BORGATA HOTEL CASINO & SPA
QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2009

SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY

DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL

BORGATA HOTEL CASINO & SPA
BALANCE SHEETS

AS OF DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents	1	$46,894	$43,690
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2009, $24,556; 2008, $21,308)	2	32,201	50,778
4	Inventories		4,427	5,499
5	Other Current Assets		12,101	10,312
6	Total Current Assets		95,623	110,279
7	Investments, Advances, and Receivables	6	27,289	24,594
8	Property and Equipment - Gross		1,771,733	1,761,248
9	Less: Accumulated Depreciation and Amortization		(405,725)	(330,130)
10	Property and Equipment - Net	3	1,366,008	1,431,118
11	Other Assets		13,031	11,672
12	Total Assets		$1,501,951	$1,577,663
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$8,861	$13,868
14	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates		0	0
16	External		0	0
17	Income Taxes Payable and Accrued	1	8,009	3,323
18	Other Accrued Expenses	3	47,881	59,078
19	Other Current Liabilities	5, 11	18,051	27,265
20	Total Current Liabilities		82,802	103,534
	Long-Term Debt:			
21	Due to Affiliates		0	0
22	External	8	679,619	740,536
23	Deferred Credits		14,082	8,963
24	Other Liabilities		26,667	13,819
25	Commitments and Contingencies		0	0
26	Total Liabilities		803,170	866,852
27	Stockholders', Partners', or Proprietor's Equity		698,781	710,811
28	Total Liabilities and Equity		$1,501,951	$1,577,663

0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

BORGATA HOTEL CASINO & SPA
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
	Revenue:			
1	Casino		$691,428	$734,306
2	Rooms		113,143	110,616
3	Food and Beverage		143,410	147,334
4	Other		42,620	52,207
5	Total Revenue		990,601	1,044,463
6	Less: Promotional Allowances	1	213,193	213,974
7	Net Revenue		777,408	830,489
	Costs and Expenses:			
8	Cost of Goods and Services		471,965	519,055
9	Selling, General, and Administrative	1, 10	93,037	105,693
10	Provision for Doubtful Accounts	2	8,021	4,643
11	Total Costs and Expenses		573,023	629,391
12	Gross Operating Profit		204,385	201,098
13	Depreciation and Amortization	3	78,719	76,096
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other		0	0
16	Income (Loss) from Operations		125,666	125,002
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	0
18	Interest Expense - External	8	(27,668)	(29,049)
19	CRDA Related Income (Expense) - Net	10	(5,062)	(5,405)
20	Nonoperating Income (Expense) - Net	6, 11	26,243	(4,289)
21	Total Other Income (Expenses)		(6,487)	(38,743)
22	Income (Loss) Before Taxes and Extraordinary Items		119,179	86,259
23	Provision (Credit) for Income Taxes	1, 9	10,938	2,970
24	Income (Loss) Before Extraordinary Items		108,241	83,289
25	Extraordinary Items (Net of Income Taxes - 2009, $0; 2008, $0)		0	0
26	Net Income (Loss)		$108,241	$83,289

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

BORGATA HOTEL CASINO & SPA
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)
	Revenue:			
1	Casino		$153,387	$169,796
2	Rooms		26,087	26,915
3	Food and Beverage		32,297	33,547
4	Other		10,124	12,260
5	Total Revenue		221,895	242,518
6	Less: Promotional Allowances	1	46,487	59,035
7	Net Revenue		175,408	183,483
	Costs and Expenses:			
8	Cost of Goods and Services		112,223	122,305
9	Selling, General, and Administrative		23,453	23,850
10	Provision for Doubtful Accounts	1, 10	1,678	(305)
11	Total Costs and Expenses	2	137,354	145,850
12	Gross Operating Profit		38,054	37,633
13	Depreciation and Amortization	3	19,380	20,511
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other		0	0
16	Income (Loss) from Operations		18,674	17,122
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	0
18	Interest Expense - External	8	(5,787)	(8,171)
19	CRDA Related Income (Expense) - Net	10	(1,266)	(1,224)
20	Nonoperating Income (Expense) - Net	6	(350)	582
21	Total Other Income (Expenses)		(7,403)	(8,813)
22	Income (Loss) Before Taxes and Extraordinary Items		11,271	8,309
23	Provision (Credit) for Income Taxes	1, 9	359	(1,930)
24	Income (Loss) Before Extraordinary Items		10,912	10,239
25	Extraordinary Items (Net of Income Taxes - 2009, $0; 2008, $0)		0	0
26	Net Income (Loss)		$10,912	$10,239

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

BORGATA HOTEL CASINO & SPA
STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	____ (e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 2007.........**		$477,507	$189,174	$0	$666,681
2	Net Income (Loss) - 2008..........			83,289		83,289
3	Capital Contributions................					0
4	Capital Withdrawals..................					0
5	Partnership Distributions...........			(39,159)		(39,159)
6	Prior Period Adjustments...........					0
7	____					0
8	____					0
9	____					0
10	**Balance, December 31, 2008.........**		477,507	233,304	0	710,811
11	Net Income (Loss) - 2009..........			108,241		108,241
12	Capital Contributions................					0
13	Capital Withdrawals..................					0
14	Partnership Distributions...........			(120,271)		(120,271)
15	Prior Period Adjustments...........					0
16	____					0
17	____					0
18	____					0
19	**Balance, December 31, 2009.........**		$477,507	$221,274	$0	$698,781

