

Employee Handbook

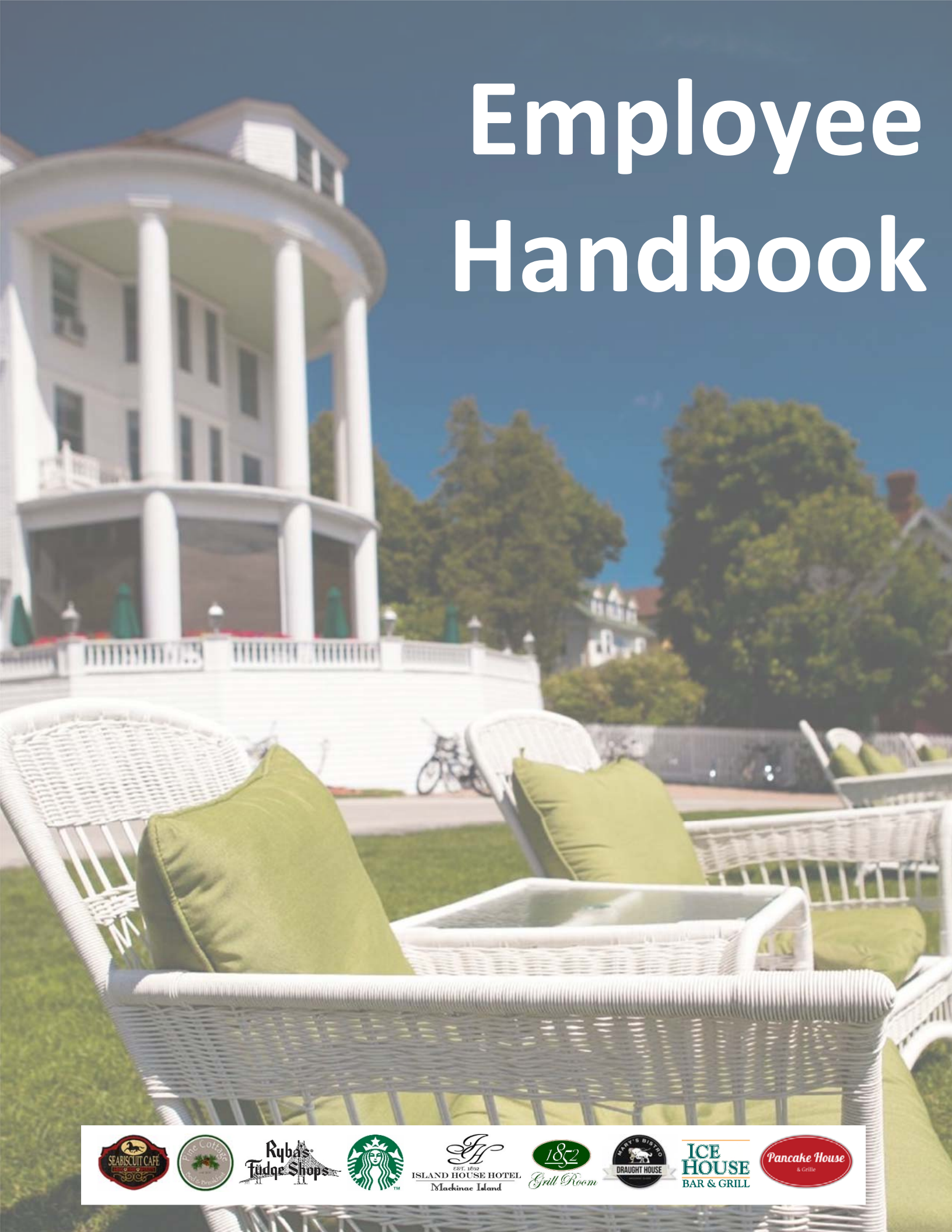


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Section One – Welcome

1.1 History

In the century-and-a-half since Charles O'Malley built his beach resort, more than one million visitors have experienced its pleasures. The Island House Hotel was purchased by Captain Henry Van Allen, a Great Lakes skipper who moved the property approximately 300 feet offshore to its present location.

