

TO PROTECT TAXPAYERS AND THE PARK, WESTCHESTER COUNTY TERMINATES STANDARD AMUSEMENTS PLAYLAND DEAL

(White Plains, NY) – Westchester County has notified Standard Amusements’ legal counsel that the County has elected to terminate the agreement with Standard Amusements. This decision comes after an extended review and discussion of the provisions of the agreement made by the prior Administration three years ago, and more recently, after extended negotiations between counsel for the County and Standard Amusements.

Westchester County Executive George Latimer said: “We are unhappy with the way this has all turned out; we never wanted this kind of conflict. However, we are simply not satisfied with what we have been seeing. We wanted to see the energy, excitement and drive in Standard Amusements’ vision for Playland – we didn’t want just a real estate deal. This Administration believes in Playland and its future; we are not looking to liquidate the park as a liability, as some feel. We want what is best for Playland - to see it succeed and thrive. At the heart of that assessment is whether this arrangement developed three years ago, under different decision makers and that ends County management of the park, will somehow deliver that energy and excitement. After 16 months, we believe this arrangement will not deliver a better tomorrow for Playland.

“The County has been negotiating with Standard Amusements in good faith, seeking to recast our arrangement into a different focus, one where Standard's professed commitment to the park's future would be manifest by its ability to help shape a management and marketing commitment, not primarily a capital commitment, followed by management of the park.

“We are unhappy that instead, we have seen leaks of false information to the press; the hiring of a high-priced public relations firm and the hiring of a legal firm committed to defending the company's corporate interests rather than spending those resources delivering a detailed marketing plan. The energy spent by Standard to influence lawmakers to defend their original agreement could have been better spent in a more wide ranging effort to win over those in the community that did not want to see a corporate entity take over a public park facility.

“But, at the core of the County’s election to terminate isn’t emotion – it is the fact that Standard Amusements is in material breach of our contract. Standard Amusements has improperly claimed that it invested money in Playland, when in reality that money was not spent on purposes allowed under the agreement. Standard Amusements is wasting taxpayer dollars at the end of the day.”

While the County has been negotiating in good faith to restructure the agreement, Standard Amusements has been operating with an agenda that led the County to conclude Standard Amusements was not interested in renegotiating the terms of their relationship in a way that makes sense for the County. The election to terminate is based on Standard Amusements’ failure to cure its various material defaults under the contract that were laid out in the County’s letter to Standard Amusements on December 7, 2018. Those defaults included:

- Manager’s Investment

- Standard Amusements has improperly claimed millions of dollars as part of its contractually defined Manager’s Investment obligation, which is supposed to represent capital improvements at Playland.
 - At the time of our letter to Standard Amusement, the company had claimed it invested over \$5.7 million in the park, but an audit had proven otherwise. Instead, this money was spent on salaries, meals, travel, advertisements, marketing, consulting fees, and legal fees (including fees to raise investment capital it claimed to have at the time it negotiated the agreement with the County). Since receiving our December letter, Standard Amusements has continued to claim expenses that do not qualify as part of the Manager’s Investment (including its legal expenses related to our negotiations), for a total of \$7.7 million according to its last monthly report.
- **Audit**
 - The County is entitled to an annual audit of Standard Amusements’ books and records under the agreement; however, Standard Amusements has prevented the County from completing the audit and has refused to provide necessary documentation.

Latimer said: “This agreement has Westchester taxpayers on the hook for \$125 million dollars with Standard committed for \$27.5 million. My job is to make sure Westchester taxpayers come first. The County’s relationship with Standard Amusements must come to a close. We cannot have confidence in Standard Amusements based on its actions. The company has not proven it has been serious about Playland succeeding.”

While there have been claims by Standard Amusements that the County has been in breach of the contract, the reality is the County has performed under the agreement and done everything it reasonably could. As the County has explained to Standard Amusements, the company’s interference in the design process and underestimation of the costs of capital improvements, upon which the County relied, directly caused the County not to timely meet its required level of capital investment. Furthermore, the County has never indicated to Standard Amusements that it intended not to meet its obligations under the contract.

As required under the agreement, the County is giving Standard Amusements 30 days’ written notice. May 28, 2019 has been selected as the date the agreement will terminate in all respects.

About Westchester County

Westchester County, located in the heart of the historic Hudson Valley, covers 500 square miles and has a population of just under a million. Originally home to Native Americans, who were members of the Lenape tribe, it is today a rich mix of many cultures and landscapes. The County is a blend of bustling cities, quaint villages and picturesque towns as well as open spaces and a network of beautiful parks. Westchester is made up of 6 cities, 19 towns and 20 villages. Westchester County is known for top-notch public schools, and a high quality of

life. The County is also an intellectual capital, boasting a highly educated workforce, competitive colleges and universities, Fortune 500 companies, world changing non-profits, and cutting-edge research centers. Westchester is led by County Executive George Latimer, who took office in January 2018 as the ninth County Executive. Using inclusion and openness as a foreground, Latimer is fighting to make Westchester a destination for all people to live, work and enjoy. Learn more about Westchester County by visiting www.westchestergov.com