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

BORGATA HOTEL CASINO & SPA
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)	
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$193,634	$176,085	*
	CASH FLOWS FROM INVESTING ACTIVITIES:				
2	Purchase of Short-Term Investments				
3	Proceeds from the Sale of Short-Term Investments				
4	Cash Outflows for Property and Equipment.....		(15,182)	(161,939)	*
5	Proceeds from Disposition of Property and Equipment.....		75	63	*
6	CRDA Obligations		(8,896)	(9,355)	*
7	Other Investments, Loans and Advances made.....		(2,707)	(3,753)	
8	Proceeds from Other Investments, Loans, and Advances		0	0	
9	Cash Outflows to Acquire Business Entities.....		0	0	
10	Insurance Proceeds for Replacement Assets		17,603	15,397	*
11	.....				
12	Net Cash Provided (Used) By Investing Activities.....		(9,107)	(159,587)	*
	CASH FLOWS FROM FINANCING ACTIVITIES:				
13	Proceeds from Short-Term Debt				
14	Payments to Settle Short-Term Debt.....				
15	Proceeds from Long-Term Debt		851,283	1,815,596	
16	Costs of Issuing Debt.....		(135)	(4,351)	
17	Payments to Settle Long-Term Debt.....		(912,200)	(1,797,760)	
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0	
19	Purchases of Treasury Stock.....				
20	Payments of Dividends or Capital Withdrawals.....				
21	Partnership Distributions		(120,271)	(39,159)	
22	.....				
23	Net Cash Provided (Used) By Financing Activities.....		(181,323)	(25,674)	
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		3,204	(9,176)	
25	Cash and Cash Equivalents at Beginning of Period.....		43,690	52,866	
26	Cash and Cash Equivalents at End of Period.....		$46,894	$43,690	

Line	Description	Notes	2009	2008
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		$24,449	$30,522
28	Income Taxes.....		($11,713)	($10,199)

* prior year amounts have been restated to reflect current year presentation.

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

BORGATA HOTEL CASINO & SPA
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 AND 2008

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)	
	CASH FLOWS FROM OPERATING ACTIVITIES:				
29	Net Income (Loss)..		$108,241	$83,289	
30	Depreciation and Amortization of Property and Equipment...		76,711	74,893	
31	Amortization of Other Assets...		2,008	1,203	
32	Amortization of Debt Discount or Premium..........................		0		
33	Deferred Income Taxes - Current		(136)	67	
34	Deferred Income Taxes - Noncurrent		4,067	2,141	*
35	(Gain) Loss on Disposition of Property and Equipment.........		128	1	
36	(Gain) Loss on CRDA-Related Obligations...........................		5,062	5,405	
37	(Gain) Loss from Other Investment Activities.......................		3,080	116	
38	(Increase) Decrease in Receivables and Patrons' Checks		18,577	14,797	
39	(Increase) Decrease in Inventories		1,072	(1,113)	
40	(Increase) Decrease in Other Current Assets..........................		(1,653)	(1,326)	
41	(Increase) Decrease in Other Assets......................................		(1,978)	2,353	*
42	Increase (Decrease) in Accounts Payable..............................		(1,629)	4,441	
43	Increase (Decrease) in Other Current Liabilities		(5,081)	(9,842)	*
44	Increase (Decrease) in Other Liabilities		13,900	(340)	*
45	Gain from Insurance Recoveries		(28,735)	0	
46	....				
47	Net Cash Provided (Used) By Operating Activities....................		$193,634	$176,085	*

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2009 (c)	2008 (d)	
	ACQUISITION OF PROPERTY AND EQUIPMENT:				
48	Additions to Property and Equipment...................................		($15,182)	($161,939)	*
49	Less: Capital Lease Obligations Incurred..............................				
50	Cash Outflows for Property and Equipment..............................		($15,182)	($161,939)	*
	ACQUISITION OF BUSINESS ENTITIES:				
51	Property and Equipment Acquired..				
52	Goodwill Acquired..				
53	Other Assets Acquired - net				
54	Long-Term Debt Assumed..				
55	Issuance of Stock or Capital Invested..................................				
56	Cash Outflows to Acquire Business Entities.............................		$0	$0	
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:				
57	Total Issuances of Stock or Capital Contributions.................		$0	$0	
58	Less: Issuances to Settle Long-Term Debt...........................		0	0	
59	Consideration in Acquisition of Business Entities.................		0	0	
60	Cash Proceeds from Issuing Stock or Capital Contributions......		$0	$0	

* prior year amounts have been restated to reflect current year presentation.

The accompanying notes are an integral part of the financial statements.

Valid comparisons cannot be made without using information contained in the notes.

BORGATA HOTEL CASINO & SPA
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2009

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during the quarter.

3/31/2010
Date

Hugh Turner

Vice President of Finance
Title

7833-11
License Number

On Behalf of:

BORGATA HOTEL CASINO & SPA
Casino Licensee

Marina District Development Company, LLC and Subsidiary

(A Wholly-Owned Subsidiary of Marina District Development Holding Co., LLC)

Notes to Consolidated Financial Statements
(Unaudited)

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of Marina District Development Company, LLC, d.b.a. Borgata, ("MDDC, LLC") and Marina District Finance Company, Inc. ("MDFC"), its wholly-owned subsidiary, collectively referred to herein as the "Company", "we", or "us". The Company is a wholly-owned subsidiary of Marina District Development Holding Co., LLC ("Holding Company" or "Parent"). Holding Company is jointly owned by MAC, Corp. ("MAC"), a wholly-owned subsidiary of MGM MIRAGE, and Boyd Atlantic City, Inc. ("BAC"), a wholly-owned subsidiary of Boyd Gaming Corporation. Our purpose is to develop, own, and operate a hotel casino and spa facility at Renaissance Pointe in Atlantic City, New Jersey.

We opened Borgata on July 3, 2003 with approximately 2,000 hotel rooms, a 125,000 square foot casino, and other amenities. On June 30, 2006, we opened our first expansion ("Public Space Expansion"). The Public Space Expansion consists of approximately 35,000 square feet of additional casino space and substantial additions of non-gaming amenities including three additional fine dining restaurants, a second nightclub, and a multi-concept quick service dining facility. In June 2008, operations commenced related to our second expansion ("Rooms Expansion"). The centerpiece of the Rooms Expansion is a new hotel tower, The Water Club, a signature hotel by Borgata, containing approximately 800 guest rooms and suites, built on a portion of the existing surface parking lot, near the existing porte cochere. In addition to the hotel, which has access separate from our existing hotel tower, the Rooms Expansion includes a new spa, additional meeting room space, and a new parking structure. BAC and MAC did not make further capital contributions to us for the expansion projects as we financed the projects from our cash flow from operations and from borrowings under our bank credit facility (see Note 8 and Note 11).