By the 1880s, Mackinac Island was known as America's most popular summer destination and The Island House was hailed as the island's best family hotel. The Allen family owned, operated and expanded the landmark hotel until it was vacated in 1938. Aside from a brief period when it served as home to the Moral Rearmament Movement, the hotel stood vacant until 1949 when investors known as The Island House Incorporated hoped to restore the property's former glory. Despite repeated attempts, the hotel did not thrive until it was acquired by a prominent local family more than 20 years later.

After a painstaking restoration, Island House Hotel reopened in 1972 and has since undergone major improvements and enhancements that have returned the hotel to its rightful place as Mackinac Island's family hotel.

Today, our family of businesses is comprised of The Island House Hotel, Ryba's Fudge Shops, Starbucks Mackinac Island, Mary's Bistro & Draught House, The 1852 Grill Room, The Ice House Bar and Grill, The Pancake House & Grille, Seabiscuit Cafe, and Pine Cottage Bed & Breakfast.

1.2 Our Goal

Our goal is to provide a safe working environment and to provide all guests with the finest products, food, beverages, lodging and service in as clean and pleasant an atmosphere as possible. We must exceed our guests' expectations with warm welcomes, sincere smiles, and carefully prepared products. We must pay attention to the smallest detail to ensure that every guest will return to The Island House Hotel, Rena's Fudge Shops, Inc., and Lukkin Group's various establishments when next visiting Mackinac Island.

1.3 Purpose of this Handbook

This handbook has been prepared to inform new employees of the policies and procedures of this company and to establish the company's expectations. It is not all inclusive or intended to provide strict interpretations of our policies; rather, it offers an overview of the work environment. This handbook is not a contract, expressed or implied, guarantying employment for any length of time and is not intended to induce an employee to accept employment with the company. The company reserves the right to

unilaterally revise, suspend, revoke, terminate or change any of its policies, in whole or in part, whether described within this handbook or elsewhere, in its sole discretion. If any discrepancy between this handbook and current company policy arises, conform to current company policy. Every effort will be made to keep you informed of the company's policies, however we cannot guarantee that notice of revisions will be provided. Feel free to ask questions about any of the information within this handbook. This handbook supersedes and replaces any and all personnel policies and manuals previously distributed, made available or applicable to employees.

1.4 Orientation Period

The first two weeks of employment with The Island House, Rena's Fudge Shops, Inc., and Lukkin Group will be a period of orientation and training. This period gives the employer and the employee a chance to evaluate each other. The employee will receive their regular rate of pay during this period.

Prior to the end of this period, if either party feels a problem exists, a transfer to another position or location within the company may remedy the situation. It may, however, result in termination of employment.

Even though you may be hired on a trial basis and continue to be employed after the trial period, your employment may be terminated at any time with or without cause and with or without notice at the option of the company.

Section Two – Employment Policies

2.1 Grooming Standards

At The Island House Hotel, Rena’s Fudge Shops, Inc., and Lukkin Group, each employee’s appearance is very important to us. If our employees can leave a positive initial impression on each guest or customer, it is sure to be a lasting one. Each employee’s appearance is a direct reflection on our organizations, so take pride in the company you work for and for yourself. Department Heads and the Human Resources Director may implement guidelines that are more specific than the ones set above within certain departments. Listed below are our basic grooming guidelines:

- **Hairstyles** - Most importantly hair should be neat and clean. Hairstyles that are extreme in nature are unacceptable (i.e. dreadlocks). Dyeing, tinting, and bleaching of an un-natural color is also unacceptable (i.e. blue, green, etc.).
- **Facial Hair** – Front of the house employees must be clean-shaven. Mustaches and beards that are pre-existing at the time of hire must be neatly trimmed and meet with individual departmental standards. Sideburns may be no longer than the bottom of the earlobe, and must be neatly trimmed to meet departmental standards.
- **Jewelry** - Jewelry of an excessive or ostentatious nature is not acceptable while working. Men are to wear no earrings during working hours. Women may not wear more than two earrings in each ear. Piercings in any other locations, that are publicly visible, are not to be worn during working hours. A clear plug is the only acceptable replacement.
- **Tattoos** - Tattoos are to be covered, so that they are not visible during working hours.

