



Disneyland

September 16, 1984

Dear Disneyland Employee:

After many weeks of very difficult negotiations between Disneyland management, union representatives and the committee of Master Services Agreement union hourly employees, we have been unable to reach an agreement on a new contract.

As a result, Disneyland has given the union negotiating committee its final offer for a new three-year agreement, which you will be voting on Monday, September 17, at the Retail Clerk's Hall located at 8530 Stanton Avenue in Buena Park at 8:30 a.m. and 7:30 p.m.

Negotiating the Master Services Agreement is extremely difficult. As a group, you are made up of more than 1,800 employees, representing not only full-time and part-time employees, but individuals from various age groups with diverse responsibilities, interests and priorities.

But you can be assured that the attached summary of our offer was formulated after lengthy and earnest negotiations. Before you vote you should be aware of certain vital facts we have been forced to consider.

As you probably know, Disneyland's attendance has decreased annually since 1980 and net annual income for Walt Disney Productions has decreased 31% from 1980.

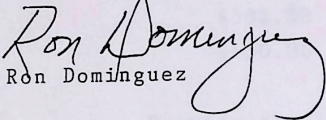
At the same time Disneyland has continued to increase its wage and benefit levels to employees in the Master Services Agreement to its present state, which places our employees in a category far in excess of comparable jobs in the outdoor recreation industry. Surveys indicate that our average top rate is 62% higher than the survey average top rate for comparable jobs at other theme parks and recreational facilities. The industry's job average is \$6 per hour at the top of the rate, while the same jobs at Disneyland average \$9.705 per hour at the top of the rate. We have always maintained that our employees deserve "more" than other theme park employees, and this offer does not change that fact. With the implementation of our final offer, at the end of three years our average top rate will still be the highest for these job categories in the theme park industry.

Any continuation of an upward trend in pay level and benefits threatens our ability to ensure an acceptable profit level, which can contribute to potentially destructive company takeover efforts. Our Company's recent experience with such an attempt is well documented and the future possibility of such actions remains real. As a division of Walt Disney Productions, Disneyland is directly answerable to the Board of Directors of our Company and the stockholders of Walt Disney Productions. It is important that you understand that only by maintaining reasonable rates of pay and benefits will we be able to properly manage our business and offer a return on investment which will permit Disneyland to continue to expand and provide employment for our many loyal employees.

This agreement is the best offer we can make for you, the employees, to maintain the unexcelled quality of our operation, while at the same time deal with our fiscal responsibilities.

This position was not taken without a great deal of thought and evaluation. We recognize the potential serious situation if you do not accept our position and are prepared for that possibility. However, we ask you to seriously consider the realities at hand and the importance of your decision and vote "yes" on this agreement.

Sincerely,

  
Ron Dominguez



DISNEYLAND  
MASTER SERVICES AGREEMENT  
3 YEAR CONTRACT

The following major modifications have been made to the current Master Services Agreement:

- 1) Provide for new 3 year agreement (9-15-84 thru 9-14-87)
- 2) Current wages to remain in effect.
- 3) Group Classification titles have been changed as follows: (title change only)
  - Group A to become Regular Full-Time
  - Group B to become Regular Part-Time
  - Group C to become Casual-Regular
  - Casual/Seasonal to become Casual-Temporary
- 4) Provide for new 30 year, \$650.00 Pension Schedule as follows: (Effective 9/15/85)
  - \$200.00 after 10 years
  - \$415.00 after 20 years
  - \$532.50 after 25 years
  - \$650.00 after 30 years
- 5) Provide for interchangeability of job classifications.
- 6) Personal Days Off - Provide that employees who have accrued a sick leave bank of 96 hours (12 days) or more, may take up to 3 sick leave days per year as personal days off upon approval of their immediate supervisor.
- 7) Modify seniority language to provide that Casual-Regular employees maintain seniority on layoffs and recalls only.
  - Regular Part-Time employees to be promoted to Regular Full-Time on the basis of skill, ability and work record.

