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CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGED MEMORANDUM

DATE: November 10, 2016

TO: Hotel Association of New York City, Inc.

Labor Relations Members

General Managers, Controllers and Human Resources Directors

FROM: Kane Kessler, P.C.

Labor and Employment Law Department

RE: 2017 Calendar Year Industry Wide Agreement ("IWA") wage and wage related

increases and benefit fund contributions

<u>I. January 1, 2017:</u>

<u>A. Health Benefit Fund</u>: IWA contribution rates to the Health Benefit Fund decrease to 26.75% from 31.25% on January 1, 2017, which is inclusive of the diverted Pension and Prepaid Legal Fund contributions.

<u>B. Pension Fund</u>: Hotels must increase their rate of contribution to the Trustees of the New York Hotel Trades Council and Hotel Association of New York City, Inc. Pension Fund from 3.00% to 8.00%.

<u>C. Bellpersons and Doorpersons</u>: Except for those Bell and Door persons who do not regularly receive porterage and are paid no less than the IWA Elevator Operator, Passenger rate set forth in Schedule A, the base hourly rates for both Bellpersons and Doorpersons must be increased by Fifty Cents (\$0.50), effective January 1, 2017, as follows:

Base Hourly Rate for Bellpersons (Transient and Semi-Transient)

Current \$18.1993 January 1, 2017 \$18.6993

Base Hourly Rate for Bellpersons (Residential)

Current \$19.1795 January 1, 2017 \$19.6795

Base Hourly Rate for Working Bell Captains

Current \$22.9815 January 1, 2017 \$23.4815

Base Hourly Rate for Doorpersons

Current \$18.5033 January 1, 2017 \$19.0033

<u>D. Prepaid Legal Fund</u>: Hotels must continue to contribute to the Trustees of the New York Hotel Trades Council and Hotel Association of New York City, Inc. Prepaid Legal Services Fund one quarter of one percent (0.25%) of the wages payable to the employees for the preceding pay period for the purpose of making available certain legal services benefits to employees of the Hotel and their dependents.

<u>E. Industry Training and Scholarship Fund</u>: Hotels must continue to pay the Trustees of the New York Hotel Trades Council and Hotel Association of New York City, Inc. Industry Training and Scholarship Fund the sum of One Dollar and Fifty Cents (\$1.50) per month for each employee on the Hotel's payroll on the 15th day of each month for the purpose of establishing and maintaining programs to train employees for promotion and advancement, and One Dollar (\$1.00) per month for each employee on the Hotel's payroll on the 15th day of each month to provide educational scholarships and tuition aid to dependents of the Hotel's employees.

F. Optical Fund: Contributions remain at \$1.50 per employee per month.

G. Contribution for New Employees: No contributions to the Pension Fund, Prepaid Legal Fund, Training Fund, and Dental Fund (2%) are required on behalf of any "new employee" until nine (9) months after the date of employment. A "new employee" is defined as any employee who was not continuously employed by an Employer that is signatory to the Industry Wide Agreement for at least twelve (12) continuous months within the 24 months preceding employment.

II. July 1, 2017:

A. Industry-wide wage increases: Base hourly rates for all classifications are subject to 3.5% increases (see the Exhibit attached hereto). In addition, the following wage-related items must be increased by 3.5% as well, as follows:

Extra Rooms

Current \$14.76 July 1, 2017 \$15.28

Cots

Current \$4.91 July 1, 2017 \$5.08

Night-Shift Differential

Current \$1.32 per hour July 1, 2017 \$1.37 per hour

Porterage for Bellpersons

Current \$3.00 per bag (maximum two bags per person) July 1, 2017 \$3.11 per bag (maximum two bags per person)

Porterage for Doorpersons

Current \$1.50 per bag (maximum two bags per person) July 1, 2017 \$1.55 per bag (maximum two bags per person)

Bellperson fee pursuant to Article 50(C)

Current \$1.44 per person July 1, 2017 \$1.49 per person

If you have any questions, please do not hesitate to contact David R. Rothfeld, Lois M. Traub, Alexander Soric, Jennifer Schmalz, Jaclyn Ruocco, Michael C. Lydakis or Robert L. Sacks.

cc: Joseph E. Spinnato, Esq. Vijay Dandapani, Chairman

This memo is provided for informational purposes only.