2.2 Compensation, Pay Periods, and Direct Deposit

Rate of pay is indicated on your *Acceptance of Employment Agreement*. All employees are paid on a bi-weekly basis. You may pick up your paycheck every other Monday after 10:30 AM from your supervisor. There will be no cash advances and checks will not be handed out early. Any discrepancies in your paycheck should be reported to your supervisor or Human Resources. Listed below is additional information for tipped employees:

- **Tipped Employees** - The Island House and Lukkin Group businesses pay a rate of \$3.23. This rate, however, varies from position to position.
- **Tipping Out** - Tipped employees will be expected to share a portion of their gratuities with support employees such as bartenders or bussers. All employees

are required to report tips earned daily. Tip reports will be provided by supervisors and should be returned upon completion. Federal and State law require that all tips be reported.

- **Charge Tips** – Tips that are paid through the company in the cases of group tours, weddings, and banquets, will be included in your paychecks. Taxes will be deducted. Cash tips must be reported on your Federal and State Tax Forms.

We do offer direct deposit for all employees, so you are able to simply maintain your existing bank account. Once direct deposit is set up it will take two pay cycles to become effective. Meaning, in most situations, the first check would be a paper check. You must bring a voided check or a direct deposit form from your bank. You should plan accordingly.

2.3 Absenteeism

All employees are required and expected to report for work when scheduled. This means being ready to work when your schedule states. If you are unable to report on time, contact your supervisor directly, two hours before your scheduled shift. If you are unable to contact your supervisor directly, please contact the Human Resource Director. Do not leave a message with other employees. Whenever possible, arrange a replacement before calling in sick. In some cases of illness, a doctor's note may be required.

Late call-ins are not tolerated and excessive absenteeism (three) or tardiness will result in termination.

2.4 Scheduled Shifts, Requested Time Off, and Lateral Transfers

Employees must arrive, in uniform, and be ready to begin work 10 minutes before each shift. There are limited areas in which to change at work, so it is advised that one wear their uniform to work. When your shift begins, you will be asked to punch in on the time clock, or other device. When your shift is completed, check with your supervisor before punching out. Never leave the property without checking with your supervisor first.

All schedule requests for time off should be submitted directly to your supervisor. We hope that your time on Mackinac Island is as enjoyable as possible, and to help, schedule requests will be granted whenever possible. Remember, however, a schedule request is not a guarantee for the time off. If circumstances dictate, you will be scheduled to work.

All shift changes must be approved, and changed on the schedule, by a manager. Please consult with your supervisor regarding the proper procedure. If you have a schedule conflict, please consult with your supervisor.

There are times during the season that employees may be required to work in areas other than the one in which you normally work, known as a lateral transfer. This should be

viewed as a positive experience and a chance to become familiar with another operation of the business.

2.5 Uniforms

Employees are required to purchase portions of their uniforms through the company. Uniforms will be available at the company's cost or at a fixed cost, which varies depending on the position, and will be deducted from the employee's first full pay check. Cost typically start around \$30 to \$40. All employees are responsible for uniform additions and requirements as stated in each Job Description. You should purchase those items prior to arriving, as it will be difficult to find them on the Island.

Laundry service is provided for employee uniforms Monday, Wednesday, and Friday prior to 11:00 AM, and will be ready the following day. There are coin operated laundry facilities in each dormitory.

Company uniforms are not to be worn off the job at any time.

2.6 Guest Relations

As in all service related businesses the guest is our reason for operation. They provide our wages and the company's existence. All patrons are welcome in our facilities, and it's important to remember to never argue with a guest. If a problem develops and it is beyond your ability to handle it calmly, please contact your supervisor.

