



Sands[®]
CASINO · RESORT | BETHLEHEM



Sands Bethlehem acquired 124 acres that were part of the former site of the Bethlehem Steel.

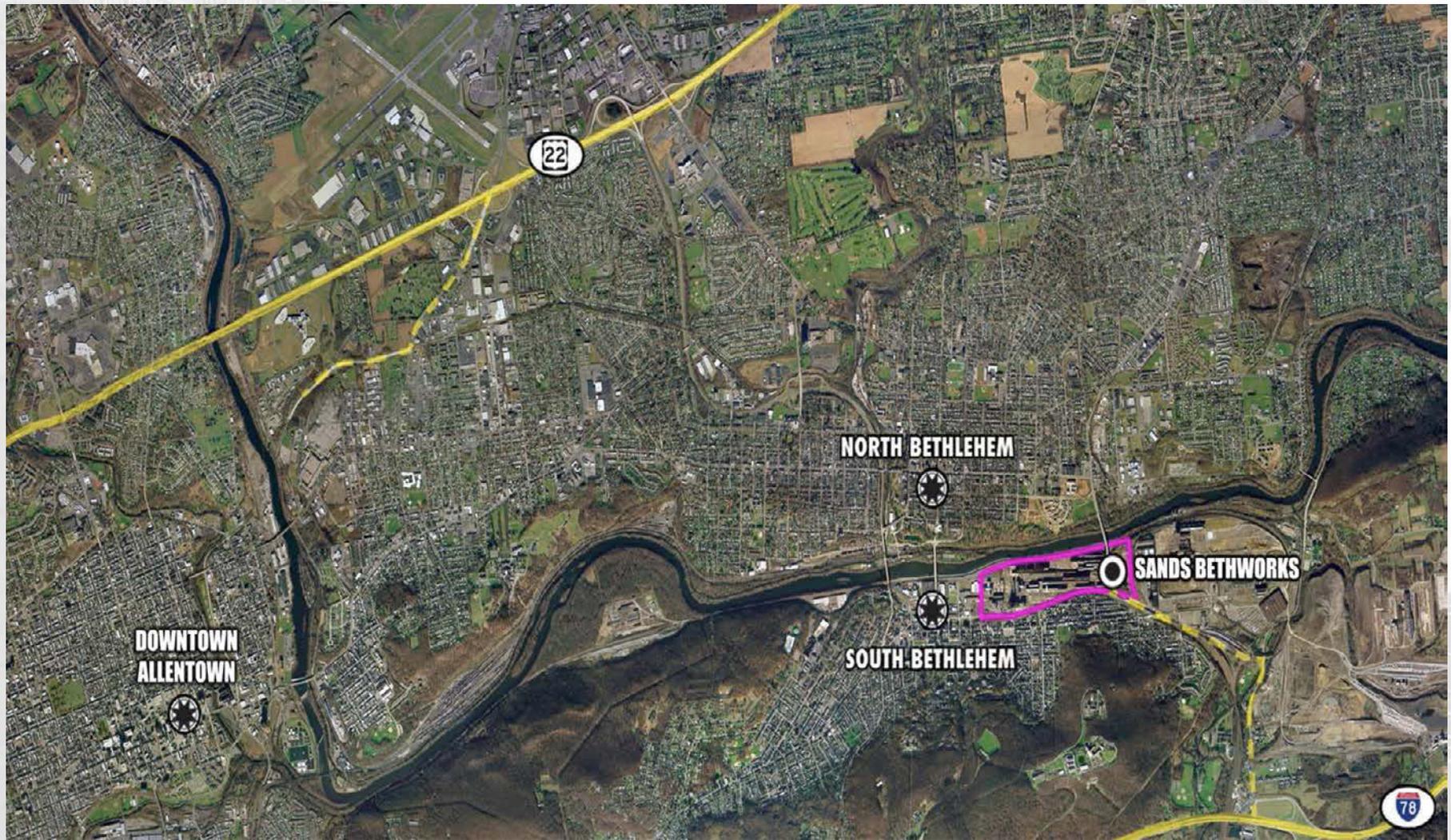
DEVELOPMENT OF URBAN CORE

According to the Report, “Back to Prosperity, A Complete Agenda for Renewing Pennsylvania” of The Brookings Institution Center on Urban and Metropolitan Policy (the “Brookings Report”):

“ . . . [P]roblems can be addressed simultaneously by investing strategically in the state’s older communities...Populations in the older Pennsylvania are sagging and with them long vibrant neighborhoods. Tax bases are stagnating. And jobs continue to relocate to the greenfields, leaving deserted factories and abandoned commercial blocks behind. Pennsylvania, quite simply, is squandering the enormous human and material investment it has made in its older communities over three centuries.”

