

TO ALL EMPLOYEES OF FRAETLLI'S ITALIAN RESTAURANT

The purpose of this letter of confirmation to all employees of Fratelli's Italian Restaurant is to insure that each employee understands their rights and agrees to the following conditions of employment:

1. The Fair Labor Standards Act (FLSA) applies to employees of Fratelli's restaurant. According to the FLSA, tipped employees, such as waiters and waitresses are required to receive at least minimum wage. However, employers are permitted to pay a minimum direct wage and then take a tip credit to meet the per hour minimum wage then established. **A tip credit is claimed by Fratelli's.**
2. All employees are allowed to retail all tips received. At no time does Fratelli's exercise control over any portion of an employee's tips.
3. Fratelli's does not deduct losses from employees' wages resulting from case register shortages or unpaid tabs. However, each employee is obligated to make every effort to collect all customer tabs and eliminate all shortages. Fratelli's has the absolute right to terminate employment for many reasons, including but not limited to, failure to collect customer tabs.
4. All employees are required to clock in when they begin working and clock out when the employee ceases working for the day. Any employee not properly clocking in or out is subject to disciplinary action of Fatelli's.

These terms and conditions are not the only terms and conditions of employment and in no way changes the nature of your employment with Fratelli's Italian Restaurant as an employee **at will**. If you have read this letter of confirmation, understand it and agree to abide by the terms and conditions, please indicate by executing below.

Thank you for your cooperation in this matter.

Sincerely,

George Sakellis
Fratellis Italian Restaurant
Karpathoes, Inc.

SIGNATURE

DATE