Acknowledge guests when they first appear and treat them with respect and courtesy. Attempt to learn their names (Mr. and Mrs., etc.), by using the guest's name, you tap a sensitive human emotion; an emotion that opens doors and says to the guest, "You are welcome here." We cannot afford to pass up this opportunity, as the rewards of these efforts are immediate and long lasting. Always deal with patrons in a pleasant manner and always smile.

Our goal is to provide a safe working environment and to provide all guests with the finest products, food, beverages, lodging and service in as clean and pleasant an atmosphere as possible. We must exceed our guests' expectations with warm welcomes, sincere smiles, and carefully prepared products. We must pay attention to the smallest detail to ensure that every guest will return to The Island House Hotel, Rena's Fudge Shops, Inc., and Lukkin Group's various establishments when next visiting Mackinac Island.

2.7 Accidents and Safety

Report all job-related accidents to your supervisor immediately, regardless of the severity. All job-related accidents must be reported for our guests as well as our employees. Remember to use common sense and to take care.

2.8 Use of Company Owned Facilities

Employees are welcome to dine at Pancake House & Grille, Seabiscuit Cafe, The Ice House Bar and Grill, or Mary's Bistro & Draught House and will receive a 33% discount of the menu price (excluding alcohol.) Employees are expected to leave 15% minimum gratuity for their servers based off the full menu price. During peak hours, the guests come first, if you are finished with your meal, and the manager asks for your table please cooperate. Additionally, our employees are eligible for a 10% discount at our Starbucks location.

When booked through proper reservation channels, family members may stay at The Island House Hotel and receive a 33% discount. Due to the nature of the resort industry, if the hotel reaches capacity during their stay, they will be charged full price. While employed by The Island House Hotel, Rena's Fudge Shops, Inc., and Lukkin Group, employees are not permitted to use the guest rooms for personal use, even as a paying guest.

2.9 Sexual Harassment Policy

Our company prohibits employee discrimination of any kind, including sexual harassment by employees, managers, vendors and customers.

Sexual Harassment is defined as any harassment based on a person's sex, such as unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature, including offensive remarks about a person's gender. Both males and females can be victims of sexual harassment.

Prohibited behavior includes any behavior that creates an offensive work environment (Hostile Environment) or that results in an adverse employment decision such as the victim being fired or demoted (Quid pro Quo).

Individuals violating this policy will be subject to discipline, up to and including termination.

Employees, regardless of their gender, are required to report suspected sexual harassment directly to the HR manager immediately.

Complaints of harassment will be documented and investigated as soon as possible and a resolution provided to the victim in a reasonable amount of time. Insofar as possible, complaints will be maintained as confidential to prevent retaliation while the complaint is being researched and/or resolved.

In addition, our company prohibits retaliation of any kind against an individual claiming harassment.

Section Three – Staff Housing Guidelines

3.1 Amenities

Housing is offered to employees to aid with their smooth integration into the community and as an added convenience for its team members, however there is no obligation to provide housing. In return, it is asked that all those living in staff housing treat the facility, and all those responsible for its upkeep and security, with respect.

