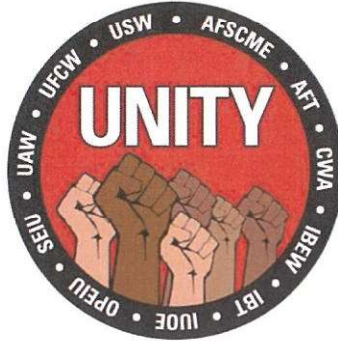


BARGAINING UPDATE



We were not able reach an agreement on the addendum. We submitted a comprehensive proposal to the Red Cross to try to reach an agreement. There was no response from Red Cross. We did get an extension until the end of March. Red Cross has agreed to pay the increase in the cost of health care until the end of March. This allows all our members to feel secure in the choice they made for health care and the price is status quo while bargaining continues.

We have a tentative agreement on Holidays. The Union and the Red Cross met in a sub-committee to consider the Scheduling proposals. The committee will continue to meet prior to the next bargaining session. Red Cross offered an incentive to part of the bargaining unit members of \$200 each month for 5 months. We were not able to agree to this incentive as it did not include all the bargaining union members. Bargaining should be continuing thru December for Local agreements. The National Addendum bargaining will resume bargaining the weeks of Jan. 10th, Jan 24th, and February 7th. Have a Happy Holiday Season.

United we bargain divided we beg.