Brookings Report at 5 and 9

DEVELOPMENT OF URBAN CORE



OVERVIEW OF THE PROPERTY IN 2007 PRIOR TO CONSTRUCTION

At that time the property was the largest privately owned brown field site in the United States



CONDITION OF THE PROPERTY WHEN ACQUIRED BY SANDS BETHLEHEM



The Sands has invested approximately \$830 million in the project versus the original license obligation of \$600 million



Casino Floor



- Casino consists of 145,359 square feet.
- Opened in May, 2009 and now has 3,012 state-of-the-art slot machines and 183 table games including 36 Poker Tables.
- There is a High-Limit Slot machine area.
- And the Paiza Club, our High-Limit Table Game Salon, was added in May 2011.



Parking

- Public parking garage that features 3,400 covered spaces
- Surface parking for approximately 2,100 cars
- Valet parking available 24 hours a day
- 14 Bus Bays and on-site Bus Parking/waiting area



No Negative Traffic Impact

- Sands invested approximately \$20 million in
 - PennDOT required SR 412 improvements. Begun in 6/09 & substantially complete by 8/10 except for signalization at one intersection completed in 3/12
 - Network of internal roadways taking traffic into IR at multiple points from 412 expanded to 4 lanes at IR preventing 412 congestion and promoting safety
- Separate PennDOT \$80 million 412 project from I-78 to downtown Bethlehem at SR 378 Hill-to-Hill Bridge

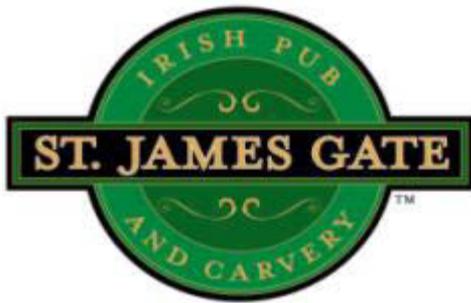


Non-Gaming Amenities and Developments as of the April 2010 Re-Licensing

Emeril's chop house

- High end steak house by acclaimed chef Emeril Lagasse
- First Emeril-branded restaurant in the Northeastern region of the United States
- Opened May 22, 2009
- Accommodates 230 guests





- Authentic Irish Pub
- Opened May 22, 2009
- Accommodates 150 guests
- Menu includes traditional pub fare and an assortment of roasted meats from the carvery
- Live Entertainment





cobalt Cafe

- An extraordinary selection of classic American and European cuisine
- Seats 300
- Buffet and casual dining menu
- Renovated in August 2013 and renamed “Steelworks Buffet & Grill”





- Market style food court
- Opened May 22, 2009
- Accommodates 330 guests
- Stations include gourmet coffee/pastries, smoothie/ice cream, pizza/Italian, hot dogs/hamburgers, sushi/Asian and salads/wraps





