TO THE DIRECTORS OF AMERICAN AIRLINES, INC.:

Enclosed are minutes of the meeting of the Board of Directors held June 16, 1947, together with an envelope for your convenience in returning them.

Please advise if there are any corrections or comments.

G. W. Jacob,
Secretary

Original
enc.
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 Carlton Suite of the Ritz-Carlton Hotel, New York, New York,
on Wednesday, June 18, 1947, at 10:00 o'clock a.m., Eastern Daylight Saving
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
Charles S. Cheston
Thomas M. Conroy
Ralph S. Damon
Silliman Evans
Walter S. McLucas
C. M. Mosier
C. R. Smith

being a quorum of the Board of Directors.

Also present at the request of the directors were Treasurer William J.
Hogan, Comptroller and Assistant Treasurer, Paul G. Larie, Mr. Harold R. Harris,
Vice President and General Manager of American Overseas Airlines, Inc. and
Mr. Samuel E. Gates of the firm of Douglas, Proctor, MacIntyre & Gates, General
Counsel for the corporation.

Directors Carter, Farley, Hammon, Kemp and Queeny were unable to attend
the meeting.

The Chairman of the Board presided and the Secretary kept the records of
the meeting.
1. The Secretary stated that the minutes of the previous meeting held May 21, 1947 had been mailed to each director and presented a summary of the action taken at such meeting. Thereupon, upon motion duly made and seconded, the minutes were approved.

2. At the request of the Chairman, Mr. Larie presented and explained financial statements of the corporation consisting of balance sheets, statements of profit and loss and other financial exhibits prepared as of May 31, 1947. He also presented financial statements for the corporation's subsidiary, American Overseas Airlines, Inc., prepared as of April 30, 1947.

3. The President presented and explained a statement of capital expenditures authorized by the management since the last meeting of the Board of Directors, each in an amount less than $100,000 and not, therefore, requiring approval of the Board. These amounted in total to $171,014.91 for the corporation and $549.47 for American Airlines de Mexico, S. A.

4. Upon the recommendation of the Treasurer, the following resolution was duly made, seconded and unanimously carried:

WHEREAS, American Airlines, Inc., as agent, is regularly engaged in the sale of tickets for transportation by air over the routes of American Overseas Airlines, Inc., and

WHEREAS, payment for such transportation is frequently affected by check drawn to the account of American Overseas Airlines, Inc., thereby necessitating the return of such check to the maker thereof and its reissuance in favor of American Airlines, Inc., or its deposit to the account of American Overseas Airlines, Inc., and
WHEREAS, the grant of authority to appropriate personnel of American Airlines, Inc. to endorse checks so received and so drawn and to deposit them to the account of American Airlines, Inc. will expedite the transaction of business and will facilitate accounting procedures between the two Companies,

NOW, THEREFORE, BE IT RESOLVED that any bank with which American Airlines, Inc. maintains an operating or depository account be and is hereby authorized to accept checks drawn to the order of American Overseas Airlines, Inc. for deposit to the account of American Airlines, Inc. when such checks bear an endorsement stamp of "American Overseas Airlines, Inc., by American Airlines, Inc." directing such deposit.

5. The President reported that since the last Directors' meeting held May 21, 1947 the following surplus flight equipment had been sold: two Douglas DC-4 cargo aircraft to Alaska Airlines; one DC-4 cargo and one DC-3 passenger aircraft to American Overseas Airlines, Inc.; one DC-3 passenger aircraft to the Bank of Mexico and one BT-13 trainer aircraft to Lothrop Smith. The aggregate sales price and net book value at the time of sale of such aircraft was $460,091.35 and $448,037.87 respectively. He further stated that the corporation is continuing the program of retiring DC-3 aircraft and of returning leased aircraft to War Assets Administration.

6. The President recommended that the directors ratify the following basis of accrual of reserves for depreciation and obsolescence of Douglas DC-6 type aircraft and associated equipment:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Useful Life</th>
<th>Residual Value</th>
</tr>
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<tbody>
<tr>
<td>Douglas DC-6 type airplanes, together with engines, propellers and radio</td>
<td>Seven years from month</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>in which placed in scheduled service</td>
<td></td>
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</tbody>
</table>

After discussion and upon motion duly made, seconded and unanimously carried, the President's recommendation was approved.
7. Mr. Mosier stated that at the meeting held March 20, 1946, the directors had authorized the management to organize Manhattan Air Terminals, Inc. and subsequently had approved loans to that company not exceeding $600,000 for the purpose of acquiring property and erecting a terminal building in the New York business area. He stated that in view of the uncertainty of attracting additional airline capital for the project and the difficulty in obtaining one piece of property required to fill out the proposed terminal site, the management recommended that authority be given to sell or lease the property if such action appeared desirable. He further stated that in his opinion the sale or lease of property owned by Manhattan Air Terminals, Inc. could be accomplished without serious difficulty or financial loss. Whereupon, upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that the officers of the corporation be and hereby are authorized in their discretion to take such action as sole stockholder of Manhattan Air Terminals, Inc. as may be necessary to sell or lease the property owned by Manhattan Air Terminals, Inc. in the Borough of Manhattan, New York.

8. The Chairman reported that American Overseas Airlines, Inc. had now completed arrangements to borrow $12,000,000 from the Chase National Bank and certain other banks and that the Credit Agreement would be executed within the next few days. He further recommended, pursuant to the resolution adopted by the directors at the meeting held May 21, 1947, that the interest rate on loans by the corporation to American Overseas Airlines, Inc. in connection with such Credit Agreement, which would be in the maximum principal amount of
$3,750,000, be fixed at the rate of 3-3/4% per annum. Whereupon, after
discussion and upon motion duly made, seconded and unanimously adopted,
the Chairman's recommendation was approved.

9. The Secretary reported that on June 10, 1947 the Civil Aeronautics
Board extended the company's Chicago-Washington route beyond Washington, D. C.
to the co-terminal point, New York/Newark via Wilmington, Delaware. He stated
that as a consequence of the decision the corporation would be in position to
operate non-stop schedules between New York and Cincinnati and that such service
would be inaugurated early in July.

10. The President reported on developments generally affecting the corpo-
ration, including a review of the aircraft requirements program. He also
reviewed available information concerning recent accidents involving aircraft
of certain other U. S. airlines.

11. At this point, and on invitation of the directors, Harold R. Harris,
Vice President and General Manager of American Overseas Airlines, Inc. entered
the meeting. Discussion followed with respect to the progress being made in
developing overseas air traffic, and to other matters generally affecting that
company.

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

C. W. Jacob, Secretary

APPROVED:

G. H. Smith, Chairman