

AMERICAN AIRLINES, INC.  
100 Park Avenue  
New York 17, N. Y.

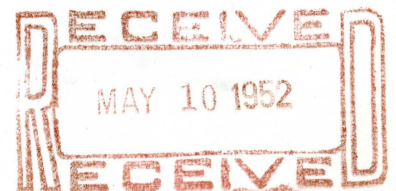
May 6, 1952

TO THE DIRECTORS OF AMERICAN AIRLINES, INC.:

I am attaching a copy of the draft of the minutes of the Board of Directors' meeting held April 16, 1952.

A stamped addressed envelope is enclosed for your convenience in returning the minutes with your comments.

W. H. Johnson, Jr.  
Secretary



MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
AMERICAN AIRLINES, INC.

A regular meeting of the Board of Directors of American Airlines, Inc. was held in the Board of Directors' Room located on the Seventh Floor of 100 Park Avenue, New York, New York, on Wednesday, April 16, 1952, at 10:00 o'clock a. m., Eastern Standard Time, pursuant to due notice to all of the Directors of the corporation in accordance with the By-laws.

There were present at the meeting:

- Harold T. Ames
- Harry E. Benedict
- James Bruce
- Edward H. Butler
- Amon G. Carter
- Charles S. Cheston
- Thomas M. Conroy
- James Douglas
- John W. Farley
- James A. Jackson
- Robert W. Miller
- O. M. Mosier
- Edgar M. Queeny
- C. R. Smith

being a quorum of the Board of Directors.

As hereinafter noted, Directors Bruce and Jackson entered the meeting after it had been called to order.

Also present at the request of the Directors were R.E.S. Deichler, Vice President, W. J. Hogan, Vice President and Treasurer, C. W. Jacob, Vice President, Rex Smith, Vice President, W. G. Conrad, European Sales Manager, and Malcolm A. MacIntyre of General Counsel for the corporation.

Directors Evans, Fisher and Kemp were unable to attend the meeting.

The President presided and the Secretary kept the records of the meeting.

1. The Secretary stated that the minutes of the previous meeting held March 19, 1952 had been mailed to each director and presented a summary of action taken at such meeting. Upon motion duly made and seconded, the minutes of the March meeting were approved.

2. The Treasurer presented and explained financial statements of the corporation as of March 31, 1952. Mr. Jackson entered the meeting during the discussion and thereafter participated in the meeting.

3. The Treasurer presented and explained a statement of capital expenditures authorized by the management since the last meeting of the Board of Directors, totaling \$202,651 for the corporation and \$728 for American Airlines de Mexico, S. A.

4. The Chairman brought up for consideration action with respect to the declaration of the regular quarterly dividend on the corporation's outstanding \$3.50 Cumulative Convertible Preferred Stock which would become due and payable on June 1, 1952. Mr. Bruce entered the meeting at this point and thereafter participated in the meeting.

The Treasurer presented to the meeting a certification, the original of which is attached to these minutes, showing that the surplus available for such dividends as of March 31, 1952 was \$30,304,367, of which \$6,237,229 was capital surplus and \$24,067,137 earned surplus, both of which in the opinion of counsel, are available for dividends.

After discussion the following resolutions were adopted:

BE IT RESOLVED that a dividend of \$0.875 per share shall be declared and is hereby ordered paid upon the outstanding \$3.50 Cumulative Convertible Preferred Stock of this corporation, such dividend to be payable June 1, 1952 to stockholders of record at the close of business, on May 15, 1952; and be it further

RESOLVED that the Treasurer of this corporation shall be and hereby is instructed to deposit with The Chase National Bank of the City of New York, Dividend Disbursing Agent of this corporation, on or before June 1, 1952, the moneys required to pay the dividend hereby ordered paid on said date on the outstanding \$3.50 Cumulative Convertible Preferred Stock of this corporation, and The Chase National Bank of the City of New York as such Dividend Disbursing Agent be authorized and instructed to disburse said dividend to the holders of the said outstanding \$3.50 Cumulative Convertible Preferred Stock of this corporation entitled to receive the same in accordance with the provisions of this resolution.

5. The Chairman next brought up for consideration the declaration of a dividend on the corporation's \$1 par value Common Stock and recommended payment during the month of May of a dividend of 25¢ per share.

The Treasurer presented to the meeting a certification, the original of which is attached to these minutes, showing that as of March 31, 1952 the total earned surplus was \$24,067,137, of which \$13,511,220 was available for dividends on the Common Stock.

After discussion the following resolutions were adopted:

RESOLVED that a dividend of \$0.25 per share is hereby declared and ordered paid upon the outstanding common stock of this corporation, such dividend to be payable May 20, 1952 to the holders of the common stock of record at the close of business on May 5, 1952; and be it further

RESOLVED that the Treasurer of this corporation be and is hereby instructed to deposit with the Schroder Trust Company, as Dividend Disbursing Agent, on or before May 20, 1952, the moneys required to pay the dividend hereby declared upon the common stock of the corporation payable on said date, and that Schroder Trust Company, as such Dividend Disbursing Agent, shall be and is hereby instructed to disburse the dividend upon the outstanding Common Stock of this corporation to the stockholders entitled to receive the same in accordance with the foregoing resolution.