Pursuant to the Operating Agreement (the "Operating Agreement"), BAC, as the managing venturer of the Holding Company, has oversight responsibility for the management of Borgata which includes the design, development, and construction as well as the day-to-day operations. We do not record a management fee to BAC, as our management team directly performs these services or negotiates contracts to provide for these services. As a result, the costs of these services are directly borne by the Company and are reflected in our accompanying consolidated financial statements.

In our opinion, the accompanying unaudited consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the results of our operations and cash flows for the years ended December 31, 2009 and 2008. We suggest reading this report in conjunction with our audited consolidated financial statements for the year ended December 31, 2009.

Our operating results and cash flows for the years ended December 31, 2009 and 2008 are not necessarily indicative of the results that will be achieved for future periods.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with maturities of three months or less at their date of purchase. The carrying value of these investments approximates their fair value due to their short maturities.

Accounts Receivable, Net

Accounts receivable consist primarily of casino, hotel and other receivables, net of an allowance for doubtful accounts of $24,556,000 and $21,308,000 at December 31, 2009 and 2008, respectively. The allowance for doubtful accounts is estimated based upon our collection experience and the age of the receivables.

Inventories

Inventories consist primarily of food and beverage and retail items that are stated at the lower of cost or market. Cost is determined using the average cost method.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets (see Note 3). Costs of major improvements are capitalized, while costs of normal repairs and maintenance are charged to expense as incurred. Losses on disposal of assets are recognized when such assets are impaired while gains are recognized as realized.

Capitalized Interest

Interest costs, primarily associated with our expansion projects, are capitalized as part of the cost of our constructed assets. Interest costs, which include commitment fees, letter of credit fees and the amortized portion of deferred loan origination fees, are capitalized on amounts expended for the respective projects using our weighted average cost of borrowing. Capitalization of interest ceases when the respective project, or discernible portions of the projects, are substantially complete. We amortize capitalized interest over the estimated useful life of the related asset. Capitalized interest was $24,000 and $8,756,000 for the years ended December 31, 2009 and 2008, respectively.

Deferred Financing Fees

Deferred financing fees incurred in connection with the issuance of long-term debt are amortized over the terms of the related debt agreement.

Revenue and Promotional Allowances

Gaming revenue represents the net win from gaming activities, which is the difference between gaming wins and losses. The majority of our gaming revenue is counted in the form of cash and chips and therefore is not subject to any significant or complex estimation procedures. Gross revenues include the estimated retail value of rooms, food and beverage, and other goods and services provided to customers on a complimentary basis. Such amounts are then deducted as promotional allowances. The estimated costs and expenses of providing these promotional allowances are charged to the gaming department in the following amounts:

	Year Ended December 31,	
	2009	2008
Room	$ 24,250,000	$ 23,876,000
Food and beverage	45,806,000	51,148,000
Other	11,070,000	17,247,000
Total	**$ 81,126,000**	**$ 92,271,000**

Promotional allowances also include incentives such as cash, goods and services (such as complimentary rooms and food and beverages) earned in our slot club and other gaming programs. We reward customers, through the use of loyalty programs, with points based on amounts wagered that can be redeemed for a specified period of time, principally for restricted free play slot machine credits and complimentary goods or services. We record the estimated retail value of these incentives as revenue and then deduct them as a promotional allowance. For the years ended December 31, 2009 and 2008 these incentives were $65,400,000 and $63,305,000, respectively.

Income Taxes

We are treated as a partnership for federal income tax purposes; therefore, federal income taxes are the responsibility of MAC and BAC. In New Jersey, casino partnerships are subject to state income taxes under the Casino Control Act; therefore, we are required to record New Jersey state income taxes (see Note 9). In 2004, we were granted permission by New Jersey, pursuant to a ruling request, to file a consolidated New Jersey corporation business tax return with MAC and BAC. The amounts reflected in our consolidated financial statements are on a stand-alone basis; however, we file a state consolidated tax return with MAC and BAC. The amounts due to MAC and BAC are a result of the tax attributes MAC and BAC have contributed to the consolidated state tax return. A reconciliation of the components of our stand-alone state income taxes payable is presented below:

	December 31	
	2009	2008
Amounts receivable – state	$ (134,000)	$ (650,000)
Amounts payable to MAC and BAC	8,143,000	3,973,000
Income taxes payable	**$ 8,009,000**	**$ 3,323,000**

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Significant estimates incorporated into our accompanying consolidated financial statements include the estimated useful lives for depreciable and amortizable assets, the estimated allowance for doubtful accounts receivable, the estimate for available tax credits, the estimated liabilities for our self-insured medical plan, slot club programs, contingencies and litigation, claims and assessments. Actual results could differ from those estimates and assumptions.

Preopening Expenses

We expense certain costs of start-up activities as incurred. Preopening expenses were $699,000 and $5,570,000 for the years ended December 31, 2009, and 2008, respectively.

Advertising Expenses

Advertising costs are expensed the first time such advertising appears. Total advertising costs included in selling, general and administrative expenses on the accompanying consolidated statements of operations were $11,996,000 and $13,530,000 for the years ended December 31, 2009 and 2008, respectively.

Employee Benefit Plans

We contribute to pension plans under various union agreements. Contributions, based on wages paid to covered employees, totaled approximately $5,827,000 and $5,996,000 for the years ended December 31, 2009 and 2008, respectively.

We have a retirement savings plan under Section 401(k) of the Internal Revenue Code covering our non-union employees. The plan allows employees to defer up to the lessor of the Internal Revenue Code prescribed maximum amount or 100% of their income on a pre-tax basis through contributions to the plan. We expensed our voluntary contributions to the 401(k) plan of $1,653,000 and $3,344,000 for the years ended December 31, 2009 and 2008, respectively.