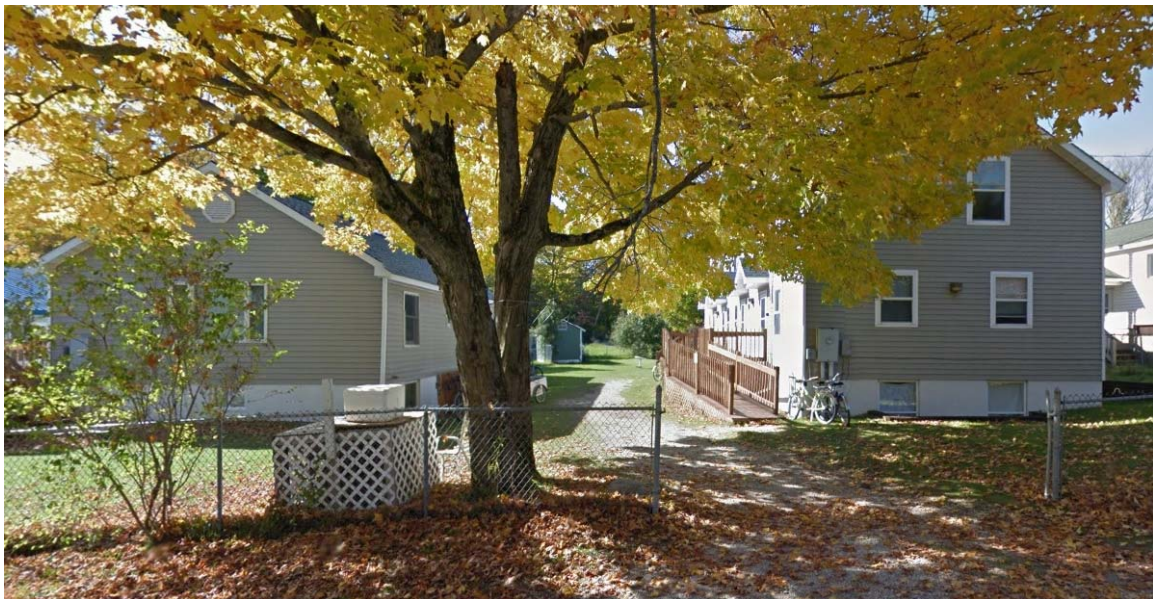
Only employees of The Island House Hotel, Rena’s Fudge Shops, Inc., and Lukkin Group are eligible to live in housing. No one under 18 years of age may be a resident or guest in staff housing, due to requirements and stipulations set forth by insurers.

Both men’s and women’s housing is dormitory style and has kitchen facilities equipped with a full-size refrigerator, stove, and microwave oven. Basic pots, pans and utensils are also furnished. There are fully furnished common living areas with cable television. There are also on site coin operated laundry facilities. All bathrooms are shared.

Wireless internet is provided in employee housing free of charge. Also, there are many free networks in the downtown area and many island businesses have open networks for their customers.

3.2 Georgetown (Men’s Housing)

Our Men’s Housing, known as Georgetown, is approximately a mile and a half from The Island House Hotel and about a mile from the downtown area, where all other businesses are located.



3.3 Corby Heights (Women’s Housing)

Women’s Housing, known as Corby Heights, is conveniently located in the heart of downtown and is about four blocks from The Island House Hotel.



3.4 Room Occupancy

During the peak of the season, room occupancy will vary from 3 to 4 people, so be prepared to share a room. Rooms are bunk style with basic furnishings. It is necessary that you bring your own bedding. The beds are all twin size, and you will need a blanket, sheets, and a pillow. For employees traveling from overseas, we do have bedding available and you do not need to pack these items. The housing supervisor assigns all rooms and roommates. If you have specific room or roommate requests, we will do our best to accommodate, however, final room assignments must be respected.

3.5 Cost

Housing is provided at a cost of **\$75.00 per week**, which includes all utility fees and is deducted from employee’s bi-weekly paycheck, partial weeks are pro-rated.

3.6 Resident Responsibility

All residents in staff housing are not only responsible for their own behavior in housing, but for the behavior of any guest they might have in housing. The resident is responsible

for any illegal activities or for any damage that may be perpetrated by their guest in housing.

All residents of a room, or in some cases of the entire house, will be held responsible for any damage or illegal activity that a specific individual does not take responsibility for.

3.7 Fire Detection and Protection Devices

All the housing facilities are equipped with smoke detectors. These detection devices are not to be tampered with for safety reasons. In addition, there is a high replacement cost involved since all units are connected to a central system.

Fire extinguishers and pull stations are located on each floor for emergency use only.

3.8 Quiet Hours

Due to the nature of the resort industry, not everyone living in housing will share the same work schedule. Quiet hours have been established from 10:00 PM to 8:00 AM to ensure that the majority of the residents are able to rest

During quite hours, noise should not be heard from hallways, windows, rooms, or common areas.

