior building modifications, renovations, demolitions or major alterations to public areas and streetscapes of the Premises shall be performed in accordance with Article 4, at AMERICAN's sole cost and expense. AMERICAN shall coordinate with DFW's Vice President of Commercial Development for review and approval prior to any required permit application.

ARTICLE 13 - Signage and Advertising

13.1 AMERICAN and subtenants shall have the right to install maintain and replace in, on or over or in front of the Premises, or in any part thereof, wayfinding signs, identification signs (monument or otherwise) and signs advertising businesses located on or in the Premises, so long as the same are in compliance with Law and, if the same are visible from the perimeter of the Premises, are consistent with

other Class A office campuses in the Fort Worth, Texas area. DFW hereby agrees that all signs that are currently visible from the perimeter of the Premises as of the Effective Date are consistent with other Class A office campuses in the Fort Worth, Texas area. The parties hereto agree that billboards of any kind that are visible from the perimeter of the Premises are prohibited. In all events, AMERICAN and its subtenants shall obtain any necessary permits required by Law for such purposes. As used in this Section 13.1, the word "sign" shall be construed to include any placard or other advertising symbol or object, irrespective of whether same be temporary or permanent. AMERICAN and its subtenants shall remove all signs at the expiration or earlier termination of this Lease or any individual Tract, with respect to that portion of the Premises affected by the expiration or termination of the Lease, and shall repair any damage caused by such removal.

13.2 During the Term, AMERICAN and its subtenants shall not be required to remove its signs unless required to do so by any applicable Law enacted subsequent to the date hereof. AMERICAN and its subtenants may at any time remodel or replace the sign face to conform with their then standard signage so long as the same is performed in compliance with Section 13.1.

13.3 Advertising is an important source of revenue to DFW. Signs containing advertising other than for businesses located on or in the Premises shall not be permitted if the same are visible from the perimeter of the Premises. Signs that are visible from the perimeter of the Premises may only be wayfinding signs or identification signs of businesses located on or in the Premises, and may not contain messages other than the identification and location of such businesses.

13.4 AMERICAN hereby agrees to indemnify, defend and hold harmless DFW and the Cities of Dallas and Fort Worth, Texas from and against any claims, suits, costs and expenses (including reasonable attorneys' fees) resulting from or in any way connected with a claim by any third party that AMERICAN's or its subtenants' signage violates or infringes any trademark, trade name or copyright held by such third party.

ARTICLE 14 - DFW's Right of Entry

14.1 DFW and its authorized agents may, upon two (2) business days' notice, enter the Premises during AMERICAN's normal business hours to inspect the general conditions and state of repair of the Premises. DFW shall not interfere with, or create a hazard to, AMERICAN's normal business operations during such entry. Nothing in this section shall deprive DFW of the right to exercise governmental authority over the Premises as provided by Law, regardless of whether said exercise constitutes an emergency.

ARTICLE 15 - Assigning, Subleasing, and Mortgaging

15.1 AMERICAN may not assign this Lease, in whole or in part, without the express written consent of DFW, which consent may not be unreasonably withheld, conditioned or delayed if the assignee has a sufficient net worth or sufficient creditworthiness to perform all of AMERICAN's obligations under this Lease first arising from and after such assignment. No assignment shall be effective until the assignee assumes in writing all of AMERICAN's obligations under this Lease that first arise from and after such assignment. Upon assumption by the assignee, and any required consent of such assignee by DFW, AMERICAN shall be automatically, and without further action, released from any obligations under this Lease that first arise from and after the assignment. It is specifically understood and agreed that any such assignment shall not act as a release of AMERICAN with respect to any obligations arising before such assignment and not otherwise assumed by such assignee.

15.2 AMERICAN may enter into, modify or terminate any sublease of all or a part of the Premises, all without the consent or approval of DFW. No sublease shall operate to release AMERICAN of its liabilities and obligations under this Lease

15.3 Anything herein to the contrary notwithstanding, and without having to obtain the express written consent of DFW, AMERICAN may assign or sublease this Lease, in whole or in part, to: (a) any corporation or other legal entity into which or with which AMERICAN has merged or consolidated; (b) any parent, subsidiary, successor, or affiliated entity of AMERICAN; or (c) any entity which acquires all or substantially all of the assets of AMERICAN provided the resulting entity from such merger or consolidation or the transferee in any assignment of this Lease, other than a parent, subsidiary or affiliated corporation of AMERICAN, resulting from any such acquisition of the assets of AMERICAN shall have a sufficient net worth or sufficient creditworthiness to perform all of AMERICAN's obligations under this Lease first arising from and after the date of such assignment; and provided further any such assignee shall agree in writing to assume and perform all of the terms and conditions of this Lease that first arise after the date of such assignment, including, but not limited to, complying with the permitted use provisions set forth in this Lease.

15.4 Provided any assignee of DFW assumes in writing all of DFW's obligations under this Lease accruing after the date of an assignment and so notifies AMERICAN, DFW may assign its interest in this Lease during the Term; provided, however, AMERICAN shall make all payments required under this Lease to DFW until AMERICAN is furnished documentation evidencing such assignment, and AMERICAN shall not be liable to any assignee for any rentals due hereunder until AMERICAN is furnished documentation evidencing such assignment. Upon compliance with the terms and provisions

stated in the preceding sentence, DFW shall be released from all future obligations accruing under this Lease.

15.5 Anything herein to the contrary notwithstanding and without having to obtain the consent of DFW, AMERICAN shall have the right from time to time during the Term hereof to mortgage, encumber, hypothecate or otherwise enter into and execute loan security instruments involving (and granting a mortgage, deed of trust lien or security interest upon) AMERICAN's leasehold estate and interest created by this Lease and all rights and interests of AMERICAN in and to its Removable Property (a "Leasehold Mortgage"). The mortgagee or other secured party or pledgee of a Leasehold Mortgage, or its successors or assigns (the "Mortgagee") shall not be liable to perform the obligations of AMERICAN hereunder unless and until the Mortgagee executes a written assumption of said obligations. Notwithstanding the limitations on assignability set forth above, the Mortgagee shall not be required to obtain DFW's consent to foreclose the Leasehold Mortgage or to acquire the leasehold estate by voluntary assignment of this Lease in lieu thereof (collectively, a "Foreclosure"); provided, however, the Mortgagee shall not be entitled to exercise any of the rights or privileges of AMERICAN hereunder unless and until the Mortgagee executes a written assumption of all of AMERICAN's obligations and liabilities hereunder first arising after the Foreclosure, and provided further that the Mortgagee shall not be entitled to, without DFW's consent, thereafter employ AMERICAN as a manager of the Leasehold Improvements or the leasehold estate or to maintain any other contractual relationship with AMERICAN concerning the Leasehold Improvements or the leasehold estate (other than the contractual relationship arising out of the Leasehold Mortgage and related loan documents). Upon a Foreclosure, the Mortgagee shall be required to give timely notice thereof to DFW, and following such notice the Mortgagee shall have the right, for a term not exceeding nine (9) months from the Foreclosure, and without assuming any past or future Lease obligations, to make necessary repairs to the Premises or to otherwise protect the Premises from deterioration, to market the Premises to prospective assignees, and to assign this Lease in accordance with the terms hereof, provided that the Mortgagee's assignee must pay all amounts due under the Lease, regardless of when they accrued, and must otherwise assume all obligations of this Lease first arising after the date of the Foreclosure. If after the expiration of the nine (9) month period described in this Section 15.5 the Mortgagee elects to execute a written assumption of this Lease, Mortgagee shall nevertheless continue to have the right thereafter to assign this Lease with the consent of DFW, not to be unreasonably withheld, conditioned, or delayed, and, from and after the effective date of such assignment and the assumption by the assignee of all of the obligations of this Lease first arising after the date of such assignment, the Mortgagee shall be released from all further obligations with respect to this Lease. Notwithstanding anything in this Lease to the contrary, no Mortgagee or any person acting for or on behalf of any Mortgagee shall have any liability under or with respect to this Lease or a new lease, except

with respect to such period as such Mortgagee or other person acting for or on behalf of such Mortgagee is tenant under this Lease or the new lease.

15.6 In the event there is a termination of the leasehold estate under the provisions hereof prior to the expiration of the Term of this Lease, the lien rights of any Mortgagee shall terminate and cease immediately; provided, however, that (a) no right of DFW or AMERICAN to voluntarily terminate this Lease (except in the case of a default not timely cured by Mortgagee in accordance with Section 20.2 below) shall be effectively exercised by DFW or AMERICAN, as applicable, nor honored by DFW or AMERICAN, as applicable, unless such right of termination is joined in and consented to by Mortgagee, (b) Mortgagee shall be entitled to cure any default under this Lease in accordance with Section 20.2 below, prior to DFW terminating this Lease or terminating AMERICAN's rights of possession under this Lease, and (c) if this Lease is terminated for any reason whatsoever (including the rejection of this Lease by AMERICAN or a trustee in a bankruptcy), DFW shall promptly notify the Mortgagee, and the Mortgagee shall have, within a period of sixty (60) days after receipt of such notice, the right to require DFW to (and DFW shall if so required) enter into a new lease of the Premises with the Mortgagee or its nominee or designee under identical provisions and for the remainder of the Term of the Lease. DFW shall not agree or consent to any amendment or modification of this Lease without the prior written consent of the Mortgagee.

15.7 Nothing contained in any Leasehold Mortgage shall ever be construed to pledge, mortgage, encumber, hypothecate, alienate or otherwise grant or convey all or any part of the Fee Estate, as same is publicly-owned property not subject to encumbrance or involuntary sale or divestiture.

15.8 Upon creation of any Leasehold Mortgage, the Mortgagee shall notify DFW in writing that a Leasehold Mortgage has been created, and shall furnish to DFW the address to which it desires copies of notices to be mailed, or designate some person or corporation as its agent and representative for the purpose of receiving copies of notices. DFW hereby agrees that no notice to AMERICAN under the terms and provisions of this Lease shall be effective against a Mortgagee unless a duplicate copy thereof is mailed in the manner provided herein.

15.9 Within thirty (30) days of written request by AMERICAN, DFW shall execute and deliver to AMERICAN, any prospective purchaser, assignee, mortgagee or trustee or beneficiary under a deed of trust of the Premises or the leasehold estate hereunder or any part thereof, or any Governmental Entity that has provided Incentives, without charge, a certificate certifying (a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which all Rent due

hereunder has been paid, (c) whether there are then existing any charges, offsets or defenses against the enforcement by AMERICAN of any agreement, covenant or condition hereof on the part of DFW to be performed or observed (and, if so, specifying the same), (d) whether there are then existing any defaults by AMERICAN in the performance or observance by AMERICAN of any agreement, covenant or condition hereof on the part of AMERICAN to be performed or observed and whether any notice has been given to AMERICAN of any default which has not been cured (and, if so, specifying the same), and (e) as to any other fact-confirming matters (as opposed to legal conclusions) that are commercially reasonable under the circumstances. DFW's failure to deliver such statement within thirty (30) days of a written request therefor shall constitute a binding acknowledgement by DFW that (a) this Lease is in full force and effect without modification except as may be represented by AMERICAN, (b) there are no defaults in AMERICAN's performance hereunder, and (c) there have not been any payments of advance Rent other than as provided in this Lease. Any such certificate may be relied upon by any prospective purchaser, assignee, mortgagee or trustee or beneficiary under a deed of trust of the Premises or the leasehold estate hereunder or any part thereof.

15.10 Upon request by AMERICAN or by any existing or prospective Mortgagee (provided that AMERICAN pays any reasonable costs incurred by DFW in respect thereof), DFW shall deliver to the requesting party such documents and agreements as the requesting party shall reasonably request to further effectuate the intentions of the parties with respect to Leasehold Mortgages as set forth in this Lease, including a separate written instrument in recordable form signed and acknowledged by DFW setting forth and confirming, directly for the benefit of a specified Mortgagee, any and all rights of such Mortgagees, provided that such rights are not already set forth in this Lease and are not merely a statement of Law.

15.11 DFW hereby waives all statutory, constitutional and other landlord's liens to which DFW might be entitled on AMERICAN's or any subtenant's personal property, goods, equipment, inventory, furnishings, chattels, accounts and other assets that are not permanently affixed to the Premises (and including all Removable Property). DFW hereby consents to the granting and establishment of security interests in such assets. Such personal property, goods, equipment, inventory, furnishings, chattels, accounts and other non-affixed assets (including all Removable Property) may be cross-collateralized with AMERICAN's other assets. Secured parties may foreclose upon and remove collateral, provided (a) they shall be obligated to reimburse DFW for the reasonable cost of repair of damage, if any, to the Premises or improvements thereon caused by the removal of the collateral and (b) they conduct such removal only after written notice to DFW. In the event of termination of the Lease by DFW, subject to the rights of each Mortgagee as set forth hereinabove and subject to the rights of AMERICAN to remove

any Removable Property, DFW shall be entitled to remove the collateral of the Mortgagee from the Premises, to dispose of it without regard to commercial reasonableness, and to retain any proceeds of sale thereof; provided, however, that secured parties that give DFW written notice of their security interests shall be entitled to notice of termination and shall have at least ninety (90) days from said notice to take possession of the collateral and to remove it from the Premises as their sole means of enforcing their rights hereunder. Secured parties that give DFW written notice of their security interests may rely on the assurances of this section, even though they are not parties to this Lease. Nothing in this section shall alter the requirements for a Leasehold Mortgage set forth elsewhere in this Article 15.

ARTICLE 16 - Insurance

16.1 During the Term and any extension thereof, AMERICAN will, at its sole cost and expense, obtain and maintain in full force and effect, and promptly pay all premiums, when due, for the following types of insurance in the amounts specified and in the form herein provided:

(a) General Liability Insurance. AMERICAN will maintain commercial general liability insurance, in amounts not less than a Combined Single Limit of \$5,000,000 for any one occurrence and in the aggregate where applicable for bodily injury (including death) to third parties and property damage. Coverage will include but not be limited to Premises operations; blanket contractual liability; personal injury, which coverage will be \$5,000,000. Explosion, collapse and underground property damage liability coverage's will not be excluded from such insurance coverage. DFW and the Cities of Dallas and Fort Worth will be named as additional insured.

(b) Automobile Liability Insurance. AMERICAN will maintain commercial automobile liability insurance, with a limit of not less than \$1,000,000 each accident. Such insurance will cover liability arising out of any auto (including owned, hired, and non-owned autos).

(c) Workers Compensation. AMERICAN will maintain statutory workers compensation and employers liability insurance. The liability employer's limits for such policy will not be less than \$1,000,000 each accident for bodily injury by accident or \$500,000 each employee for bodily injury by disease.

(d) Property Insurance. AMERICAN will maintain commercial property insurance covering the Leasehold Improvements and betterments within the Premises. Commercial property insurance will, at a minimum, cover the perils insured under the broad causes of loss form. Commercial property insurance will cover the replacement cost of the insured property. Any coinsurance requirement in the policy will be eliminated through the attachment of an agreed amount endorsement, the activation of an

agreed value option, or as is otherwise appropriate under the particular policy form. DFW will be included as a loss payee to the extent of the interest of DFW under commercial property insurance. AMERICAN will purchase business income, business interruption, extra expense or similar coverage as part of this commercial property insurance.

(e) Contractors Insurance. Any contractor, construction manager or other party engaged by AMERICAN or subcontractor or other party engaged by a contractor, construction manager or other party that is engaged by AMERICAN, in either case, to perform any construction, renovations or repairs at the Premises will obtain and maintain in full force and effect during any construction period:

- (1) A commercial general liability insurance policy in minimum limits, unless otherwise specified, of \$1,000,000 per occurrence for bodily injury and \$1,000,000 per occurrence for property damage including a \$2,000,000 general aggregate.
- (2) An automobile liability insurance policy covering owned, non-owned and hired vehicles of at least \$500,000 per a combined single limit.
- (3) A worker's compensation policy affording statutory coverage and containing statutory limits and employer's liability insurance at limits of \$500,000 per accident/\$500,000 each employee/\$500,000 policy limit.
- (4) Professional liability insurance will be maintained when any architect, engineer or any other professional service performs, directly or indirectly, work for or on behalf of AMERICAN at the Premises or involving AMERICAN's operations at the Premises with a \$1,000,000 policy limit.

(f) Liquor Liability Insurance. If alcoholic beverages are served or sold on the Premises, liquor liability insurance coverage will be maintained in an amount of \$1,000,000.

16.2 Forms of Coverage.

(a) Insurance requirements and limits of coverage under this Lease may be amended by DFW, as may be commercially reasonable under the circumstances, as a result of increased risk, nature of work performed, losses sustained, and/or DFW policy, industry and statutory changes.

(b) All policies will be written by insurance companies reasonably acceptable to DFW.

(c) All policies, except for workers compensation coverage and professional liability coverage, will designate the following parties as "Additional Insured," either by a "blanket additional insured" endorsement, or by specific endorsement:

"Dallas Fort Worth International Airport Board, the Cities of Dallas and Fort Worth, Texas, and their respective elected officials, boards, officers, employees, agents and representatives."

(d) All policies will waive the insurer's right of subrogation against said parties.

(e) All policies must be primary with respect to coverage provided for DFW and the other Additional Insureds.

(f) All policies must be non-contributory with other coverage or self-insurance available to DFW and the other Additional Insureds.

(g) AMERICAN will have its insurance agent(s), broker(s), or Insurer(s) enter policy information into www.Ins-Cert.com, and link AMERICAN's policy data to DFW. AMERICAN will be required to have its insurance data be current on [Ins-Cert.com](http://www.Ins-Cert.com) for the period of time AMERICAN is liable under the Lease, including under provisions thereof that survive the expiration or earlier termination of the Lease. AMERICAN further agrees to have its insurance agent(s), broker(s) or Insurer(s) properly register and use [Ins-Cert.com](http://www.Ins-Cert.com).

(h) All of AMERICAN's insurance policies will contain a provision that written notice will be given to DFW's Risk Management Department, at least thirty (30) days prior to cancellation, except ten (10) days for non-payment of premium. In the event that AMERICAN is notified that an insurer intends to terminate or non-renew a policy or reduce coverage below DFW's requirements, AMERICAN will arrange alternate coverage acceptable to DFW to comply with DFW requirements and cause replacement coverage data to be obtained.

(i) Approval, disapproval or failure to act by DFW regarding any insurance obtained by AMERICAN will not relieve AMERICAN of full responsibility or liability for damages and accidents as set forth in the Lease. Neither will the bankruptcy, insolvency or denial of liability by the insurance company exonerate AMERICAN from liability.

ARTICLE 17 - Indemnity

17.1 To the fullest extent permitted by Law, AMERICAN shall indemnify, protect, defend and hold DFW and the Cities harmless from claims, actions, damages, liabilities and expenses (including

reasonable attorneys' fees and court costs): (a) arising from the occupancy or use by AMERICAN of the Premises; (b) caused by any negligent, grossly negligent, or intentional act or omission at the Premises by AMERICAN, its agents, contractors, employees, licensees or concessionaires; or (c) resulting from a breach of this Lease by AMERICAN. For purposes of this Section 17.1, the term "DFW" and "Cities" shall include each of their respective officers, directors, and employees, as applicable, as well as any person or entity with which DFW contracts to manage DFW's interests under this Lease. AMERICAN shall not be responsible or liable for DFW's or the Cities' negligence or willful misconduct.

17.2 If DFW or the Cities receive notice of a claim that is subject to indemnification under this Article 17, they shall give notice to AMERICAN as soon as reasonably practical. DFW and the Cities shall permit AMERICAN, at its expense, to assume the defense of any such claim by counsel selected by AMERICAN and reasonably satisfactory to DFW and the Cities, and to settle or otherwise dispose of the same; provided, however, DFW and the Cities shall have the right to participate in such defense at their expense. Notwithstanding the foregoing, AMERICAN shall not, without the prior written consent of DFW and the Cities, consent to the entry to any judgment, or enter into any settlement, unless such judgment or settlement provides for a release by the claimant or plaintiff of DFW and the Cities and their affiliates. If AMERICAN fails to undertake a defense within thirty (30) days after notice from DFW or the Cities, then DFW and the Cities shall have the right to undertake the defense of, and compromise or settle such liability or claim on behalf of, and for the account of, AMERICAN.

17.3 The indemnification obligations of AMERICAN under this Article 17 shall survive the expiration and earlier termination of this Lease with respect to any occurrences before the effective date of such expiration or termination.

ARTICLE 18 - Fire and Casualty Damage

18.1 In the event the Leasehold Improvements or AMERICAN Infrastructure Improvements shall be wholly or partially damaged or destroyed by fire or other casualty and AMERICAN does not otherwise elect to terminate this Lease as to the entire Premises or the affected Tract pursuant to Section 2.2, then AMERICAN may, in its sole and absolute discretion and at its expense (utilizing proceeds of the insurance policies carried by AMERICAN, or AMERICAN's own funds if AMERICAN has allowed such insurance to lapse or become under insured), cause such damage to be repaired or restored to the condition of the Premises which existed immediately prior to such casualty or construct other new improvements on the Premises. Subject to the rights of any Mortgagee, AMERICAN shall have the sole right and authority to adjust any insurance claim made against AMERICAN's insurance. In all casualty events where this Lease is not terminated (whether or not AMERICAN repairs or restores) the Lease shall

remain in full force and effect, and Rent shall not be reduced or refunded, but AMERICAN may use proceeds of business interruption insurance to pay Rent. If AMERICAN, in its sole and absolute discretion, elects not to repair the damaged Leasehold Improvements or AMERICAN Leasehold Improvements, then AMERICAN shall notify DFW of the same within one hundred eighty (180) days after the date of the casualty loss, and following such notification, shall promptly remove all debris and rubble caused by such damage. AMERICAN may use so much of the proceeds of its insurance as may be required to pay for such removal.

18.2 Any repair or rebuilding of improvements on the Premises will be performed in accordance with Article 4 hereof.

18.3 Unless AMERICAN, in its sole discretion, elects to not make said repairs and notifies DFW of the same in accordance with Section 18.1, then AMERICAN shall commence the repairs or rebuilding as soon as reasonably practicable after insurance proceeds are received and complete the same with due diligence as soon as reasonably practicable, subject to extensions for Force Majeure.

18.4 All of the provisions contained in this Article 18 are subject to the right of a Mortgagee to require, if provided for in such Leasehold Mortgage, that all insurance proceeds be paid to the Mortgagee to be applied to the debt secured thereby, unless AMERICAN elects to terminate this Lease as to the entire Premises or the affected Tract pursuant to Section 2.2, in which case the insurance proceeds shall if necessary be used to fulfill AMERICAN's obligations pursuant to Article 11. In the event of termination, AMERICAN shall provide evidence reasonably acceptable to DFW, including, without limitation, creation of a construction fund (which fund, if there is a Mortgage, shall be held in the possession of the Mortgagee) to assure that there are sufficient funds to pay all costs and expenses of complying with Article 11.