Self Insurance

We are currently self insured up to $75,000,000, $1,000,000, $250,000, and $250,000 with respect to each catastrophe related property damage claim, non-catastrophe related property damage claim, general liability claim and non-union employee medical case, respectively. We have accrued $6,772,000 and $4,298,000 for such claims at December 31, 2009 and 2008, respectively, and incurred expenses of approximately $19,633,000 and $18,110,000 for the years ended December 31, 2009 and 2008, respectively.

Recently Issued Accounting Standards

Subsequent to the adoption of the Codification, any change to the source of authoritative GAAP will be communicated through an Accounting Standards Update ("ASU"). ASUs will be published by the FASB for all authoritative GAAP promulgated by the FASB, regardless of the form in which such guidance may have been issued prior to release of the Codification. Prior to inclusion in an ASU, the standard-setting organizations and regulatory agencies continue to issue proposed changes to the accounting standards in previous form (e.g., FASB Statements of Financial Accounting Standards, Emerging Issues Task Force ("EITF") Abstracts, FASB Staff Positions, SEC Staff Accounting Bulletins, etc.).

In September 2009, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 167, *Amendments to FASB Interpretation No. 46(R)* ("SFAS 167"). SFAS 167 is a revision to FASB Interpretation No. 46, *Consolidation of Variable Interest Entities* (which is currently promulgated in a subsection of Codification Topic 810). The amendments include: (1) the elimination of the exemption for qualifying special purpose entities, (2) a new approach for determining who should consolidate a variable-interest entity, and (3) changes to when it is necessary to reassess who should consolidate a variable-interest entity. SFAS 167 is effective for the first annual reporting period beginning after November 15, 2009 and for interim periods within that first annual reporting period. We do not believe that the adoption of SFAS 167 will have a material impact on our consolidated financial statements.

In September 2009, the FASB issued SFAS No. 166, *Accounting for Transfers of Financial Assets – An Amendment to FASB Statement No. 140* ("SFAS 166"). SFAS 166 is a revision of SFAS No. 140, *Accounting for Transfers and Servicing Financial Assets and Extinguishments of Liabilities*, which is presently included in Codification Topic 860, *Transfers and Servicing.* SFAS 166 eliminates the concept of a "qualifying special-purpose entity," changes the requirements for derecognizing financial assets, and requires additional disclosures in order to enhance information reported to users of financial statements by providing greater transparency about transfers of financial assets, including securitization transactions, and an entity's continuing involvement in and exposure to the risks related to transferred financial assets. SFAS 166 is effective for fiscal years beginning after November 15, 2009. We do not believe that the adoption of SFAS 166 will have a material impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, *Accounting for Noncontrolling Interests,* ("SFAS 160"), which establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, this guidance requires the recognition of a noncontrolling interest (previously referred to as minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income or loss attributable to the noncontrolling interest is included in consolidated net income on the face of the income statement. The guidance clarifies that changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, this guidance requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated and requires expanded disclosures regarding the interests of the parent and the interests of the noncontrolling owners. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. We do not believe that the adoption of SFAS 160 will have a material impact on our consolidated financial statements.

A variety of additional proposed or otherwise potential accounting standards are currently under study by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, we have not yet determined the effect, if any, that the implementation of such proposed standards would have on our consolidated financial statements.

Note 2. Receivables and Patrons' Checks

Receivables and patrons' checks consist of the following:

	December 31,	
	2009	2008
Casino receivables (net of an allowance for doubtful accounts – 2009 $24,512,000 and 2008 $21,229,000)	$ 25,412,000	$ 28,431,000
NJ tax refund receivable (Note 9)	1,600,000	15,633,000
Other (net of an allowance for doubtful accounts – 2009 $44,000 and 2008 $79,000)	5,022,000	6,646,000
Due from related parties (Note 7)	167,000	68,000
Receivables and patrons' checks, net	**$ 32,201,000**	**$ 50,778,000**

Note 3. Property and Equipment

Property and equipment consists of the following:

	Estimated Life (Years)	December 31, 2009	December 31, 2008
Land	-	$ 87,301,000	$ 87,301,000
Building and improvements	3-40	1,388,000,000	1,380,474,000
Furniture and equipment	3-7	287,936,000	276,877,000
Construction in progress	-	8,100,000	16,596,000
Total		1,771,733,000	1,761,248,000
Less accumulated depreciation		405,725,000	330,130,000
Property and equipment, net		**$1,366,008,000**	**$1,431,118,000**

Depreciation expense was $76,711,000 and $74,893,000 for the years ended December 31, 2009 and 2008, respectively. At December 31, 2009, construction in progress in the above table consists of various maintenance capital projects currently in process.

Note 4. Other Accrued Expenses

Other accrued expenses consist of the following:

	December 31, 2009	December 31, 2008
Payroll and related	$ 19,116,000	$ 21,728,000
Other	28,765,000	37,350,000
Other accrued expenses	**$ 47,881,000**	**$ 59,078,000**

Note 5. Other Current Liabilities

Other current liabilities consist of the following:

	December 31, 2009	December 31, 2008
Deferred gain on insurance liabilities	$ -	$ 11,132,000
Casino related liabilities	10,042,000	9,353,000
Due from related parties (see Note 7)	829,000	514,000
Other	7,180,000	6,266,000
Other current liabilities	**$ 18,051,000**	**$ 27,265,000**

Note 6.Investment in ACES

In 2006, we entered into an agreement with two other Atlantic City casinos to form Atlantic City Express Service, LLC (“ACES”).With each member having a 33.3% interest, this New Jersey limited liability company was formed for the purpose of contracting with New Jersey Transit to operate express rail service between Manhattan and Atlantic City.Each member has guaranteed, jointly and severally, liability for all terms, covenants, and conditions of the ACES agreement with New Jersey Transit consisting primarily of the necessary operating and capital expenses of ACES.The responsibilities of the managing member will rotate annually among the members.