3.9 Right to Access

By moving into staff housing, residents agree that the landlord and its agents have access to the premises at all reasonable times for any of the following reasons:

- To periodically conduct unit inspections.
- To conduct fire and safety inspections.
- To show premises to prospective tenants.
- To make repairs additions or alterations as necessary.

3.10 Infraction Notices

Any resident that violates housing rules and regulations is subject to a written infraction notice or eviction from housing. A housing infraction notice is a warning that if the violation occurs again that resident may be evicted. If a rule violation occurs in a room and no one individual claims responsibility, all residents in that room will receive an infraction notice.

Copies of the infraction notices are forwarded through the Human Resources Director to employee's direct supervisors. Residents are encouraged to contact the HR Director when they receive a notice

3.11 Substance Abuse, Illegal Drugs, and Alcohol

The use or possession of illegal drugs, narcotics, drug paraphernalia, or controlled substances in or on company property is grounds for disciplinary action up to and including discharge. The toleration of illegal behavior is equal to the behavior itself.

The legal drinking age in Michigan is 21, and underage drinking is a violation of State law. It is also illegal to provide or purchase alcohol for anyone that is not of age. Violation of these laws will not be tolerated in staff housing. In addition, common source parties are not permitted in staff housing (i.e. kegs or bulk dispensers).

3.12 Vacating Staff Housing

Resident's rooms, or sections of rooms, must be cleaned and left in an orderly fashion at time of move out. The housing manager must inspect rooms at the time of check out. If rooms are not left in the same state they were found in, a \$35.00 cleaning charge will be deducted from the resident's final paycheck. Any damages found at that time will also result in charges.

The resident agrees to remove all personal property from housing at, or before, the time of vacating. All property not removed shall be deemed abandoned, and disposed of by the landlord.

Section Four – Getting to Mackinac Island

4.1 Overview

All new and returning employees must arrange their own transportation to and from Mackinac Island. In addition, the employee must cover all relocation costs incurred. It is important to budget money accordingly, it may be up to three weeks before your first payday.

4.2 Plane

The closest commercial airport is in Pellston, Michigan. It is small regional airport serviced by Delta. Connecting flights from other larger airports in Michigan are available. The airport is about 25 miles away from Mackinaw City, where ferries are available to Mackinac Island. Ground shuttles are available from the airport into Mackinaw City.

Pellston Airport
pellstonairport.com
(231) 539-8441

Mackinaw Shuttle
mackinawshuttle.com
(888) 349-8294

4.3 Bus

Greyhound has service to the area with stations in both Mackinaw City and St. Ignace. There is only a curbside drop off in Mackinaw City, but it is across the street from Shepler's Ferry, which is also within short walking distance to multiple hotels. There is small indoor bus station in St. Ignace, but it is about a mile walk to the ferries and a half mile to the nearest hotel. Visit greyhound.com for more information.

4.4 Ferry Services

It will be necessary to take a ferry from the mainland to Mackinac Island. The cost is about \$25.00 for a round trip ticket. Once on the island, discounted employee tickets can be purchased from both ferry lines, but they are not available for purchase on the mainland. There are two ferry companies that service the island and are available from both Mackinaw City and St. Ignace to Mackinac Island. Be sure to check their schedules before you make your travel plans. Their websites and phone numbers are listed below:

Starline Ferry
mackinacferry.com
(800) 638-9892

Shepler's Ferry
sheplersferry.com
(800) 828-6157

4.5 Car

If you intend to bring a car with you, it will be necessary to store it on the mainland, since there are no motorized vehicles allowed on the island. Both ferry lines that service the

island offers car storage. Information regarding this service may be obtained by contacting either of the ferry services.

Section Five – Living on Mackinac Island

5.1 Phones

Most major cell phone providers have towers that cover the area, However, we are in a very remote area and coverage is not perfect. Do not have friends or relatives call you at work. In an emergency, someone may contact you through Human Resources at (906) 847-7196.

5.2 Mail

The Post Office is open from 9:00 AM to 5:00 PM Monday through Friday and 9:00 AM to 11:00 PM Saturdays. There is access to PO Boxes until 8:00 PM daily.

