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***CONFIDENTIAL ATTORNEY-CLIENT
PRIVILEGED MEMORANDUM***

DATE: June 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: July 1, 2016 Industry Wide Agreement (“IWA”) wage and wage related increases

This memo shall serve as a reminder of the adjustments called for under the IWA to take effect on July 1, 2016. On that date, each employee on the Employer’s payroll shall receive a wage increase of 3.5% of the employee’s actual rate of pay in effect on that date.

You can find the specific adjustments to the hourly rate for Bellpersons and Doorpersons, extra rooms, cots, night shift differential, portage, and all Funds (with the exception of Pension and Health) in our October 29, 2015 memo, which is attached.

The contribution rates for Pension and Health are set forth in our January 27, 2016 memo, also attached.

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

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

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***CONFIDENTIAL ATTORNEY-CLIENT
PRIVILEGED MEMORANDUM***

DATE: October 29, 2015

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: **2016 Calendar Year Industry Wide Agreement (“IWA”) wage and wage related increases and benefit fund contributions**

I. January 1, 2016:

A. Health Benefit Fund: IWA contribution rates to the Health Benefit Fund increase to 27.75% on January 1, 2016, which is inclusive of a .5% Health Benefit Fund increase and the diverted Pension and Prepaid Legal Fund contributions.

B. Bellpersons and Doorpersons: The base hourly rates for both Bellpersons and Doorpersons must be increased by Fifty Cents (\$0.50), effective January 1, 2016, as follows:

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

Current	\$17.0839
January 1, 2016	\$17.5839

Base Hourly Rate for Doorpersons

Current	\$17.3777
January 1, 2016	\$17.8777

C. Prepaid Legal Fund: 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.

D. Industry Training and Scholarship Fund: 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.

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

F. Dental Fund: Contributions remain at 2% of employee wages per month.

G. Contribution for New Employees: No contributions to the Pension Fund, Prepaid Legal Fund, Training Fund, and Dental Fund 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, 2016:

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

Extra Rooms

Current	\$14.26
July 1, 2016	\$14.76

Cots

Current	\$4.74
July 1, 2016	\$4.91

Night-Shift Differential

Current	\$1.28 per hour
July 1, 2016	\$1.32 per hour

Porterage for Bellpersons

Current	\$2.90 per bag (maximum two bags per person)
July 1, 2016	\$3.00 per bag (maximum two bags per person)

Porterage for Doorpersons

Current	\$1.45 per bag (maximum two bags per person)
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July 1, 2016 \$1.50 per bag (maximum two bags per person)

Bellperson fee pursuant to Article 50(C)

Current \$1.39 per person

July 1, 2016 \$1.44 per person

B. Pension Fund: 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 6% to 6.5%, which reflects the contributions diverted to the Health Benefit Fund by 0.50%.

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

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

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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 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. Lydakakis or Jennifer M. Schmalz.

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