We currently account for our share of ACES under the equity method of accounting.As of December 31, 2009 and 2008, we made cumulative capital contributions totaling $8,362,000 and $6,082,000 respectively, which are included on the accompanying consolidated balance sheets.ACES commenced operations in February 2009.Our share of ACES' operating loss was approximately $2,728,000 for the year ended December 31, 2009 and is included in nonoperating income (expenses) on the accompanying consolidated statements of operations.Our share of ACES' preopening expenses was $352,000 and $116,000 for the years ended December 31, 2009 and 2008, respectively, and are included in nonoperating income (expenses) on the accompanying consolidated statements of operations.

Note 7.Related Parties

Pursuant to the Operating Agreement, MAC is solely responsible for any investigation, analyses, clean-up, detoxification, testing, monitoring, or remediation related to Renaissance Pointe.MAC is also responsible for their allocable share of expenses related to master plan and government improvements at Renaissance Pointe.The related amounts due from MAC for these types of expenditures incurred by us were $44,000 and $45,000 at December 31, 2009 and 2008, respectively. Reimbursable expenditures incurred were $514,000 and $570,000 for the years ended December 31, 2009 and 2008 respectively.

Boyd Gaming Corporation reimburses us for expenses relating to investigative services for our casino license and other expenses.The related amounts due from Boyd Gaming Corporation for these types of expenditures were $123,000 and $23,000 for the years ended December 31, 2009 and 2008, respectively.Reimbursable expenditures incurred were $325,000 and $386,000 for the years ended December 31, 2009 and 2008, respectively.

We entered into a series of ground lease agreements with MAC totaling 19.0 acres (see Note 10), that provides the land on which our existing employee parking garage, the Public Space Expansion, the Rooms Expansion, and a modified surface parking lot reside.The lease terms extend until December 31, 2070 with the exception of the surface parking lot lease which could be terminated by either party upon 30 days written notice.The related amounts due to MAC for these types of expenditures were $0 at December 31, 2009 and 2008, respectively.Related rent incurred $6,469,000 and $6,082,000 for the years ended December 31, 2009 and 2008, respectively, portions of which were related to our Rooms Expansion were included as preopening expenses in nonoperating income (expenses) on the accompanying consolidated statements of operations.

Pursuant to the ground lease agreements, we are responsible for reimbursing MAC for related property taxes paid on our behalf.The related amounts due to MAC for these types of expenditures were $0 at December 31, 2009 and 2008, respectively. Related property tax incurred was $12,175,000 and $11,748,000 for the years ended December 31, 2009 and 2008, respectively, portions of which were related to our Rooms Expansion were capitalized on the accompanying consolidated balance sheets and portions of which were included in the accompanying consolidated statements of operations.

We reimburse BAC for compensation paid to employees performing services for us on a full-time basis and for out-of-pocket costs and expenses incurred related to travel.BAC is also reimbursed for various payments made on our behalf, primarily related to third party insurance premiums.The related amounts due to BAC for these types of expenditures paid by BAC were $829,000 and $514,000 at December 31, 2009 and 2008, respectively.Reimbursable expenditures were $7,414,000 and $9,200,000 for the years ended December 31, 2009 and 2008, respectively, which were included in the accompanying consolidated statement of operations.

The related party balances are non-interest bearing and are included in either accounts receivable or accrued and other liabilities on the accompanying consolidated balance sheets.

Note 8.Debt

Amounts outstanding under each component of our bank credit agreement are as follows:

	December 31,	
	2009	2008
Revolving line of credit	$ 679,619,000	$ 740,536,000
Less current maturities	-	-
Total long – term debt	**$ 679,619,000**	**$ 740,536,000**

On February 15, 2006, the First Amendment was made to our First Amended and Restated Credit Agreement among MDFC, MDDC, Canadian Imperial Bank of Commerce and certain other financial institutions (the “Credit Parties”).The amended bank credit agreement modified our existing amended bank credit agreement and consists of a $750,000,000 revolving credit facility that matures on January 31, 2011.Availability under the revolving credit facility was used to repay in full the outstanding term loan component of the previous bank credit agreement. On February 27, 2007, we increased the revolving credit facility to $850,000,000.On December 10, 2008, the Second Amendment was made to our First Amended and Restated Credit Agreement among the Credit Parties.The amended bank agreement modified our existing amended bank credit agreement and provides for adjustments to certain financial covenants.The Second Amendment also reduced the revolving credit facility to $800,000,000 with further reductions of $10,000,000 per quarter commencing on March 31, 2009 and ending on December 31, 2010, resulting in the revolving credit facility of $720,000,000 maturing on January 31, 2011.At December 31, 2009, $679,619,000 was outstanding under the revolving credit facility leaving availability under the bank credit facility of $80,381,000.The carrying amount of debt approximates its fair value at December 31, 2009 and 2008.

The interest rate on the revolving credit facility is based upon either (i) the agent bank’s quoted base rate or (ii) the Eurodollar rate, plus an applicable margin.The applicable margin is a percentage per annum (which ranges from 1.00% to 2.50% if we elect to use the base rate and 2.25% to 3.75% if we elect to use the Eurodollar rate) determined in accordance with a specified pricing grid based upon our predefined leverage ratio.In addition, we incur a commitment fee on the unused portion of the revolving credit facility that ranges from 0.25% to 0.5% per annum.The blended interest rates for outstanding borrowings under the bank credit agreements at December 31, 2009 and 2008 were 2.7% and 4.2%, respectively.The bank credit agreement is secured by substantially all of our real and personal property and is non-recourse to MAC and BAC.

The bank credit agreement contains certain financial and other covenants, including, without limitation, various covenants (i) establishing a maximum permitted total leverage ratio, (ii) establishing a minimum required fixed charge coverage ratio, (iii) imposing limitations on the incurrence of additional secured indebtedness, and (iv) imposing restrictions on investments, dividends and certain other payments.We believe that we are in compliance with the covenants related to the bank credit agreement at December 31, 2009.

