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CONFIDENTIAL ATTORNEY—CLIENT PRIVILEGED MEMORANDUM

DATE: October 20, 2015

TO: HANYC Division A Labor Relations Member Hotels
General Managers, Human Resources Directors and Controllers

FROM: Kane Kessler, P.C.
Labor and Employment Law Department

RE: Executed MOU Extending the Division A Collective Bargaining Agreement

As a follow up to our August 5, 2015 memo which summarized the terms of the Memorandum of Understanding related to the Division A Collective Bargaining Agreement (“MOU”), attached is a copy of the fully executed MOU extending the terms of the Division A Collective Bargaining Agreement to June 30, 2027.

If you have any questions, please do not hesitate to contact David R. Rothfeld, Judith A. Stoll, Robert L. Sacks, Lois M. Traub, Alexander Soric, Michael Lydakakis or Jaclyn Ruocco.

Enc.
Joseph E. Spinnato, Esq.
Vijay Dandapani, Chairman

MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding entered into by and between the Hotel Association of New York City, Inc. (hereinafter "Association") and the Associated Hotels and Motels of Greater New York (hereinafter "Associated"), on behalf of themselves and their respective bargaining group members (hereinafter collectively referred to as "Employer") and the New York Hotel and Motel Trades Council, AFL-CIO in its own behalf and in behalf of its members, now employed or hereafter to be employed by the Employer (hereinafter referred to as "Union").

WHEREAS, the Employer and the Union are signatories to a Collective Bargaining Agreement entered into as to be effective July 1, 2013 (hereinafter referred to as the "Division A Agreement"), which Agreement by its terms, expires on June 30, 2020; and

WHEREAS, the Employer and the Union desire to modify and extend the Division A Agreement as now restated in this Memorandum of Understanding (hereinafter referred to as "this Agreement").

NOW, THEREFORE, it is mutually agreed as follows:

1. Except as expressly set forth herein, all of the terms of the Division A Agreement are renewed and extended until midnight June 30, 2027.
2. The following wage increases to Schedule A minimum rates and actual rates, if higher, shall apply:

<u>July 1, 2020</u>	All non-tipped employees:	An additional \$1.00 per hour;
	All tipped employees:	An additional \$.50 per hour.
<u>July 1, 2021</u>	All non-tipped employees:	An additional \$1.00 per hour;
	All tipped employees:	An additional \$.50 per hour.
<u>July 1, 2022</u>	All non-tipped employees:	An additional \$1.00 per hour;
	All tipped employees:	An additional \$.50 per hour.
<u>July 1, 2023</u>	All non-tipped employees:	An additional \$1.00 per hour;
	All tipped employees:	An additional \$.50 per hour.
<u>July 1, 2024</u>	All non-tipped employees:	An additional \$1.00 per hour;
	All tipped employees:	An additional \$.50 per hour.
July 1, 2025	All non-tipped employees:	An additional \$1.00 per hour;
	All tipped employees:	An additional \$.50 per hour.
July 1, 2026	All non-tipped employees:	An additional \$1.00 per hour;
	All tipped employees:	An additional \$.50 per hour.

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Nothing herein is intended to modify Article IX(d).

3. The percentage, on an industry-wide basis, attributable to the wage increases provided for in paragraph 2 shall, in accordance with past practice, be applicable to all wage-related items contained in the Division A Agreement, e.g. extra rooms, cots, night shift differential rates, tours and airline personnel, etc.
4. On the effective date of this Agreement, one half (1/2) of the contributions payable to the Prepaid Legal Fund shall be reallocated to the Health Benefit Fund in accordance with and subject to the Hotel Association of New York City, Inc. – New York Hotel and Motel Trades Council, AFL-CIO (“IWA”).
5. Contribution rates to the Health Benefit Fund (not inclusive of the reallocation of the contributions from the Prepaid Legal Fund referred to in Paragraph 4 nor the amount described in the paragraph immediately below) shall be as follows:

January 1, 2015: 24.5%

January 1, 2016: 25%

January 1, 2017: 25.5%

January 1, 2019: 26.25%

January 1, 2020: 27.5%

January 1, 2021: 28%

Nothing herein is intended to modify the minimum funding or maintenance of benefits provision of the IWA nor Article XVI(d) of the Division A Agreement.

6. The following shall be added as the penultimate sentence to Article XVII(a):

“Effective January 1, 2027, the aforementioned rate shall be increased to eight and one half percent (8.5%).”

Article XI(a) of the Division A Agreement shall be modified to include the following:

“Employees employed less than one (1) year will accrue one (1) hour for every thirty (30) hours worked, up to a maximum of forty (40) hours of paid sick leave per calendar year, until they become entitled to benefits pursuant to Article XI.”

7. The Employer shall not be permitted to hire from any employment referral agency that requires prospective applicants to pay a fee or commission. The Employer may not, directly or indirectly, charge any prospective applicant any fee or commission.

8. This Successor Agreement is subject to ratification by both parties ("Effective Date").

Dated: June ____, 2015

HOTEL ASSOCIATION OF NEW YORK CITY,
INC. on behalf of its Bargaining Group Hotels

NEW YORK HOTEL AND MOTEL
TRADES COUNCIL, AFL-CIO

By: Joseph E. Spinnato
Joseph E. Spinnato, President

By: Peter Ward
Peter Ward, President

ASSOCIATED HOTELS AND MOTELS OF
GREATER NEW YORK, on its own behalf and
On behalf of its Bargaining Group Hotels

By: [Signature]

The parties agree the percentages, on an industry-wide basis, attributable to wage increases, are as follows:

2020: 2.75%
2021: 2.68%
2022: 2.61%
2023: 2.54%
2024: 2.48%
2025: 2.42%
2026: 2.36%

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