6. At the request of the Chairman, Mr. Jacob explained the terms and conditions of a proposed lease agreement between the corporation and

the Commonwealth of Massachusetts providing for the construction of a hangar at the Logan Airport in Boston, Massachusetts. He explained that the cost of the hangar is to be paid by the Commonwealth and is not to exceed \$2,500,000 which will be repaid over a twenty-five year period in annual rentals plus interest. Whereupon after discussion and on motion duly made and seconded the following resolution was unanimously adopted:

RESOLVED that the President or any Vice President and the Secretary or any Assistant Secretary of the Corporation be, and they hereby are, authorized to execute and deliver on behalf of the Corporation an Agreement of Lease by and between the Commonwealth of Massachusetts and the Corporation providing for the construction of a hangar and certain related facilities at General Edward Lawrence Logan Airport, East Boston, Massachusetts, at a cost not to exceed \$2,500,000 and the lease thereof to the Corporation for a term of 25 years at an annual rental which, over the said 25-year term, will equal the cost of such construction together with interest thereon at a rate not in excess of  $2\frac{1}{2}\%$  per annum.

The Secretary next explained the provisions of a lease agreement providing for the rental of new ticket office space at 710 14th Street, N.W., Washington, D. C. for a ten year term at a total rental cost of \$132,300. After discussion the following resolution was adopted:

RESOLVED that the officers of the corporation be and hereby are authorized to enter into a lease for an additional ticket office in Washington, D. C. at an annual rental of \$12,600 for the first five years and \$13,860 for the second five years and on such other terms and conditions as the officer or officers executing such lease deem proper, and in connection therewith to expend approximately \$40,000 on capital improvements in connection therewith.

Mr. Jacob stated that it would be desirable to amend the resolution adopted by the Directors on August 21, 1946 so as to authorize the Secretary in addition to the President, any Vice President or the Treasurer to execute lease agreements in accordance with the provisions of the resolution.

Whereupon on motion duly made and seconded, the following resolution was adopted:

RESOLVED that the President, any Vice President, the Treasurer, or the Secretary of this corporation be and any one of said officers hereby is authorized and empowered, for and on behalf of this corporation, to negotiate, enter into, and to formulate, execute and deliver from time to time, such lease or leases as may be deemed advisable in the discretion of said officers, or any one of them, with the United States, and any state, municipal or other governmental authority, or department or division thereof, and any corporation, firm or other person, for the renting by this corporation from others, of property of all kinds, including real estate, provided the amount of the minimum annual rental required to be paid pursuant to any such lease is not in excess of \$25,000 per year; provided, further however, that in the event the total minimum required rental for the period of any such lease is in excess of \$100,000 a summary of the terms and conditions of such lease shall be reported to the Board at the next regular or special meeting thereof.

7. The Chairman discussed the latest developments with respect to the New York Metropolitan airport situation.

8. In order to better implement the organization change which had been reported to the Directors at the March meeting, the Chairman stated that he wished to recommend the election of Mr. Edmund O. Schroeder as Assistant Vice President - Line Maintenance. He also recommended the election of Mr. Morris L. Rinehart, Director of Tax Administration, as Assistant Treasurer of the corporation. Whereupon, upon motion duly made, seconded and unanimously carried, Mr. Edmund O. Schroeder was elected an Assistant Vice President of the corporation at an annual salary of \$16,000 and Mr. Morris L. Rinehart an Assistant Treasurer of the corporation at an annual salary of \$17,500 effective April 16, 1952.

9. The Chairman stated that due to the impossibility of making suitable meeting arrangements for holding the June meeting of the Directors in Boston, he recommended that the Directors postpone holding a meeting in that city until a later date. Whereupon on motion made and unanimously carried, the resolution adopted at the March 19, 1952 meeting setting the June meeting in Boston, was rescinded.

10. Mr. Deichler reported on current traffic trends and the recent action taken by the Civil Aeronautics Board on the company's application for a fare increase.

11. Mr. Jacob reviewed the status of various route applications pending before the Civil Aeronautics Board.

12. At the request of the directors Mr. Mosier reported the details of damages sustained at Rochester, New York, by a Convair aircraft owned by the corporation.

13. At the request of the Chairman, Mr. Conrad reported on general conditions in Europe.

14. At the suggestion of several of the Directors the following resolution was unanimously adopted:

RESOLVED that the regular monthly meetings shall hereafter be held on the third Wednesday of each month in the offices of the corporation at 100 Park Avenue, New York, New York, at 10:30 o'clock a. m.

There being no further business to come before the meeting, it was on motion duly made and seconded, adjourned.

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Secretary

APPROVED:

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Chairman