The scheduled maturities of long-term debt for the years ending December 31 are as follows:

2010	$ -
2011	679,619,000
Total	**$ 679,619,000**

Note 9.Income Taxes

A summary of the provision for state income taxes is as follows:

	Year EndedDecember 31,	
	2009	2008
State		
Current	$ 7,007,000	$ 762,000
Deferred	3,931,000	2,208,000
Provision for state income taxes	**$ 10,938,000**	**$ 2,970,000**

The following table provides a reconciliation between the state statutory rate and the effective income tax rates where both are expressed as a percentage of income.

	Year EndedDecember 31,	
	2009	2008
Tax provision at state statutory rate	9.0%	9.0%
New jobs investment tax credit	0.0	(5.8)
Other, net	0.2	0.2
Total state income tax provision	**9.2%**	**3.4%**

The components comprising the Company's net deferred state tax liability are as follows:

	December 31,	
	2009	2008
Deferred state tax assets:		
Provision for doubtful accounts	$ 1,882,000	$ 1,918,000
Gaming taxes	1,607,000	1,099,000
Reserve for employee benefits	628,000	250,000
Preopening expense	32,000	-
State tax credit carryforwards	-	1,395,000
Other	562,000	1,282,000
Gross deferred state tax asset	4,711,000	5,944,000
Deferred state tax liabilities:		
Difference between book and tax basis of property	16,408,000	12,817,000
Reserve differential for gaming activities	164,000	87,000
Other	901,000	819,000
Gross deferred state tax liability	17,473,000	13,723,000
Net deferred state tax liability	**$ (12,762,000)**	**$ (7,779,000)**

The items comprising our deferred income taxes as presented on the accompanying consolidated balance sheets are as follows:

	December 31, 2009	December 31, 2008
Current deferred income tax asset	$ 1,320,000	$ 1,184,000
Non-current deferred income tax liability	(14,082,000)	(8,963,000)
Net deferred state tax liability	**$(12,762,000)**	**$(7,779,000)**

In connection with our formation in 2000, MAC contributed assets consisting of land and South Jersey Transportation Authority bonds with a tax basis of approximately $9,200,000 and $13,800,000, respectively.The recorded book value of those assets was $90,000,000.Pursuant to the Operating and Tax Sharing Agreements between MAC and BAC, any subsequent gain or loss associated with the sale of the MAC contributed property would be allocated directly to MAC for both state and federal income tax purposes.As such, no state deferred tax liability has been recorded in connection with the book and tax basis differences related to the MAC contributed property.

New Jersey New Jobs Investment Tax Credit

Based on New Jersey state income tax rules, we are eligible for a refundable state tax credit under the New Jersey New Jobs Investment Tax Credit (“New Jobs Tax Credit”) because we made a qualified investment in a new business facility that created new jobs.The realization of the credit is contingent on maintaining certain employment levels for employees directly related to the qualified investment as well as maintaining overall employment levels.Fluctuations in employment levels for any given year during the credit period may eliminate or reduce the credit.The total net credit related to our original investment was approximately $75,000,000 over a five-year period that ended in 2007.Incremental net credits related to our Public Space Expansion and our Rooms Expansion are also available.We have recorded $0 and $5,000,000 of net New Jobs Tax Credits in arriving at our state income tax provision on the accompanying consolidated statements of operations for the years ended December 31, 2009 and 2008, respectively.We were not eligible to receive a credit in 2009 due to a reduction in employment levels.

Adoption of FIN 48

Under FASB Interpretation No. 48 (“FIN 48”), *Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109*, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority.An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained.Additionally, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.FIN 48 is effective for fiscal years beginning after December 15, 2006 for public companies and applies to all tax positions accounted for in accordance with SFAS No. 109.

The total amount of unrecognized tax benefits upon our early adoption of FIN 48 on January 1, 2007 was $6,500,000.As a result of the implementation of FIN 48, we recognized a $1,980,000 increase in the liability for unrecognized tax benefits which was accounted for as follows:

Reduction in retained earnings (cumulative effect)	$ 244,000
Additional deferred tax assets	1,736,000
Increase in other tax liabilities	**$1,980,000**

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2009	2008
Unrecognized tax benefit, January 1	$ 7,789,000	$ 8,220,000
Additions based on tax positions related to the current year	333,000	252,000
Additions based on tax positions related to prior years	1,852,000	55,000
Reductions based on tax positions settled with taxing authorities	(121,000)	-
Reductions based on tax positions related to prior years	(1,139,000)	(738,000)
Unrecognized tax benefit, December 31	**$ 8,714,000**	**$ 7,789,000**

Included in the $8,714,000 balance of unrecognized tax benefits at December 31, 2009 are $5,814,000 of tax benefits that, if recognized, would affect the effective tax rate and $2,900,000 of tax benefits that, if recognized, would result in adjustments to other tax accounts, primarily deferred taxes.

We recognize accrued interest and penalties related to unrecognized tax benefits in the income tax provision.During the years ended December 31, 2009, and 2008, we recognized accrued interest and penalties of approximately $(300,000) and $900,000 respectively.We had $1,800,000 and $2,600,000 for the payment of interest and penalties accrued at December 31, 2009 and 2008, respectively.

We are subject to state taxation in New Jersey and our state tax returns are subject to examination for tax years ended on or after December 31, 2001.Our state tax return for the year ended December 31, 2001 is open to the extent of a net operating loss carryforward utilized in subsequent years.Statute expirations, related to state income tax returns filed for years prior to December 31, 2006 have been extended to December 31, 2010.The statute of limitations for all remaining state income tax returns will begin to expire over the period October 2011 through October 2014.As we are a partnership for federal income tax purposes, we are not subject to federal income tax.The federal tax liabilities of MAC and BAC would be affected by any tax adjustments resulting from federal audits.

We are currently under examination for federal income tax purposes related to the tax returns filed for the years ended December 31, 2003 and 2004.Any adjustments related to the federal examination would affect MAC and BAC, as we are not subject to federal income tax.Additionally, New Jersey state income tax returns for the years ended December 31, 2003 through December 31, 2006 are under audit by the New Jersey Division of Taxation.As the Division of Taxation has not started field work in connection with their audit, it is difficult to determine when these examinations will be closed.Although our state audit has not begun, we have recorded the expected state tax impact, to our unrecognized tax benefits, of certain federal adjustments that have been settled with the Internal Revenue Service, for which the state and federal tax treatment are consistent.The adjustments primarily relate to the appropriate class lives of certain depreciable assets.As it relates to years under audit and unaudited open years, we do not anticipate any material changes, over the next 12 month period, to our unrecognized tax benefits as of December 31, 2009.