BURGERS AND MORE

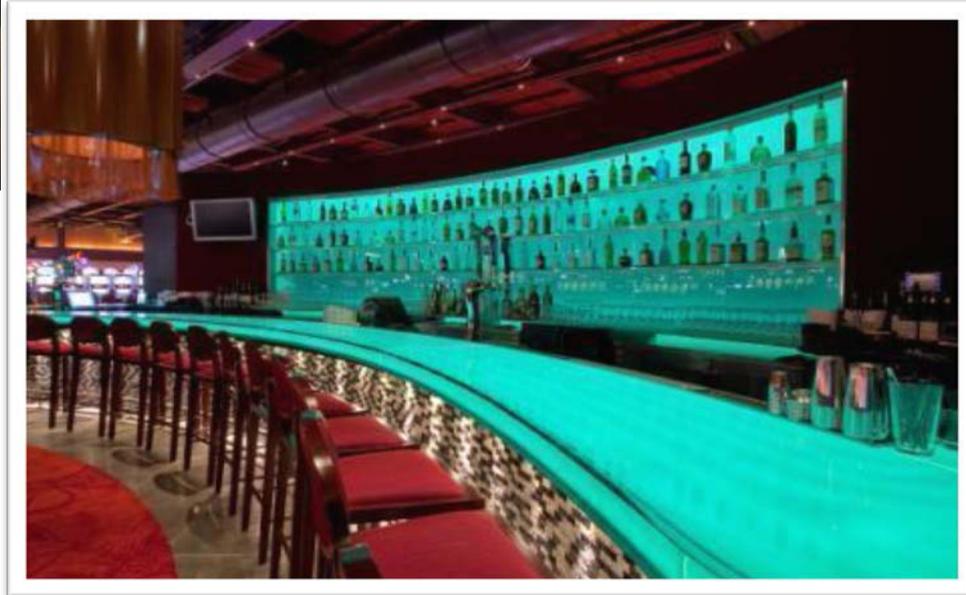
BY EMERIL

- Emeril Lagasse's first gourmet hamburger restaurant, exclusively located in the Lehigh Valley
- Opened November 22, 2009
- Accommodates 90 guests
- Casual dining featuring prime burgers including build-your-own, and more





- Live Entertainment Lounge
- Opened May 22, 2009
- Accommodates 133 guests
- Features specialty cocktails



coil™

- Casino bar and lounge featuring video poker
- Opened May 22, 2009
- Accommodates 123 seats
- Features specialty cocktails



infusion

- Ultra Lounge featuring specialty infused cocktails and martinis, as well as draft and bottled beers
- Opened November 22, 2009
- Accommodates 58 guests



Carnegie DELI

- World renowned New York City deli
- Opened November 22, 2009
- Accommodates 150 seats
- Fare features famous 8 inch high corned beef and pastrami sandwiches and Carnegie's celebrated cheesecake
- Sands location is one of only three locations in the country







Steelworkers' Archives

- The Sands provided space in 2009 within the casino building for the Steelworker's Archives
- The goal of the Steelworkers' Archives is to create a permanent community center in Southside Bethlehem for the preservation of the history of steelworkers, their rich heritage and diverse cultures, their struggles and accomplishments
- The Archives will collect and safeguard artifacts and memorabilia, documenting the extraordinary lives of the men and women who toiled to create steel. Video and audio recordings of Steelworkers are ongoing
- In addition to viewing the collections, visitors will be able to search genealogical records and learn about family members who worked at the Steel

National Museum of Industrial History

- NMIH has completed its exterior renovation/restoration project of \$2.5 million and is seeking to raise funds to move into the next phase of development, which will be interior fit-out and exhibit installation

BEFORE



**AFTER EXTERIOR RENOVATIONS
COMPLETED OCTOBER 2009**



**Amenities added and Developments
since re-licensing in
April 2010**



- This is Chef Emeril's first Italian Restaurant
- The menu features antipasti, cured meats & artisanal cheeses, soups & salads, fresh made pastas, and pizzas made in the wood-burning oven.
- Opened June 4, 2011
- Accommodates 190 guests



Chopstick 陸羽軒

- Opened in November 2012
- Chopstick Asian cuisine serves standout renditions of well known Asian classics using only the finest and freshest ingredients.
- Seating for 100



Hotel



- Opened May 28, 2011
- 302 Rooms including 16 Executive Suites and 6 Presidential Suites, each of which have the latest in modern amenities like wireless internet, media-hubs and high-definition flat-screen televisions.
- Also includes a Swimming Pool and Fitness Center

Banquet and Meeting Space



- 12,000 square feet of modern meeting space along with over 3,000 square feet of pre-function and exhibition space.
- Professional Event Planner and Catering Service
- Opened in June, 2011





- 50,000 square-foot venue offering A-list artist performances, comedians, internationally-recognized DJ's, boxing, MMA, trade shows, conferences, speaking engagements, and private functions.
- Opened on May 16, 2012
- Also contains 7 private luxury suites and the Vision Bar and Nightclub





THE OUTLETS

AT SANDS BETHLEHEM

- A 200,000 square-foot Mall containing space for 30 Luxury Outlet Stores including Coach, DKNY, Nine West, Bass, Izod, Talbots, Tommy Hilfiger, Charming Charlie and Peeps & Company
- Opened on November 1, 2011
- 27 of 29 outlets leased





The Sands donated approximately 4 acres to ArtsQuest in the Fall of 2009 to build the SteelStax Campus

The Campus, which opened in the Spring of 2012, includes

- **Performing Arts Center:**
 - 450-seat, cabaret-style Musikfest Café featuring a wide variety of music performances
 - 4,000-square-foot Blast Furnace Room used for community functions and education
 - Two-screen art cinema that presents independent, foreign and documentary films
- **Music Pavilion:**
 - The Levitt Pavilion presents a minimum of 50 free concerts a year for the community to enjoy.