ARTICLE 19 - Condemnation

19.1 In the event that part or all of the Premises are taken by the power of or under the threat of eminent domain, AMERICAN shall have the right to make a separate claim against the condemning authority for the fair market value of the leasehold estate affected thereby, including but not limited to any claim allowed by law for (a) the depreciated cost of the Leasehold Improvements and AMERICAN Infrastructure Improvements and (b) moving expenses. In the event that the Law at the time of the condemnation does not provide or allow for separate condemnation awards for DFW and AMERICAN, then AMERICAN shall be entitled to receive a portion of the condemnation award equal to the fair market value of the leasehold estate taken, including but not limited to any claim allowed by Law for (a) the depreciated cost of any Leasehold Improvements and AMERICAN Infrastructure Improvements taken

and (b) moving expenses, and the remainder of the award shall be paid to DFW. In determining the fair market value of the leasehold estate, it is agreed that the appraisers and/or the triers-of-fact shall consider that AMERICAN's rent for the Extended Term has been prepaid. In the event that a trier-of-fact does not state the basis of its award for the leasehold estate, it shall be presumed irrefutably that the Prepaid Rent was considered. No compensation for the loss of the leasehold estate shall exceed the total award in condemnation, and therefore DFW shall not under any circumstances be required to reimburse AMERICAN for the leasehold estate except out of DFW's share of the condemnation award. AMERICAN shall not be entitled to have the Prepaid Rent considered in connection with a condemnation of less than all of the Premises (a "Partial Condemnation"), unless the Partial Condemnation either takes (a) Land that has been improved with Improvements, including parking lots and garages, (b) more than five acres of Land, or (c) any Land that is not otherwise adjacent to the exterior boundary line of the Land. The provisions of this Section 19.1 shall expressly survive the termination of this Lease.

19.2 If the Cities, acting as condemning authority on behalf of DFW, take part or all of the Premises, Leasehold Improvements and/or AMERICAN Infrastructure Improvements, AMERICAN's just compensation shall be determined as set forth above.

ARTICLE 20 - Default

20.1 An "Event of Default" (herein so called) by AMERICAN shall occur if one or more of the following events shall occur:

(a) AMERICAN shall fail to timely pay any monthly payment of Rent, and the same shall continue for fifteen (15) days after written notice from DFW specifying in reasonable detail the amount of monthly Rent not paid;

(b) AMERICAN shall fail to timely pay any other monetary obligation required under this Lease, and the same shall continue for thirty (30) days after written notice from DFW specifying in reasonable detail the amount not paid, the nature of such payment, and if applicable, the calculation of such payment; or

(c) AMERICAN shall fail to perform any of its non-monetary obligations under this Lease and such failure shall continue for a forty-five (45) day period after DFW shall have given AMERICAN written notice specifying in reasonable detail AMERICAN's failure to perform; provided, however, if the nature of the non-monetary default is such that the same cannot, with reasonable due diligence, be cured within forty-five (45) days of such written notice, AMERICAN shall have such additional time as may be

necessary to cure such non-monetary default if within such forty-five (45) period AMERICAN commences such cure and then diligently thereafter prosecutes such cure to completion.

An Event of Default as to any of the Tracts shall entitle DFW to exercise all of its remedies as to all of the Premises. If AMERICAN fails to pay any amount when due hereunder to DFW (after the expiration of a grace period of ten (10) days), DFW shall be entitled to receive interest on any such unpaid item from the date initially due (without regard to any applicable grace period) at a per annum rate equal to the lesser of the Prime Rate plus six percent (6%), or the highest rate permitted by Law.

20.2 Notwithstanding anything to the contrary contained herein, if DFW has been notified of a Mortgagee, then for so long as such Leasehold Mortgage is outstanding, DFW shall refrain from exercising any of its remedies hereunder until an Event of Default has occurred and such Mortgagee has failed to cure the same as follows:

(a) In the case of an Event of Default specified in Sections 20.1(a) and (b), DFW has sent such Mortgagee written notice that an Event of Default has occurred, and the same remains uncured for an additional thirty (30) days; and

(b) In the case of an Event of Default specified in Section 20.1(c), DFW has sent such Mortgagee written notice that an Event of Default has occurred, and the same remains uncured for an additional forty-five (45) days; provided, however, if such cure can only be effected by having physical possession of the Premises, Mortgagee's curative period shall include a reasonable period of time for Mortgagee to conduct a foreclosure of its Leasehold Mortgage, and if the nature of the non-monetary default is such that the same cannot, with reasonable due diligence, be cured within forty-five (45) days of such written notice, or if applicable, forty-five (45) days after Mortgagee has possession of the Premises, then Mortgagee shall have such additional time as may be reasonably necessary to cure such non-monetary default taking into consideration all applicable circumstances.

20.3 If an Event of Default exists, then subject to the provisions of Section 20.2 above, DFW may either:

(a) terminate this Lease, effective immediately upon written notice to AMERICAN, in which case (i) all of the obligations and responsibilities of the parties under this Lease shall terminate; (ii) AMERICAN shall surrender the Premises to DFW in accordance with the expiration or termination provisions of this Lease; and (iii) AMERICAN shall pay DFW on demand the amount of all loss and damage which DFW may suffer by reason of such termination, including, but not limited to, the discounted present value (determined based on then commercially reasonable discount rates) of any future

rentals that would otherwise have been paid during the Initial Term, reduced by the fair rental value of the Premises for such period, whether through inability to relet the Premises on satisfactory terms or otherwise; or

(b) upon a 10-day notice of intention to cure AMERICAN'S default for the account of and at the expense of AMERICAN, DFW may cure the default for the account and at the expense of AMERICAN, and AMERICAN shall reimburse DFW for the reasonable cost of curing AMERICAN'S default; or

(c) terminate AMERICAN's right to possession of the Premises and repossess the Premises by any lawful means without terminating this Lease, and recover from AMERICAN: (i) any unpaid rent, accrued or unaccrued, provided however that if the Premises is returned to DFW's control, voluntarily or involuntarily, DFW shall be obligated to mitigate its damages as to future rents by exercising reasonable efforts to lease the Premises, (ii) the reasonable expenses of reentering, repossessing, reletting, and repairing the Premises, including brokerage commissions, (iii) reasonable attorneys' fees (both of outside counsel and litigation time of in-house attorneys), (iv) late fees accruing pre-judgment, (v) post-judgment interest at the highest rate allowed by Law, and (vi) any costs or expenses incurred by DFW in curing any AMERICAN default;

(d) recover under the guaranty provided by any guarantor, if applicable; or

(e) exercise any other remedy at law or in equity.

20.4 Pursuit by DFW of any of the remedies provided for herein shall not preclude pursuit of any of the other remedies herein provided or any other remedies provided by law or equity, nor shall pursuit by DFW of any remedy herein provided constitute a forfeiture or waiver of any rent due to DFW hereunder or of any damages accruing to DFW by reason of the violation of any of the terms, provisions and covenants herein contained. DFW's acceptance of rent following an Event of Default shall not be construed as DFW's waiver of such Event of Default. No waiver by DFW of any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or breach of any of the terms, provisions, and covenants herein contained. Forbearance by DFW to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default.

20.5 An event of default by DFW shall occur if DFW fails to perform any of its obligations under this Lease and such failure to perform shall continue for a thirty (30) day period after written notice from AMERICAN to DFW or such longer period of time if reasonably necessary and DFW is diligently

pursuing the cure of such failure; however, in no event shall such additional period exceed sixty (60) days. Neither interruption of DFW's utility service, nor disruption of access caused by DFW's street maintenance, nor DFW's exercise of any other governmental function, shall constitute a DFW default pursuant to this Lease. In the event a default by DFW shall occur, AMERICAN may pursue any legal or equitable remedy for which it is entitled, including the recovery of any Prepaid Rent that remains unaccrued (not yet earned) following an event of default by DFW, except that in no event shall AMERICAN be entitled to withhold or abate any installment of Rent unless this Lease is terminated. As to any breach of contract claim, DFW hereby knowingly, voluntarily, fully and irrevocably waives, to the extent legally possible at the date on which AMERICAN pursues any or all of its remedies hereunder, all rights, defenses or other benefits available to it, or arguably available to DFW under the legal doctrine of sovereign immunity as provided under the laws of the State of Texas as of such date on which AMERICAN seeks to enforce any or all of its contractual rights and remedies hereunder; provided, however, that such waiver applies only to DFW and not to the Cities of Dallas or Fort Worth.

20.6 In no event shall DFW or AMERICAN be liable to the other for any speculative, consequential or punitive damages under this Lease.

ARTICLE 21 - Environmental Matters

21.1 Definitions. The following definitions will apply to environmental matters:

(a) "Concluding Environmental Assessment" or "CEA" shall mean a narrative report containing data or sampling analytical results sufficient to reveal the environmental condition and state of compliance of the soil and groundwater at and under the Premises as of the date AMERICAN vacates same or ceases operations thereon.

(b) "DFW Environmental Rules" shall mean DFW Policies and Procedures related to the environment, including, but not limited to, Spill Response Plans, Erosion Control Plans, recycling programs, energy conservation programs, natural resource conservation programs, sustainability programs, and Storm Water Pollution Prevention Plans.

(c) "Discharge" shall mean an act or omission by which Hazardous Materials, Solid Waste, Process Wastewater, or any substances or materials regulated under Environmental Laws, now or in the future, are leaked, spilled, poured, deposited, or otherwise entered into wetlands, groundwater, waters in the State of Texas, or waters of the United States, or by which those substances are deposited where, unless controlled or removed, they may drain, seep, run, or otherwise enter said waters.

(d) "EAD" shall mean DFW's Environmental Affairs Department or any successor department with the same or similar responsibilities.

(e) "Environmental Impact Claim" shall mean any claim, suit, judgment, penalty, fine, loss, cost recovery action, administrative proceeding, request for information (when such request is by a governmental agency), order or citation by any governmental agency, notice, cost, or expense (including but not limited to documented costs of investigation, study, cleanup, removal, response, remediation, transportation, disposal, restoration, monitoring, and reasonable fees of consultants, contractors, and attorneys) which arises out of, is related to, alleges, or is based on the presence, transportation, handling, treatment, storage, or Release, dispersal, disposal, emission, escape, Discharge, or migration of any Hazardous Material(s), Process Wastewater, or Solid Waste, any other chemical, material, irritant, regulated substance, or toxic substance, whether solid, liquid, or gaseous in nature, or which has any adverse effect on wildlife. Environmental Impact Claim shall exclude personal injury, wrongful death, product liability, and environmental justice claims.

(f) "Environmental Indemnitees" shall have the meaning set forth in Section 21.8.

(g) "Environmental Law(s)" shall mean all existing and future Laws, consent decrees and permits relating to protection of the environment, wildlife, public health or public safety.

(h) "Environmental Site Inspection" or "ESI" shall mean a narrative report reflecting the observations and findings made by a representative or consultant of DFW during a physical walk-through of the Premises after AMERICAN has vacated any portion of the Premises.

(i) "Hazardous Material(s)" shall mean any substance regulated under or subject to Environmental Laws:

- (1) the presence of which requires investigation, abatement, response, removal, or remediation under any Environmental Law; or
- (2) that is or becomes defined as a hazardous waste, hazardous substance, toxic substance, regulated substance, pollutant, or contaminant under any Environmental Law, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Texas Water Code, or the Texas Health and Safety Code; or

(3) the presence of which on the Premises poses or threatens to pose a hazard to the health or safety of persons on or about the Premises; or

(4) that contains sewage, gasoline, diesel fuel, petroleum hydrocarbons, natural gas liquids, ethylene glycol, propylene glycol, potassium acetate, polychlorinated biphenyls ("PCBs"), asbestos, lead paint, or urea formaldehyde foam insulation.

(j) "NPDES" shall mean the National Pollutant Discharge Elimination System.

(k) "Process Wastewater" shall mean water, other than water comprised solely of storm water or rainwater, that during manufacturing, treating, processing, or cleaning, comes into direct contact with or results from the production or use of any raw material, intermediate product, finished product, by product, or waste.

(l) "Release" shall mean any depositing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment, or a threat of release such that a release may or could enter the environment.

(m) "Solid Waste" shall have the same meaning as in the Resource Conservation and Recovery Act and the Texas Health and Safety Code.

(n) "Sublessee" shall include anyone to whom AMERICAN subleases any part of the Premises.

(o) "TPDES" shall mean the Texas Pollutant Discharge Elimination System.

21.2 AMERICAN Representations, Warranties, And Covenants. AMERICAN represents, warrants, and covenants the following:

(a) AMERICAN has obtained and throughout the term of this Lease shall obtain and maintain all applicable licenses, permits, registrations and other authorizations and approvals required under Environmental Laws with respect to the Premises or AMERICAN's use thereof and shall provide any notices required under Environmental Laws for conducting its operations at the Premises during the term of this Lease. AMERICAN shall require its employees, contractors, subcontractors, agents, licensees, Sublessees and other parties under AMERICAN's direction or control to obtain and maintain all applicable licenses, permits, registrations and other authorizations required by Environmental Laws in order to conduct their operations and activities at the Premises, including but not limited to construction.

(b) AMERICAN shall comply and shall require its employees, contractors and others under AMERICAN's direction and control to comply, and shall include in all subleases a provision requiring the Sublessee to comply and Sublessee's contractors, subcontractors, employees, agents, licensees, and other parties under Sublessee's direction or control to comply, with all applicable Environmental Laws pertaining to its and their use of and operations at the Premises.

(c) AMERICAN shall comply and shall require its employees, contractors, subcontractors, employees, agents, licensees, Sublessees, and other parties under AMERICAN's direction or control, to comply with all applicable DFW Environmental Rules, so long as such DFW Environmental Rules do not unreasonably affect AMERICAN's rights under this Lease and are not primarily intended for terminal and other airline transportation operations. Such DFW Environmental Rules shall be reasonable, nondiscriminatory and not be in conflict with any Environmental Laws. Prior to final promulgation of any new or revised DFW Environmental Rules, DFW shall provide AMERICAN with reasonable notice of and opportunity to comment on such proposed DFW Environmental Rule. Copies of all DFW Environmental Rules shall be publicly available or provided by DFW to AMERICAN upon AMERICAN's request. Nothing herein shall prejudice the right of AMERICAN to undertake appropriate legal action to contest any DFW Environmental Rule.

(d) AMERICAN shall not cause or contribute to or allow or permit its contractors, subcontractors, agents, employees, licensees, Sublessees or other parties under AMERICAN's direction or control to cause or contribute to:

- (1) any Release or Discharge of any Hazardous Material, Solid Waste, or Process Wastewater at the Premises, unless authorized by an Environmental Law;
- (2) any violation of any applicable Environmental Law as a result, in whole or in part, of the use by or operations of AMERICAN at the Premises, or those of its contractors, subcontractors, employees, agents, licensees, or Sublessees;
- (3) any Release or Discharge at the Premises which is a materially contributing cause of DFW exceeding the effluent limits of any individual storm water discharge permit issued to DFW, Multi-Sector General Permit, Municipal Separate Storm Sewer System permit, or any applicable federal effluent limitation guideline; or

(4) any contamination or pollution of the soil, surface waters, or groundwater at or underlying the Premises.

(e) AMERICAN shall handle, use, store, dispose of, or otherwise manage, and shall require AMERICAN's contractors, subcontractors, agents, employees, licensees, Sublessees, or other parties under AMERICAN's direction or control to handle, use, store, dispose of, or otherwise manage any Hazardous Material, Process Wastewater, or Solid Waste at the Premises in a lawful and prudent manner and so as to prevent the Release or Discharge of any Hazardous Material, Process Wastewater, or Solid Waste that does or may pollute or contaminate the environment, or that does or may adversely affect the health, welfare, or safety of persons whether located within the Premises.

(f) To the extent required by Environmental Law, and except as otherwise provided in Section 21.9, AMERICAN shall be responsible for the remediation, removal or disposal of all Hazardous Materials located at the Premises.

(g) AMERICAN, prior to vacating or surrendering any portion of the Premises for any reason, and at AMERICAN's sole expense, shall:

- (1) remove and properly dispose of any and all trash, debris, or waste located at the Premises;
- (2) remove any and all above-ground containers and non-permanent structural controls located at the Premises and owned by AMERICAN or its contractors, subcontractors, agents, employees, licensees, Sublessees or other parties under AMERICAN's direction or control, including, but not limited to, removable filters, grates, above-ground tanks, and vessels located on the Premises; and
- (3) comply with applicable Environmental Laws regarding the closing or removal from service of any underground or above-ground tanks, vessels, and containers at the Premises operated or owned by AMERICAN or its contractors, subcontractors, agents, employees, licensees, Sublessees or other parties under AMERICAN's direction or control.

(h) AMERICAN shall have responsibility for the maintenance and upkeep of any structural controls on the Premises (above-ground or below-ground) used to treat sanitary sewer waste and storm

water runoff during the term of this Lease. Maintenance frequencies for structural controls shall be established in a manner to ensure effective operation and to prevent any failure that could result in the Discharge of pollutants. AMERICAN shall ensure that records of all inspections and preventative maintenance activities are maintained on-site and are readily available, for a period of three years, and which shall document the condition of the structural control, estimated volumes of solids and liquids removed, and information pertaining to parts repaired or replaced. Structural controls to be maintained shall include, but not be limited to: oil/water separators (both storm and sanitary sewer), grease traps, sand traps, diversion valves, shut-off valves, storm sewer drain filters, rain gardens, and retention/holding ponds. AMERICAN shall remove and properly dispose of any waste in said structural controls operated by AMERICAN prior to vacating the Premises.

(i) AMERICAN shall require its employees, contractors, subcontractors, agents, licensees, Sublessees, and vendors to undergo such training as is required by applicable Environmental Laws, and subject to the limitations set forth in Section 21.2(c), the DFW Environmental Rules.

(j) If there is a Release or Discharge of Hazardous Materials, Solid Waste, or Process Wastewater at or from the Premises that is above any applicable reportable quantity set forth in any applicable Environmental Law, AMERICAN shall report such Release or Discharge to the appropriate governmental authorities in compliance with applicable Environmental Law, or shall require AMERICAN's contractors, subcontractors, employees, agents, licensees, Sublessees or other parties under AMERICAN's direction or control to report any such Release or Discharge at the Premises to the appropriate governmental authorities, in compliance with applicable Environmental Law, if said third party causes or contributes to a Discharge or Release of Hazardous Materials, Solid Waste, or Process Wastewater at the Premises above any reportable quantity set forth in any applicable Environmental Law.

(k) AMERICAN acknowledges that DFW and AMERICAN are subject to certain National and Texas Pollution Discharge Elimination System permits ("NPDES" and "TPDES"), state and federal storm water regulations, and federal effluent limitation guidelines, including, without limitation, EPA Administered Permit Programs, 40 C.F.R. § 122 (2009), as amended from time to time, for operations at the Premises. AMERICAN shall conduct operations and activities at the Premises, including but not limited to construction, and shall require its employees, contractors, subcontractors, agents, licensees, Sublessees or other parties under AMERICAN's direction or control to conduct operations and activities at the Premises in compliance with applicable Environmental Laws. AMERICAN acknowledges that its reasonable cooperation may be necessary to ensure DFW's compliance with any applicable NPDES or TPDES storm water permits and effluent limitation guidelines under Environmental

Laws. AMERICAN shall minimize the exposure to storm water of materials generated, stored, handled, or used by AMERICAN, its contractors, subcontractors, employees, agents, licensees, Sublessees or other parties under AMERICAN's direction or control at the Premises including without limitation soil and sediment exposed by construction activities, Solid Waste, and Hazardous Materials, by implementing and requiring implementation of certain "Best Management Practices" as defined by Environmental Laws. AMERICAN further acknowledges that any TPDES or NPDES storm water discharge permit issued to DFW or any effluent limitation guidelines applicable to the Premises or AMERICAN are incorporated by reference into this Lease to the extent affecting AMERICAN's operations at or use of the Premises or operations or activities conducted on its behalf at the Premises, or necessitating AMERICAN's reasonable cooperation to assure DFW's compliance therewith. DFW shall endeavor to negotiate reasonable and cost effective terms and conditions of any permits issued to DFW which may affect AMERICAN's operations at or use of the Premises or operations or activities conducted on its behalf at the Premises, or which may necessitate AMERICAN's reasonable cooperation to assure DFW's compliance therewith.

21.3 Right Of Entry And Inspection

(a) Subject to the limitations set forth in Article 14, DFW and its contractors and other agents shall have the full right to enter any part of the Premises for the purpose of conducting an inspection, assessment, investigation, or regulatory compliance audit of AMERICAN's operations thereon, or any other party's use and operations, including operations of AMERICAN's contractors, subcontractors, employees, agents, licensees, Sublessees or other parties under AMERICAN's direction or control. DFW and its authorized agents may take samples and perform tests as needed at the Premises, including but not limited to soil borings, ground water monitoring, and collection of samples of air, soil, water, groundwater, Process Wastewater, Hazardous Material, Solid Waste, Releases, and Discharges, at DFW's expense. DFW will provide two (2) business days' advance written notice of any planned inspection or intrusive sampling to AMERICAN, except in emergencies, when advance notice shall not be required. AMERICAN shall have the right to accompany DFW when any such inspection or sampling is performed, provided that DFW is not required to unreasonably delay its inspection or sampling to enable AMERICAN to be present. AMERICAN shall have the right to obtain from DFW, at AMERICAN's expense, split samples and copies of all analytical results of such sampling, including any non-privileged reports.

(b) AMERICAN shall cooperate, and shall require its employees, contractors, subcontractors, agents, licensees, Sublessees or other parties under AMERICAN's direction or control to cooperate, in allowing prompt, reasonable access to DFW to conduct such inspection,

assessment, audit, sampling, or tests. In the exercise of its rights under this Section, except in emergencies, DFW shall not unreasonably interfere with the authorized use and occupancy of the Premises by AMERICAN or AMERICAN's contractors, subcontractors, agents, employees, licensees, Sublessees or other parties under AMERICAN's direction or control. AMERICAN remains solely responsible for its environmental, health, and safety compliance, notwithstanding any DFW inspection, audit, or assessment.

21.4 Information To Be Provided To DFW

(a) If AMERICAN receives any written notice, correspondence, citation, order, warning, complaint, inquiry, claim or demand regarding the Premises that is not legally privileged:

- (1) concerning any alleged contamination, or Discharge, or Release of Hazardous Material, Solid Waste, Process Wastewater at the Premises by AMERICAN or by its contractors, subcontractors, employees, agents, licensees, Sublessees or other parties under AMERICAN's direction or control;
- (2) alleging that AMERICAN or any contractor, subcontractor, employee, agent, licensee, Sublessee or other party under AMERICAN's direction or control is the subject of an Environmental Impact Claim with respect to the Premises or alleging that AMERICAN or any contractor, subcontractor, employee, agent, licensee, Sublessee or other party under AMERICAN's direction or control is, or may be, in violation of any Environmental Law(s) with respect to the Premises; or
- (3) asserting that AMERICAN or any such third party as identified in clauses (1) and (2) above is liable for the cost of investigation or remediation of a Release or Discharge at the Premises;

AMERICAN shall immediately, but not later than five (5) days after AMERICAN's receipt, inform DFW in writing of same, including a copy of such notice received by AMERICAN.

(b) AMERICAN shall simultaneously provide to DFW copies of its submittals of any non-privileged reports or notices required under Environmental Laws to any governmental agency regarding:

- (1) AMERICAN's alleged failure to comply with any Environmental Laws at the Premises, or
- (2) any Environmental Impact Claim, Release, or Discharge arising out of the past or present operations at or use of the Premises by AMERICAN, its contractors, subcontractors, employees, agents, licensees, Sublessees or other parties under AMERICAN's direction or control.

(c) AMERICAN shall make available, within ten (10) days of AMERICAN's receipt of DFW's written request, the non-privileged documents that AMERICAN has submitted to any governmental agency pertaining to the environmental compliance status of AMERICAN's operations at or use of the Premises, including without limitation any and all non-privileged records, permits, test results, sample results, written or electronic documentation, studies, or other documentation regarding environmental conditions or relating to the presence, use, storage, disposal, or treatment of any Hazardous Material or Solid Waste at the Premises by AMERICAN, its contractors, subcontractors, agents, employees, licensees, Sublessees or other third parties under AMERICAN's direction or control.

