

June 29, 2020

To our Richmond community, our friends and customers:

As some of you have noticed, we've been receiving a lot of unsavory comments on social media about our business practices. We do not believe these claims have merit, and would like to address the misinformation circulating online right now about how we run our businesses.

We have been business owners for over 35 years and always strive to provide a safe, clean, and fun environment for both our staff and customers. We believe it is a privilege to have been able to serve the community and take great pleasure in working with amazing staff, who have helped our vision come to fruition. We feel very fortunate in that regard.

On Friday, June 26th, our family visited Slingshot for dinner as our Director of Operations sensed that there was some tension given the current political climate. We wanted to show our appreciation for staff working during this difficult time and even provided raises for multiple team members that evening. However, on Saturday, June 27th, we woke up to a list of demands on our door, with some of our Slingshot venue employees informing us that they would not be showing up for their shifts unless we complied with additional requests. While we found some of the requests reasonable, we didn't— and still don't— believe many of them are. As a result, we shut down, citing "maintenance" as our reason while we worked to wrap our heads around the situation, which has since escalated on social media.

As business owners, we try our best to provide our employees with a safe and healthy work environment. Coronavirus has had a significant impact on our businesses, with The Circuit Arcade Bar remaining closed throughout the pandemic due to our concerns and state regulations. Slingshot recently reopened in the past month with a higher standard of cleanliness and outdoor seating to follow COVID guidelines.

We felt, and continue to feel, that it is our duty as employers to provide the people we hire adequate salaries and hourly pay. All employees at both venues continued to receive their full wages throughout the pandemic.

We pay employees wages and salaries that are above industry standards, from \$13-\$20/hr and 40k-65k for annual salaries. We pay our hourly workers this higher wage because our self serve model does not lend itself to tip based compensation. We use the gratuity, minus taxes owed, and disperse it to pay higher than industry standard wages. By doing so, we take away the uncertainty of pay fluctuations caused by a tip based pay of \$2.13 hr + tips. With low revenue days on Tuesdays-Thursdays, we implemented this system to be fair to all staff, regardless of

shift and to prevent internal problems with employees fighting for weekend shifts, where they would be able to make more in tips.

Prior to pandemic shut down, we have consistently provided bonuses and extra compensation on weekends for our bar staff, directly correlated to their hours worked. All cash tips received for bar and front end staff are handled and split amongst the employees themselves.

### OPERATING A SMALL BUSINESS

In regards to the list of demands, we recognize that people who don't run small businesses may not understand what it takes to run one. While some weeks certainly are better than other ones, profit margins in our line of work are marginal. Good weeks offset bad ones, and in times like these, there are many more bad than good. Because of the coronavirus, businesses have and will continue to fold. Our industry has been hit hard, and there have been many additional costs taken on to comply with safety measures, which we do so willingly. This is, for us, a labor of love.

These are complicated issues during complicated times. Coronavirus, racial tensions, months of unproductivity and isolation, have all contributed to a perfect storm. Everyone is on edge, trying to survive and come to grips with new standards to how we live life and conduct business.

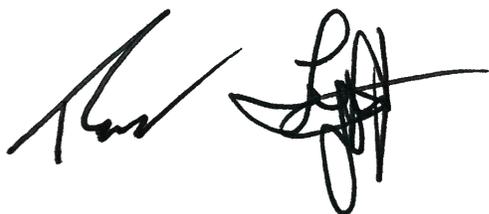
We know our employees are hurting, trying to find sufficient work hours to get a decent paycheck, with reduced operating hours complicating hardships even more. While the ongoing situation upsets us, we simply are not able to meet our former employees demands. We would have to raise prices on games, food and drinks, to levels that would be untenable to customers.

In closing, we want to reiterate that 35 years in this industry has taught us much but there is still much to learn. We've always been open to listening to reasonable requests. We will learn much from this experience and are integrating better solutions for all parties involved. Our long term staff are still standing strong.

Our creed is still to provide our patrons a place of fun, good beer and a warm atmosphere.

Thank you Richmond, you have been good to us for so many years!

Sincerely,  
The Lupica Family

Two handwritten signatures in black ink. The first signature is a simple, cursive 'Lupica'. The second signature is more complex and stylized, also appearing to be 'Lupica'.