Note 10.Commitments and Contingencies

Future Minimum Lease Payments

Future minimum lease payments required under noncancelable operating leases (principally for land, see Note 7) as of December 31, 2009 are as follows:

2010	$ 7,102,000
2011	6,802,000
2012	6,103,000
2013	5,734,000
2014	5,598,000
Thereafter	313,477,000
Total	**$344,816,000**

For the years ended December 31, 2009 and 2008, total rent expense was $12,722,000 and $13,810,000, respectively.

Utility Contract

In 2005, we amended our executory contracts with a wholly-owned subsidiary of a local utility company extending the end of the terms to 20 years from the opening of our Rooms Expansion.The utility company provides us with electricity and thermal energy (hot water and chilled water).Obligations under the thermal energy executory contract contain both fixed fees and variable fees based upon usage rates.The fixed fee components under the thermal energy executory contract are currently estimated at approximately $11,300,000 per annum.We also committed to purchase a certain portion of our electricity demand at essentially a fixed rate which is estimated at approximately $4,800,000 per annum.Electricity demand in excess of the commitment is subject to market rates based on our tariff class.

Investment Alternative Tax

The New Jersey Casino Control Act provides, among other things, for an assessment of licensees equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues.Generally, we may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the New Jersey Casino Reinvestment Development Authority (“CRDA”).Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations.CRDA bonds have terms up to fifty years and bear interest at below market rates.

Our CRDA obligations for the years ended December 31, 2009 and 2008 were $8,692,000 and $9,235,000, respectively, of which valuation provisions of $5,062,000 and $5,405,000 respectively, are included in selling general and administrative expenses on the accompanying consolidated statements of operations due to the respective underlying agreements.

Grant and Donations Agreement

In June 2004, Borgata and the eleven other casinos in the Atlantic City gaming market (collectively, the “Casinos”) entered into a Grant and Donations Agreement with the New Jersey Sports & Exposition Authority (the “NJSEA”) and the CRDA in the interest of deferring or preventing the proliferation of competitive gaming at New Jersey racing tracks through January 1, 2009.

Under the terms of the Grant and Donations Agreement, the Casinos paid to the NJSEA $34,000,000 to be used for certain authorized purposes as defined by the Grant and Donations Agreement.The $34,000,000 was paid by the Casinos over a four year period as follows: $7,000,000 was paid October 15, 2004; $8,000,000 was paid October 15, 2005; $9,000,000 was paid on October 15, 2006; and $10,000,000 was paid October 15, 2007.For each year, each casino's share of the $34,000,000 equated to a percentage representing its gross gaming revenue for the twelve months ending June 30 prior to the October 15 payment date compared to the gross gaming revenues for that period for all Casinos.The Casinos, individually and collectively, were responsible for the payment of all amounts due. As a result, we expensed our pro rata share of the $34,000,000, totaling $4,683,000, on a straight-line basis over the applicable term of the Grant and Donations Agreement.We have recorded an expense of $1,041,000 for the year ended December 31, 2008 which is included in selling, general and administrative expense on the accompanying consolidated statements of operations.

Also under the terms of the Grant and Donations Agreement, the CRDA approved donations in the aggregate amount of $62,000,000 from the Casino's North Jersey Obligations (pursuant to the New Jersey Casino Control Act) for certain uses as defined by the Grant and Donations Agreement including casino projects approved pursuant to rules of the CRDA.The CRDA shall credit 100% of the donations received from each casino against that casino's obligation to purchase bonds.The donation shall provide that each casino's share of the $62,000,000 will equate to a percentage representing its gross gaming revenue for the twelve months ended June 30, 2004 compared to the gross gaming revenues for that period for all Casinos.Each casino's respective annual donation shall be made first from uncommitted current and future funds in the North Jersey Project Fund established in accordance with the CRDA Urban Revitalization Act of that Casino and shall be credited as fulfilling said obligation on behalf of the particular casino making the payment.To the extent such North Jersey Project funds of that casino are not adequate to pay a Casino's share of the required donations, then that casino's other uncommitted current and future North Jersey Obligations shall be utilized.As a result, we will expense our pro rata share of the $62,000,000 on a straight line basis over the applicable term of the Agreement; however, our Rooms Expansion project qualified, pursuant to rules of the CRDA, for eligibility to receive future credits of approximately $6,800,000 under this Grant and Donations Agreement.Based upon the gross gaming revenues for all Casinos for the twelve months ended June 30, 2004, our share of the $62,000,000 was approximately 12.0%, or $7,421,000.We have recorded an estimated expense of $1,649,000 for the year ended December 31, 2008 which is included in selling, general and administrative expense on the accompanying consolidated statements of operations.Based on current gross gaming revenue projections, we expect it will take approximately 12 years to fully fund this obligation as the third quarter of 2006 was the first quarter we were subject to fund North Jersey Obligations.

Purse Enhancement Agreement

In August 2008, Borgata and the ten other casinos in the Atlantic City gaming market (collectively, the "Casinos") entered into a Purse Enhancement Agreement with the NJSEA and the CRDA in the interest of further deferring or preventing the proliferation of competitive gaming at New Jersey racing tracks through December 31, 2011.In addition to the continued prohibition of casino gaming in New Jersey outside of Atlantic City, legislation was enacted to provide for the deduction of certain promotional gaming credits from the calculation of the tax on casino gross revenue.