21.5 Response And Compliance Actions

(a) Without limiting the indemnity obligations of Section 21.8, if during the Term there has been a Release, Discharge, or spill of a Hazardous Material (including, but not limited to those which contaminate or pollute any surface water, ground water, infrastructure, or conveyance system) in violation of Environmental Laws, at any portion of the Premises, AMERICAN shall:

- (1) orally notify DFW of such Release, Discharge, or spill in accordance with applicable DFW Environmental Rules;
- (2) report such Release, Discharge, or spill to appropriate governmental agencies in accordance with applicable Environmental Laws, including but not limited to 30 Tex. Admin. Code § 327.3, as it may be amended from time to time;
- (3) immediately abate and respond to the Release, Discharge, or spill of a Hazardous Material, as required by applicable Environmental Laws,

including but not limited to 30 Tex. Admin. Code § 327.5, as it may be amended from time to time;

- (4) take all further actions necessary or required under Environmental Laws to mitigate any imminent threat to human health or the environment; and
- (5) undertake any further repairs, remediation, or corrective actions as are required by Environmental Laws, this Lease, or a governmental agency with jurisdiction, to remediate any such Release, Discharge or spill of a Hazardous Material, and any resulting pollution or contamination.

(b) If, as is reasonably determined by DFW, AMERICAN:

- (1) does not diligently take immediate and all other actions required by applicable Environmental Laws, including but not limited to 30 Tex. Admin. Code § 327, in response to a Release, Discharge or spill at, on, under, or emanating from the Premises, within the time(s) prescribed by such Environmental Law(s); or
- (2) does not perform or complete all necessary repairs, corrective actions or remediation for which it is responsible under Section 21.5 or applicable Environmental Laws within the time(s) prescribed, or within the time reasonably necessary to enable DFW to meet its obligations under Environmental Laws (subject to the condition that DFW must first provide reasonable advance written notice to AMERICAN of such obligations, except in emergency circumstances in which such advance notice is not possible),

(c) then DFW, in addition to its rights and remedies described elsewhere in this Lease, may, at its election, upon reasonable written notice, enter the affected area, and take whatever action DFW reasonably deems necessary to protect the public health and safety and the environment, or to enable DFW to meet its obligations under Environmental Laws, within the time required under such Environmental Laws, at AMERICAN's expense, although nothing herein shall prejudice the right of AMERICAN to contest DFW's determinations made under this Section 21.5(c).

(d) Where allowed by Environmental Laws, cleanup requirements for any release of Hazardous Materials at the Premises shall be the Texas Risk Reduction Program standard required by Environmental Laws for any affected soils and groundwater at or migrating from the Premises.

21.6 Correction Of Environmental Non-Compliance

(a) If the operations or activities at or use of the Premises by AMERICAN or AMERICAN's contractors, subcontractors, employees, agents, licensees, Sublessees, other parties under AMERICAN's direction or control, are in alleged non-compliance with any applicable Environmental Law (as is reasonably determined by DFW or as is determined by any governmental agency with enforcement authority regarding such alleged non-compliance), or result in contamination or pollution at or under the Premises, provided that DFW has actual knowledge of the non-compliance, and provided that the situation or condition in question does not, as determined by DFW in its reasonable discretion, require immediate action, DFW shall notify AMERICAN in writing of the alleged non-compliance or contamination or pollution and shall require AMERICAN to take action to address such non-compliance within thirty (30) days of AMERICAN's receipt of notice, unless compliance is required sooner by a governmental agency or applicable Environmental Law. Within that thirty (30) day period, or such shorter period as is required by applicable Environmental Law or governmental agency, AMERICAN shall have the opportunity to take whatever action is necessary or required by Environmental Laws, to correct such non-compliance, ensure that it is corrected, or provide DFW a binding commitment to do so within a reasonable time. AMERICAN shall also have the right during that thirty (30) day period to challenge any DFW notice of non-compliance. AMERICAN's obligations to DFW under this Section may be deferred, upon mutual consent of the parties, until a final resolution of or ruling on such challenge has been issued. Should AMERICAN prevail in such a challenge, AMERICAN shall have no further obligation under this Section with respect to that particular alleged non-compliance.

(b) If AMERICAN does not take such corrective action, challenge DFW's determination of non-compliance, or provide a binding commitment to address the non-compliance within the thirty (30) day period referenced in Section 21.6(a), DFW or its authorized contractors and consultants may, at DFW's option, enter any part of the Premises and take such measures as DFW may reasonably deem necessary to correct the alleged non-compliance and to investigate and remediate any related contamination, all at AMERICAN's expense. All reasonable and documented costs associated with any action by DFW or its contractors or consultants in connection with this Section, including but not limited to reasonable attorneys' fees and expenses shall be subject to the reimbursement and indemnification requirements of this Article 21.

(c) Nothing in this Section is intended or shall be construed so as to prevent DFW or AMERICAN from exercising, in their reasonable discretion, any rights granted or available elsewhere in this Article 21, in this Lease, or by Law.

21.7 Corrective Action Process

(a) Before commencing any investigation, remediation, or corrective action at the Premises under this Lease, and except for immediate abatement action required under Section 21.5(a)(3) and (b), AMERICAN shall provide the drafts of the related proposed plans for such investigation, remediation or corrective action to DFW for review, comment, and approval, which shall not be unreasonably withheld, conditioned or delayed. AMERICAN shall ensure that such draft reports are provided with a minimum of five (5) business days for DFW's review and comment. The work shall be performed at AMERICAN's expense, and DFW shall have the right to review and inspect all such work at any time using consultants and representatives of DFW's choice, at DFW's expense. Specific cleanup levels for any remediation shall comply with applicable Environmental Laws. AMERICAN shall, at AMERICAN's own cost and expense, have all tests performed, and reports and studies prepared, and shall provide such information to any governmental agency as may be required by Environmental Laws, with a copy to DFW. This obligation includes but is not limited to any requirements for a site characterization, site assessment, Affected Property Assessment Report, and remedial action plan that may be necessary. In the event deed recordation by one or both of the Cities or DFW is necessary, AMERICAN shall reimburse DFW and the Cities for all deed recordation fees and reasonable attorneys' fees incurred in connection with such recordation.

(b) Any remedial or other activity undertaken by AMERICAN or DFW under this Article 21 shall not be construed to impair AMERICAN's or DFW's rights, if any, to seek contribution or indemnity from any person.

(c) AMERICAN may not seek a Municipal Setting Designation, Plume Management Zone, or any institutional or engineering control for any groundwater impacts underlying the Premises without obtaining advance written approval from DFW and each of the Cities.

21.8 Environmental Indemnification And Reimbursement

(a) Notwithstanding any other provision to the contrary, and without limiting any other indemnity in this Lease, AMERICAN agrees to indemnify, defend, and hold harmless DFW, its past, present or future directors, officers, members, agents and employees, and the Cities and their respective councils, council members, agents, and employees ("Environmental Indemnitees"), from and

against any and all claims, demands, penalties, fines, suits, actions, administrative proceedings (including formal and informal enforcement), government orders, judgments, loss, damages, liabilities, costs, and expenses (including but not limited to reasonable and documented attorneys' and consultants' fees and expenses, litigation costs, expert witness fees, and expenses of investigation, removal, remediation, or other required plan, report, or response action) when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation to the extent resulting from:

- (1) the presence of any Hazardous Materials on, at, or under the Premises, or emanating from the Premises, subject however to the limitations set forth in Section 21.9;
- (2) any Release or Discharge of Hazardous Materials at, on, under, or migrating from the Premises, subject however to the limitations set forth in Section 21.9;
- (3) the breach by AMERICAN of any representation or warranty made in this Article 21;
- (4) the failure of AMERICAN to meet any obligations under this Article 21 in a full and timely manner, whether caused in any part by AMERICAN or any third party under AMERICAN's direction or control; or
- (5) any Environmental Impact Claim pertaining to the Premises, subject to the limitations set forth in Section 21.9.

(b) In the event DFW undertakes any action, including but not limited to response or corrective action, repairs, or remediation, in the exercise of its rights with respect to AMERICAN under this Article 21, AMERICAN shall reimburse DFW, upon reasonable written notice by DFW, for all reasonable and documented costs that DFW incurs in association with such action, including but not limited to consultants' fees, contractors' fees, reasonable attorneys' fees and expenses, and expenses of investigation, repair, response or corrective action and remediation.

(c) Regardless of the date of termination of this Lease, AMERICAN's representations, obligations and liabilities under this Article 21 shall continue as long as AMERICAN bears any liability or responsibility under this Article 21 or the Environmental Laws.

21.9 Limitations. DFW and AMERICAN agree that any spill, Discharge, or Release of Hazardous Materials at, on, under, or emanating from the Premises shall be presumed to have been

caused by AMERICAN or parties under AMERICAN's control, and shall be the responsibility of AMERICAN, unless upon the expiration of the Term or the earlier termination thereof American performs a CEA and otherwise fully complies with Section 21.10. Subject to said presumption, AMERICAN's obligations under this Article 21 shall not apply to:

(a) Releases, Discharges or contamination that first occurred at the Premises after the Term or after the earlier termination of the Term; or

(b) Releases, Discharges, or contamination to the extent caused by gross negligence or willful misconduct by DFW, its agents or employees or any other party under DFW's direction or control.

21.10 Concluding Environmental Assessment And Environmental Site Inspection.

(a) At least thirty (30) days prior to vacating or surrendering the Premises for any reason, AMERICAN shall, unless DFW has informed AMERICAN that a CEA is not required, undertake and complete a CEA to determine the environmental condition and state of compliance of the Premises with Environmental Laws, at AMERICAN's expense. The CEA shall be conducted by a qualified person or entity approved by DFW, whose approval shall not be withheld unreasonably. DFW may elect, at its option and expense, to conduct or participate in the CEA, or conduct its own CEA, either directly or through designated representatives or consultants. The scope, protocol, and scheduling requirements of AMERICAN's CEA shall be determined by mutual written agreement of the parties. Should DFW conduct its own CEA, the scope, protocol, and scheduling requirements of the CEA shall be determined by DFW. AMERICAN shall provide a draft CEA to DFW for review and comment at least five (5) business days prior to finalization, and subsequently deliver a copy of its CEA to DFW promptly after finalization. DFW may perform an Environmental Site Inspection (ESI) or any other investigation in order to determine the environmental condition and state of compliance of the Premises with Environmental Laws.

(b) Subject to the limitations of Section 21.9, if a CEA confirms the presence of (surface, subsurface, vapor or groundwater) contaminants at the Premises at or in excess of actionable levels established by then applicable Environmental Laws, AMERICAN shall immediately undertake and promptly complete at AMERICAN's expense, and to the reasonable satisfaction of DFW and any governmental agency with jurisdiction, any necessary or required investigation, cleanup, removal, or remedial action, in accordance with all applicable Environmental Laws and the provisions of this Article 21. Any plans for such investigation, cleanup, removal, or remedial response action shall be submitted for DFW review and approval at least five (5) business days prior

to implementation. DFW shall not unreasonably withhold its approval. If AMERICAN desires to avail itself of the limitations identified in Section 21.9, AMERICAN must bear the burden of proving that contamination identified in the CEA is excluded under Section 21.9.

(c) If AMERICAN has not removed all trash, containers, tanks, structures, debris, and other items and materials for which AMERICAN or anyone operating on its behalf is responsible, AMERICAN will remove such items within seventy-two (72) hours of notice.

21.11 AMERICAN Equipment. Any tanks, pumps, chemical or Hazardous Material or Solid Waste containers, pipelines, lines, and equipment installed by or on behalf of AMERICAN at the Premises shall at all times remain the property of AMERICAN, and ownership of or responsibility for such equipment shall not pass to DFW by virtue of such equipment being installed at the Premises. No such equipment shall be installed without the written consent of DFW, which shall not be unreasonably withheld.

21.12 Waiver. Any waiver of any provision of this Article 21, or any delay by DFW in the enforcement of any right hereunder, shall neither be construed as a continuing waiver, nor create an expectation of non-enforcement of that or any other provision or right. In order to be effective, any waiver of any right, benefit, or power hereunder must be properly executed in writing by authorized representatives of DFW, it being intended that no waiver shall be implied by DFW's conduct or failure to act. Any specific written waiver shall be applicable only to the particular facts and circumstances thereby addressed and shall not be of any effect with respect to future events, even if any of said future events involve substantially similar circumstances. Any remedies provided for in this Article 21 shall be cumulative and in addition to, and not in lieu of, any other remedies available to DFW at law, in equity, or otherwise.

21.13 Notice. With respect to those provisions of this Article 21 which expressly require DFW to provide written notice to AMERICAN, electronic mail to the designated AMERICAN representative will satisfy such requirement, but only to the extent a read receipt confirmation for such designated representative has been received by DFW, with notice deemed effective as of the date and time of such read receipt confirmation. The parties' addresses for environmental notices shall be:

DFW's Address:

DFW International Airport
Environmental Affairs Department
P. O. Box 619428
DFW Airport, TX 75261-9428

AMERICAN's Address:

Managing Director
Corporate Environmental
American Airlines, Inc.
MD 5273
4333 Amon Carter Blvd.
Fort Worth, TX 76155

With a copy to:

Coordinator of Facility Operations
American Airlines, Inc.
MD 835
4601 Highway 360 South
Fort Worth, TX 76155

21.14 Survival of Environmental Provisions. Unless specifically stated elsewhere herein, the provisions of this Article 21, including the representations, warranties, covenants and indemnities of AMERICAN, are intended to and shall survive termination of this Lease.

ARTICLE 22 - Non-Discrimination

22.1 General Civil Rights Provisions (Required by the FAA).

In conducting its operations on the Premises, AMERICAN agrees that it will comply with applicable statutes, executive orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from Federal assistance. The requirement set forth in the first sentence of this Section 22.1 is in addition to that required of Title VI of the Civil Rights Act of 1964, and also obligates American and its successors and assigns for the period during which Federal assistance is extended to the Airport through the Airport Improvement Program, where Federal assistance is in the form of personal property, real property (or an interest therein), structures or improvements, and in these cases such provision obligates the party or any transferee for the longer of the following periods:

(a) the period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or

(b) the period during which the airport sponsor or any transferee retains ownership or possession of the property.

22.2 Title VI Civil Rights Provisions (Required by the FAA).

In the performance of this Lease, AMERICAN agrees as follows:

(a) **Compliance with Regulations:** AMERICAN and its consultants will comply with the Title VI List of Pertinent Nondiscrimination Statutes and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.

(b) **Non-discrimination:** AMERICAN will not discriminate on the grounds of race, color, or national origin in the selection and retention of contractors and subcontractors, including procurements of materials and leases of equipment. AMERICAN will not participate directly or indirectly in the discrimination prohibited by Law, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.

(c) **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by AMERICAN for work to be performed under a contract or subcontract, including procurements of materials or leases of equipment, each potential contractor, subcontractor or supplier will be notified by AMERICAN of AMERICAN's obligations under this Section 22.2 and the Law relative to Non-discrimination on the grounds of race, color, or national origin.

(d) **Information and Reports:** AMERICAN will provide all information and reports required by Law and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information and its facilities as may be determined by DFW or the Federal Aviation Administration to be pertinent to ascertain compliance with such Laws. Where any information required of AMERICAN is in the exclusive possession of another who fails or refuses to furnish the information, AMERICAN will so certify to DFW or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

(e) Sanctions for Noncompliance: In the event of AMERICAN's noncompliance with the Non-discrimination provisions of this Lease, DFW will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate.

(f) Incorporation of Provisions: AMERICAN will include the provisions of paragraphs one through five in every subcontract, including procurements of materials and leases of equipment, unless exempt by Law. AMERICAN will take action with respect to any subcontract or procurement as DFW or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if AMERICAN becomes involved in, or is threatened with litigation by a contractor, subcontractor or supplier because of such direction, AMERICAN may request DFW to enter into any litigation to protect the interests of DFW. In addition, AMERICAN may request the United States to enter into the litigation to protect the interests of the United States.

Title VI List of Pertinent Nondiscrimination Authorities — During the performance of this Lease, AMERICAN, for itself, its assignees, and successors in interest agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

ARTICLE 23 - Notice of Sale

23.1 If DFW desires to sell its interest in all or a part of the Premises during the Term, then prior to marketing the Premises or listing the Premises for sale, DFW shall provide AMERICAN with written notice that it is marketing the Premises for sale.

ARTICLE 24 - Miscellaneous

24.1 Non-Waiver. The failure of DFW or AMERICAN to insist upon prompt and strict performance of any of the terms, conditions or undertakings of this Lease, or to exercise any right herein conferred, in any one or more instances, except as to the option to extend or renew the Term, if any, shall not be construed as a waiver of the same or any other term, condition, undertaking, or right.

24.2 Notices. Except as specifically set forth elsewhere in this Lease, any notice required to be given to either party by the other under the terms of this Lease must be in writing (in certain instances in this Lease the word "notice" is used and in others "written notice" or words to like effect are used; no inference shall be drawn therefrom as all notices must be in writing) and shall be effective upon receipt or upon refusal to accept delivery, provided such notice is in writing and mailed by certified mail return

receipt requested or sent by overnight courier to the appropriate address listed below or to such other addresses as directed in writing by the parties:

DFW'S address:

Dallas/Fort Worth International Airport
P.O. Box 619428
DFW Airport, Texas 75261-9428
Attention: Commercial Development Department

AMERICAN'S address:

American Airlines, Inc.
4333 Amon Carter Boulevard
MD 5317
Fort Worth, Texas 76155
Attention: Vice President Airport Affairs and Facilities

With a copy to:

American Airlines, Inc.
4333 Amon Carter Boulevard
MD 5675
Fort Worth, Texas 76155
Attention: General Counsel

24.3 Recordation, Short Form. Contemporaneously with the execution of this Lease DFW and AMERICAN will execute a memorandum of lease in the form attached hereto as Exhibit D. AMERICAN may record the memorandum of lease at its expense following the date hereof. The provisions of this Lease shall control, however, in regard to any omissions from the memorandum of lease, or in respect to any provisions hereof which may be in conflict with the memorandum of lease. AMERICAN and any approved subtenants may record memoranda of their subleases.

24.4 Parties Bound. Subject to limitations on assignability hereinabove, the terms, covenants, agreements, conditions and undertakings contained herein shall be binding upon and shall inure to the benefit of the heirs, successors in interest and assigns of the parties hereto.

24.5 Entire Agreement, Modification, Severability. This Lease contains the entire agreement between the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, entered into prior to the execution of this Lease, will alter the covenants, agreements and undertakings herein set forth. This Lease shall not be modified in any manner, except by an instrument in writing executed by the parties. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or

the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by Law.

24.6 Number and Gender. All of the terms and words used in this Lease, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number (singular and plural), and any other gender (masculine, feminine or neuter), as the context or sense of this Lease or any article, section or clause hereof may require, the same as if the words had been fully and properly written in the number and gender.

24.7 Construction. The parties acknowledge that each party and, if it so chooses, its counsel have reviewed and revised this Lease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any amendments or exhibits hereto. The laws of the State of Texas shall govern the interpretation of this Lease, and venue for any litigation concerning this Lease shall be in the county where the Premises is situated.

24.8 Exhibits. All exhibits, attachments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied at verbatim herein.

24.9 No Partnership Formed. Neither DFW nor AMERICAN has become a partner of the other in the conduct of their business or otherwise, or a joint venturer or a member of a joint enterprise with the other, by virtue of this Lease.

24.10 Authority to Execute Lease. AMERICAN and DFW each warrant and represent that the individuals signing this Lease on behalf of each has authority to enter into this Lease and to bind AMERICAN and DFW respectively to the terms, covenants and conditions contained herein. Each party shall deliver to the other upon request, all documents reasonably requested by the other evidencing such authority including, without limitation, a copy of all corporate resolutions, consents or minutes reflecting the authority of persons or parties to enter into agreements on behalf of AMERICAN or DFW.

24.11 Force Majeure. DFW and AMERICAN shall be excused for the period of any delay in performance of any obligations hereunder (excluding obligations for the payment of money, including, without limitation Rent and Fees) when prevented from doing so by cause or causes beyond either party's control which shall include, without limitation, all labor disputes, civil disturbance, war, warlike operations, invasions, rebellion, hostilities, military or usurped power, sabotage, governmental regulations

or controls, fires or other casualty, inability to obtain any material or service or acts of God (collectively a "Force Majeure").

24.12 Exculpation. Notwithstanding anything in this Lease to the contrary, neither DFW staff, nor individual DFW members, nor the Cities, nor any of their (or AMERICAN's) respective individual employees, agents, managers, directors, councils or officers, shall be personally liable for monetary damages arising by reason of any default which may occur in the performance of any of the terms of this Lease.

24.13 Attorneys' Fees. If any action or proceeding at law or in equity (collectively an "Action") shall be brought on account of any breach of or to enforce or interpret any of the terms, covenants, or conditions of this Lease, the Prevailing Party shall be entitled to recover from the other party as a part of such Action, or in a separate action brought for that purpose, its reasonable attorney's fees (including litigation time of in-house counsel), costs and expenses incurred in connection with the prosecution or defense of such action. "Prevailing Party" within the meaning of this paragraph shall include, without limitation, a party who brings an action against the other after the other is in breach or default, including if such action is dismissed upon the other's payment of the sums allegedly due or upon the other's performance of the covenants allegedly breached, or if the party commencing such action or proceeding obtains substantially the relief sought by it in such action, whether or not such action proceeds to a final judgment or determination.

24.14 Brokerage. DFW and AMERICAN each indemnifies and saves harmless the other from any claim for any brokerage fee or commission concerning this Lease incurred by the indemnifying party.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, the persons whose names appear below have affixed their signatures hereto on behalf of their respective principals as of the Effective Date.

