



**Submit as Exhibit X.B.5. a statement as to whether the Applicant and, as applicable the Manager has, is subject to, or is negotiating any contract with organized labor, including hospitality services, and whether the Applicant or, as applicable, the Manager has the support of organized labor for its Application, which specifies:**

- a. the number of employees to be employed at the proposed Gaming Facility, including detailed information on the pay rate and benefits for employees and contractors,**
- b. the total amount of investment in the proposed Gaming Facility and all infrastructure improvements related to the project,**
- c. completed studies and reports including an economic benefit study, for the State, the Region, and the Host Municipality, and**
- d. detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the Gaming Facility.**

## Current Operations

Empire Resorts, Inc. and its subsidiaries (together with its subsidiaries, "Empire") is currently operating Monticello Casino and Raceway ("MCR") in Monticello, Sullivan County, New York. MCR's operations involve approximately one third of our workforce who are members of the following labor organizations, all of which operate pursuant to collective bargaining agreements with Empire:

- New York Hotel & Motel Trades Council, AFL-CIO
- Northeast Regional Council of Carpenters
- Laborers' International Union of North America, Local #17, affiliated with the AFL-CIO
- Local Union 825, 825A, 825B, 825C, 825D and 825R of the International Union of Operating Engineers, AFL-CIO

## Montreign Operations

Reflective of the cooperative relationship between Empire and the unions, for its operations at Montreign, Empire has entered into neutrality agreement/labor peace agreement with the New York Hotel & Motel Trades Council, AFL-CIO ("NYHMTC"), which is more fully discussed in Exhibit X.B.6.

The NYHMTC neutrality/labor peace agreement provides for a process by which employees employed in the hotel-casino operations will have the opportunity to select union representation through a non-adversarial card check process.



Empire has not yet begun negotiations with the other unions listed above for the operations at Montreign. However, it fully intends to enter into such negotiations upon request by those unions. Extensive unionization brings a need for continuous cooperation in negotiations and in operation of the business. Empire has had long term relationships with the unions representing our employees. Such relationships are built on a spirit of cooperative bargaining, where the benefits to the employee and the community are at the forefront of every decision. Empire intends to continue this practice to ensure labor harmony during the operation of Montreign.

## Construction of Montreign

In reference to the construction of Montreign, Empire has, through its construction manager, LP Ciminelli, Inc. ("LP Ciminelli"), signed a work agreement, Project Labor Agreement ("PLA"), with the Local Unions affiliated with the Hudson Valley Building and Construction Trades Council ("Unions"). (Attachment X.B.5.-1.)<sup>1</sup> We were not a party to the PLA, so to express our desire that the terms of the PLA shall remain in effect for the duration of the construction of Montreign, we entered into a side agreement ("Agreement")

---

<sup>1</sup> A minor amendment to the PLA is currently being finalized.

with the Unions so that in the event that LP Ciminelli's services are terminated prior to the duration of the construction, we shall cause the replacement of LP Ciminelli to execute and assume on its behalf, or we shall execute and assume on our own behalf if no replacement construction manager is retained, the PLA. (Attachment X.B.5.-2.)

In requiring that LP Ciminelli enter into the PLA, and entering into the Agreement ourselves, we desire to provide for the sufficient, safe, quality and timely completion of construction related to the development of the Montreign Resort Casino in a manner designed to afford the best work at the lowest reasonable cost to us, and the public, and the advancement of public policy interests, embodied in the competitive bidding statutes.

The PLA is intended to foster the achievement of certain goals including:

1. Standardizing the terms and conditions governing the employment of labor on the project;
2. Preserving the public fisc as it relates to funding of the Project;
3. Receiving negotiated adjustments as to work rules, wages/benefits and staffing requirements from those which otherwise might not provide the same;
4. Providing comprehensive and standardized mechanisms for the settlement of work disputes, including those related to jurisdiction;
5. Ensuring a reliable source of skilled and experienced labor;
6. Furthering public policy objectives as to improved employment opportunities for local workers, minorities, women and the economically disadvantaged in the construction industry;
7. Avoiding the costly delays of potential strikes, slowdowns, walkouts, picketing and other disruptions arising from work disputes and promote labor harmony and peace for the duration of the Project;
8. Expediting the construction process and otherwise minimizing the public safety and inconvenience caused by ongoing construction; and
9. Expanding work opportunities for minorities and women in the local and expanding work opportunities for WBE/MBE contractors.

We are committed to securing and maintaining strong relationships with the NYHMTTC and the Unions and therefore began labor discussions prior to 2013.

### *Union Support*

In a press release dated August 29, 2012, Peter Ward, President of NYHMTTC, demonstrated union support with his quote that the neutrality agreement/labor peace agreement is "great for existing workers and the entire community." Mr. Ward also said that, "[Montreign] is not only a strong union partner, but a strong community partner, committed to creating good jobs in a region that desperately needs them. We look forward to supporting them as they seek to create even more good union jobs at the new facility." Further, in his June 24, 2014 letter in support of Montreign, which is included with Attachment IX.A.1.b.-6 to Exhibit IX.A.1.b., Mr. Ward states that Empire's "plans will bring new energy to a depressed region of New York State by creating dependable local union employment, while delivering

significant economic benefits for local businesses, and consequently will have an important and positive impact on tourism in upstate New York.”

As set forth in the PLA:

The Local Unions shall exert their utmost efforts to recruit sufficient numbers of skilled craft workers to fill the manpower requirements of the Contractor. The parties to this Agreement support the development of increased numbers of skilled construction workers from the residents of the Orange County and its immediate vicinity to meet the needs of this Project and the requirements of the industry generally.



After LP Ciminelli entered into the PLA and we entered into the Agreement, there was a press release in which we and the Union addressed the PLA for the construction of our gaming facility in an effort to utilize local labor on the project. In that press release, dated March 12, 2013, Todd Diorio, President of the Unions, demonstrated union support of Montreign with his statement that, “This agreement represents a significant leap forward for this project, and is further proof that [Montreign] is living up to its word to build union in Sullivan County.” Mr. Diorio further said that, “[Montreign has] proven to be committed partners to both labor and the community. We expect this project will create hundreds of good paying local union construction jobs...”

In addition to providing for good jobs and benefits in the Catskill region, the neutrality agreement and the PLA assure labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming facility.<sup>2</sup>

### *Infrastructure Construction of Adelaar*

In addition to the Unions’ support of Montreign, the Unions have also expressed their support for the construction of Adelaar through a recently executed Project Labor Agreement between EPR and the Unions. (Attachment X.B.5.-3.) The PLA specifically relates to the construction of Adelaar infrastructure and related site work. Further, EPR will encourage its tenants to seek the support of organized labor.

---

<sup>2</sup> Exhibits VIII.B.7.a. and b., VIII.C.21, VIII.A.2.a. and b., and VIII.B.3.a. provide information concerning: the number of employees to be employed at the proposed Gaming Facility, including detailed information on the pay rate and benefits for employees and contractors; the total amount of investment in the proposed Gaming Facility and all infrastructure improvements related to the project; and completed studies and reports including an economic benefit study, for the State, the Region, and the Host Municipality.