Under the terms of the Purse Enhancement Agreement, the Casinos shall make scheduled payments to the NJSEA totaling $90,000,000 to be used for certain authorized purposes (the "Authorized Uses") as defined by the Purse Enhancement Agreement.In the event any of the $90,000,000 is not used by NJSEA for the Authorized Uses by January 1, 2012, the unused funds shall be returned by NJSEA to the Casinos pro rata based upon the share each casino contributed.For each year, each casino's share of the scheduled payments will equate to a percentage representing its gross gaming revenue for the prior calendar year compared to the gross gaming revenues for that period for all Casinos.Each casino, solely and individually, shall be responsible for its respective share of the scheduled amounts due.In the event that any casino shall fail to make its payment as required, the remaining Casinos shall have the right, but not the obligation, to cure a payment delinquency.As a result, we will expense our pro rata share of the $90,000,000, estimated to be approximately $14,922,000 in total using our actual and forecasted market share of gross gaming revenue, on a straight-line basis over the applicable term of the Purse Enhancement Agreement.We recorded an expense of $4,801,000 for the year ended December 31, 2009 which is included in selling, general and administrative expense on the accompanying consolidated statements of operations.

Legal Matters

We are subject to various claims and litigation in the normal course of business.In our opinion, all pending legal matters are either adequately covered by insurance, or if not insured, will not have a material adverse impact on our financial position, results of operations, or cash flows.

Note 11.Write-downs and Other Items, net

A summary of total write-downs and other charges, net which is included in nonoperating income (expense) on the accompanying statements of operations is as follows:

	Year Ended December 31,	
	2008	2008
Loss on disposal of assets	$ 129,000	$ 1
Gain from insurance proceeds	(28,735,000)	-
Fire related write-downs and other charges, net	-	161,000
Total write-downs and other items, net	**$(28,606,000)**	**$ 162,000**

On September 23, 2007, The Water Club, our 800-room boutique hotel expansion then under construction, sustained a fire that caused damage to property with a carrying value of approximately $11,365,000.Our insurance policies included coverage for replacement costs related to property damage, with the exception of minor amounts principally related to insurance deductibles and certain other limitations.In addition, we carried “delay-in-completion” insurance coverage for The Water Club for certain costs, subject to various limitations and deductibles.On August 10, 2009, we reached a final settlement of $40,000,000 with our insurance carrier and recognized a gain of $28,735,000 representing the amount of insurance advances in excess of the $11,265,000 carrying value of assets damaged and destroyed by the fire (after our $100,000 deductible).

Borgata Hotel Casino & Spa

ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2009

**SUBMITTED TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**

**DIVISION OF FINANCIAL EVALUATION
REPORTING MANUAL**

Borgata Hotel Casino & Spa

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2009

(UNAUDITED)
($ IN THOUSANDS)

Amended 10/7/14

ACCOUNTS RECEIVABLE BALANCES				
Line (a)	**Description (b)**	**Account Balance (c)**	**Allowance (d)**	**Accounts Receivable (Net of Allowance) (e)**
	Patrons' Checks:			
1	Undeposited Patrons' Checks..................................	$20,274		
2	Returned Patrons' Checks....................................	29,650		
3	Total Patrons' Checks..	49,924	$24,512	$25,412
4	Hotel Receivables..	1,578	44	$1,534
	Other Receivables:			
5	Receivables Due from Officers and Employees....	-		
6	Receivables Due from Affiliates...........................	167		
7	Other Accounts and Notes Receivables................	5,088		
8	Total Other Receivables....................................	5,255	-	$5,255
9	Totals (Form CCC-205)..	$56,757	$24,556	$32,201

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)...	$21,528
11	Counter Checks Issued..	574,984
12	Checks Redeemed Prior to Deposit..	(406,795)
13	Checks Collected Through Deposits..	(141,350)
14	Checks Transferred to Returned Checks..	(28,093)
15	Other Adjustments..	
16	Ending Balance..	$20,274
17	"Hold" Checks Included in Balance on Line 16..	0
18	Provision for Uncollectible Patrons' Checks..	$8,149
19	Provision as a Percent of Counter Checks Issued...	1.4%

Borgata Hotel Casino & Spa
EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2009

($ IN THOUSANDS)

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages: Other Employees (d)	Salaries and Wages: Officers & Owners (e)	Salaries and Wages: Totals (f)
	CASINO:				
1	Table and Other Games	2,046			
2	Slot Machines	130			
3	Administration	8			
4	Casino Accounting	247			
5	Simulcasting	20			
6	Other	32			
7	Total - Casino	2,483	$52,548	$1,491	$54,039
8	ROOMS	560	14,220		14,220
9	FOOD AND BEVERAGE	1,909	36,050		36,050
10	GUEST ENTERTAINMENT	267	3,525		3,525
11	MARKETING	176	7,351	1,397	8,748
12	OPERATION AND MAINTENANCE	351	10,955		10,955
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	27	555	2,313	2,868
14	Accounting and Auditing	101	3,499		3,499
15	Security	266	7,721		7,721
16	Other Administrative and General	136	6,623		6,623
	OTHER OPERATED DEPARTMENTS:				
17	Spa, Fitness Center, and Pool	155	3,157		3,157
18	Transportation	124	2,247		2,247
19	Barber Shop/Salon	23	350		350
20	Retail	25	985		985
21					0
22					0
23	TOTALS - ALL DEPARTMENTS	6,603	$149,786	$5,201	$154,987

Borgata Hotel Casino and Spa

ANNUAL GROSS REVENUE TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2009

Line		
	CASINO WIN:	
1.	Table and Other Games	$ 263,935,199
2.	Slot Machines	431,395,370
3.	Total Casino Win	695,330,569
4.	Adjustments	647
5.	Gross Revenue (line 3 plus line 4)	695,331,216
6.	Deduction for Eligible Promotional Gaming Credits	39,847,311
7.	Taxable Gross Revenue (line 5 minus line 6)	655,483,905
8.	Tax on Gross Revenue - Reporting Year (8% of line 7)	52,438,712
9.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years	
10.	Total Taxes on Gross Revenue (the sum of lines 8 and 9)	52,438,712

Under penalties of perjury, I declare that I have examined this Annual Gross Revenue Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

March 5, 2010
Date

Betty J. Parker
Betty J. Parker

Casino Controller 8038-11