Tip Rate Determination Agreement

Benefits to Participants

1. To Participate:
   - New employees must join within 60 days from date of hire
   - Current employees must join within 60 days from agreement implementation date
   - Employees must sign Attachment C and agree to report tips at or above the hourly tip rate
   - Employees who drop out during the year are not eligible to join again until January of the following year

2. Participating Employees:
   - Will not be subject to a tip audit during agreement years
   - Will not be subject to tip audits in prior years if employer had no agreement
   - Will benefit from Coverage Adjustment reductions (10%, 20% or 15%)
   - Will no longer need to keep detailed tip logs
   - Will have higher income on their W-2 which may result in:
     - Better terms when applying for loans (mortgage, car, and other personal loans)
     - Increased Workers’ Compensation benefits, should you get injured on the job
     - Increased Unemployment Compensation benefits should you need them
     - Increase in other benefits (based on pay) that the company may offer such as life insurance or disability payments that are based on income
     - Increased Social Security and Medicare (FICA) benefits (the more you pay in, the greater your benefits)

3. What will be withheld from your paycheck:

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>Participant Hourly Tip Rate Effective 1/1/2015</th>
<th>Participant Tip Income based on 40 hour work week</th>
<th>Participants Employee Share of FICA Withholding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Server</td>
<td>$16.40</td>
<td>$656.00</td>
<td>$50.18</td>
</tr>
<tr>
<td>Busser</td>
<td>$5.23</td>
<td>$209.20</td>
<td>$16.00</td>
</tr>
<tr>
<td>Bartender</td>
<td>$11.75</td>
<td>$470.00</td>
<td>$35.96</td>
</tr>
<tr>
<td>Cocktail Server</td>
<td>$14.03</td>
<td>$561.20</td>
<td>$42.93</td>
</tr>
<tr>
<td>Barback</td>
<td>$3.89</td>
<td>$155.60</td>
<td>$11.90</td>
</tr>
</tbody>
</table>

*Employees share of FICA Tax of 7.65%; does not include income taxes

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