It is not intended as legal advice and readers should consult counsel to discuss how these matters relate to their individual circumstances

CLASSIFICATION	7/1/2017 SCHEDULE A HOURLY RATE	
DINING ROOM		
Captains	\$28.7975	
Scrub Captains	\$17.0588	
Greeters	\$28.4250	
Food Servers	\$16.4263	
Bus Attendants	\$17.6318	
Banquet Captains	\$28.7975	
KITHCEN & STEWARDING		
Sous Chef	\$35.4680	
Night Chef	\$34.9274	
Saucier	\$34.6951	
Garde Manger	\$34.6174	
Tournant	\$34.6174	
Chef de partie & Chef Butcher	\$35.5411	
Banquet Chef	\$34.9274	
First Commis-Garde Manger	\$33.7680	
First Commis-Saucier	\$33.7680	
First Commis-Others	\$33,6137	
Working Chef	\$34.5411	
First Assistant	\$33.7680	
All Assistant Cooks-White Jackets	\$33.3051	
Pastry Chef	\$35.0806	
First Assistant	\$33.8449	
All Other Assistants	\$33.3051	
Ice Cream Chef	\$34.3083	
Head Baker	\$34.5411	
Night Bakers	\$34.0000	
Bakers	\$34.0000	
Head Vegetable Preparers	\$31.4126	
All Other Vegetable Preparers	\$31.1511	
Chicken and Fish Butchers	\$33.3051	
Head Oyster Preparer	\$32.3020	
All Other Oyster Preparers	\$31.9917	
Head Pantry Person	\$31.9154	
Pantry, Coffee Persons	\$31.4911	
Head Silver Cleaner	\$31.2566	
Regular Silver Cleaner	\$30.8714	
Dishwashers	\$30.8714	
Potwashers	\$31.1043	
Floor Stewards	\$33.3051	
Kitchen Runners	\$30.8723	
	'' CAFETERIA	
Head Cook	\$33.3051	
Assistants	\$31.9917	
7 10010141110	Ψυτινντι	

BA	AR		
Bartenders (Public Bars)	\$32.	5320	
Bartenders (Service Bars)	\$33.6909		
Bartender's Helper	\$30.8714		
HOUSEKEEPING			
Floor Housekeepers \$33.2777			
Room Attendants	\$31.7609		
Bath Attendants	\$31.7609		
Housekeeping Attendants	\$31.7609		
Window Washers/Housekeeping Attendants	\$31.7009		
Wall Washers	\$32.1469 \$32.1469		
Furniture Polishers	\$31.3		
LAUN)JJ T	
Washers	\$31.4	1011	
Wash Room Helpers	\$31.2		
Guest Markers/Assorters	\$31.2		
Hand Ironers	\$31.2		
	\$31.2		
Operators and Starchers Hand Washers	\$31.		
Curtain Processors			
	\$31.		
Flat Workers, Shakers, Feeders, Receivers, Folders	\$31.		
Misc. Laundry	\$31.1043 \$31.4126		
Mini-Laundry Employees		+120	
FRONT S	\$33.4	1226	
Stationary Bell Captains	1/1/17 - \$23.4814	7/1/17 - \$24.3033	
Working Bell Captains Elevator Starters	\$31.9		
Elevator Operators, Passenger	\$31.8		
Elevator Operators, Service	\$31.8		
Bell Persons, T	1/1/17 - \$18.6993	7/1/17 - \$19.3538	
Bell Persons, ST	1/1/17 - \$18.6993	7/1/17 - \$19.3538	
Bell Persons, Porters, R	1/1/17 - \$19.6797	7/1/17 - \$20.3683	
Lobby Porters	\$31.3		
Door Persons	1/1/17 - \$19.0033	7/1/17 - \$19.6684	
Checkroom Attendants	\$30.7186		
Package Room Messenger	\$17.6080		
Package Room Employees		\$31.2197	
Driver-Bell Persons	\$25.2488		
Driver-Door Persons	\$25.2488		
Chauffeurs and Drives (full time)	\$33.1	1220	
WHITE COLLAR –		2017	
Accounting Clerks	\$31.9917		
Circuit Clerks	\$31.6054		
Concierges	\$33.1509		
E.F. Typists	\$31.6837		
F&B Checkers	\$31.7609		
F&B Control & Card Control Clerks	\$31.6837		