DALLAS / FORT WORTH INTERNATIONAL AIRPORT BOARD

By: _____
Sean Donohue
Chief Executive Officer

Approved as to form:

Legal Counsel for the Airport Board

AMERICAN AIRLINES, INC.,
a Delaware corporation

By: _____
Timothy Skipworth
Vice President Airport Affairs and Facilities

EXHIBIT A
LEGAL DESCRIPTION OF PREMISES
(Attached)

PARCEL TO THE NORTH OF FAA BOULEVARD
70.821 ACRE TRACT

BEING A 70.821 ACRE TRACT OF LAND, SITUATED IN THE VINCENT J HUTTON SURVEY, ABSTRACT NO. 681 AND THE ANDREW J HUITT SURVEY, ABSTRACT NO. 709, TARRANT COUNTY, TEXAS, SAID 70.821 ACRE TRACT OF LAND BEING A PORTION OF THAT CERTAIN TRACT OR LAND KNOWN AS DFW AIRPORT, COMPRISED IN PART BY A PORTION OF A 35.925 ACRE TRACT OF LAND DESCRIBED AS PLOT A - FLIGHT TRAINING ACADEMY SITE IN A DEED FROM THE CITY OF FORT WORTH TO THE DALLAS-FORT WORTH REGIONAL AIRPORT BOARD AS RECORDED IN VOLUME 6653 PAGE 863 OF THE DEED RECORD OF TARRANT COUNTY, TEXAS (DRTCT) AND A 38.25 ACRE TRACT OF LAND DESCRIBED AS THE NORTH TRACT IN DEED FROM AMERICAN AIRLINES, INC. TO DALLAS-FORT WORTH REGIONAL AIRPORT BOARD AS RECORDED IN VOLUME 6653 PAGE 870 OF THE D.R.T.C.T. SAID 70.821 ACRE TRACT OF LAND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,860.089, EASTING 410,362.715) FOR THE POINT OF INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF STATE HIGHWAY 360 AND THE NORTH LINE OF A 2.411 ACRE TRACT OF LAND, HEREAFTER REFERRED TO AS "FAA BOULEVARD", DESCRIBED AS A PARCEL FOR PUBLIC STREET USE, 60 FOOT WIDE RIGHT-OF-WAY IN DEED FROM THE UNITED STATES OF AMERICA TO THE CITY OF FORT WORTH AS RECORDED IN VOLUME 5531, PAGE 89, DRTCT THE SAME BEING THE MOST SOUTHWESTERLY CORNER OF A 2.826 ACRE TRACT OF LAND DESCRIBED AS PARCEL 4C, PART 2, RW 8002-1-4, 3-21-72 IN DEED FROM THE CITY OF FORT WORTH, A MUNICIPAL CORPORATION TO THE STATE OF TEXAS AS RECORDED IN VOLUME 5561, PAGE 389 D.R.T.C.T.,

THENCE, LEAVING THE WEST RIGHT-OF-WAY LINE OF STATE HIGHWAY 360, ALONG AND WITH THE NORTH RIGHT-OF-WAY LINE OF SAID FAA BOULEVARD, THE FOLLOWING SIX COURSES:

SOUTH 88°34'39" WEST, A DISTANCE OF 90.35, TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,857.846, EASTING 410,272.393) FOR POINT OF CURVATURE FOR A CURVE TO THE LEFT,

SOUTHWESTERLY, ALONG AND WITH SAID CURVE TO THE LEFT, HAVING A RADIUS OF 775.14 FEET, A CENTRAL ANGLE OF 15°19'00", A LONG CHORD THAT BEARS SOUTH 80°55'09" WEST, 206.60 FEET, AN ARC DISTANCE OF 207.22 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,825.239, EASTING 410,068.384) FOR A POINT OF TANGENCY, FROM WHICH A 1/4 INCH IRON ROD CAPPED "K11A) FOUND BEARS SOUTH 20°43'47" WEST, 0.56 FEET;

SOUTH 73°15'39" WEST, A DISTANCE OF 114.64 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,792.221, EASTING 409,958.602) FOR POINT OF CURVATURE FOR A CURVE TO THE RIGHT;

SOUTHWESTERLY, ALONG AND WITH SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 719.33 FEET, A CENTRAL ANGLE OF 15°13'00", A LONG CHORD THAT BEARS SOUTH 80°52' 09" WEST, 190.48 FEET, AN ARC DISTANCE OF 191.04 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,761.994, EASTING 409,770.536) FOR A POINT OF TANGENCY;

SOUTH 88° 28' 39" WEST, A DISTANCE OF 214.05 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,756.306, EASTING 409,556.563) FOR CORNER, FROM WHICH A BRASS MONUMENT FOUND FOR THE SOUTHEAST CORNER OF A 1.2856 ACRE TRACT OF LAND DESCRIBED IN DEED FROM TARRANT LAND COMPANY TO SOUTHWESTERN BELL TELEPHONE COMPANY AS RECORDED IN VOLUME 3487, PAGE 42, DRTCT BEARS SOUTH 18°36'02", 0.61 FEET;

THENCE, NORTH 01° 28' 41" WEST, LEAVING THE NORTH RIGHT-OF-WAY LINE OF SAID FAA BOULEVARD, ALONG AND WITH THE EAST LINE OF SAID 1.2856 ACRE TRACT OF LAND, A DISTANCE OF 279.64 FEET TO A BRASS MONUMENT FOUND (DFW SURFACE 88 COORDINATE - NORTHING 990035.854, EASTING 409,549.351) FOR THE NORTHEAST CORNER OF A 1.2856 ACRE TRACT OF LAND;

THENCE, SOUTH 88° 31' 19" WEST, ALONG AND WITH THE NORTH LINE OF SAID 1.2856 ACRE TRACT OF LAND, A DISTANCE OF 200.00 FEET TO A BRASS MONUMENT FOUND (DFW SURFACE 88 COORDINATE - NORTHING 990,030.695, EASTING 409,349.417) FOR THE NORTHWEST CORNER OF SAID 1.2856 ACRE TRACT OF LAND;

THENCE, SOUTH 01° 28' 41" EAST, ALONG AND WITH THE WEST LINE OF SAID 1.2856 ACRE TRACT OF LAND, DISTANCE OF 279.80 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,750.992, EASTING 409,356.634) FOR CORNER, BEING ON THE NORTH RIGHT-OF-WAY LINE OF THE AFOREMENTIONED FAA BOULEVARD, FROM WHICH A BRASS MONUMENT FOUND FOR THE SOUTHWEST CORNER OF SAID 1.2856 ACRE TRACT OF LAND BEARS SOUTH 01°28'41" EAST, 0.37 FEET;

THENCE, SOUTH 88° 28' 39" WEST, ALONG AND WITH THE NORTH LINE OF SAID FAA BOULEVARD, AT A DISTANCE OF 497.97 FEET PASSING A 2 INCH IRON PIPE FOUND (RECORD MONUMENT) FOR THE MOST WESTERLY NORTHWEST CORNER OF THE AFOREMENTIONED 2.411 ACRE TRACT, THE SAME BEING THE MOST EASTERLY NORTH EAST CORNER OF A 3.09 ACRE TRACT OF LAND AS DESCRIBED IN DEED FROM AMERICAN AIRLINE, INC. A CORPORATION TO THE CITY OF FORT WORTH, AS RECORDED IN VOL 5416, PAGE 588 D.R.T.C.T., AND CONTINUING ALONG AND WITH THE NORTH LINE OF SAID 3.09 ACRE TRACT OF LAND, ALSO KNOWN AS THE NORTH RIGHT-OF-WAY LINE OF FAA BOULEVARD, FOR A TOTAL DISTANCE OF 1093.14 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,721.95, EASTING 408,263.878) FOR CORNER, SAID CORNER BEING THE POINT OF INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF SAID FAA BOULEVARD AND THE EAST RIGHT-OF-WAY LINE OF AMERICAN BOULEVARD, A VARIABLE WIDTH RIGHT-OF-WAY;

THENCE, NORTH 01°04'49" WEST, ALONG AND WITH AN EAST LINE OF SAID 3.09 ACRE TRACT OF LAND AND THE EAST RIGHT-OF-WAY LINE OF SAID AMERICAN BOULEVARD, AT A DISTANCE OF 747.99 FEET, PASSING THE MOST NORTHERLY NORTHEAST CORNER OF SAID 3.09 ACRE TRACT OF LAND, THE SAME BEING THE MOST SOUTHERLY SOUTHEAST CORNER OF A 3.434 ACRE TRACT OF LAND DESCRIBED A PARCEL 4B, PART 1, RW 8002-1-4, 12-29-71 AS RECORDED IN VOLUME 5474, PAGE 96, D.R.T.C.T., AND CONTINUING ALONG AND WITH THE EASTERLY LINE OF SAID 3.434 ACRE TRACT OF LAND AND THE EAST RIGHT-OF-WAY LINE OF SAID AMERICAN BOULEVARD FOR A TOTAL DISTANCE OF 779.49 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 990,501.298, EASTING 408,249.181) FOR CORNER;

THENCE, ALONG AND WITH THE EAST LINE OF SAID 3.434 ACRE TRACT OF LAND AND THE EAST LINE OF SAID AMERICAN BOULEVARD, THE FOLLOWING THREE COURSES;

NORTH 49°48'11" EAST, A DISTANCE OF 148.21 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 990,596.956, EASTING 408,362.389) FOR CORNER;

NORTH 01°04'49" WEST, A DISTANCE OF 723.01 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 991,319.837, EASTING 408,348.757) FOR CORNER;

NORTH 44°15'11" EAST, A DISTANCE OF 71.15 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 991,370.797, EASTING 408,398.405) FOR CORNER, BEING IN THE SOUTH LINE OF A 2.447 ACRE TRACT OF LAND DESCRIBED IN DEED FROM TARRANT LAND COMPANY TO THE STATE OF TEXAS IN DEED RECORDED IN VOLUME 4268, PAGE 657, DRTCT, THE SAME BEING THE SOUTH RIGHT OF WAY LINE OF STATE HIGHWAY, 183, A VARIABLE WIDTH RIGHT OF WAY;

THENCE, NORTH 89°27'09" EAST, ALONG AND WITH THE SOUTH LINE OF SAID 2.447 ACRE TRACT AND THE SOUTH RIGHT OF WAY LINE OF SAID STATE HIGHWAY 183, A DISTANCE OF 219.27 FEET TO A CONCRETE TXDOT HIGHWAY MONUMENT FOUND (DFW SURFACE 88 COORDINATE - NORTHING 991,372.893, EASTING 408,617.661) FOR THE MOST WESTERLY CORNER OF A 0.454 ACRE TRACT OF LAND, DESCRIBED AS PARCEL 4B, PART 2, RW 8002-1-4, 12-29-71 IN DEED FROM AMERICAN AIRLINES, INC, TO THE STATE OF TEXAS AS RECORDED IN VOLUME 5474, PAGE 96, DRTCT, SAID CORNER BEING A POINT ON A NON-TANGENT CURVE TO THE RIGHT;

THENCE, ALONG AND WITH THE SOUTHERLY LINE OF SAID 0.454 ACRE TRACT OF LAND AND THE SOUTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY 183, THE FOLLOWING TWO COURSES;

SOUTHEASTERLY, ALONG AND WITH SAID NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 2844.79 FEET, A CENTRAL ANGLE OF 10° 03' 00", A LONG CHORD THAT BEARS SOUTH 85° 27' 52" EAST, 500.00 FEET, AN ARC DISTANCE OF 500.65 FEET TO A CONCRETE TXDOT HIGHWAY MONUMENT FOUND (DFW SURFACE 88 COORDINATE - NORTHING 991,333.354, EASTING 409,116.096) FOR CORNER;

SOUTH 80° 25' 22" EAST, A DISTANCE OF 205.73 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 991,299.126, EASTING 409,318.959) FOR THE SOUTHEAST CORNER OF SAID 0.454 ACRE TRACT, THE SAME BEING THE SOUTHWEST CORNER OF A 0.709 ACRE TRACT OF LAND, DESCRIBED AS PARCEL 4C, PART 1 RW 8002-1-4 1-11-72 IN DEED FROM AMERICAN AIRLINES, INC, TO THE STATE OF TEXAS, AS RECORDED IN VOLUME 5561, PAGE 389, DRTCT;

THENCE, ALONG AND WITH THE SOUTHERLY LINE OF SAID 0.709 ACRE TRACT OF LAND AND THE SOUTH RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY 183, THE FOLLOWING TWO COURSES;

SOUTH 80° 25' 22" EAST, A DISTANCE OF 337.97 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 991,242.896, EASTING 409,652.219) FOR A POINT OF CURVATURE OF A CURVE TO THE RIGHT;

SOUTHEASTERLY, ALONG AND WITH SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 1412.49 FEET, A CENTRAL ANGLE OF 11° 03' 34", A LONG CHORD THAT BEARS SOUTH 74° 53' 35" EAST, 272.21 FEET, AN ARC DISTANCE OF 272.63 FEET TO A CONCRETE TXDOT HIGHWAY MONUMENT FOUND (DFW SURFACE 88 COORDINATE - NORTHING 991,171.953, EASTING 409,915.018) FOR A NON-TANGENT POINT FOR THE MOST SOUTHEASTERLY CORNER OF SAID 0.709 ACRE TRACT;

THENCE, SOUTH 65° 50' 10" EAST, CONTINUING ALONG AND WITH THE SOUTHERLY RIGHT OF-WAY LINE OF SAID STATE HIGHWAY 183, A DISTANCE OF 173.55 FEET TO A BRASS TXDOT HIGHWAY MONUMENT IN CONCRETE FOUND (HELD FOR ROTATION) (DFW SURFACE 88 COORDINATE - NORTHING 991,100.912, EASTING 410,073.560) FOR THE MOST NORTHERLY CORNER OF A 2.826 ACRE TRACT OF LAND, DESCRIBED AS PARCEL 4C, PART 2, RW 8002-1-4, 3-21-72 IN DEED FROM AMERICAN AIRLINES, INC, TO THE STATE OF TEXAS, AS RECORDED IN DEED VOL 5561, PAGE 389, DRTCT, SAID CORNER BEING A NON-TANGENT POINT ON A CURVE TO THE RIGHT;

THENCE ALONG AND WITH THE WESTERLY LINE OF SAID 2.826 ACRE TRACT AND THE SOUTHWESTERLY RIGHT-OF-WAY OF STATE HIGHWAY 183, THE SAME BEING THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 360, THE FOLLOWING SIX COURSES;

SOUTHEASTERLY, ALONG AND WITH SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 1412.40 FEET, A CENTRAL ANGLE OF 60° 40' 53", A LONG CHORD THAT BEARS SOUTH 61° 58' 27" EAST, 16.80 FEET, AN ARC DISTANCE OF 16.80 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 991,093.018, EASTING 410,088.090) FOR A POINT OF COMPOUND CURVATURE OF A CURVE TO THE RIGHT;

SOUTHEASTERLY, ALONG AND WITH SAID CURVE TO THE LEFT, HAVING A RADIUS OF 696.20 FEET, A CENTRAL ANGLE OF 60° 50' 37", A LONG CHORD THAT BEARS SOUTH 31° 12' 42" EAST, 705.06 FEET, AN ARC DISTANCE OF 739.31 FEET TO A BRASS TXDOT HIGHWAY MONUMENT IN CONCRETE FOUND (DFW SURFACE 88 COORDINATE - NORTHING 990,490.0150 EASTING 410,453.552) FOR THE POINT OF TANGENCY;

SOUTH 00° 47' 23" EAST, A DISTANCE OF 146.90 FEET TO BRASS TXDOT HIGHWAY MONUMENT IN CONCRETE FOUND (DFW SURFACE 88 COORDINATE - NORTHING 990,143.143, EASTING 410,458.334) FOR CORNER;

SOUTH 04° 54' 37" WEST, A DISTANCE OF 100.50 FEET TO A BRASS TXDOT HIGHWAY MONUMENT IN CONCRETE FOUND (DFW SURFACE 88 COORDINATE - NORTHING 990,043.012, EASTING 410,449.731) FOR CORNER;

SOUTH 00° 47' 23" EAST, A DISTANCE OF 135.00 FEET TO A BRASS TXDOT HIGHWAY MONUMENT IN CONCRETE FOUND (BASE HELD FOR ROTATION) (DFW SURFACE 88 COORDINATE - NORTHING 989,908.025, EASTING 410,451.592) FOR CORNER;

SOUTH 1 61° 39' 37" WEST, A DISTANCE OF 100.98 FEET TO THE POINT OF BEGINNING, CONTAINING 70.821 ACRES OF LAND, MORE OR LESS.

BASIS OF BEARING:

DFW SURFACE 88 COORDINATES WERE ESTABLISHED USING GLOBAL POSITIONING SYSTEMS (GPS) TECHNOLOGY. THE BASIS FOR THE GPS NETWORK ARE THE MONUMENTS LISTED BELOW.

DFW GEODETIC CONTROL MONUMENTS BASED ON TEXAS NORTH CENTRAL STATE PLANE NAD 83 (1986). COORDINATES VALUES HAVE BEEN CONVERTED TO THE DFW SURFACE 88 SYSTEM.

| | | | |
|-------------------------------------|---------------|----------|---------------|
| GPS-39 | | GPS-35 | |
| NORTHING | 1,011,611.380 | NORTHING | 1,019,005.354 |
| EASTING | 411,009.347 | EASTING | 424,704.988 |
| COMBINED SCALE FACTOR = 0.999850148 | | | |

TO CONVERT DFW SURFACE 88 COORDINATES TO NAD 83 COORDINATES:

(NORTHING + 6,000,000) X COMBINED SCALE FACTOR = STATE PLANE COORDINATES
(EASTING + 2,000,000) X COMBINED SCALE FACTOR = STATE PLANE COORDINATES

**PARCEL IN BETWEEN FAA BOULEVARD AND TRINITY BOULEVARD
167.565ACRE TRACT**

BEING A 167.565ACRE TRACT OF LAND, SITUATED IN THE VINCENT J HUTTON SURVEY, ABSTRACT NO. 681, TARRANT COUNTY, TEXAS, AND THE WILLIAM G MATTHEWS SURVEY, ABSTRACT NO. 1052, TARRANT COUNTY, TEXAS, SAID 167.565ACRE TRACT OF LAND BEING A PORTION OF THAT CERTAIN TRACT OF LAND KNOWN AS THE DALLAS FORT WORTH INTERNATIONAL AIRPORT, COMPRISED IN PART BY THE FOLLOWING TRACTS: A PORTION OF A 45.374 ACRE TRACT OF LAND DESCRIBED AS PLOT B- STEWARDESS COLLEGE SITE IN A DEED FROM THE CITY OF FORT WORTH TO THE DALLAS-FORT WORTH REGIONAL AIRPORT BOARD AS RECORDED IN VOLUME 6653 PAGE 863 OF THE DEED RECORD OF TARRANT COUNTY, TEXAS (DRTCT) AND ALL OF LOT 1 BLOCK 2 AND LOT 1, BLOCK 3 OF THE FINAL PLAT OF BLOCKS 2 AND 3, AMERICAN AIRLINES ADDITION, AN ADDITION TO TARRANT COUNTY, TEXAS, AS RECORDED IN VOLUME 388-133 PAGE 60 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS. SAID 167.565ACRE TRACT OF LAND BEING DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,800.094, EASTING 410,363.661) FOR THE POINT OF INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF STATE HIGHWAY 360, A VARIABLE WIDTH RIGHT-OF-WAY, AND THE SOUTH LINE OF A 2.411ACRE TRACT OF LAND, HEREAFTER REFERRED TO AS "FAA BOULEVARD", DESCRIBED AS A PARCEL FOR PUBLIC STREET USE, 60 FOOT WIDE RIGHT-OF-WAY IN DEED FROM THE UNITED STATES OF AMERICA TO THE CITY OF FORT WORTH AS RECORDED IN VOLUME 5531, PAGE 89, DRTCT THE SAME BEING THE MOST NORTHWESTERLY CORNER OF A 1.861 ACRE TRACT OF LAND DESCRIBED AS PARCEL 136, RW 8002-1-24, 12-29-71 IN DEED FROM THE CITY OF FORT WORTH, A MUNICIPAL CORPORATION TO THE STATE OF TEXAS AS RECORDED IN VOLUME 5530, PAGE 221 D.R.T.C.T., FROM WHICH A TXDOT BRASS DISK IN CONCRETE (DISTURBED) FOUND BEARS SOUTH 28°55'11" WEST, A DISTANCE OF 2.89 FEET;

THENCE, LEAVING THE SOUTH RIGHT-OF-WAY LINE OF SAID FAA BOULEVARD, ALONG AND WITH THE WESTERLY RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY 360 AND THE WESTERLY LINE OF SAID 1.861 ACRE TRACT, THE FOLLOWING SEVEN COURSES:

SOUTH 59°57'21" EAST, A DISTANCE OF 104.84 FEET TO A TXDOT BRASS DISK IN CONCRETE FOUND (DFW SURFACE 88 COORDINATE - NORTHING 989,747.607, EASTING 410,454.411) FOR POINT ON A NON-TANGENT CURVE TO THE LEFT;

SOUTHEASTERLY, ALONG AND WITH SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 1462.40 FEET, A CENTRAL ANGLE OF 3°55'05", A LONG CHORD THAT BEARS SOUTH 07°26'48" EAST, 296.03 FEET, AN ARC DISTANCE OF 296.54 FEET TO A TXDOT BRASS DISK IN CONCRETE FOUND (DFW SURFACE 88 COORDINATE - NORTHING 989,454.071, EASTING 410,492.778) FOR A POINT OF TANGENCY;

SOUTH 13°15'21" EAST, A DISTANCE OF 289.54 FEET A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,172.246, EASTING 410,539.170) FOR CORNER; , FROM WHICH, AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND BEARS NORTH 07°26'03" WEST, A DISTANCE OF 10.46 FEET;

SOUTH 05°26'39" WEST, A DISTANCE OF 101.64 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,071.064, EASTING 410,549.527) FOR CORNER;

SOUTH 16°47'21" EAST, A DISTANCE OF 68.04 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,005.925, EASTING 410,569.180) FOR CORNER;

SOUTH 37°32'21" EAST, A DISTANCE OF 57.26 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 988,960.521, EASTING 410,604.069) FOR CORNER FROM WHICH, AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND BEARS NORTH 05°48'11" WEST, A DISTANCE OF 10.59 FEET;

SOUTH 02°47'21" EAST, A DISTANCE OF 106.05 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 988,854.597, EASTING 410,609.229) FOR THE MOST SOUTHERLY CORNER OF SAID 1.861 ACRE TRACT, FROM WHICH, AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND BEARS NORTH 03°24'05" WEST, A DISTANCE OF 10.65 FEET;

THENCE, SOUTH 00°51'54" EAST, CONTINUING ALONG AND WITH WESTERLY RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY 360, A DISTANCE OF 1000.00 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 987,854.712, EASTING 410,624.328) FOR THE MOST NORTHERLY CORNER OF A 5.403 ACRE TRACT OF LAND DESCRIBED AS PARCEL 137, RW 8002-1-24, 4-7-72 AS RECORDED IN VOLUME 5268, PAGE 929, D.R.T.C.T., FROM WHICH A 1/2 INCH IRON ROD FOUND BEARS SOUTH 82°07'58" EAST, A DISTANCE OF 0.54 FEET;

THENCE, CONTINUING ALONG AND WITH THE WESTERLY RIGHT-OF-WAY LINE OF SAID STATE HIGHWAY 360 AND THE WESTERLY LINE OF SAID 5.403 ACRE TRACT, THE FOLLOWING TWELVE COURSES:

SOUTH 34°10'41" WEST, A DISTANCE OF 61.03 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 987,804.222, EASTING 410,590.043) FOR CORNER, FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS SOUTH 82°40'23" EAST, A DISTANCE OF 0.63 FEET;

SOUTH 00°48'19" EAST, A DISTANCE OF 150.00 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 987,654.237, EASTING 410,592.151) FOR CORNER;

SOUTH 14°50'19" EAST, A DISTANCE OF 103.08 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 987,554.595, EASTING 410,618.55) FOR CORNER;

SOUTH 00°48'19" EAST, A DISTANCE OF 100.00 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 987,454.605, EASTING 410,619.955) FOR CORNER, FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS NORTH 86°54'05" EAST, A DISTANCE OF 0.30 FEET;

SOUTH 15°53'41" WEST, A DISTANCE OF 104.40 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 987,354.196, EASTING 410,591.363) FOR CORNER, FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS NORTH 51°10'59" EAST, A DISTANCE OF 0.32 FEET

SOUTH 02°31'41" WEST, A DISTANCE OF 601.02 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 986,753.761, EASTING 410,564.852) FOR CORNER, FROM WHICH A ONE INCH IRON ROD FOUND BEARS NORTH 71°49'05" EAST, A DISTANCE OF 3.05 FEET;

SOUTH 01°05'41" WEST, A DISTANCE OF 300.17 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE - NORTHING 986,453.646, EASTING 410,559.116) FOR CORNER;

SOUTH 02°57'41" WEST, A DISTANCE OF 182.83 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE - NORTHING 986,271.060, EASTING 410,549.670) FOR CORNER;

SOUTH 43°25'41" WEST, A DISTANCE OF 73.34 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 986,217.798, EASTING 410,499.253) FOR CORNER;

SOUTH 86°15'41" WEST, A DISTANCE OF 119.85 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 986,209.983, EASTING 410,379.658) FOR CORNER;