A **Festival Center** is planned for Phase 2





PBS 39 at SteelStacks

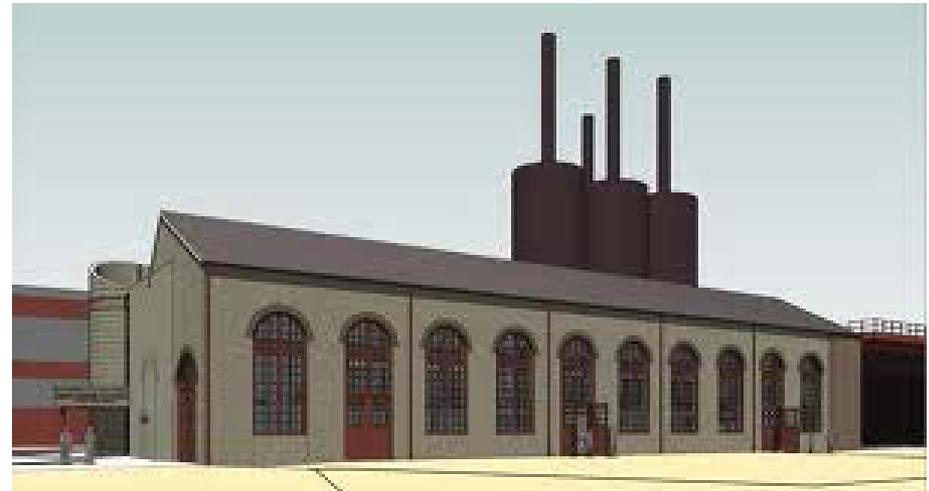


The Sands donated over one acre of land to PBS 39 in 2010 for the development of the SteelStax Public Broadcast Center on the Western end of the former Bethlehem Steel site

- Features 2 new television studios that are adjacent to the Performing Arts Center developed by ArtsQuest.
- The 29,000 square foot Public Broadcast Center anchors the Lehigh Valley's 21st Century Town Square where broadcasting, performing arts, education and the community intersect with technology, education and celebration
- Opened in the Summer of 2012

City of Bethlehem Visitors' Center

The Sands donated approximately 2 ½ acres in June, 2011 containing the Industrial Stock House, one of the first buildings built on the Bethlehem Steel property in 1863, to be adaptively reused as the City of Bethlehem's Visitors' Center. It was developed by the Bethlehem Redevelopment Authority, opened in May 2013, and is operated by the Lehigh Valley Convention and Visitors Bureau.



Renovation of the Hoover Mason Ore Trestle

- Sands Bethlehem entered into an Easement Agreement with the Redevelopment Authority of Bethlehem (RA) in September 2013
- A permanent easement was granted to the RA by Sands at no cost covering the area of the trestle and planned access improvements to preserve the trestle and create a public area and walkway
- The RA expects to invest approximately \$13.5 million on the project



Growth of Gaming revenue

- March 2010 – GTR \$22.289 mil. – rank 4 of 9
- March 2014 – GTR \$25.581 mil. – rank 3 of 10 (\$66K from 2nd & excl. Cat 3's)
- March 2011 - Tables GR \$8.537 mil. – rank 2 of 10 (excl. Cat 3's)
- March 2014 – Tables GR \$15.297 mil. – rank 1st & Fisc YTD 25.6% mkt sh (excl. Cat 3's)