DISNEYLAND/MASTER SERVICES AGREEMENT

3 YEAR CONTRACT

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- 8) Effective 9/15/84, improve four (4) week Vacation accrual formula by 1 full year. Four (4) week vacation formula accrued during the 18th year, to be taken during the 19th year of service.
- 9) Effective 9/15/85, improve four (4) week Vacation formula by 1 full year. Four (4) week vacation formula accrued during the 17th year, to be taken during the 18th year.
- 10) Provide that the Regular Full-Time and Regular Part-Time 26 week and 52 week rate progression shall be replaced by the 30 week and 80 week rate progression.
- 11) Provide that the Meal Allowance provision be deleted.
- 12) Provide for modified Health and Welfare language and eligibility:

Major Medical, Dental and Vision coverage to be provided for Regular Full-Time and Regular Part-Time employees only. (Currently eligible Casual-Regular employees may continue coverage of these benefits by purchasing them at the Employer's group rate.)
- 13) Provide for modified Subcontracting language.
- 14) Provide that new Casual-Regular employees hired after 9/15/84, shall progress to the 80 week rate progression and remain there until converted to either Regular Full-Time or Regular Part-Time, at which time they shall continue their rate progression up to the 208 week rate.
- 15) Provide for 120 calendar day probationary period for Casual-Regular employees.
- 16) Provide for modified Holiday Pay eligibility requirements for Casual-Regular employees.



September 22, 1984



Disneyland

Dear Disneylander:

At the request of the Federal Mediator, Disneyland and the Union Negotiating Committees met Thursday in an attempt to reach an agreement on a new Master Services Agreement.

Early Friday, after many hours of intense discussion, Disneyland submitted to the Union Committee a package which was substantially improved over the offer which you voted on September 17th. This offer directed itself to the many concerns expressed by our employees in the areas of seniority, interchangeability, subcontracting, loss of benefits and duration of the Agreement. The modified offer provides that all existing A, B and C employees will retain the same benefits that they currently possess.

The Union Committee has agreed to submit, for your vote, the Company's modified offer on Monday, September 24th at 8:30 a.m. and 7:30 p.m. at the Retail Clerk's Hall, located at 8530 Stanton Avenue, Buena Park. We face a serious situation that can have tremendous consequences for your future as well as for the future of Disneyland as we know it today. It is important that you understand this.

If any of you believe we want a strike, you are 100% wrong. We want what we believe you want, a Disneyland that will continue to grow, continue to provide good employment, good wages and benefits, a good working environment and a Disneyland that will continue to be recognized and respected worldwide for bringing happiness to all our millions of guests.

However, in the event of a strike, we want you to be aware of the following facts. I hope that you, or you and your family, will consider them carefully.

1. Disneyland would operate.
2. Disneyland would welcome all employees who wished to report to work as scheduled.
3. Federal law protects your right to work during a strike if you wish to do so.
4. All other Unions which have Collective Bargaining Agreements with Disneyland have assured us that in the event of a strike they would honor the no-strike provision in their agreements.
5. Those employees who do not report for work as scheduled would not be eligible for unemployment insurance.



6. Those employees who do not report for work as scheduled would not accrue service time for purposes of vacation, sick leave and pension.
7. No payroll deductions would be made during the period a person is on strike for such items as Union dues and credit union savings.
8. The Company would discontinue payment of the group insurance premium for eligible employees who choose to strike. Employees on strike could make payments for group insurance coverage at the rate of \$124.00 per month. An additional cost would be incurred to continue the Dental, Vision, Long Term Disability, Basic and Additional Life Insurance coverages.
9. Those employees who choose not to report as scheduled would create a number of job openings, and federal law provides that employers may protect their business by hiring permanent replacements.
10. Once employees are replaced, they would not be able to return to work unless a vacancy occurred in a classification for which they were qualified.

We truly hope none of the above ever happens. However, it is important that you understand that only by being sensitive to the realities and responsibilities that exist today can Disneyland remain in a position to be able to continue to expand and offer employment to all of you.

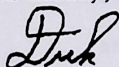
You are the best and deserve to be compensated as such. Right now, as well as under the terms of the Agreement, that you will be voting on, you will continue to be the best paid--with the best benefits--of anyone in our industry anywhere in the world.

