

**APFA  
SPECIAL BOARD OF DIRECTORS MEETING  
APRIL 22, 2003**

*Radisson Hotel DFW South  
Irving, Texas 75062*

Y = Yes  
N = No  
P = Pass  
A = Abstain  
N/A = Absent  
PXY = Proxy Vote

**Resolution Tally Sheet**

**Resolution: #2**

**Maker: Ward**

**Second: Lanning**

**Date: 4/22/03**

**Time: 1752**

		Y	N	P	A	N/A
BOS	Carrigan	√				
BOSI	McCauley	√				
DCA	Weston	√				
DCAI	Horan	√				
DFW	O'Kelley	√				
IDF	Walker (V. Chair)	√				
JFK	Nasca	√				
LAX	Nikides	√				
LAXI	Mitchell	√				
LGA	Edwards	√				
MIA	Washbish	√				
IMA	Trautman	√				
ORD	Mallon	√				
IOR	Moehring	√				
RDUI	Turley	√				
SFO	Syracuse	√				
SFOI	LeWinter	√				
STL	Cooper				√	
PRES	Ward (Tie Breaker)					

**YES: 17      NO:      ABSTAIN: 1      ABSENT:**  
**STATUS: PASSED (√)      FAILED ( )      TABLED ( )      WITHDRAWN ( )**

**WHEREAS**, the APFA Board of Directors resolved to take all necessary action to expeditiously address the Company's financial situation, while protecting the best interests of the APFA-represented flight attendants; and

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**WHEREAS**, the Board of Directors directed the President and the Negotiating Team to take actions needed to reach a negotiated agreement with American Airlines to best protect the interests of APFA-represented flight attendants under the circumstances presented; and

**WHEREAS**, the President and the Negotiating Team, in compliance with the directive of the Board of Directors, vigorously attempted to secure the best agreement that could be reached under the circumstances, given the serious, substantial threat of an imminent bankruptcy filing by the Company; and

**WHEREAS**, the APFA Executive Committee determined that, under the circumstances presented and taking into consideration the serious, substantial threat of an imminent bankruptcy filing, the agreement proposed by the Company was the best proposal that could be obtained, that if agreements were not ratified by the Company's employees, there was a great likelihood that the Company would promptly file a bankruptcy petition and that, in the event of such a filing, there was a strong likelihood that the APFA-represented flight attendants would suffer a reduction in wages and working conditions which exceeded those provided under the Company proposal presented to the Executive Committee for its consideration, and therefore approved the proposal and directed that it be submitted immediately to the APFA membership for its approval; and

**WHEREAS**, the Company had demanded that the ratification balloting process be completed and an affirmative vote be announced by no later than 11 a.m. CDT on April 15 by APFA, the Allied Pilots Association and the Transport Workers Union, or the Company would file a bankruptcy petition; and

**WHEREAS**, solely because of this Company demand and threat of an imminent bankruptcy filing, the APFA Board of Directors determined to conduct a balloting of the membership on a highly expedited basis over a 15-day period of time by telephonic voting; and

**WHEREAS**, the APFA leadership repeatedly made clear to the Company that the ratification process could not be properly handled, under the circumstances presented, within this extraordinarily tight timeframe demanded by the Company; and

**WHEREAS**, in addition to the inherent problems created by the shortness of the balloting time period itself, many other developments occurred that demonstrated the need for a lengthier balloting period, including: the fact that agreement on final contract language was not reached until well into the ratification process due to continuing obstacles imposed by the Company to conclusion of terms; continual revision of contractual terms as the Company agreed to certain changes in terms during the balloting process; and extensive problems encountered with the telephonic voting process that prevented many members from being able to cast votes and/or caused them to experience extensive delays and difficulties that discouraged casting of votes; and

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**WHEREAS**, despite these developments known to the Company, the Company flatly rejected APFA requests for a meaningful extension of the balloting period and, on April 15, the Company agreed to an extension only until 5 p.m. CDT on April 16; and

**WHEREAS**, during this extremely limited extension of the voting period on April 15-16, the Company actively and improperly inserted itself into the ratification process and inundated and pressured APFA members into casting votes and/or changing their votes, despite APFA's protests, including directly to Company CEO Don Carty; and

**WHEREAS**, the Union first learned, on the morning of April 17 through press reports, that the Company, in October 2002, granted 45 of its Officers special supplemental retirement benefits that, by the terms of the Trust documents pertaining to such benefits, would be protected from the reach of creditors in the event of an AMR/American bankruptcy, and that 7 top Officers of the Company also had been provided special Executive Retention Awards of as much as twice their annual salaries if they remained with the Company through January 2005 (although the first half of such special benefits would be paid in January 2004 – before the end of the required service period); and

**WHEREAS**, the APFA Restructuring Agreement that was the subject of the ratification ballot contained an explicit representation that the Company had provided to APFA prior to conclusion of the Agreement information that “was the most complete and reliable information available to the Company to the best of its knowledge,” this provision was of critical importance to APFA and was essential to APFA's decision to enter into the Restructuring Agreement, and information concerning the special retirement benefits and executive retention awards obviously was known to the Company but was hidden from APFA and the APFA membership until after the voting process had been concluded; and

**WHEREAS**, in light of the totality of circumstances presented, including those noted above, the laboratory conditions essential to the ratification balloting process have been tainted and disturbed by the Company's actions; and

**WHEREAS**, it is essential that steps be taken immediately to restore the laboratory conditions for the ratification balloting process; and

**WHEREAS**, the only way to effectively restore the laboratory conditions is by giving the APFA membership the opportunity to cast new ballots; and

**WHEREAS**, the Board of Directors remains committed to doing everything possible to enable the Company to avoid a bankruptcy filing while protecting the best interests of the APFA-represented flight attendants, and that this can best be accomplished under the circumstances presented, by giving the APFA membership the opportunity to cast new ballots.

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**THEREFORE BE IT RESOLVED**, that a new, expedited ratification vote will be conducted for the APFA membership, and the Board of Directors directs the National Balloting Committee to make arrangements with a neutral organization to provide for a ratification process to be conducted in accordance with the APFA Constitution.