Local Share Distribution FY 2012-13

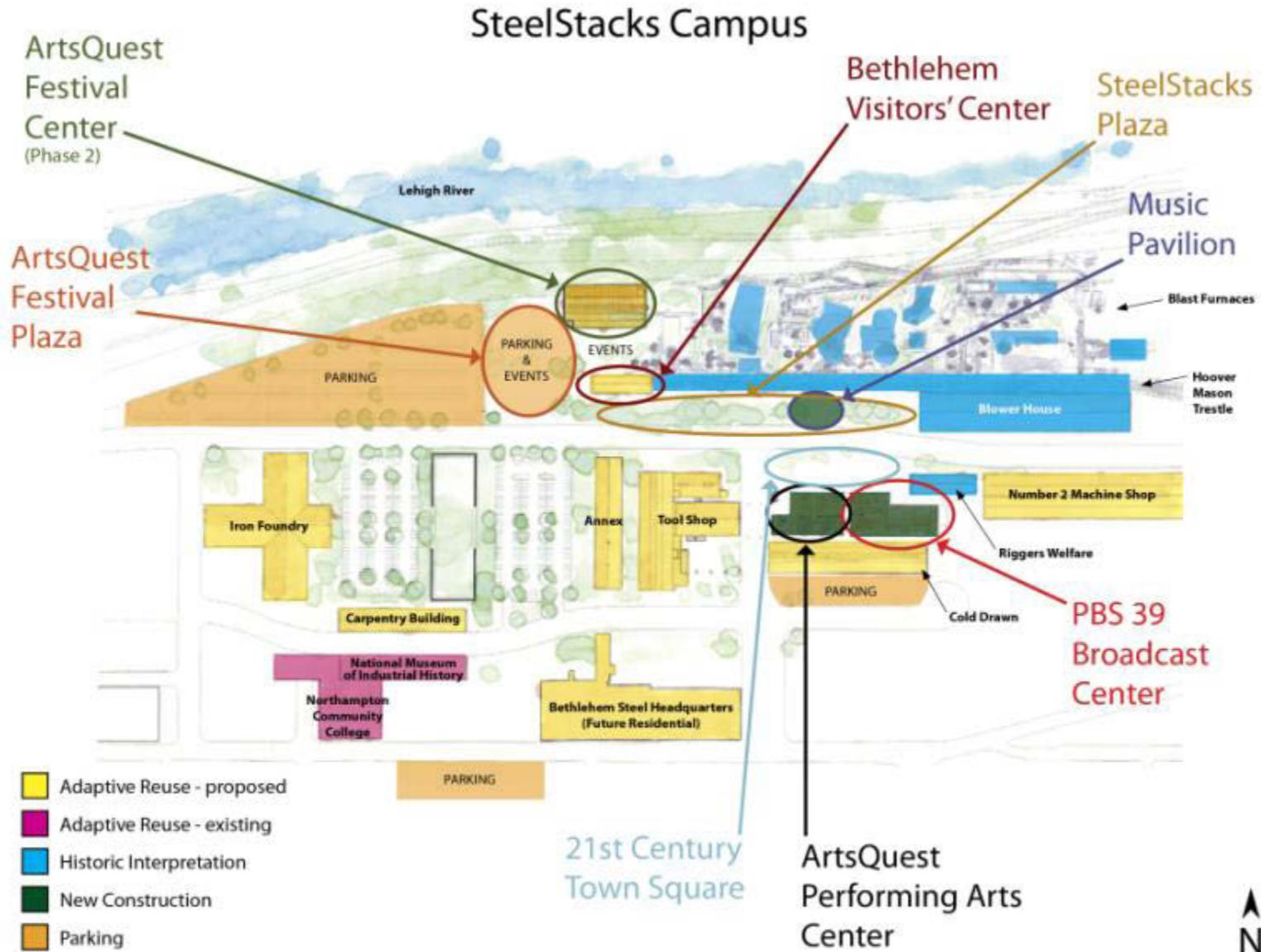
Source PA GCB 2012-13 Annual Report

Location	Slots	Tables
Allentown	\$3,393,759	\$330,756
Bethlehem	\$8,687,860	\$826,890
Easton	0	\$826,890
Lehigh County	\$930,891	\$330,756
Northampton County	\$2,792,672	\$992,268

CROSS MARKETING WITH THE LEHIGH VALLEY TO PROMOTE REGIONAL TOURISM



Community Partner Projects



Program to Prevent Casino Entry or Service of Minors

- Sands has in place a comprehensive program across all casino operating departments designed to prevent minors from entering the casino, engaging in gaming or drinking alcohol. The program has been improved over time when there have been opportunities to do so. The elements of the program include, among others, necessary discipline, pre-shift reminders of elements of the policy, regular reminders of the policy at muster meetings, periodic re-training including responsible alcohol management programs, and utilization of identification authentication machines at the entrances to the casino floor among other measures.
- Visitation in 2010 and 2013 were 5.2 and 8 million or up 53.8%
- Challenges in same period were 288,770 and 794,298 or up 175%
- Turned away in same period were 4,372 and 8,939 or up 104%
- Turn aways as % of challenges in same period were 1.5% & 1.1% and as % of visitation were .08% and .11%