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File Clerks	\$31.5297	
Floor Clerks	\$31.2197	
F.O. Cashiers	\$32.1837	
F.O. Coordinators	\$33.1509	
Guest History Clerks	\$31.5297	
House Officers	\$33.2389	
Key, Mail, Information Clerks	\$31.5297	
Night Auditors	\$32.4169	
Payroll Clerks	\$31.9154	
Reservation Clerks	\$31.6829	
Restaurant & Beverage Cashiers	\$31.6837	
Room Clerks	\$32.2237	
Stenographers	\$31.8386	
Timekeepers	\$31.6837	
Typists	\$31.6837	
Voucher Clerks	\$31.6837	
Security Guards	\$31.4126	
Telephone Operators	\$31.8386	
ENGINE ENGINE		
Engineers	\$34.3083	
Boiler Room Attendants	\$33.5351	
Oilers	\$33.3431	
Electricians	\$33.6909	
Electric Switch Board Operators	\$33.0737	
Helpers	\$32.6106	
Helpers in Engineering Department	\$32.6106	
Air Condition Control Mechanics	\$33.6137	
Refrigeration Mechanics	\$33.7680	
Painters	\$33.6137	
Paper Hangers and Sign Painters	\$34.0000	
Wood Finishers and Polishers	\$33.6137	
Upholsterers	\$33.6137	
Upholsterers' Sewers	\$33.2271	
Maintenance Employees	\$33.6137	
Maintenance Helpers and Apprentices	\$32.6103	
VALET DEI		
Tailors	\$31.6443	
Pressers	\$31.6443	
Dry Cleaners	\$31.9549	
Runners and Delivery Employees	\$17.0165	
PRINT SHOP I		
Compositors	\$31.5677	
Press Operators and Linotypists	\$32.3394	
Miscellaneous Employees	\$31.1820	
1 0		
TURKISH BATHS Masseurs/Masseuses \$16.4263		
	\$16.4263 \$16.5622	
Attendants	\$16.5623	

\$16.3585			
\$17.8775			
MISCELLANEOUS			
\$33.6909			
\$31.7609			
\$31.7609			
\$31.3749			
\$32.6877			
\$31.6837			
\$31.6054			
\$31.1043			
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\$31.7609			
\$30.7960			
\$22.0388			
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\$30.8714			

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CONFIDENTIAL ATTORNEY CLIENT PRIVILEGED INFORMATION

DATE: January 27, 2016

TO: Hotel Association of New York City, Inc.

Labor Relations Members

General Managers, Human Resources Directors and Controllers

FROM: Kane Kessler, P.C.

Labor and Employment Law Practice Group

RE: Agreed Upon Changes to Fund Contributions

The Hotel Association's Board of Directors has approved a shifting of contributions between the Pension Fund and the Health Fund, beginning with contributions due in February 2016. The shifting of contributions is necessary to meet the initial expenses associated with the construction of the new Brooklyn Health Center.

The shifting of contributions does not result in any additional costs to Hotels.

Accordingly, Fund contributions are revised as follows:

Pension Fund

Effective Date	Contribution Rate
January 1, 2015	9.50%
July 1, 2015	6.00%
January 1, 2016	2.50%
July 1, 2016	3.00%
January 1, 2017	8.00%
January 1, 2018	10.00%
July 1, 2018	10.50%
January 1, 2026	11.50%

Health Benefits Fund

Effective Date	Contribution Rate
January 1, 2015	23.50%
July 1, 2015	27.00%
January 1, 2016	31.00%
January 1, 2017	26.50%
January 1, 2018	24.50%
January 1, 2019	25.25%
January 1, 2020	26.50%
January 1, 2021	27.00%

The above rates are $\underline{\text{exclusive}}$ of the Prepaid Legal contribution diversion or provided for in the 2015 MOU.

Except as expressly noted above, there are no additional changes to the 2015 Memorandum of Understanding between the Hotel Association and the New York Hotel Trades Council.

If you have any questions, please do not hesitate to contact David R. Rothfeld, Lois M. Traub, Alexander Soric, Jaclyn Ruocco, Robert L. Sacks, Michael C. Lydakis or Jennifer M. Schmalz.

cc: Vijay Dandapani, President and CEO Hervé Houdré, Chairman