NORTH 82°01'19" WEST, A DISTANCE OF 372.53 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE - NORTHING 986,261.689, EASTING 410,010.734) FOR CORNER;

SOUTH 87°48'41" WEST, A DISTANCE OF 100.67 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 986,257.844, EASTING 409,910.139) FOR THE MOST WESTERLY NORTHWEST CORNER OF THE SAID 5.403 ACRE TRACT, SAID CORNER BEING IN THE NORTH RIGHT-OF-WAY OF TRINITY BOULEVARD, A VARIABLE WIDTH ROW, FROM WHICH, A 1/4 INCH IRON ROD FOUND BEARS SOUTH 78° 52'11" WEST, A DISTANCE OF 1.58 FEET;

THENCE, ALONG AND WITH THE NORTH RIGHT-OF-WAY LINE OF SAID TRINITY BOULEVARD, THE FOLLOWING SIX COURSES:

NORTH 84°09'12" WEST, A DISTANCE OF 245.37 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE - NORTHING 986,282.839, EASTING 409,666.047) NON-TANGENT POINT ON A CURVE TO THE RIGHT;

NORTHWESTERLY, ALONG AND WITH SAID NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 1372.00 FEET, A CENTRAL ANGLE OF 04°21'20", A LONG CHORD THAT BEARS NORTH 70° 41'15" WEST, 104.27 FEET, AN ARC DISTANCE OF 104.30 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE - NORTHING 986,317.323, EASTING 409,567.645) FOR A POINT OF TANGENCY;

NORTH 68°50'35" WEST, A DISTANCE OF 146.34 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE - NORTHING 986,370.933, EASTING 409,431.482) TO A POINT OF CURVATURE OF A CURVE TO THE LEFT;

SOUTHWESTERLY, ALONG AND WITH SAID CURVE TO THE LEFT, HAVING A RADIUS OF 1428.00 FEET, A CENTRAL ANGLE OF 54°27'23", A LONG CHORD THAT BEARS SOUTH 84°15'44" EAST, 1306.72 FEET, AN ARC DISTANCE OF 1357.23 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 986,240.289, EASTING 408,131.308) FOR A POINT OF TANGENCY, FROM WHICH A 5/8 INCH IRON ROD CAPPED "K.H.A." FOUND BEARS NORTH 05°06'34" EAST, A DISTANCE OF 0.57 FEET;

SOUTH 57°02'02" WEST, A DISTANCE OF 60.95 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 986,207.121, EASTING 408,080.169) FOR CORNER, FROM WHICH A 5/8 INCH IRON ROD CAPPED "K.H.A." FOUND BEARS NORTH 10°43'44" WEST, A DISTANCE OF 0.87 FEET;

SOUTH 88°43'45" WEST, A DISTANCE OF 153.09 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 986,203.726, EASTING 407,927.116) FOR CORNER, BEING THE POINT OF INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF SAID TRINITY BOULEVARD AND THE EAST RIGHT-OF-WAY LINE OF AMERICAN BOULEVARD, A VARIABLE WIDTH ROW, SAID CORNER BEING A NON-TANGENT POINT ON A CURVE TO THE RIGHT, FROM WHICH A 5/8 INCH IRON ROD CAPPED "K.H.A." FOUND BEARS NORTH 40°10'59" WEST, A DISTANCE OF 1.22 FEET;

THENCE, ALONG AND WITH THE EASTERLY RIGHT-OF-WAY LINE OF SAID AMERICAN BOULEVARD, THE FOLLOWING SIX COURSES:

NORTHWESTERLY, ALONG AND WITH SAID NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 700.00 FEET, A CENTRAL ANGLE OF 22°23'16", A LONG CHORD THAT BEARS NORTH 11°27'24" WEST, 271.78 FEET, AN ARC DISTANCE OF 273.52 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 986,470.092, EASTING 407,873.133) FOR A POINT OF TANGENCY, FROM WHICH, AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND BEARS NORTH 32°12'30" WEST, A DISTANCE OF 1.51 FEET;

NORTH 00°15'58" WEST, A DISTANCE OF 559.74 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 987,029.831, EASTING 407,870.533) FOR POINT OF CURVATURE OF A CURVE TO THE RIGHT;

NORTHWESTERLY, ALONG AND WITH SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 1270.00 FEET, A CENTRAL ANGLE OF 24°59'49", A LONG CHORD THAT BEARS NORTH 12°14'09" EAST, 549.69 FEET, AN ARC DISTANCE OF 554.07 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 987,567.032, EASTING 407,987.033) FOR A POINT OF TANGENCY, FROM WHICH, AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND BEARS NORTH 06°02'41" WEST, A DISTANCE OF 0.76 FEET;

NORTH 23°56'04" EAST, A DISTANCE OF 452.54 FEET (429.79 FEET RECORD) TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 987,980.657, EASTING 408,170.624) FOR POINT OF CURVATURE OF A CURVE TO THE RIGHT, FROM WHICH, AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND BEARS SOUTH 23°37'06" EAST, A DISTANCE OF 22.05 FEET;

NORTHEASTERLY, ALONG AND WITH SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 1344.00 FEET, A CENTRAL ANGLE OF 25°00'53" (29°49'19" RECORD), A LONG CHORD THAT BEARS NORTH 11°25'37" EAST, 582.13 FEET, AN ARC DISTANCE OF 586.78 FEET (605.71 FEET RECORD) TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 988,551.246, EASTING 408,285.955) FOR A POINT OF TANGENCY, FROM WHICH, AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND BEARS SOUTH 09°14'35" WEST, A DISTANCE OF 3.10 FEET;

NORTH 01°04'49" WEST, A DISTANCE OF 271.06 FEET (275.48 FEET RECORD) TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 988,822.254, EASTING 408,280.844) FOR THE SOUTHWEST CORNER OF A 9.07 ACRE TRACT OF LAND DESCRIBED AS SOUTH TRACT IN DEED FROM AMERICAN AIRLINES, INC. TO THE DALLAS FORT WORTH REGIONAL AIRPORT BOARD AS RECORDED IN VOLUME 6653, PAGE 870, D.R.T.C.T.;

THENCE, NORTH 88°22'57" EAST, LEAVING THE EAST RIGHT-OF-WAY LINE OF SAID AMERICAN BOULEVARD, ALONG AND WITH THE SOUTH LINE OF SAID 9.07 ACRE TRACT OF LAND, A DISTANCE OF 471.06 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 988,835.549, EASTING 408,751.717) FOR THE SOUTHEAST CORNER OF A SAID 9.07 ACRE TRACT OF LAND, THE SAME BEING THE SOUTHWEST CORNER OF A 2.411 ACRE TRACT OF LAND DESCRIBED IN DEED FROM THE CITY OF FORT WORTH TO THE UNITED STATES OF AMERICA AS RECORDED IN VOLUME 5531, PAGE 86, D.R.T.C.T.;

THENCE, NORTH 88°51'37" EAST, ALONG AND WITH THE SOUTH LINE OF SAID 2.411 ACRE TRACT OF LAND, A DISTANCE OF 125.00 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 988,838.036, EASTING 408,876.692) FOR THE SOUTHEAST CORNER OF A SAID 2.411 ACRE TRACT OF LAND, THE SAME BEING THE SOUTHWEST CORNER OF A 13.43 ACRE TRACT OF LAND DESCRIBED IN A JUDGEMENT STYLED UNITED STATES OF AMERICA VS THE TARRANT LAND COMPANY, ET. AL., CAUSE NUMBER 10719-2725, UNITED STATES DISTRICT COURT FOR NORTHERN DISTRICT OF TEXAS, DATED FEBRUARY 16, 1960 AS RECORDED IN VOLUME 3416, PAGE 598, D.R.T.C.T.;

THENCE, NORTH 88°51'37" EAST, ALONG AND WITH THE SOUTH LINE OF SAID 14.34 ACRE TRACT OF LAND, A DISTANCE OF 650.00 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 988,850.965, EASTING 409,526.563) FOR THE SOUTHEAST CORNER OF SAID 13.43 ACRE TRACT OF LAND;

THENCE, NORTH 01°08'23" WEST, ALONG AND WITH THE EAST LINE OF SAID 14.34 ACRE TRACT OF LAND, A DISTANCE OF 844.24 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,695.041, EASTING 409,509.770) FOR CORNER, BEING IN THE SOUTH RIGHT-OF-WAY LINE OF THE AFOREMENTIONED FAA BOULEVARD, A 60 FOOT RIGHT-OF-WAY;

THENCE, ALONG AND WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID FAA BOULEVARD, THE FOLLOWING FIVE COURSES:

NORTH 88°28'39" EAST, A DISTANCE OF 262.45 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,702.015, EASTING 409,772.130) FOR THE POINT OF CURVATURE OF A CURVE TO THE LEFT, FROM WHICH A 5/8 INCH IRON ROD CAPPED "K.I.A." FOUND BEARS SOUTH 27°33'00" WEST, A DISTANCE OF 0.47 FEET, AND 5/8 INCH IRON ROD FOUND BEARS SOUTH 63° 47' 37" WEST, A DISTANCE OF 1.02 FEET;

NORTHEASTERLY, ALONG AND WITH SAID CURVE TO THE LEFT, HAVING A RADIUS OF 779.33 FEET, A CENTRAL ANGLE OF 15°13'00", A LONG CHORD THAT BEARS NORTH 80°52'09" EAST, 206.37 FEET, AN ARC DISTANCE OF 206.98 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,734.763, EASTING 409,975.883) FOR A POINT OF TANGENCY;

NORTH 73°15'39" EAST, A DISTANCE OF 114.64 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,767.782, EASTING 410,085.665) FOR THE POINT OF CURVATURE OF A CURVE TO THE RIGHT, FROM WHICH A 5/8 INCH IRON ROD CAPPED "K.H.A." FOUND BEARS SOUTH 20°45'51" WEST, A DISTANCE OF 0.57 FEET;

NORTHEASTERLY, ALONG AND WITH SAID CURVE TO THE RIGHT, HAVING A RADIUS OF 715.14 FEET, A CENTRAL ANGLE OF 15°19'00", A LONG CHORD THAT BEARS NORTH 80°55'09" EAST, 190.61 FEET, AN ARC DISTANCE OF 191.18 FEET TO A 5/8 INCH IRON ROD CAPPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE - NORTHING 989,797.865, EASTING 410,273.823) FOR A POINT OF TANGENCY, FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS SOUTH 47°35'47" WEST, A DISTANCE OF 1.30 FEET;

NORTH 88°34'39" EAST, A DISTANCE OF 89.81 FEET TO THE POINT OF BEGINNING, AND CONTAINING 167.565 ACRES OF LAND, MORE OR LESS.

BASIS OF BEARING:

DFW SURFACE 88 COORDINATES WERE ESTABLISHED USING GLOBAL POSITIONING SYSTEMS (GPS) TECHNOLOGY. THE BASIS FOR THE GPS NETWORK ARE THE MONUMENTS LISTED BELOW.

DFW GEODETIC CONTROL MONUMENTS BASED ON TEXAS NORTH CENTRAL STATE PLANE NAD 83 (1986). COORDINATE VALUES HAVE BEEN CONVERTED TO THE DFW SURFACE 88 SYSTEM.

| | | | |
|-------------------------------------|---------------|----------|---------------|
| GPS-39 | | GPS-35 | |
| NORTHING | 1,011,611.380 | NORTHING | 1,019,005.354 |
| EASTING | 411,809.347 | EASTING | 424,704.988 |
| COMBINED SCALE FACTOR - 0.999850148 | | | |

TO CONVERT DFW SURFACE 88 COORDINATES TO NAD 83 COORDINATES:

(NORTHING + 6,000,000) X COMBINED SCALE FACTOR = STATE PLANE COORDINATES
(EASTING + 2,000,000) X COMBINED SCALE FACTOR = STATE PLANE COORDINATES

**PARCEL TO THE SOUTH OF TRINITY BOULEVARD
29.790ACRE TRACT**

BEING A 29.790ACRE TRACT OF LAND SITUATED IN THE J. BURNETT SURVEY, ABSTRACT NUMBER 178, TARRANT COUNTY, TEXAS, AND SAID 29.790ACRE TRACT BEING A PORTION OF THAT CERTAIN TRACT OF LAND KNOWN AS DALLAS/FORT WORTH INTERNATIONAL AIRPORT, COMPRISED IN PART BY A 34.803 ACRE TRACT OF LAND DESCRIBED AS SOUTH TRACT IN A DEED FROM AMERICAN AIRLINES, INC TO THE DALLAS-FORT WORTH REGIONAL AIRPORT BOARD AS RECORDED IN VOLUME 6653, PAGE 836 OF THE DEED RECORDS OF TARRANT COUNTY, TEXAS (D.R.T.C.T.); SAID 29.790ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS;

BEGINNING AT A 1/2 INCH IRON ROD CAPPED "BRITTAIN CRAWFORD" FOUND (DFW SURFACE 88 COORDINATE-NORTHING 986,041.317, EASTING 410,212.732) FOR THE NORTHEAST CORNER OF LOT 2, BLOCK 1 OF THE TRINITY/360 ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, AS RECORDED IN CABINET A, SLIDE 2590 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS, SAID CORNER BEING IN THE SOUTH RIGHT-OF-WAY LINE OF TRINITY BOULEVARD (A VARIABLE WIDTH ROW);

THENCE, SOUTH 78°57'10" EAST, ALONG AND WITH THE SOUTH RIGHT-OF-WAY LINE OF SAID TRINITY BOULEVARD, A DISTANCE OF 172.94 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 986,008.179, EASTING 410,382.468) FOR CORNER, SAID CORNER BEING AN ANGLE POINT IN THE WESTERLY LINE OF A 5.403 ACRE TRACT OF LAND DESCRIBED A PARCEL 137, RW 8002-1-24, 4-7-72 IN DEED FROM THE CITY OF FORT WORTH TO THE STATE OF TEXAS AS RECORDED IN VOLUME 5268, PAGE 929, D.R.T.C.T., SAID CORNER ALSO BEING IN THE WESTERLY RIGHT-OF-WAY OF STATE HIGHWAY 360,

THENCE, ALONG AND WITH THE WESTERLY RIGHT OF LINE OF SAID STATE HIGHWAY 360 THE FOLLOWING TEN COURSES:

SOUTH 89° 53' 19" EAST, ALONG AND WITH THE WESTERLY LINE OF SAID 5.403 ACRE TRACT, A DISTANCE OF 125.34 FEET TO A 5/8 INCH IRON ROD WITH A BRASS CAP STAMPED "DFW INTERNATIONAL AIRPORT BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 986,007.935, EASTING 410,507.807), FOR CORNER;

SOUTH 48°40'19" EAST, CONTINUING ALONG AND WITH THE WESTERLY LINE OF SAID 5.403 ACRE TRACT, A DISTANCE OF 75.22 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 985,958.262, EASTING 410,564.293) FOR CORNER;

SOUTH 07°26'19" EAST, CONTINUING ALONG AND WITH THE WESTERLY LINE OF SAID 5.403 ACRE TRACT, A DISTANCE OF 11.89 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 985,946.472, EASTING 410,565.832) FOR CORNER;

SOUTH 17°41'33" EAST, LEAVING THE WESTERLY LINE OF SAID 5.403 ACRE TRACT, A DISTANCE OF 62.26 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 985,887.153, EASTING 410,584.755) FOR THE MOST NORTHWESTERLY CORNER OF A 0.640 ACRE TRACT OF LAND, DESCRIBED AS PART 2, PARCEL 138, RW 8002-1-24, 3-7-72, IN DEED FROM THE CITY OF FORT WORTH TO THE STATE OF TEXAS AS RECORDED IN VOLUME 5268, PAGE 914, D.R.T.C.T.;

SOUTH 27°10'42" EAST, ALONG AND WITH THE WESTERLY LINE OF SAID 0.640 ACRE TRACT OF LAND, A DISTANCE OF 81.25 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE-NORTHING 985,814.873, EASTING 410,621.867) FOR CORNER,

SOUTH 11°25'38" EAST, CONTINUING ALONG AND WITH THE WESTERLY LINE OF SAID 0.640 ACRE TRACT OF LAND, A DISTANCE OF 108.72 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE-NORTHING 985,708.309, EASTING 410,643.407) FOR CORNER,

SOUTH 13°25'38" EAST, CONTINUING ALONG AND WITH THE WESTERLY LINE OF SAID 0.640 ACRE TRACT OF LAND, A DISTANCE OF 108.72 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE-NORTHING 985,602.56, EASTING 410,668.653) FOR CORNER,

SOUTH 35°40'38" EAST, CONTINUING ALONG AND WITH THE WESTERLY LINE OF SAID 0.640 ACRE TRACT OF LAND, A DISTANCE OF 227.49 FEET TO AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND (DFW SURFACE 88 COORDINATE-NORTHING 985,417.767, EASTING 410,801.329) FOR A POINT ON A NON-TANGENT CURVE TO THE LEFT;

SOUTHEASTERLY, LEAVING THE WESTERLY LINE OF SAID 0.640 ACRE TRACT OF LAND, ALONG AND WITH SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 3039.79 FEET, A CENTRAL ANGLE OF 11°58'00", AND A LONG CHORD BEARING SOUTH 24°13'55" EAST, 633.73 FEET, AN ARC DISTANCE OF 634.88 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 984,839.874, EASTING 411,061.432) FOR POINT OF NON-TANGENCY, FROM WHICH A 1" IRON ROD FOUND BEARS NORTH 81°21'30" EAST, A DISTANCE OF 0.85 FEET;

SOUTH 30°10'59" EAST, A DISTANCE OF 460.67 FEET TO A 1 INCH IRON ROD FOUND (DFW SURFACE 88 COORDINATE-NORTHING 984,441.660, EASTING 411,293.041) THE SOUTHEAST CORNER OF THE AFOREMENTIONED 34.803 ACRE TRACT OF LAND, SAID CORNER BEING IN THE NORTH RIGHT OF WAY LINE OF A RAILROAD RIGHT-OF-WAY DESCRIBED AS TRACT 1 IN DEED FROM WILLIAM M. GIBBONS, TRUSTEE OF THE PROPERTY OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD TO THE CITY OF FORT WORTH AND THE CITY OF DALLAS AS RECORDED IN VOLUME 7726, PAGE 1848, D.R.T.C.T., SAID CORNER ALSO BEING A POINT ON A NON-TANGENT CURVE TO THE LEFT;

THENCE SOUTHWESTERLY, LEAVING THE WESTERLY RIGHT OF WAY OF SAID STATE HIGHWAY 360, ALONG AND WITH THE NORTHERLY RIGHT-OF-WAY LINE OF SAID RAILROAD RIGHT-OF-WAY AND SAID NON-TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 11,609.16 FEET, A CENTRAL ANGLE OF 05°18'07", AND A LONG CHORD BEARING SOUTH 84°53'45" WEST, 1073.89 FEET, AN ARC DISTANCE OF 1074.27 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 984,346.121, EASTING 410,223.409) FOR THE SOUTHWEST CORNER OF SAID 34.803 ACRE TRACT OF LAND, THE SAME BEING THE SOUTHEAST CORNER OF LOT 1, BLOCK 1 OF THE INTERNATIONAL AIRPORT SUBSTATION ADDITION, AN ADDITION TO THE CITY OF ARLINGTON, TARRANT COUNTY, TEXAS AS RECORDED IN VOLUME 388-213, PAGE 59 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS, FROM WHICH AN ALUMINUM MONUMENT STAMPED DFW BOUNDARY FOUND BEARS NORTH 58° 50'02" WEST, A DISTANCE OF 0.58 FEET;

THENCE, NORTH 00°45'17" WEST, ALONG AND WITH THE EAST LINE OF SAID LOT 1, BLOCK 1, A DISTANCE OF 610.46 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 984,956.528, EASTING 410,215.369) FOR THE NORTHEAST CORNER OF SAID LOT 1, BLOCK 1;

THENCE, NORTH 89°42'17" WEST, ALONG AND WITH THE NORTH LINE OF SAID LOT 1, BLOCK 1, A DISTANCE OF 383.15 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 984,958.502, EASTING 409,832.224) FOR THE NORTHWEST CORNER OF SAID LOT 1, BLOCK 1, SAID CORNER BEING ON THE EASTERLY LINE OF A 4.254 ACRE TRACT OF LAND DESCRIBED AS TRACT 5 IN A DEED FROM LOBF, L.P. TO HC LOBF ARLINGTON, LLC AS RECORDED IN D206323409 D.R.T.C.T.;

THENCE, NORTH 00°20' 31" EAST, ALONG AND WITH THE EASTERLY LINE OF SAID 4.254 ACRE TRACT, A DISTANCE OF 539.04 FEET TO A 5/8 INCH CAPPED IRON ROD STAMPED "DFW BOUNDARY" SET (DFW SURFACE 88 COORDINATE-NORTHING 985,497.536, EASTING 409,835.442) FOR THE SOUTHWEST CORNER OF LOT 1, BLOCK 1 OF THE AFOREMENTIONED TRINITY/360 ADDITION;

THENCE, SOUTH 89°35'53" EAST, LEAVING THE WESTERLY LINE OF SAID 34.803 ACRE TRACT OF LAND AND THE EASTERLY LINE OF SAID 4.254 ACRE TRACT OF LAND, ALONG AND WITH THE SOUTH LINE OF SAID LOT 1, BLOCK 1, TRINITY/360 ADDITION, AT AN APPROXIMATE DISTANCE OF 188.58 FEET, PASSING THE SOUTHEAST CORNER OF SAID LOT 1, BLOCK 1, TRINITY/360 ADDITION, THE SAME BEING THE SOUTHWEST CORNER OF LOT 2, BLOCK 1 OF SAID TRINITY/360 ADDITION, AND CONTINUING ON FOR A TOTAL DISTANCE OF 373.47 FEET TO A 1/2 INCH CAPPED IRON ROD STAMPED "BRITTIAN CRAWFORD" FOUND (DFW SURFACE 88 COORDINATE-NORTHING 985,494.916, EASTING 410,208.899) FOR THE SOUTHEAST CORNER OF SAID LOT 2, BLOCK 1;

THENCE, NORTH 00°24'07" EAST, ALONG AND WITH THE EAST LINE OF SAID LOT 2, BLOCK 1, A DISTANCE OF 546.41 FEET TO THE POINT OF BEGINNING AND CONTAINING 29.790 ACRES OF LAND, MORE OR LESS.

BASIS OF BEARING:

DFW SURFACE 88 COORDINATES WERE ESTABLISHED USING GLOBAL POSITIONING SYSTEMS (GPS) TECHNOLOGY. THE BASIS FOR THE GPS NETWORK IS THE MONUMENTS LISTED BELOW.