JOB CREATION INCLUDING PA RESIDENTS

- At June 30, 2013 as reported in the 2012-13 PA GCB Diversity Report (DR), Sands employed 2,117.
- According to the DR, 88% were PA residents, matching the statewide average of 89%
- At March 31, 2014, Sands employed 2,227, 94.34% were full time, 79.75% were hourly, and 89.09% were PA residents
- The Outlets at Sands Bethlehem employ approximately 350
- Other Tenants principally restaurants employ another 225
- The Event Center employs another 40
- Plus the jobs created by our Community Partners to whom we have donated land

EMPLOYMENT DIVERSITY

- According to the DR, statewide the representation in the Category of Executive/Management/Professional staff (EMP) was Male 63%, Female 37%, and Minorities 21%.
- For Sands Bethlehem, the representation in the DR for EMP was Male 66%, Female 34%, and Minorities 21%. At March 31, 2014, representation in EMP was Male 60.75%, Female 39.25% and Minority 34.59% and in all categories representation was 58.37% white and 41.62% minorities.
- For the Host Community of Northampton, the demographic data was white 86.3% and minorities 13.7%. For nearby Lehigh County, the demographic data was white 79.1% and minorities 20.9%.

Community Involvement and Outreach

- The Sands supports local non-profits with Fundraising Events, Food Drives, Team Member Charitable Donations, Adopted Families for Christmas, Volunteer Services, and Participation in events such as 5k walks, city clean-up events
- We are a proud sponsor of such groups as the Boy Scouts of America, Minsi Trails Council and the annual Musikfest events
- We use a “Recruitment Media Plan” as an outreach device that uses diverse persons and voices and multiple media avenues that reach a diverse audience
- The Sands established satellite Human Resource office locations throughout the Lehigh Valley to assist potential employees with the on-line employment application process. Participants include:
 - Community Action Committee of the Lehigh Valley
 - Boys and Girls Club of Easton
 - Southside Branch of the Bethlehem Public Library in Bethlehem
 - Hispanic American Organization in Allentown

Community Involvement and Outreach (cont'd)

- Community Job Orientation Workshops and Outreach to MBE/WBE's organizations
 - Groups include the Community Action Committee of Lehigh Valley, Community Action Development Corp of Bethlehem, and the Office of MBE/WBE Businesses within the LV Economic Development Corp
- Our Team Members serve on the following Board's:
 - Lehigh Valley Industrial Park
 - Northampton Community College Foundation
 - ArtsQuest
 - PBS
 - Lehigh Valley Convention and Visitors Bureau
 - Lehigh Valley Economic Development Corp
 - Via of Lehigh Valley (an organization devoted to persons with disabilities)
- The Northampton Community College
 - Expanded its hospitality program and customer service training programs
 - Developed in partnership with Sands a dealer's school in 2010 and later expanded its casino programs to include surveillance and games supervision
- The DR notes Sands charitable contributions for FY 12/13 were \$528K or 3rd of 10



MITIGATION OF COMPULSIVE GAMBLING

Award Winning Commitment to Responsible Gaming

- The Sands was awarded the Corporate Social Responsibility Award by the National Council on Compulsive Gambling for our “demonstrated outstanding commitment to social responsibility.”
- The Pennsylvania Council on Compulsive Gambling presented Sands Casino Resort Bethlehem with the first-ever Gaming Award in recognition of our “outstanding commitment to responsible gaming outreach and education.”
- Problem Gambling Treatment Training Workshops
 - The Sands offered and sponsored Levels 1 and 2 Problem Gambling Treatment Training for the community that were conducted by trainers through the PA Council on Compulsive Gambling. All costs associated were underwritten by the Sands
 - Over 2,300 people have attended and received continuing education credits
 - This series was offered each year from 2006 thru 2013. All team members were recertified as of December 2013 with the most recent sessions in June and September 2013 and with the next sessions scheduled for May 8-9, 2014.
 - In 2009, an Advanced Problem Gambling treatment series, a Faith-Based series and a Spanish speaking/Bilingual Counselor series were held with approximately 500 attendees