

MINUTES OF MEETING

OF

BOARD OF DIRECTORS

OF

AIR AMERICA, INC.

September 17, 1974

A meeting of the Board of Directors of Air America, Inc. was held at the Manufacturers Hanover Trust Company, 350 Park Avenue, New York City on September 17, 1974.

PRESENT: Messrs. Walker, Doole, Ames, Goelet, Grundy and Richardson. Also present at the invitation of the Board were Mr. Clyde S. Carter, Senior Vice President and Mr. Lindsey B. Herd, Jr., Treasurer/Controller.

ABSENT: Mr. Velte.

Mr. Walker, Chairman of the Board, called the meeting to order. The Secretary presented the Certificate of Mailing of Notice and stated that a formal notice of the meeting had been sent to all Directors in accordance with the By-Laws of the Corporation. The Secretary was directed to file the Certificate of Mailing of Notice with the Minutes of the Meeting.

The minutes of the meeting of the Board of Directors of August 20, 1974 were approved.

The minutes of the meetings of the Executive Committee of 10 September 1974 were summarized for and noted by the Board.

The President, in the absence of the Managing Director, summarized the financial and operating results for the month of August 1974. He reported that the net revenues from the Inter-company (Air America and its subsidiary, Air Asia) operations amounted to U.S. Dollars 2,219,783 for the month and U. S. Dollars 13,366,065 for the first five months of the fiscal year. For the subsidiary Air Asia, August showed net revenues of approximately U. S. Dollars 242,000 and the first five months about U. S. Dollars 866,000. Average flying for the month came to 147 hours per day.

It was reported that the negotiations for the sale of the Company's subsidiary, Air Asia Company Limited, of which the Board had been previously advised on several occasions, were culminated with the signing of an Agreement as of August 21, 1974 with E-Systems, Inc., whereby that company will acquire all the outstanding shares of Air Asia for U. S. Dollars 1.9 million. Copies of the Agreement were made available for inspection, and a general discussion ensued concerning various aspects of the Agreement. Thereupon the following resolution was offered and, upon motion duly made and seconded, adopted:

RESOLVED, that the execution upon behalf of the Company of that certain Agreement for the sale of shares with E-Systems, Inc. as of the 21st day of August 1974 by George A. Doole, Jr. as Vice Chairman of the Board of Directors and the actions taken and to be taken in pursuance thereof are in all respects approved and ratified by the Board.

The Board was advised that the Company received a letter dated August 30, 1974 from The Renegotiation Board advising

that the Company (including Air Asia Company Limited and Air America Limited) had been granted exemption under The Renegotiation Act with respect to all contracts with the Department of Defense and its military departments for the eight corporate fiscal years ended March 31, 1967 through March 31, 1974. The Renegotiation Board letter also implied that an exemption for the fiscal year ending March 31, 1975, and later fiscal years, might be granted upon a request therefor by the Department of Defense. It was noted to the Board that the exemption letter had been prompted by a letter addressed to the Chairman of The Renegotiation Board from the Deputy Secretary of Defense under date of August 13, 1974.

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

Respectfully submitted,

Henry P. Bevans
Secretary for the Meeting