DFW GPODETC CONTROL MONUMENTS BASED ON TEXAS NORTH CENTRAL STATE PLANE NAD 83 (1986). COORDINATES VALUES HAVE BEEN CONVERTED TO THE DFW SURFACE 88 SYSTEM.

| | | | |
|-------------------------------------|---------------|----------|---------------|
| GPS-39 | | GPS-35 | |
| NORTHING | 1,011,611.380 | NORTHING | 1,019,005.354 |
| EASTING | 411,009.347 | EASTING | 424,704.988 |
| COMBINED SCALE FACTOR = 0.999850148 | | | |

TO CONVERT DFW SURFACE 88 COORDINATES TO NAD 83 COORDINATES:

(NORTHING + 6,000,000) X COMBINED SCALE FACTOR = STATE PLANE COORDINATES
(EASTING + 2,000,000) X COMBINED SCALE FACTOR = STATE PLANE COORDINATES

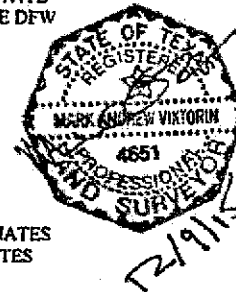


EXHIBIT B
DRAWING OF TRACTS 1 THROUGH 4

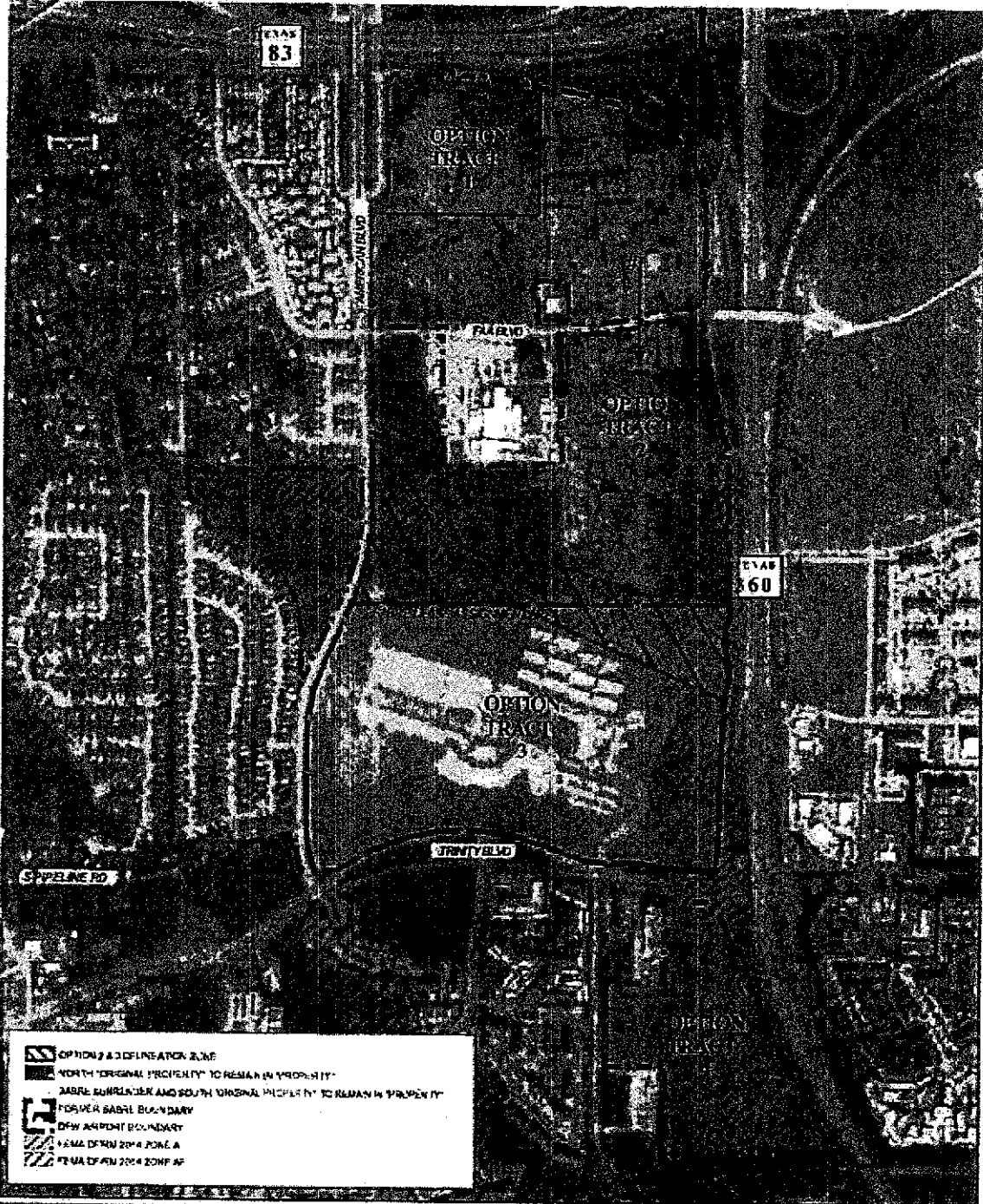


EXHIBIT C
SITE PLAN OF NEW HEADQUARTERS

The plan for the site is to construct 4 buildings ranging from 6-8 stories totaling approximately 1.3 million square feet. The site will have a structured parking garage and surface parking. Total project costs will be at least \$350,000,000 of which at least \$200,000,000 will be hard costs. A general diagram is set forth below.

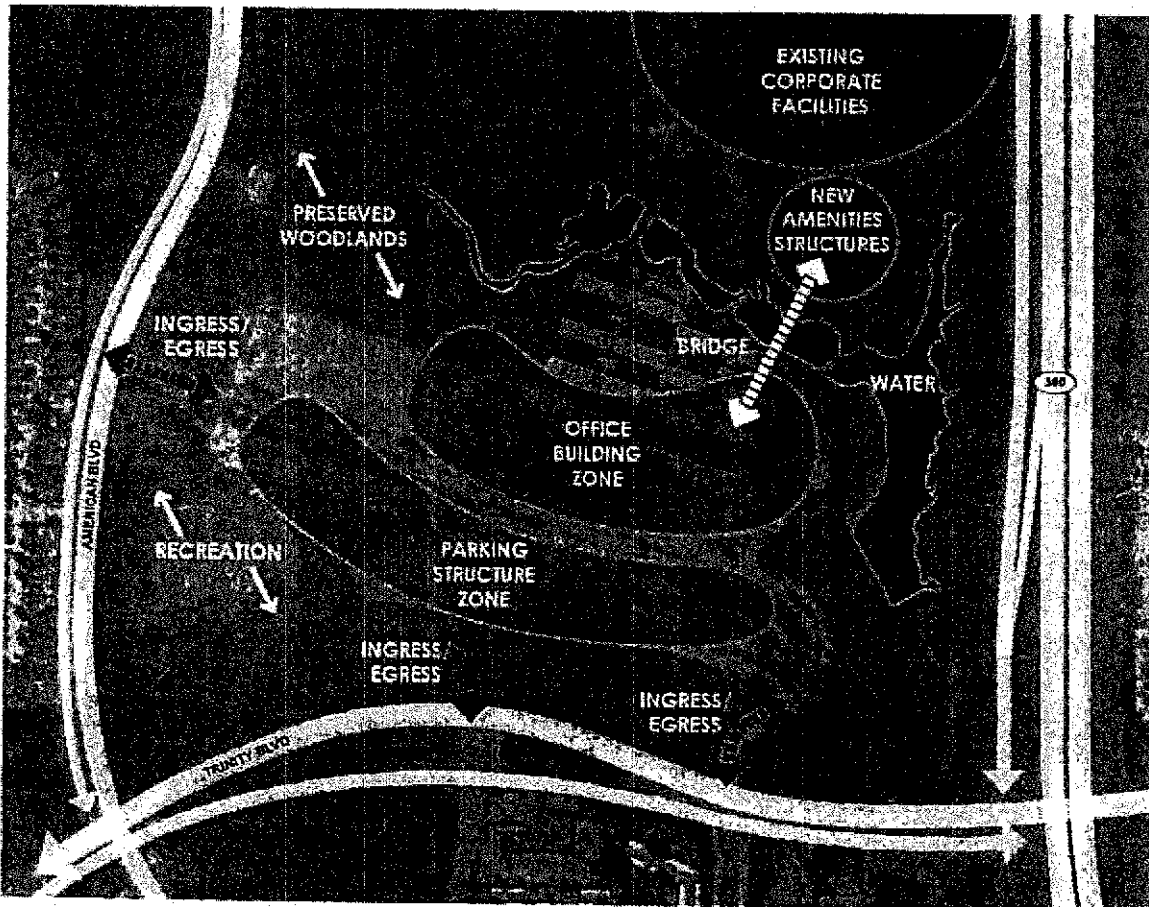


EXHIBIT D
MEMORANDUM OF LEASE

This MEMORANDUM OF LEASE concerns a lease (the "Lease") made and entered into by and between Dallas / Fort Worth International Airport (hereinafter referred to as "DFW"), and American Airlines, Inc., a Delaware corporation (hereinafter referred to as "AMERICAN").

1. DFW, in consideration of the rents reserved and agreed to be paid by AMERICAN, and of the covenants, agreements, conditions and understandings to be performed and observed by AMERICAN, all as more fully set out in the Lease, has leased to AMERICAN certain premises (the "Premises") described in Exhibit A attached hereto.

2. The term of the lease commenced in 1972 and will expire on December 31, 2114.

3. This Memorandum of Lease is intended for recordation in the real property records of Tarrant County, Texas, in order to create constructive notice of the existence of a leasehold interest in the Premises. This Memorandum of Lease is not intended to supplement or amend the Lease, and shall not be used to contradict or interpret the Lease.

4. This Lease contains provisions providing for a new lease in the event the Lease terminates in certain circumstances, and the new lease shall have a priority that is co-equal to the priority of the Lease as represented by this Memorandum of Lease. All liens, security interests and other interest in the Premises filed after the date hereof are filed subject to the provisions of any new lease.

5. **NOTHING IN THE LEASE SHALL BE DEEMED OR CONSTRUED IN ANY WAY AS CONSTITUTING THE CONSENT OR REQUEST OF DFW OR THE CITIES OF DALLAS AND FORT WORTH (COLLECTIVELY, THE "CITIES"), EXPRESS OR IMPLIED BY INFERENCE OR OTHERWISE, TO ANY CONTRACTOR, SUBCONTRACTOR, LABORER OR MATERIALMAN FOR THE PERFORMANCE OF ANY LABOR OR THE FURNISHING OF ANY MATERIALS FOR ANY SPECIFIC ALTERATION, ADDITION, IMPROVEMENT OR REPAIR THAT WOULD GIVE RISE TO THE FILING OF ANY LIEN AGAINST THE ESTATE OR INTEREST OF DFW OR THE CITIES IN AND TO THE PREMISES, NOR AS GIVING AMERICAN ANY RIGHT, POWER OR AUTHORITY TO CONTRACT FOR OR PERMIT ANY RENDERING OF ANY SERVICES OR THE**

FURNISHING OF ANY MATERIALS THAT WOULD GIVE RISE TO THE FILING OF ANY LIEN AGAINST THE ESTATE OR INTEREST OF DFW OR THE CITIES IN AND TO THE PREMISES. NOTICE IS HEREBY GIVEN THAT DFW AND THE CITIES SHALL NOT BE LIABLE FOR ANY LABOR, SERVICES OR MATERIALS FURNISHED OR TO BE FURNISHED TO AMERICAN, OR TO ANYONE HOLDING THE PREMISES THROUGH OR UNDER AMERICAN, UPON CREDIT AND THAT NO MECHANIC'S OR OTHER LIEN FOR SUCH LABOR, SERVICES OR MATERIALS SHALL ATTACH TO OR AFFECT THE ESTATE OR INTEREST OF DFW AND THE CITIES IN AND TO THE PREMISES.

IN WITNESS WHEREOF, the persons whose names appear below have affixed their signatures hereto on behalf of their respective principals as of the dates shown.

[Signatures and acknowledgements on the following pages.]

DALLAS / FORT WORTH INTERNATIONAL AIRPORT BOARD

By: _____
Sean Donohue
Chief Executive Officer

Approved as to form:

Legal Counsel for the Airport Board

Dated as of: December 17, 2015

AMERICAN AIRLINES, INC.,
a Delaware corporation

By: _____
Timothy Skipworth
Vice President Airport Affairs and Facilities

Dated as of: December 17, 2015

STATE OF TEXAS
COUNTY OF TARRANT

BEFORE ME, the undersigned Notary Public, on December ____, 2015, personally appeared Sean Donohue, known to me to be the person whose name is signed above on behalf of the Dallas/Fort Worth International Airport Board, and acknowledged that the above Memorandum of Lease is a true and correct memorandum of the Lease described herein and that he is authorized to execute this Memorandum of Lease.

Notary Public, State of Texas

STATE OF TEXAS
COUNTY OF TARRANT

BEFORE ME, the undersigned Notary Public, on December ____, 2015, personally appeared Timothy Skipworth, known to me to be the person whose name is signed above on behalf of American Airlines, Inc., a Delaware corporation, and acknowledged that the above Memorandum of Lease is a true and correct memorandum of the Lease described herein and that he is authorized to execute this Memorandum of Lease.

Notary Public, State of Texas

EXHIBIT "E"

TARRANT COUNTY TAX ABATEMENT APPLICATION



Tarrant County

Application for Tax Abatement/Reinvestment Zone

I. APPLICANT INFORMATION

Applicant/Property Owner American Airlines, Inc.
 Company/Project Name Corporate Headquarters
 Mailing Address 4333 Amon Carter Blvd., Fort Worth, Texas 76155
 Telephone (817) 931-2395 FAX: _____
 Applicant's Representative for contact regarding abatement request:
 Name and Title Chuck Allen, Managing Director - Government Affairs
 Mailing Address 4333 Amon Carter Blvd., Fort Worth, Texas 76155
 Telephone (817) 931-2395 FAX: _____

II. PROPERTY AND PROJECT DESCRIPTION

Address and legal description of property to be considered for Tax Abatement/Reinvestment Zone:
Block 1 Lot 1 American Airlines Addition, Fort Worth
 Project Description Corporate headquarters and supporting facilities housing executive and support staff for American Airlines global operations
 Description of activities, products, or services produced and/or provided at project location
Executive and administrative offices of American Airlines and related facilities
 Current Assessed Value: Real Property: \$ 5,969,974 Personal Property: \$ 0
 Estimated start date of construction/site improvements: 2016
 Projected date of occupancy/commencement of operations at project site: 2019 for main headquarters offices
 (Please indicate dates for phases if applicable) _____
 Location of existing company facilities: 4333 Amon Carter Blvd., Fort Worth, Texas 76155
 Requested level of Tax Abatement: up to 70 % of eligible property for 10 years.
 Explain why tax abatement is necessary for the success of this project. Include business pro-formas or other information to substantiate your request.
Tax abatement will make the site competitive with competing locations

III. PROJECTED VALUE OF IMPROVEMENTS

Estimated Value of Real Property Improvements \$ 200,000,000 min. Estimated Value of Personal Property Improvements \$ 150,000,000 additional real/bpp
 Will any infrastructure improvements (roads, drainage, etc.) be requested of Tarrant County for this project? Yes _____ No _____
 If yes, describe requested infrastructure improvements: Possibly a request for assistance with trail connections
 Detail any direct benefits to Tarrant County as a result of this project (i.e., inventory tax, etc.) Substantial real and personal property tax revenue from new investment for the retention of one of Tarrant County's largest employers

IV. EMPLOYMENT IMPACT AT PROJECT LOCATION

A. New Employment

Projected number of new jobs created as a result of the proposed improvements. Full Time * _____ Part Time * _____
 Provide types of jobs created and average salary levels. * _____
 Start date and annual payroll of new permanent positions (if positions to be phased in, provide figures for each phase year. * _____
 Percentage of new jobs to be filled by Tarrant County residents: * _____
 Number of employees transferring from other company locations: *This project is primarily a job retention. Expansion anticipated in the future

IV. EMPLOYMENT IMPACT AT PROJECT LOCATION (cont)

B. Construction Related Employment

Projected number of construction related jobs: estimated at 3,000
Estimated total construction payroll: \$120,000,000
Commitment as to percentage of construction dollars to be spent with Tarrant County contractors or subcontractors: \$50,000,000
Commitment as to percentage and total dollars of construction contracts to be awarded to DBE: \$25,000,000

C. Current Company/Project Location Employment

Current Number of Employees: Full Time ** Part Time ** (**4,279 full and full time equivalent)
Average annual payroll: \$76,000 excluding senior executives
Detail on workforce diversity - percentage breakdown of current employees by gender and ethnicity: see attached

D. Company Sponsored Health Care Benefits Are Available

Full Time Employees X Part Time Employees X Employee Dependents X Not Available _____
Average monthly employee cost for health care benefits Individual \$ *** Family \$ ***
Other employee benefits provided or offered: *** (see attached)

V. LOCAL BUSINESS & DISADVANTAGED BUSINESS ENTERPRISES (DBE) IMPACT

Estimated amount of annual supply and services expenses: \$ 1,000,000
Detail any supply/services expenses that are sole source: not determined
Percentage of total supplier/services expenses committed to Tarrant County businesses \$750,000/year %
Percentage of total supplier and services expenses committed to DBE: \$350,000/year %

VI. ENVIRONMENTAL IMPACT OF THE PROJECT

Indicate if development, construction, equipment, distribution methods, or operational processes may impact the environment in the following areas:
(Attach detail if necessary) Air quality _____ Water Quality _____ Solid Waste Disposal _____
Storm/Water Runoff X Floodplain/Wetlands X Noise levels _____ Other (specify) _____
Provide detail on existing and new fleet vehicles, specifying types of vehicles, quantities and fuel used (gasoline, diesel, LP gas, CNG, etc.) _____
The project does not involve a vehicle fleet. Mitigation is anticipated for environmental impacts.

VII. ADDITIONAL INFORMATION (to be attached)

- X Letter addressing Economic Qualifications and additional criteria for abatement, Section III (h) and (i) of Tarrant County Tax Abatement Policy.
- X Descriptive list and value of real and personal property improvements
- X Plat/Map of Project Location
- X Project Time Schedule
- X Owner's policy regarding use of Disadvantaged Business Enterprises
- X Owner's policy addressing regional air quality/non-attainment status (use of alternative fuels, employee trip reduction, etc.) and plan for participation in regional Ozone Action Program.
- X Tax certificate showing property taxes paid for most recent year.

Upon receipt of a completed application, Tarrant County may require such financial and other information as may be deemed appropriate for evaluating the financial capacity and other factors of the applicant.

I certify the information contained in this application (including all attachments) to be true and correct to the best of my knowledge. I further certify that I have read the "Tarrant County Tax Abatement Policy" and agree to comply with the guidelines and criteria stated therein.

Signature: Timothy K. Skipworth Title: Vice President Airport Affairs & Facilities
Printed Name: _____ Date: _____

Return completed application and attachments to:

Economic Development Coordinator
Tarrant County Administrator's Office
100 E. Weatherford Street, Suite 404
Fort Worth, Texas 76196-0609

NOTE: As per Section IV (f) of the Tarrant County Tax Abatement Policy Guidelines and Criteria, this application must be filed prior to commencement of construction or installation of improvements in order to be eligible for County tax abatement

For assistance call. 817-884-2643

Employee Health Care Program Costs and Benefits
Additional Benefits

2016 American Airlines Benefits Program Management & Support Staff

Medical

| | STANDARD | | CORE | | VALUE | |
|--|-----------------------------------|-------------------------------|-----------------------|-----------------------|-----------------------------------|-------------------------------|
| | IN-NETWORK | OUT-OF-NETWORK | IN-NETWORK | OUT-OF-NETWORK | IN-NETWORK | OUT-OF-NETWORK |
| Deductible | | | | | | |
| Individual | \$800 | \$3,000 | \$2,000 | \$4,000 | \$350 | \$1,550 |
| Family | \$2,400 | \$9,000 | \$4,000 ¹ | \$8,000 ¹ | \$1,050 | \$4,650 |
| Out-of-Pocket Maximum | | | | | | |
| | (does not include deductible) | (does not include deductible) | (includes deductible) | (includes deductible) | (does not include deductible) | (does not include deductible) |
| Individual | \$2,000 | \$6,000 | \$4,000 | \$12,000 | \$2,000 | \$6,000 |
| Family | \$5,000 | \$15,000 | \$8,000 ² | \$24,000 | \$5,000 | \$15,000 |
| What You Pay (after deductible, except where noted) | | | | | | |
| Preventive Care | \$0 (no deductible) | 40% | \$0 (no deductible) | 40% | \$0 (no deductible) | 40% |
| PCP Visit | \$30 ³ (no deductible) | 40% | 20% | 40% | \$20 ³ (no deductible) | 40% |
| General Hospitalization | 20% | 40% | 20% | 40% | 20% | 40% |
| Specialist and Urgent Care | 20% | 40% | 20% | 40% | \$40 ³ (no deductible) | 40% |
| Emergency Room | \$100 ⁴ + 20% | \$100 ⁴ + 20% | 20% | 40% | \$100 ⁴ + 20% | \$100 ⁴ + 20% |

- ¹ If more than one person is covered, the family deductible must be met.
- ² There is an individual out-of-pocket maximum of \$6,000.
- ³ Copays do not count toward the deductible.
- ⁴ Copay is waived if admitted.

Prescription Drugs

| | STANDARD | | CORE | | VALUE | |
|-------------------------------|--------------------------|--------------------------|------------------------|------------------------|--------------------------|-------------------------|
| | IN-NETWORK | OUT-OF-NETWORK | IN-NETWORK | OUT-OF-NETWORK | IN-NETWORK | OUT-OF-NETWORK |
| What You Pay | | | | | | |
| Generic | 20% (\$10 min/\$40 max) | 20% (\$10 min/\$40 max) | 20% (after deductible) | 40% (after deductible) | 20% (\$10 min/\$40 max) | 20% (\$10 min/\$40 max) |
| Preferred ¹ | 30% (\$30 min/\$100 max) | 30% (\$30 min/\$100 max) | 20% (after deductible) | 40% (after deductible) | 30% (\$20 min/\$75 max) | 30% (\$20 min/\$75 max) |
| Non-Preferred ¹ | 50% (\$45 min/\$150 max) | 50% (\$45 min/\$150 max) | 20% (after deductible) | 40% (after deductible) | 50% (\$35 min/\$90 max) | 50% (\$35 min/\$90 max) |
| Mail Order² | | | | | | |
| Generic | 20% (\$5 min/\$80 max) | Not covered | 20% (after deductible) | Not covered | 20% (\$35 min/\$90 max) | Not covered |
| Preferred ¹ | 30% (\$60 min/\$200 max) | Not covered | 20% (after deductible) | Not covered | 30% (\$40 min/\$100 max) | Not covered |
| Non-Preferred ¹ | 50% (\$90 min/\$300 max) | Not covered | 20% (after deductible) | Not covered | 50% (\$70 min/\$180 max) | Not covered |

¹ If you select a brand when a generic is available, you pay the generic coinsurance plus the price difference between the generic and the brand price.

Monthly Medical Premiums (including Prescription)

| FULL-TIME AND PART-TIME EMPLOYEES | | | |
|-----------------------------------|----------|----------|----------|
| | STANDARD | CORE | VALUE |
| You Only | \$92.87 | \$80.95 | \$159.23 |
| You + Spouse/Domestic Partner | \$241.47 | \$210.48 | \$414.00 |
| You + Child(ren) | \$167.17 | \$145.72 | \$286.61 |
| You + Family | \$325.05 | \$283.34 | \$557.20 |

Dental

| STANDARD DENTAL | |
|---|-------------------------------|
| Deductible | \$50 per person |
| Annual Maximum Benefit: | \$1,500 per person |
| Preventive, Basic and Major Care | |
| Lifetime Maximum Benefit: | \$1,500 per adult or child |
| Orthodontic Care | |
| What the Plan Pays (after the deductible, except | |
| Preventive Care | 100% (no deductible) |
| Basic Care | 80% |
| Major Care | 80% |
| Orthodontic Care | 50% (no deductible) |

Monthly Dental Premiums

| ALL WORK GROUPS EXCEPT TWU-REPRESENTED EMPLOYEES | |
|--|---------|
| STANDARD DENTAL | |
| You Only | \$8.15 |
| You + Spouse/Domestic Partner | \$16.87 |
| You + Child(ren) | \$18.26 |
| You + Family | \$28.85 |

Vision

| | IN-NETWORK | OUT-OF-NETWORK |
|---|---|--------------------------|
| | WHAT YOU PAY | WHAT THE PLAN REIMBURSES |
| Eye Exam ¹ | \$10 | Up to \$40 |
| Eyeglass Frames ¹ | \$0, up to \$140 allowance; 20% discount on amount over \$140 | Up to \$45 |
| Eyeglass Lenses² | | |
| ▪ Single Vision | \$25 | Up to \$40 |
| ▪ Bifocal | \$25 | Up to \$60 |
| ▪ Trifocal | \$25 | Up to \$80 |
| ▪ Standard Progressive | \$25 | Up to \$60 |
| ▪ Standard Anti-Reflective Coating | \$40 | Up to \$60 |
| Contact Lenses¹ | | |
| ▪ Standard Fitting | \$0, up to \$55 allowance | Not covered |
| ▪ Conventional | \$0, up to \$150 allowance; 15% discount on amount over \$150 | Up to \$150 |
| ▪ Disposable | \$0, up to \$150 allowance | Up to \$150 |
| Lens Options | | |
| ▪ UV Treatment or Tint | \$0 | Up to \$8 |
| ▪ Standard Plastic Anti-Scratch Coating | \$0 | Up to \$8 |
| ▪ Photochromic / Transitions | \$65 | Up to \$5 |
| Laser Vision Correction | 15% discount on retail amount or 5% off promotional price at U.S. Laser Network | Not covered |

¹ Covered once each calendar year.