P.O. Boxes may be rented for under \$20 for 6 months.

Do not have mail sent ‘c/o The Island House.’ Personal mail is not to be received at work without express permission.

Mail may also be sent General Delivery if you do not purchase a P.O. Box and should be addressed as follows:

**Your Name
General Delivery
Mackinac Island, MI 49757**

5.3 Banking

There is a branch of First National Bank of St. Ignace and a branch of Central Savings on the Island. It is open from 9:00 AM to 4:00 PM from Monday through Friday and Saturday from 9:00 AM to 12:00 PM Both banks are equipped with an ATM. Safety deposit boxes are available for a yearly rental fee and a \$40.00 deposit.

The bank will not cash personal out of town checks unless you have an account. The bank will, however, cash our employee pay checks, but it is necessary to bring your social security card and driver’s license. Both banks are able to open savings accounts for seasonal employees.

5.4 Transportation

Since there are no cars on the Island, it is suggested that you bring a bicycle. Bikes must be registered with the Mackinac Island Police Department (Ordinance NO. 259) at a cost of approximately five dollars. Not only does this provide information to the city in assessing traffic needs, but assists in locating missing bikes. It is also recommended that you bring, and use, a lock as a precautionary measure. Employees are not to park bikes in front of the Hotel; racks are located behind the Hotel.

There is a 24 hour horse drawn taxi service on the island that can help you move your luggage to and from housing if needed. The cost is roughly \$10 and they can be reached at (906) 847-3323. Please note that putting bicycles on the taxi is not permitted.

5.5 Medical

There is a small medical center on the island, as well as an ambulance and plane service for those in need of immediate care that is not available on the island. However, there is no pharmacy. Tylenol, Advil, etc. are readily available at many stores (and are quite expensive), but it is advisable to bring any medications you think you may need.

5.6 Groceries

Doud's is the small market located on the island and has a limited selection of items. Living in a resort area, you will find that everything is given resort prices, which are much higher than normal. It is suggested that you bring some groceries with you to help save money. The nearest Walmart is in Cheboygan, which is about a 20-minute drive from Mackinaw City in the Lower Peninsula.

5.7 Suggested Packing List

Below is a list of items that are sometimes overlooked by people coming to work on the island. It is by no means a definitive list, as it doesn't include basic clothing or uniform items you will need, but it should help you to make your own more detailed list.

Clothing

- Swim Suit
- Comfortable Walking Shoes
- Flip Flops for Showers
- Water Shoes (Our beaches are rocky)
- Raingear
- Warm Jacket
- Warm Hat
- Mittens/Gloves

Warm clothing is suggested for anyone working in the early or late part of the season. Northern Michigan is known for its unpredictable weather, and warm days and cool evenings are the norm even in the summer.

Hygiene Products

- Toothbrush
- Toothpaste
- Comb/Brush
- Hair Products (shampoo, conditioner, hair spray, etc.)
- Deodorant
- Cologne/Perfume

- Makeup
- Feminine Products
- Shaving Kit
- Contact Lens Case & Solution
- Glasses
- Bath Towel/Wash Cloth

Doud's is the small market located on the island and has a limited selection of items. Living in a resort area, you will find that everything is given resort prices, which are much higher than normal. Therefore, it is suggested that you bring toiletries, laundry detergent, etc., with you.

Medication

- Prescription Medicines
- Over-the-Counter Medicines (Tylenol/Ibuprofen, Pepto-Bismol, etc.)
- First Aid Kit

Miscellaneous

- Beach Towel
- Bicycle with Fenders
- Twin Size Bedding (Sheet, Pillow, Blanket)
- Sunscreen
- Backpack
- Headlamp/Flashlight
- Water Bottle
- Bluetooth Speaker
- Laundry Detergent
- Beach Towel
- Camera
- Hand Sanitizer
- Phone Charger
- Alarm Clock (Don't depend solely on your cell phone)
- Umbrella
- Hairdryer
- Notebooks Folders
- Pens