This has not been an easy position for us to take and we recognize that it is not an easy position for you to accept. But it is critical for all of us to recognize we are living today under a whole new set of circumstances and for Disneyland to continue to offer the quality product which we are all responsible for and proud of, we must face up to the real hard facts of life and be flexible in adapting to meet these conditions.

NO ONE WINS IN A STRIKE.

NOT YOU. NOT YOUR UNION. NOT YOUR COMPANY.

Sincerely,



Dick Nunis  
President  
Disneyland/Walt Disney World



DISNEYLAND  
MASTER SERVICES AGREEMENT  
MODIFIED OFFER SUMMARY

The following modified offer will be presented for ratification for employees covered under the Master Services Agreement.

- 1) All currently eligible employees to continue to receive the appropriate Major Medical, Dental, or Vision coverage as provided for in current Agreement. (Grandfathered.)
- 2) All employees (including current Group C Employees) to continue to retain seniority rights as provided for in current Agreement.
- 3) Currently eligible employees to continue to receive Sick Leave as provided for in current Agreement. (Grandfathered.)
- 4) All current employees to be protected from lay-off or reduced hours due to modification in Subcontracting language. (Grandfathered.)
- 5) Delete Interchangeability.
- 6) All current employees to continue to receive Holiday Pay as provided for in current Agreement. (Grandfathered.)
- 7) Personal Days Off - Provide that employees who have accrued a sick leave bank of 96 hours (12 days) or more, may take up to 3 sick leave days per year as personal days off upon approval of their immediate supervisor.
- 8) Effective 9/15/84, improve four (4) week Vacation accrual formula by 1 full year. Four (4) week vacation formula accrued during the 18th year, to be taken during the 19th year of service.
- 9) Effective 9/15/84, improve four (4) week Vacation formula by 1 full year. Four (4) week Vacation formula accrued during the 17th year, to be taken during the 18th year.
- 10) Currently eligible employees to continue to receive the Meal Allowance as provided for in current Agreement. (Grandfathered.)
- 11) Provide that employees hired after 9/15/84 and scheduled to work less than 20 hours per week, shall progress to the 80 week rate progression and remain there until converted to a 5-day per week employee status, at which time they shall continue their rate progression up to the 208 week rate.

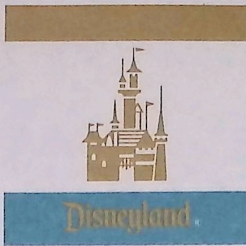
- 12) Provide that the Full-Time and Part-Time 26 week and 52 week rate progression shall be replaced by the 30 week and 80 week rate progression.
- 13) Provide for 120 calendar day probationary period for Casual-Regular employees.
- 14) Provide for new 30 year, \$650.00 Pension Schedule as follows: (Effective 9/15/85)
  - \$200.00 after 10 years
  - \$415.00 after 20 years
  - \$532.50 after 25 years
  - \$650.00 after 30 years

15) Wages

Current wages to remain in effect for two (2) years.



October 5, 1984



Dear Disneylander:

It has been over a week now since Disneyland submitted its final contract offer to your union for your ratification and you decided to go on strike. During that time we have continued to operate Disneyland effectively with existing staff, temporary replacements and several hundred of our permanent and casual employees covered under your contract who have chosen to continue to work.

Unfortunately the time has come to look to the future. I regret to inform you that as of October 11, 1984 we will begin hiring permanent replacements in all Master Services Agreement job classifications. We believe you should be aware of the following legal and factual statements.

The Company has put into effect the terms and conditions of its second and final offer.

Once permanent replacements are hired, a striking employee will not be able to return to work unless there is an opening for which he/she is qualified, after he/she has unconditionally offered to return to work.

Once we begin hiring permanent replacements, striking employees will no longer be eligible to purchase our Group Insurance plans through the Company.

We respect your right to make your own decision concerning your future. We hope you respect our obligation to continue to operate Disneyland.

It is my earnest hope that you will choose to return to work on your next scheduled shift and help us to continue the Disneyland show.

Sincerely,

A handwritten signature in black ink that reads "Dick".

Dick Nunis  
President  
Disneyland and Walt Disney World