² You may receive either eyeglass lenses or contact lenses (not both) once each calendar year.

Monthly Vision Premiums

| FULL-TIME AND PART-TIME EMPLOYEES | |
|-----------------------------------|---------|
| | VISION |
| You Only | \$5.28 |
| You + Spouse/Dependent Relative | \$10.24 |
| You + Child(ren) | \$10.05 |
| You + Family | \$14.37 |

Life and AD&D

Company-Provided Life and AD&D Insurance

- 2 times annual base pay up to \$70,000

Voluntary Life (employee paid)

- Voluntary Employee Life – 1 to 8 times pay (Statement of Health may be required)
- Spouse Life – 1 to 3 times pay (Statement of Health required for all options)
- Child Life – \$15,000

Voluntary AD&D (employee paid)

- Employee - up to \$500,000
- Spouse – up to \$350,000
- Child - \$10,000

Disability

Short-term Disability – company-provided benefit of 66.67% of salary up to a weekly benefit maximum of \$4,695; typically starts on the 8th day of disability

Long-term Disability – company-provided benefit of 66.67% of salary up to a monthly benefit maximum of \$21,666; typically starts after 6 months of disability (once Short-term Disability ceases)

Spending Accounts

Health Care – employees can make pre-tax contributions of up to \$2,550

Dependent Care – employees can make pre-tax contributions of up to \$5,000

Wellness

Earn up to \$250 per year in wellness rewards, plus up to \$250 for a covered spouse, if applicable

Employee Assistance Program

Provides confidential, 24/7 resources to help you and your family with change, challenges, coping or crisis.

401(k) Plan

Employees can start participating in American's 401(k) plan immediately and are eligible for company matching of contributions of up to 5.5% after one year of service

Time Off

Holidays, Personal Days, Vacation and Sick Days

Voluntary Benefits

Critical Illness, Accident Insurance, Auto/Home Insurance, Pet Insurance, Identity Theft Protection, Legal Plan

This summary is a quick overview of American's benefits program for Management & Support Staff employees. The summary plan description, plan documents and vendor contracts contain details of each program and override the info contained in this summary in the event of a discrepancy.

Diversity

HDQ Ethnicity Representation

Active counts as of January 31, 2016

| Ethnicity | Total | % of Pop. | # Male | % Male | # Female | % Female |
|---|--------------|---------------|--------------|--------------|--------------|--------------|
| White\Caucasian and Not Reported | 3,249 | 63.1% | 1,604 | 31.2% | 1,645 | 32.0% |
| White\Caucasian | 3,178 | 61.7% | 1,558 | 30.3% | 1,620 | 31.5% |
| Not Reported | 71 | 1.4% | 46 | 0.9% | 25 | 0.5% |
| Minority | 1,898 | 36.9% | 868 | 16.9% | 1,030 | 20.0% |
| Black or African American | 519 | 10.1% | 157 | 3.1% | 362 | 7.0% |
| Hispanic or Latino | 563 | 10.9% | 249 | 4.8% | 314 | 6.1% |
| Asian | 692 | 13.4% | 409 | 7.9% | 283 | 5.5% |
| American Indian or Alaska Native | 35 | 0.7% | 18 | 0.3% | 17 | 0.3% |
| Native Hawaiian/Pacific Islander | 10 | 0.2% | 5 | 0.1% | 5 | 0.1% |
| Two or More Races | 79 | 1.5% | 30 | 0.6% | 49 | 1.0% |
| Total | 5,147 | 100.0% | 2,472 | 48.0% | 2,675 | 52.0% |

Notes:

- 1) Includes mainline employees only, except for the Officers at the wholly owned subsidiaries
- 2) Counts exclude LOA, Furlough, Severance, AA Credit Union, and AA on loan to Envoy, temporary, and those employees who reside in an "excluded" organization for reporting purposes.
- 3) Includes LAA employees with a PersArea of HDQ (in SHARP) and LUS employees with a location code beginning with DFQ-CHQ (in Oracle)

Letter Addressing Economic Qualifications

Timothy K. Skipworth
Vice President - Airport Affairs & Facilities

American Airlines



Ms. Lisa McMillan
Economic Development Coordinator
Tarrant County Administrative Office
100 E. Weatherford, Suite 404
Fort Worth, Texas 76196-0606

Re: Tax Abatement Application - American Airlines Headquarter Facility

Dear Ms. McMillan:

American Airlines, Inc. ("AA") is pleased to submit the enclosed application for tax abatement concerning a proposed new headquarters facility and ancillary improvements that we desire to construct in Fort Worth Texas, near our existing corporate headquarters in Fort Worth. The facility will result in a new investment of \$350,000,000.00 or more in real and personal property improvements and is necessary to modernize our operations following our merger with US Airways. We anticipate that at least \$200,000,000.00 of that investment will be for real property improvements. The proposed modernization cannot be handled efficiently at our current location which has very little space for expansion.

The new headquarters project will replace the vacant and obsolete Sabre Group facility at Trinity Boulevard and Highway 360. The site is in the same quadrant as our existing training facility and operations center on that portion of the DFW Airport property that is located between Trinity Boulevard and Airport Freeway on the west side of Highway 360. Adjacency to these facilities will provide an efficiency that is not possible at the current headquarters location. The site is in the same local area of Tarrant County as our current buildings, with no change in local taxing entities.

The project will allow us to sustain our current employment level of approximately 4,279 full time and fulltime equivalent positions in this area of Tarrant County. All of these employees (and dependents if the employees so choose) will have access through AA to health insurance benefits at reasonable rates comparable to other large employers in the area. A range of additional employee benefits is also available. Currently, Tarrant County residents comprise 25% or more of the existing AA employment at the current headquarters facility, and AA anticipates maintaining that level of employment of Tarrant County residents.

P.O. Box 619616
MD 5317
DFW Airport, TX 75261-9616

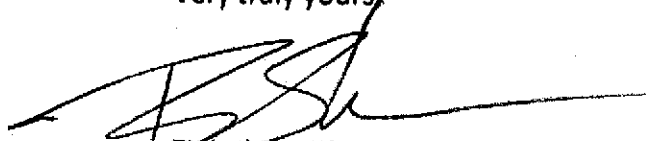


Because AA will be replacing an existing facility, AA anticipates no adverse environmental impacts from the construction of the new facility. Storm water drainage and water quality will be improved as the new facility will need to meet standards that were not in place when the existing structures on the property were constructed. Any wetlands or floodplain impacts will be fully mitigated, and HVAC systems will be technologically advanced and high efficiency. To encourage trip reductions and in support the region's Ozone Action Program, all headquarters employees are encouraged to participate in the AA Transit Program that provides transit passes on a pre-tax basis. A copy of the company's Environmental Policy is provided with this application.

AA is committed to the use of Tarrant County businesses and Disadvantaged Business Enterprises in construction and annual supply and service contracts. We recognize that Tarrant County's policy typically requires set percentages of overall spending on these items. However, AA requests that commitments related to these parameters be adjusted in the set at specified dollar amounts. This will provide ease of administration and greater surety that commitments have been met since expenditures will be made through multiple avenues. In addition, we can tailor commitments to those our construction advisors have advised are attainable in consideration of the project needs and the local market. Accordingly we are asking that the Commissioners Court approve an adjustment to the typical policy by setting the requirement for construction spending at \$50,000,000.00 for Tarrant County contractors/subcontractors and at \$25,000,000.00 for Disadvantaged Business Enterprises. We request that annual supply and service spending requirements be set at \$750,000.00 annually for Tarrant County businesses and \$350,000.00 annually for Disadvantaged Business Enterprises.

Thank you for your consideration of this application. AA is excited about the opportunity to retain its headquarters and headquarters employment base in this part of Tarrant County with a fully modernized facility. Should you have any questions, please do not hesitate to contact me.

Very truly yours,



Timothy K. Skipworth

Description of Improvements

The Project

The project will consist of the construction of a new corporate headquarters campus on the at the project location. At a minimum, the project will consist of not less than 900,000 square feet of floor area in office and complimentary and associated uses. In addition, the project is expected to contain ancillary improvements and facilities for the use of employees and business guests. Such facilities may include such improvements as dining facilities, conferencing facilities, recreational amenities or similar types of improvements supporting the corporate headquarters office facilities.

Project Location

EXHIBIT "A"

BEING a 97.701 acre tract of land situated in the William G. Matthews Survey, Abstract Number 1052 and the V. J. Hutton Survey, Abstract Number 681, Tarrant County, Texas, in the City of Fort Worth, being a portion of the tract of land described in the deed to Dallas-Fort Worth Regional Airport Board recorded in Volume 6710, Page 520, Deed Records of Tarrant County, Texas and being all of the tract of land described as the North Tract in the deed to Dallas-Fort Worth Regional Airport Board recorded in Volume 6653, Page 856, Deed Records of Tarrant County, Texas, also being a portion of Lot 1, Block 3 and all of Lot 1, Block 2, American Airlines Addition according to the plat recorded in Volume 388-133, Page 60, Plat Records of Tarrant County, Texas, and being a portion of the tract of land described as Plot B in the deed to the City of Fort Worth recorded in Volume 5072, Page 417, Deed Records of Tarrant County, Texas, said 97.701 acre tract of land being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found in the westerly right-of-way line of State Highway 360 (a variable width right-of-way) for the northeasterly corner of said North Tract and of said Lot 1, Block 2, American Airlines Addition;

THENCE with the westerly right-of-way line of State Highway 360 the following:

South 00° 55' 57" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 23' 38" East) a distance of 87.75 feet to a 5/8 inch iron rod found for corner;

South 34° 12' 56" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 34° 45' 15" West) a distance of 60.96 feet to a point;

South 00° 47' 18" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 14' 57" East) a distance of 149.86 feet to a 5/8 inch iron rod found for corner;

South 14° 45' 52" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 14° 13' 33" East) a distance of 103.15 feet to a 5/8 inch iron rod found for corner;

South 00° 44' 21" East (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 00° 12' 02" East) a distance of 99.93 feet to a 5/8 inch iron rod found for corner;

South 15° 53' 36" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 16° 25' 55" West) a distance of 104.32 feet to a 5/8 inch iron rod found for corner;

South 02° 32' 25" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 03° 04' 44" West) a distance of 601.18 feet to a 3/4 inch iron rod found for corner;

South 01° 06' 26" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 01° 38' 45" West) a distance of 300.25 feet to a 3.5 inch aluminum monument found for corner;

South 02° 58' 25" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 03° 30' 44" West) a distance of 182.88 feet to a 3.5 inch aluminum monument found for corner;

South 43° 26' 04" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 43° 58' 23" West) a distance of 73.34 feet to a point in the northerly right-of-way line of Trinity Boulevard (a variable width right-of-way);

THENCE departing the westerly right-of-way line of State Highway 360 with the northerly right-of-way line of Trinity Boulevard the following:

South 86° 16' 17" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 86° 48' 36" West) a distance of 119.82 feet to an aluminum disk stamped "DFW Int Airport" found for corner;

North 82° 00' 32" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = North 81° 28' 13" West) a distance of 372.43 feet to a point;

South 87° 44' 01" West (Volume 6653, Page 856 & Volume 388-133, Page 60 = South 88° 16' 20" West) a distance of 102.31 feet to a 5/8 inch iron rod found for corner;

North 84° 05' 43" West (Volume 6654, Page 856 & Volume 388-133, Page 60 = North 83° 35' 57" West) a distance of 243.89 feet to an aluminum disk stamped "DFW Int Airport" found for the beginning of a non-tangent curve to the right having a radius of 1,372.00 feet;

Northwesterly along said curve through a central angle of 4° 21' 00" an arc distance of 104.17 feet with a chord bearing of North 70° 35' 54" West and a chord distance of 104.14 feet to the end of said curve;

North 68° 29' 39" West a distance of 146.40 feet to an aluminum disk stamped "DFW Int Airport" found for the point of curvature of a curve to the left having a radius of 1,428.00 feet;

Southwesterly along said curve through a central angle of 54° 27' 23" an arc distance of 1,357.23 feet with a chord bearing of South 84° 16' 40" West and a chord

distance of 1,306.72 feet to a 5/8 inch iron rod with a cap stamped "KHA" found at the end of said curve;

South 57° 32' 19" West a distance of 61.02 feet to a 5/8 inch iron rod with a cap stamped "KHA" found for corner;

South 88° 44' 41" West a distance of 153.69 feet to a 5/8 inch iron rod with an orange cap found in the easterly right-of-way line of American Boulevard (a variable width right-of-way) for the beginning of a non-tangent curve to the right having a radius of 700.00 feet;

THENCE departing the northerly right-of-way line of Trinity Boulevard with the easterly right-of-way line of American Boulevard the following:

Northwesterly along said curve through a central angle of 22° 24' 10" an arc distance of 273.70 feet with a chord bearing of North 11° 26' 01" West and a chord distance of 271.96 feet to an aluminum disk stamped "DFW Int Airport" found at the end of said curve;

North 00° 13' 26" West a distance of 559.39 feet to an aluminum disk stamped "DFW Int Airport" found for the beginning of a non-tangent curve to the right having a radius of 1,270.00 feet;

Northeasterly along said curve through a central angle of 24° 59' 55" an arc distance of 554.11 feet with a chord bearing of North 12° 16' 12" East and a chord distance of 549.73 feet to an aluminum disk stamped "DFW Int Airport" found at the end of said curve;

North 23° 59' 25" East a distance of 367.44 feet to a point;

THENCE departing the easterly right-of-way line of American Boulevard North 89° 06' 09" East at a distance of 1,388.49 feet passing the northwesterly corner of said Lot 1, Block 2, American Airlines Addition, continuing with the northerly line of said Lot 1, Block 2 in all a total distance of 1,788.49 feet to a point;

THENCE departing the northerly line of said Lot 1, Block 2 North 00° 53' 51" West a distance of 100.00 feet to a point;

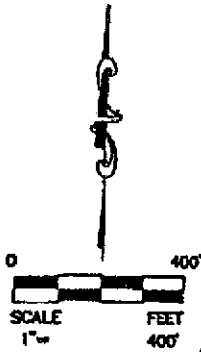
THENCE North 89° 06' 09" East a distance of 300.00 feet to a point;

THENCE South 00° 53' 31" East a distance of 100.00 feet to a point in the northerly line of said Lot 1, Block 2;

THENCE with the northerly line of said Lot 1, Block 2 North 89° 06' 09" East a distance of 398.82 feet to the POINT OF BEGINNING;

CONTAINING a computed area of 97.701 acres (4,255,856 square feet) of land.

PLOTTED BY: Show, Adam ON: Tuesday, October 27, 2015 AT: 8:19 AM FILE PATH: C:\Production\0016001\661\Survey - 2A - 3A\Drawings\0016001.dwg Development Inct.dwg



LOT 1, BLOCK 3
AMERICAN AIRLINES ADDITION
VOLUME 388-133, PAGE 60

CITY OF FORT WORTH
PLOT 8
VOLUME 5072, PAGE 417

POINT OF BEGINNING

N80°06'09"E 1788.48'

N00°53'51"W 100.00'

N89°06'09"E 300.00'

500°53'51"E 100.00'

FOUND 5/8" IRON ROD

N89°06'09"E 398.82'

S00°55'57"E 87.75'
(VOLUME 6653 PAGE 856-
S073°38'E ~ 87.75')

FOUND 5/8" IRON ROD

S34°12'56"W 60.98'
(VOLUME 6653 PAGE 856-
S34°45'15"W ~ 60.96')

FOUND 5/8" IRON ROD

S14°45'52"E 103.15'
(VOLUME 6653 PAGE 856-
S14°13'33"E ~ 103.15')

FOUND 5/8" IRON ROD

S00°44'21"E 98.93'
(VOLUME 6653 PAGE 856-
S0°12'02"E ~ 98.93')

FOUND 5/8" IRON ROD

S15°53'36"W 104.32'
(VOLUME 6653 PAGE 856-
S16°25'55"W ~ 104.32')

LOT 1, BLOCK 2
AMERICAN AIRLINES ADDITION
VOLUME 388-133, PAGE 60

DALLAS-FORT WORTH
REGIONAL AIRPORT BOARD
VOLUME 6710, PAGE 520

97.701 ACRES
4,255,856 SQUARE FEET

DALLAS-FORT WORTH
REGIONAL AIRPORT BOARD
NORTH TRACT
VOLUME 6653, PAGE 856

WILLIAM G.
MATTHEWS
SURVEY
ABSTRACT NO. 1052

V.J. HUTTON
SURVEY
ABSTRACT NO. 681

STATE HIGHWAY 360
(VARIABLE WIDTH RIGHT-OF-WAY)

AMERICAN BOULEVARD
(VARIABLE WIDTH RIGHT-OF-WAY)

FOUND ALUMINUM DISK
STAMPED "DFW INT AIRPORT"

A=24°59'55"
R=1270.00' L=654.11'
CH=N12°18'12"E 548.73'

FOUND ALUMINUM DISK
STAMPED "DFW INT AIRPORT"

N00°13'25"W 569.33'

A=22°24'10"
R=700.00' L=273.70'
CH=N17°28'01"W 271.85'

FOUND ALUMINUM DISK
STAMPED "DFW INT AIRPORT"

FOUND 5/8" IRON ROD
WITH RED CAP
STAMPED "KHA"

A=54°27'23"
R=1428.00' L=657.23'
CH=S84°16'40"W 1308.72'

FOUND ALUMINUM DISK
STAMPED "DFW INT AIRPORT"

N65°29'39"W 148.40'

FOUND ALUMINUM DISK
STAMPED "DFW INT AIRPORT"

FOUND 3/4" IRON ROD

S01°06'25"W 300.25'
(VOLUME 6653 PAGE 856-
S1°38'45"W ~ 300.25')

FOUND 3.5" ALUMINUM
MONUMENT

S02°56'23"W 182.88'
(VOLUME 6653 PAGE 856-
S3°30'44"W ~ 182.88')

FOUND 3.5" ALUMINUM MONUMENT

S43°28'04"W 73.34'
(VOLUME 6653 PAGE 856-
S43°58'23"W ~ 73.34')

FOUND 5/8" IRON ROD

N82°00'32"W 372.43'
(VOLUME 6653 PAGE 856
=N81°28'13"W)

(VOLUME 6653 PAGE 856-S86°48'36"W)

FOUND 5/8" IRON ROD
WITH ORANGE CAP

S86°44'41"W 153.66'

S57°32'18"W 61.02'

R=1372.00' L=104.17'
CH=N70°35'54"W 104.14'

A=4°21'00"
R=1372.00' L=104.17'

N84°05'43"W 243.88'
(VOLUME 6653 PAGE 856-N83°35'57"W)

S87°44'01"W 102.31'
(VOLUME 6653 PAGE 856-S88°16'20"W)

TRINITY BOULEVARD
(VARIABLE WIDTH RIGHT-OF-WAY)

DUNAWAY

550 Bailey Avenue • Suite 400 • Fort Worth, Texas 76107
Tel: 817.335.1121 • Fax: 817.335.7437
FIRM REGISTRATION 10098100

DEVELOPMENT
TRACT

SHEET 4 OF 4

DATE: OCTOBER 27, 2015

JOB NUMBER: B001666.004

Project Time Schedule

Project Schedule

Commencement of Construction: Mid to late 2016

Completion of Main Corporate Headquarters Offices: On or before December 31, 2019

Construction of Ancillary Improvements and Amenities may extend beyond 2019

Diversity Policy

American's Supplier Diversity Program was established in 1989. We utilize the guidelines for the Small Business Program according to the 48 C.F.R. 52.219-8 Utilization of Small Business Concerns (Oct 2014) and best practice guidelines per the national Supplier Diversity organizations (NMSDC, WBENC, NGLCC). American Airlines has a Supplier Diversity portal that captures diverse supplier information. The portal allows American to search supplier information to find suppliers. American also uses other databases from the national organizations for supplier diversity.

American's Supplier Diversity program is dedicated to helping minority, women, LGBT and small businesses (all categories) grow. We sponsor and participate in many diverse and small business networking opportunities throughout the year. American participated in over 32 networking events in 2015. This effort clearly demonstrates the commitment American has to seek out diverse and small businesses by looking for opportunities in the year through national and regional efforts. These events provide opportunities to meet and identify potential suppliers that fall within one of the diverse or small business categories. Our Supplier Diversity Manager conducts numerous small workshops on "How to do business with American Airlines" and participates in mentoring programs.

American is a corporate member of the following organizations: National Minority Supplier Development Council (NMSDC), Women's Business Enterprise National Council (WBENC), Women's Business Council Southwest (WBCS), Dallas/Fort Worth Minority Supplier Development Council (DFWMSDC), United State Hispanic Chamber of Commerce (USHCC), National Gay Lesbian Chamber of Commerce (NGLCC), Women President Organization (WPO), Southern Florida Minority Supplier Development Council (SFMSDC), National Veteran Owners Business Association (NaVOBA), Dallas/Fort Worth Small Business Liaison Council (DFWSBLOC). American holds board positions in the following organizations: WBCS, DFWMSDC, USHCC, SFMSDC, NaVOBA, WPO.

Trip Reduction Transit Program

Benefits

Benefits Home

Benefits Service Center

Chat

Welcome Aboard

2016 Everyday Guides

Eligibility and Enrollment

Life Events

Medical Options

Flexible Spending Account

Health Spending Account

Doctor on Demand

Dental

Vision

Life Insurance

Accident Insurance

Disability

Transit Program

Voluntary Benefits

EAP

Retiree Benefits

Get a tax break on your commute



Earn a tax break. Help the environment. Get more sleep.

Transit Program is available to all domestic employees. Purchasing monthly commuter passes online for travel to and from work lowers your taxable income, saves the environment and buys a little nap (or reading) time.

All U.S. employees (working in a U.S. station) are eligible to sign up for the Transit Program administered by Aon Hewitt YSA. Go to the **American Airlines Benefits Service Center** and click on the "Transit Program" tile from the main page. Once there, click on "Sign Up Now" to order Transit services. With YSA, you will be able to manage or change orders on an ongoing basis - all online.

Things to know for:

- Due to the IRS pretax limit of \$130, American will only process pretax transit orders up to that amount. Anything over the \$130 limit, are post-tax and will require you to pay on the YSA site with a credit or debit card. You will be asked to keep this card on file for recurring orders that are above the pretax limit.
- After placing your transit order, your payroll deductions will begin two months before your transit services begin.

