Summary of the Minutes of the Special Meeting
of the Board of Directors of American Airlines, Inc.
Held December 5, 1945

There were present at the meeting: Directors Ames, Benedict, Bruce, Damon, Farley, Hammond, Kemp, McLucas, Mosier and Smith.

1. The minutes of the previous meeting held October 17, 1945 were approved.

2. Financial statements for the month of October 1945 and for the year to date were presented and discussed. The Chairman stated that the management is working on a definitive program of capital requirements and would be prepared to discuss the matter in detail at an early date.

3. The directors approved capital authorizations which had been authorized by the management amounting to $154,489.57.

It was the consensus of the meeting that henceforth there be submitted at each directors' meeting a list of the capital expenditures approved since the last meeting although without the requirement, as has been the custom, of explaining the nature of items amounting to $5,000 or more. The directors authorized appropriate officers of the corporation to approve future capital expenditures in individual amounts of up to $100,000, provided that reports of the amounts so approved be submitted to the directors and, further provided, that the Chairman of the Board or the President, or in their absence the Vice President-Engineering and Treasurer acting jointly, personally approve each such expenditure amounting to $5,000 or more.

The directors gave advance approval to the following proposed capital expenditures:

Shop overhaul facilities and modification of shop hangar at Fort Worth, Texas	$200,000.00
Mechanical ticket issuing machine for New York Airlines Terminal	73,600.00
Additional cost of Los Angeles hangar ($360,000 was authorized on April 19, 1945)	90,450.00
Bins and racks for warehouse, Long Island City, New York	24,920.00

4. The management was authorized to contribute $15,000.00 to the 1946 American Red Cross campaign.

5. Mr. Rheinstrom reported on traffic for the month of October and the year to date.

6. The Chairman stated the management felt that 100 twin-engine airplanes would be required for DC-3 replacement and expansion of local services, of which he recommended, if feasible, the purchase of 50 and obtaining an option for the remaining 50. The directors authorized management to negotiate and to purchase or secure options on up to 100 twin-engine aircraft from Consolidated Vultee Aircraft Corporation or Glenn L. Martin Company, together with spare flight equipment, at a cost of not to exceed $240,000 per aircraft unit.

7. The management was authorized to lease from the City of Tulsa, Oklahoma the former Douglas Modification Center, comprising approximately 660,000 square feet of space, for a term of 20 years on a basis of either annual or prepaid rentals of not to exceed $750,000.

The following proposed leases negotiated by the management were reported:

Airport lease, Douglas, Arizona; 20 years;
Estimated rental-$61,000.
Airport lease, Battle Creek, Michigan; 10 years;
Estimated rental-$44,400.
Airport lease, Springfield, Missouri; 15 years;
Estimated rental-$46,300.
Traffic and ticket office, 16 Commerce Street,
Newark, New Jersey; 5 years;
Estimated rental-$36,000.

The directors gave advance approval to a proposed lease of space for enlarged shop and overhaul facilities at Fort Worth, Texas, comprising approximately 17,300 square feet, for a five year term at approximate rental of $43,200.

8. A resolution was adopted approving the change of name of American Export Airlines, Inc., to American Overseas Airlines, Inc.

9. In addition to the loan of $1,000,000 previously authorized, the directors authorized a loan of up to $2,500,000 to American Overseas Airlines, Inc., for six months at 1.5 percent interest.

10. The service agreement between this corporation and American Overseas Airlines, Inc., effective October 1, 1945 was ratified and approved.

11. The wartime limitation of $10,000 on employee death benefits under the Retirement Benefit Plan was rescinded, and the death benefits in effect up to June 30, 1942 were reinstated subject to a maximum benefit of $20,000. (The payment is to be no less than $1,000 in excess of total contributions of the employee)

12. The directors ratified execution of the Definitive Agreement between the corporation and Joseph A. Zock providing for acquisition of not less than 50.75 percent of the stock of Mid-Continent Airlines, Inc. Such agreement supersedes the Preliminary Agreement with Mr. Zock, dated September 17, 1945.

13. Lt. Chandler H. Kibbee was elected an Assistant Treasurer to be effective upon his discharge from the U.S. Navy.

The salaries of Paul G. Larie, Comptroller and Assistant Treasurer, and Vincent J. Long, Assistant Treasurer and Assistant Secretary were readjusted, effective December 1, 1945.

14. The President explained the management's plans for certain employee wage increases, and reported that all employees of the corporation would go on a 40 hour week without reduction in pay, effective January 1, 1946.

15. The President reported the amount of 1945 year end compensation payments to employees and supervisory personnel, pursuant to authority given by the directors previously.

16. The directors approved the employment of the firm of Covington, Burling, Rublee, Acheson & Shorb, Washington, D. C., as special counsel and authorized the Chairman to determine the appropriate amount of compensation to be paid to such firm for services performed in the latter part of 1945. The Treasurer was authorized to pay Covington, Burling, Rublee, Acheson & Shorb a retainer at the rate of $50,000 per annum for the year 1946.

The directors authorized the firm of Pruitt, Hale and Coursen to act as General Counsel up to March 1, 1946, at the discretion of the Chairman, and the Chairman was authorized to determine the appropriate compensation for services for such period.

The Chairman was authorized to make tentative plans for the appointment of General Counsel, subject to the approval of the Board.

17. The Chairman reported the employment of Mr. Rex Smith as Director of Public Relations and of Mr. P. P. Willis as Advertising Manager.

18. The directors approved payment of year end compensation amounting to $65,200 to the 20 corporate officers exclusive of the Chairman of the Board. In connection with this authorization, it was recorded that failure to authorize any year end compensation payment to the Chairman should not prejudice or determine the course to be followed in succeeding years.