



TERRANEA[™]
RESORT

January 15, 2018

VIA ELECTRONIC MAIL & FEDERAL EXPRESS

Kurt Petersen
Co-President
UNITE HERE Local 11
464 South Lucas Avenue, Suite 201
Los Angeles, CA 90017

Re: Terranea Resort

Dear Mr. Petersen:

I am writing in response to the campaign UNITE HERE Local 11 (“UNITE”) launched in October at the Terranea Resort (the “Resort”) in pursuit of what it deems a “fair process” for unionization. UNITE’s campaign has been focused on denigrating the Resort to the public and intimidating our associates. As a result, I want to take this opportunity to refute the litany of falsities UNITE has conveyed to the public, and to reinforce the Resort’s unwavering commitment to the individuals whose voices on this issue matter most: The associates who work at the Resort and provide our guests with unmatched customer service each and every day.

We appreciate that UNITE’s goal is to represent the associates of the Resort. As you are aware, the decision of whether to unionize is neither up to the Resort nor UNITE. It is entirely up to the associates. The Resort will respect and honor whatever decision they make.

Since 1947, secret ballot elections have been the cornerstone of recognizing union representation. Secret ballot elections allow employees to express their viewpoint in private without any fear of reprisal. This free and fair process has been a hallmark of the U.S. Constitutional system for hundreds of years.

However, UNITE is against secret ballot elections. It seeks an alternative procedure known as “card check”. Under a card check process, if a majority of the Hotel’s workers sign authorization cards, and even if they were coerced or signed a card based on misinformation, UNITE would be recognized as the employees’ representative without the benefit of a secret ballot election. This card check procedure infringes upon the democratic rights of employees.

In fact, union attempts to mandate card-check in lieu of secret-ballot elections have failed repeatedly over the years, as lawmakers have rejected such efforts to deny workers their democratic rights. Long-time vocal supporter of labor unions and former Presidential candidate Senator George McGovern once said that legislation requiring card check:

“risks silencing those who would speak.”

While I am fully aware that many hotels have agreed to a card check process, that does not change the fact that union efforts to eliminate secret ballot elections have failed because doing so would interfere with employees’ freedom to choose for themselves whether to select union representation. The Resort

has operated for nearly a decade without a third party representing our associates. Many of our associates have complained about UNITE's bullying tactics, and have openly expressed a desire to not have union representation. We have a dedicated staff consisting of close to 1,000 associates potentially eligible for unionization. Based on all these factors, the Resort will not agree to a process that sacrifices our associates long held right to have their voices heard through a genuine election.

Indeed, while the National Labor Relations Board ordinarily requires proof that at least 30% of employees are interested in joining a union prior to holding an election, the Resort is willing to waive the 30% rule and agree to have a secret ballot election within the next sixty days – **by March 15, 2018** – under the supervision of a mutually agreeable third-party mediator. This will give us adequate time to set a date, select a mediator, and work out any other logistical details. The Resort is committed to allowing our associates to be free to choose his or her own path, and to let his or her own voice be heard, on the issue of unionization. An election without the procedural hurdle of the 30% rule will allow this to occur in an expedient and fair matter.

UNITE's campaign to date has been premised on spreading misinformation regarding a fictitious labor dispute with our associates. Most alarming, was a disgraceful video widely disseminated over Thanksgiving depicting me as a cartoon character involved in an inappropriate relationship with an associate who has exercised his right to speak out against UNITE. This video was degrading to women, and furthermore, a direct attack on an associate who works passionately to provide for his family. We have received an inordinate number of complaints about UNITE representatives interrupting and harassing our associates during their private times with their families. It is not in our associates' best interest to allow this to continue. The Resort will not sit idle and permit the Union to continually spread lies and defamatory materials, tortuously interfere with our customer relationships, and/or encourage a select few of our associates to create a workplace atmosphere that promotes harassing and threatening conduct. We will consider any and all available legal options against UNITE if it does not cease this conduct.

In sum, I am confident that an overwhelming majority of our associates do not support the disruptive tactics the Union is relying on to try and force the Resort to agree to a card check process. They would prefer to have a fair and democratic vote and return to the normalcy that existed before UNITE launched its self-serving campaign. Thus, we call upon UNITE to end the disruptions to our associates' lives and agree to hold a secret ballot election according to the terms proposed herein.

I look forward to hearing from you regarding a fair secret-ballot election for our employees' benefit, and hope UNITE shares the same faith and trust in a voting process that honors the voices of the voters.

Supporting our employees' rights,



Terri A. Haack
President, Terranea Resort