What you need to do

- Establish your new commuter account on YSA
- Place your transit commuter order

If you are having problems logging into YSA, you may also speak with a Benefits Center representative by calling Your Spending Account™ toll-free at 1-888-860-6178. You will need to enter the last four digits of your social security number and date of birth to get to the main menu. From the main menu, choose "Commuter Accounts". Representatives are available Monday through Friday, 7 a.m. - 7 p.m. (CT) except holidays.

Section 01-05. ENVIRONMENTAL POLICY

The Environmental Policy is endorsed by US Airways leadership and covers and includes a commitment to meet or exceed relevant government, state, and local regulations. The policy is reviewed annually by management and communicated to all employees.

1. Policy

At US Airways, we will strive to improve our environmental performance and comply with Federal, State and local regulations. We will seek to manage our operations locally by:

- Identifying significant aspects and impacts of our activities on the environment, including noise pollution, emissions from aircraft and/or ground vehicles, and maintenance of aircraft and ground equipment.
- Developing programs and adhering to policies and procedures to address these issues.

We will implement environmental management and review systems to:

- Mitigate environmental risks.
- Ensure potential environmental impacts are taken into account in our business decisions and commercial activities.
- Monitor, audit and review our performance, striving for continual improvement.
- Set clearly defined objectives and goals, address improvements in environmental performance, and report against them.
- Strive to meet or exceed regulatory requirements.
- Use natural resources efficiently, minimize waste and harmful releases to the environment.
- Incorporate, reduce, reuse, or recycle into all of our processes where available.
- Support, advise and train staff to maintain and/or improve environmental performance, and
- Raise awareness of environmental impacts and issues.

The aspects and objectives of environmental performance and management can be found in the **Safety Policy Procedure Manual** and the **Environmental Management Manual**.

The Green Team, chaired by our Executive Vice President and Chief Operating Officer, coordinates sustainability efforts across US Airways. This group promotes the implementation of good environmental practices within the company and its supply chain.

Environmental Programs monitors environmental compliance and alerts senior management when additional action is needed to comply with local, state and federal regulations and US Airways Environmental Policy and/or maintain its standard of environmental management.

Tax Statement



RON WRIGHT
TARRANT COUNTY
TAX ASSESSOR-COLLECTOR

@TarrantCoTax
 Facebook.com/TarrantCountyTAC

100 E. Weatherford, Fort Worth, TX 76196
 (817) 884-1100
 e-mail:taxoffice@tarrantcounty.com
 web:www.tarrantcounty.com

DATE: 03/08/2016

2015 TAX STATEMENT

ACCOUNT: 00005978122

LEGAL: AMERICAN AIRLINES ADDITION
 BLK 2 LOT 1
 POSSESSORY INTEREST ONLY

e-STATEMENT

IMPORTANT - Legislative Changes
 5 - Year Comparison on back of statement.
IMPORTANTE - Cambios Legislativos
 Comparación de 5 - Años detrás del Cobro.

OWNER: THE SABRE GROUP INC

PARCEL ADDRESS: 0004200 AMERICAN BLVD

EXEMPTIONS:

| LAND VALUE 3,114,719 | IMPROVEMENT VAL 2,855,255 | APPRAISED VAL 5,969,974 | | | | |
|-------------------------|------------------------------|----------------------------|---------------|--------------------|----------|---------------------|
| TAXING ENTITIES | APPRAISED VALUE | EXEMPTION AMOUNT | TAXABLE VALUE | TAX RATE PER \$100 | BASE TAX | TAXES DUE CURRENTLY |
| FT WORTH CITY | 5,969,974 | 0 | 5,969,974 | 0.855000 | 51043.28 | 25521.65 |
| TARRANT COUNTY | 5,969,974 | 0 | 5,969,974 | 0.264000 | 15760.73 | 7880.36 |
| REG WATER DIST | 5,969,974 | 0 | 5,969,974 | 0.020000 | 1193.99 | 596.99 |
| T C HOSPITAL | 5,969,974 | 0 | 5,969,974 | 0.227897 | 13605.39 | 6802.69 |
| T C COLLEGE | 5,969,974 | 0 | 5,969,974 | 0.149500 | 8925.11 | 4462.55 |
| H-E-B ISD | 5,969,974 | 0 | 5,969,974 | 1.350000 | 80594.65 | 40297.33 |
| TOTAL TAXES | | | | | | 85,561.57 |

TOTAL AMOUNT DUE 85,561.57
INCLUDES PAYMENTS RECEIVED

Pay by Credit Card or eCheck



Pay online with these cards
 Or by phone at 817-884-1110

****YOUR CHECK WILL BE CONVERTED INTO AN ELECTRONIC FUND TRANSFER****

THE SABRE GROUP INC

RETURN WITH PAYMENT

00005978122
 00005978122

PAY THIS AMOUNT
\$85,561.57
 Delinquent after: 8/30/2016

00005978122 2015
 68275728
 68275728

| IF PAID IN | AMOUNT DUE |
|------------|------------|
| APR | 85,561.57 |
| MAY | 85,561.57 |

H 42780.78

Make checks payable to:
RON WRIGHT, TAX-ASSESSOR-COLLECTOR

#5656 THE SABRE GROUP INC ATTN TAX DEPT
 3150 SABRE DR # 8502
 SOUTHLAKE, TX 76092-2103

PO BOX 961018
 FORT WORTH TX 76161-0018

00005978122 0008556157 0008556157 0008556157 030820160000

EXHIBIT "F"

TARRANT COUNTY TAX ABATEMENT POLICY AND GUIDELINES



TARRANT COUNTY

TAX ABATEMENT POLICY GUIDELINES AND CRITERIA

I. GENERAL PURPOSE AND OBJECTIVES

As authorized under Chapter 312 of the Texas Tax Code, Tarrant County has established this policy so as to work in concert with other taxing authorities as part of an overall publicly supported incentive program designed to create job opportunities that bring new economic advantages or strengthen the current economic base of our community.

It is the intent of the Commissioners Court to consider approval or denial of any request for tax abatement for projects in unincorporated Tarrant County or participation in any tax abatement agreement agreed to and adopted by an incorporated city, which meets the minimum eligibility criteria as set forth in this policy, following the filing of a formal application for tax abatement from the County. As prescribed by Section 312.206 of the Tax Code, the Commissioners Court may approve participation with a municipality in a tax abatement agreement no later than the 90th day after the date the municipal agreement is executed. Further it is the intent of Tarrant County that the County will not approve nor join an abatement agreement that provides one Tarrant County city a competitive advantage over another Tarrant County city seeking the same project or encourages an applicant to move from one Tarrant County city to another, unless such agreement is agreeable to both such incorporated cities and both parties have indicated their approval in writing to Tarrant County.

In the case where the property is located within a municipality's extraterritorial jurisdiction, the municipality shall be the initiating taxing entity unless expressly deferred to the County. For those areas within Tarrant County that are not located within the boundaries of an incorporated municipality and a municipality has deferred to the County or in unincorporated areas not located in a municipality's extraterritorial jurisdiction, the guidelines and criteria contained in this policy will be applied by the Commissioners Court when considering the establishment of a reinvestment zone and the adoption of an abatement agreement.

II. DEFINITIONS

- (a) "Abatement" means the full or partial exemption from ad valorem taxes of certain real and/or personal property in a reinvestment zone designated for economic development purposes.

- (b) **"Eligible Jurisdiction"** means Tarrant County and any municipality, school district, college district, or other entity, which is located in Tarrant County, that levies ad valorem taxes upon and provides services to property located within the proposed or existing reinvestment zone.
- (c) **"Agreement"** means a contractual agreement between a property owner and/or lessee and an eligible jurisdiction for the purposes of tax abatement.
- (d) **"Base Year Value"** means the assessed value of the applicant's real and personal property located in a designated reinvestment zone on January 1 of the year of the execution of the agreement, plus the agreed upon value of real and personal property improvements made after January 1, but before the execution of the agreement.
- (e) **"Economic Life"** means the number of years a property improvement is expected to be in service in a facility.
- (f) **"Deferred Maintenance"** means improvements necessary for continued operations which do not improve productivity or alter the process technology.
- (g) **"Disadvantaged Business Enterprise (DBE)"** means:
 - (1) a corporation formed for the purpose of making a profit and at least 51 percent of all classes of the shares of stock or other equitable securities of which are owned by one or more persons who are socially or economically disadvantaged because of their identification as members of certain groups that have been subject to racial or ethnic prejudice or cultural bias without regard to their qualities as individuals or capabilities as a business, and whose ability to compete in the free enterprise system is impaired due to diminished opportunities to obtain capital and credit as compared to others in the same line of business who are not socially disadvantaged. "DBE" includes the State of Texas definition of historically underutilized businesses (HUBs) as defined in Texas Government Code 407.101 and as it may be updated.
 - (2) a sole proprietorship formed for the purpose of making a profit that is owned, operated, and controlled exclusively by one or more persons described in paragraph (1);
 - (3) a partnership that is formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by paragraph (1), and in which minority or women partners have proportionate interest in the control, operation, and management of the partnership affairs.

- (h) **"Expansion"** means the addition of buildings, structures, fixed machinery and equipment, and fixed personal property for the purposes of increasing production capacity.
- (i) **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.
- (j) **"Fixed Machinery and Equipment and/or Personal Property"** means tangible machinery, equipment, or personal property that is securely placed or fastened and stationary within a building or structure, or which is movable but remains at and is used solely at the project site.
- (k) **"Manufacturing Facility"** means buildings and structures, including fixed machinery and equipment, and fixed personal property, the primary purpose of which is or will be the manufacture of tangible goods or materials or the processing of such goods or materials by physical or chemical change.
- (l) **"Modernization"** means the replacement and upgrading of existing facilities which increases the productive input or output, updates the technology or substantially lowers the unit cost of the operation, and extends the economic life of the facility. Modernization may result from the construction, alteration or installation of buildings, structures, fixed machinery and equipment, and fixed personal property. It shall not be for the purpose of reconditioning, refurbishing, repairing, or completion of deferred maintenance.
- (m) **"New Facility"** means a property previously undeveloped which is placed into service by means other than or in conjunction with expansion or modernization.
- (n) **"Other Basic Industry"** means buildings and structures including fixed machinery and equipment, and fixed personal property not elsewhere described, used or to be used for the production of products or services which primarily serve a market outside Tarrant County [or the Fort Worth Consolidated Metropolitan Statistical Area] and result in the creation of new permanent jobs and bring new wealth in to Tarrant County.
- (o) **"Regional Distribution Center Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily to receive, store, service or distribute goods or materials owned by the facility operator.
- (p) **"Non-Manufacturing Facilities"** means buildings and structures, used to service and/or house individuals on a permanent or temporary basis.
- (q) **"Regional Service Facility"** means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used to service goods.

- (r) "Reinvestment Zone" is an area designated as such for the purpose of tax abatement as authorized by Chapter 312 of the Texas Tax Code.
- (s) "Regional Entertainment Facility" means buildings and structures, including machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of the users reside at least 100 miles from its location in the County.
- (t) "Regional Retail Facility" means buildings and structures including fixed machinery and equipment used or to be used to provide retail services from which a large portion of the revenues generated by the activity at the facility are derived from users outside the County.
- (u) "Research Facility" means building and structures, including fixed machinery and equipment, and fixed personal property, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

III. ABATEMENT AUTHORIZED

- (a) Authorized Facility. A facility may be eligible for abatement if it is a Manufacturing Facility, a Research Facility, a Regional Distribution Center Facility, A Regional Service Facility, a Regional Entertainment Facility, Regional Retail Facility, a Non-Manufacturing Facility, or Other Basic Industry as defined. The economic life of a facility and any improvements must exceed the life of the abatement agreement.
- (b) Creation of New Value. Abatement may be only granted for the additional value of eligible property improvements made subsequent to and listed in an abatement agreement between the County and the property owner and lessee, subject to such limitations as Commissioners Court may require.
- (c) New and Existing Facilities. Abatement may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion.
- (d) Eligible Property. Abatement may be extended to the value above the Base Year Value of buildings, structures, fixed machinery and equipment, fixed personal property, and site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.
- (e) Ineligible Property. The following types of property shall be fully taxable and ineligible for abatement: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; private aircraft; deferred maintenance investments; property to be rented or leased except as provided in Section 3 (f); also, any property included in the calculation of base year value as defined.

- (f) **Owned/Leased Facilities.** If a leased facility is granted abatement the agreement shall be executed with the lessor and the lessee.
- (g) **Value and Term of Abatement.** Abatement shall be granted effective with the execution of the agreement. The value of the abatement will be determined based on the merits of the project, including, but not limited to, total capital investment value and added employment. Up to one hundred percent of the value of new eligible properties may be abated for a total term of abatement not to exceed ten years. However, a project must provide an extraordinary economic benefit to the County to be considered for a one hundred percent abatement.
- (h) **Economic Qualification.** In order to be eligible for designation as a County reinvestment zone and/or receive County tax abatement, the planned improvement:
- (1) for new businesses, must be reasonably expected to produce a minimum added value of Five Million Dollars (\$5,000,000) in real and personal property to Tarrant County and create and sustain a minimum of 25 new full-time jobs.
 - (2) for expansions or modernizations of existing businesses, must be reasonably expected to produce a minimum added value of Three Million Dollars (\$3,000,000) in real and personal property improvements to Tarrant County, and sustain existing employment levels.
 - (3) must not be expected to solely or primarily have the effect of transferring employment from one part of Tarrant County to another without a majority vote of approval from the Commissioners Court.
 - (4) must be necessary for expansion and/or modernization because the capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.
 - (5) the above investment and employment minimums may be waived at the discretion of the Commissioners Court for projects located in Federal or State designated Enterprise Zones.
- (i) **Additional Criteria For Abatement.** To be eligible for abatement, the project must be expected to meet the specific goals and requirements as noted below. If a company is unable to meet the minimum requirements of this section, a variance must be requested with a detailed explanation as to the circumstances that preclude the company from meeting the minimum requirements.
- (1) **Use of DBE and Tarrant County Businesses.** The project must provide for the utilization of Disadvantaged Business Enterprises for a minimum of 15% of the total costs for construction contracts and annual supply and service contracts.

Additionally, the project must provide for the utilization of Tarrant County businesses for a minimum of 25% of the total costs for construction contracts and annual supply and services contracts.

- (2) **Tarrant County Employment.** The company must hire Tarrant County residents for a minimum of 25% of the new full time jobs to be created by the project. Residents, for the purpose of this policy, are those employees who reside in Tarrant County, whether through relocation or existing residency.
 - (3) **Environmental Impacts.** Environmental impact information must be provided, noting any anticipated impacts of the project on the environment, including, but not limited to, water quality, storm water and runoff, floodplain and wetlands, solid waste disposal, noise levels, and air quality. Additionally, the company must provide a written company policy on air quality mitigation, the company's plan for participation in the region's Ozone Action Program, and a report of employer assistance in encouraging alternative commute programs and employee trip reductions. For companies new to the region, the above policies and plan must be completed and presented within the first year of the abatement.
 - (4) **Employee Benefits.** The company must offer a health benefit plan to its full-time employees at a rate that is reasonable to the majority of its employees and which allows access to the plan by the employees' dependents. For additional consideration, the company may provide information on other employee benefits provided, such as retirement/pension programs and subsidies for education, job-training, transportation assistance and child/elderly care.
- (j) **Taxability.** From the execution of the abatement to the end of the agreement period taxes shall be payable as follows:
- (1) The value of ineligible property as provided in Section III (e) shall be fully taxable;
 - (2) The base year value of existing eligible property shall be fully taxable, as well as the value of any existing personal property currently on the tax rolls in Tarrant County that is either moved to a new abated location or is replaced due to modernization or expansion.
 - (3) The additional value of new eligible property shall be taxable in the manner and for the period provided for in the abatement agreement, subject to the terms described in Section III (g); and
 - (4) The additional value of new eligible property shall be fully taxable at the end of the abatement period.

IV. APPLICATION

- (a) Any present or potential owner of taxable property in Tarrant County may request the creation of a reinvestment zone and/or tax abatement by filing a written request with the County Judge.**
- (b) The application shall consist of a completed application form including, but not limited to: a general description of the new improvements to be undertaken; a descriptive list of the improvements for which an abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and property description; a time schedule for undertaking and completing the proposed improvements; employment and contract information; the location of existing company locations in Tarrant County and the surrounding counties and the expected number of transferring employees; details of the environmental impacts of the project, and employee benefit information. In the case of modernization a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The County may require such financial and other information as deemed appropriate for evaluating the financial capacity and other factors pertaining to the applicant, to be attached to the application.**
- (c) All applications for creation of reinvestment zones or abatements shall incorporate a feasibility study estimating the economic effect of the proposed reinvestment zone and tax abatement on Tarrant County, other eligible participating jurisdictions, and the applicant.**
- (d) Upon receipt of a completed application for creation of a reinvestment zone, the County Judge shall notify in writing and provide a copy of the application to the presiding officer of the governing body of each eligible jurisdiction.**
- (e) Upon receipt of a completed application and/or request to participate with a municipality in an abatement agreement, Tarrant County Administrator's Office must review and provide recommendation to the Commissioners Court within 30 days and before the public hearing.**
- (f) The County shall not establish a reinvestment zone, nor participate in an abatement, if it finds that the application for County reinvestment zone/tax abatement was filed after the commencement of construction, alteration, or installation of improvements related to the proposed modernization, expansion or new facility.**
- (g) Variance. Request for variance from the provisions of this policy must be made in written form to the County Judge and submitted with the application for abatement, provided, however, the total duration of an abatement shall in no instance exceed ten years. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance. Request for variance must**

be approved by a majority vote of the Commissioners Court.

V. PUBLIC HEARINGS AND APPROVAL

- (a) For projects in unincorporated Tarrant County, the Commissioners Court may not adopt a resolution designating a County reinvestment zone until it has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be clearly identified on the Commissioners Court agenda at least 30 days prior to the hearing. The presiding officers of eligible jurisdictions shall be notified in writing at least 15 days prior to the hearing.
- (b) Prior to entering into a tax abatement agreement the Commissioners Court may, at its option, hold a public hearing at which interested persons shall be entitled to speak and present written materials for or against the approval of the tax abatement agreement.
- (c) In order to enter into a tax abatement agreement, the Commissioners Court must find that the terms of the proposed agreement meet these Guidelines and Criteria and that:
 - (1) there will be no substantial adverse affect on the provision of the jurisdiction's service or tax base: and
 - (2) the planned use of the property will not constitute a hazard to public safety, health or morals.
- (d) Any application requesting a variance under Section IV (g) shall be approved by a majority vote of the Commissioners Court. No application which deviates from the requirements of these Guidelines and Criteria shall be approved unless accompanied by a request for variance as provided under Section IV (g).

VI. AGREEMENT

- (a) After approval the County shall formally pass a resolution and execute an agreement with the owner of the facility and lessee as required. The Court Order shall include:
 - (1) estimated value of real and personal property to be abated and the base year value;
 - (2) percent of value to be abated each year as provided in Section III (g);
 - (3) the commencement date and the termination date of abatement;
 - (4) the proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provide in Section IV (b);

- (5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration and assignment as provided in Sections III (a), III (e), III (g) VII, VIII, and IX, or other provisions that may be required for uniformity or by state law, and;
- (6) a statement of the facility owner's policy regarding Disadvantaged Business Enterprises (DBEs), and the estimated dollar amount and percentage of total contracts to be awarded to DBEs for construction, professional services, purchases of equipment and supplies and other services required for the abated improvements;
- (7) amount of investment and average number of jobs involved; and
- (8) an assessment of the environmental impacts of the project, including a statement of the owner's policy addressing regional air quality and information on the use of alternative fuels in fleet vehicles.
- (9) a statement indicating the provision of a health care benefit plan for employees and dependents.

Such agreement shall normally be executed within 60 days after the applicant has forwarded all necessary information and documentation to the County.

- (b) Participation in tax abatement agreements with municipalities requires additional information to be included in the Court Order approving the agreement, as follows:
 - (1) a copy of the agreement between the applicant and municipality shall be attached and made apart of the Court Order for all purposes;
 - (2) authorization for the County Judge to execute a signatory page on behalf of the Commissioners Court which shall be attached and made part of the original agreement.

VII. RECAPTURE

Commissioners Court reserves the right to review compliance for full or partial recapture in the event that the applicant fails to perform in "good faith." If a project is not completed as specified in the tax abatement agreement, the County has the right to cancel the abatement agreement and abated taxes shall become due to the County and other affected taxing units as provided by law. If any of the provisions contained in the tax abatement agreement, i.e., employment, amount of investment, etc., are not met, the County shall have the right to reduce or cancel the abatement agreement. If a project granted a tax abatement ceases to operate or is no longer in conformance with the tax abatement agreement, the agreement shall not be in

effect for the period of time during which the project is not operating or is not in conformance.

VIII. ADMINISTRATION

- (a) **The Chief Appraiser of the County shall annually determine an assessment of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving abatement shall furnish the assessor with such information as may be necessary for the abatement. Once value has been established, the chief Appraiser shall notify the affected jurisdictions which levies taxes of the amount of the assessment.**
- (b) **The agreement shall stipulate that employees and/or designated representatives of the County will have access to the reinvestment zone during the term of the abatement to inspect the facility to determine if the terms and conditions of the agreement are being met. All inspections will be made only after the giving of twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the company or individual and in accordance with its safety standards.**
- (c) **Upon completion of construction the County and/or the jurisdiction creating the reinvestment zone shall annually (or at such other times as deemed appropriate by the Commissioners Court) evaluate each facility receiving abatement to ensure compliance with the agreement and report possible violations to the contract and agreement to the Commissioners Court and the District Attorney. On or before April 30th of every year during the life of the abatement agreement, the company or individual receiving the abatement shall complete and file a Tax Abatement Evaluation Report, along with other required written documentation, detailing and certifying the abatement recipient's compliance with the terms of the abatement agreement. Failure to provide information requested in the compliance evaluation by the prescribed deadline may result in taxes abated in the prior year being due and payable. The company or individual receiving a tax abatement shall provide information to the County for the evaluation which shall include, but not be limited to, the following:**
 - (1) **the number and dollar amounts of all construction contracts and subcontracts awarded on the project;**
 - (2) **the total number of employees of the company, their gross salaries, and the number of employees residing in Tarrant County and their gross salaries, reported in job classifications appropriate to the employee;**
 - (3) **the gross dollars spent on supplier and professional service contracts, indicating the amounts by contract awarded and performed by Tarrant County business and individuals;**

- (4) the dollar amount of contracts awarded to Disadvantaged Business Enterprises;
- (5) detail of actions taken to mitigate any adverse environmental impacts of the project, if applicable; and
- (6) should the dollars, percentages, or actions not meet the original or modified requirements of the abatement agreement, a statement shall be provided explaining the reason for the failure to meet the requirements and a recommended course of rectification.

IX. ASSIGNMENT

Tax abatement agreements may be assigned to a new owner or lessee of the facility with the written consent of the Commissioners Court, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in the agreement. Any assignment of a tax abatement agreement shall be to an entity that contemplates the same improvements or repairs to the property, except to the extent such improvements or repairs have been completed. No assignment shall be approved if the assignor or the assignee are indebted to the County for ad valorem taxes or other obligations.

X. SUNSET PROVISION

These Guidelines and Criteria are effective on January 1 of the year following the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax abatement contracts created pursuant to its provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the guidelines and Criteria will be modified, renewed or eliminated. These Guidelines and Criteria may be amended by Commissioners Court at any time during their effective period.