BORGATA HOTEL CASINO & SPA
QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 2010

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 MARCH 31, 2010 AND 2009

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$26,001	$21,525
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2010, $24,264; 2009, $23,002)	2, 5	31,205	34,430
4	Inventories		4,158	5,084
5	Other Current Assets		10,396	9,481
6	Total Current Assets		71,760	70,520
7	Investments, Advances, and Receivables		27,575	25,536
8	Property and Equipment - Gross		1,774,467	1,764,003
9	Less: Accumulated Depreciation and Amortization		(423,771)	(349,736)
10	Property and Equipment - Net		1,350,696	1,414,267
11	Other Assets		12,570	10,323
12	Total Assets		$1,462,601	$1,520,646
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$9,081	$6,911
14	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates		0	0
16	External	6	630,289	0
17	Income Taxes Payable and Accrued	1	7,128	2,016
18	Other Accrued Expenses	3	51,493	54,911
19	Other Current Liabilities	4, 9, 5	16,470	26,349
20	Total Current Liabilities		714,461	90,187
	Long-Term Debt:			
21	Due to Affiliates		0	0
22	External		0	699,936
23	Deferred Credits		13,947	8,705
24	Other Liabilities		26,711	13,964
25	Commitments and Contingencies		0	0
26	Total Liabilities		755,119	812,792
27	Stockholders', Partners', or Proprietor's Equity		707,482	707,854
28	Total Liabilities and Equity		$1,462,601	$1,520,646

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 MARCH 31, 2010 AND 2009

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	Revenue:			
1	Casino		$153,776	$168,849
2	Rooms		26,402	26,041
3	Food and Beverage		34,363	33,993
4	Other		9,843	9,305
5	Total Revenue		224,384	238,188
6	Less: Promotional Allowances		49,318	50,298
7	Net Revenue		175,066	187,890
	Costs and Expenses:			
8	Cost of Goods and Services		114,572	115,741
9	Selling, General, and Administrative		20,347	22,823
10	Provision for Doubtful Accounts	2	702	2,295
11	Total Costs and Expenses		135,621	140,859
12	Gross Operating Profit		39,445	47,031
13	Depreciation and Amortization		18,379	20,091
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other		0	0
16	Income (Loss) from Operations		21,066	26,940
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	0
18	Interest Expense - External	6	(5,544)	(8,011)
19	CRDA Related Income (Expense) - Net		(1,105)	(1,134)
20	Nonoperating Income (Expense) - Net	9	(391)	(314)
21	Total Other Income (Expenses)		(7,040)	(9,459)
22	Income (Loss) Before Taxes and Extraordinary Items		14,026	17,481
23	Provision (Credit) for Income Taxes	1	1,506	1,032
24	Income (Loss) Before Extraordinary Items		12,520	16,449
25	Extraordinary Items (Net of Income Taxes - 2010, $0; 2009, $0)		0	0
26	Net Income (Loss)		$12,520	$16,449

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 THE THREE MONTHS ENDED MARCH 31, 2010

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	________ (e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 2008.........**		$477,507	$233,304		$710,811
2	Net Income (Loss) - 2009.........			108,241		108,241
3	Capital Contributions................					0
4	Capital Withdrawals..................					0
5	Partnership Distributions...........			(120,271)		(120,271)
6	Prior Period Adjustments..........					0
7	____________________					0
8	____________________					0
9	____________________					0
10	**Balance, December 31, 2009.........**		477,507	221,274	0	698,781
11	Net Income (Loss) - 2010.........			12,520		12,520
12	Capital Contributions................					0
13	Capital Withdrawals..................					0
14	Partnership Distributions...........			(3,819)		(3,819)
15	Prior Period Adjustments..........					0
16	____________________					0
17	____________________					0
18	____________________					0
19	**Balance, March 31 , 2010..............**		$477,507	$229,975	$0	$707,482

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 THREE MONTHS ENDED MARCH 31, 2010 AND 2009

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)	
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		$37,371	$45,110	
	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.....		(3,042)	(4,329)	*
5	Proceeds from Disposition of Property and Equipment.....		16	10	*
6	CRDA Obligations		(1,939)	(2,140)	
7	Other Investments, Loans and Advances made.....		(150)	(789)	
8	Proceeds from Other Investments, Loans, and Advances				
9	Cash Outflows to Acquire Business Entities.....		0	0	
10	.....				
11	.....				
12	Net Cash Provided (Used) By Investing Activities.....		(5,115)	(7,248)	
	CASH FLOWS FROM FINANCING ACTIVITIES:				
13	Proceeds from Short-Term Debt				
14	Payments to Settle Short-Term Debt.....				
15	Proceeds from Long-Term Debt		182,270	203,600	
16	Costs of Issuing Debt.....		0	(21)	
17	Payments to Settle Long-Term Debt.....		(231,600)	(244,200)	
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		(3,819)	(19,406)	
22	.....				
23	Net Cash Provided (Used) By Financing Activities.....		(53,149)	(60,027)	
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(20,893)	(22,165)	
25	Cash and Cash Equivalents at Beginning of Period.....		46,894	43,690	
26	Cash and Cash Equivalents at End of Period.....		$26,001	$21,525	

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		$4,691	$6,155
28	Income Taxes.....		$0	($12,971)

* 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 THREE MONTHS ENDED MARCH 31, 2010 AND 2009

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		$12,520	$16,449
30	Depreciation and Amortization of Property and Equipment		18,270	19,606
31	Amortization of Other Assets		109	485
32	Amortization of Debt Discount or Premium			
33	Deferred Income Taxes - Current		41	(51)
34	Deferred Income Taxes - Noncurrent		(135)	(258)
35	(Gain) Loss on Disposition of Property and Equipment		68	(10)
36	(Gain) Loss on CRDA-Related Obligations		1,105	1,134
37	(Gain) Loss from Other Investment Activities		530	654
38	(Increase) Decrease in Receivables and Patrons' Checks		996	16,348
39	(Increase) Decrease in Inventories		269	415
40	(Increase) Decrease in Other Current Assets		1,664	882
41	(Increase) Decrease in Other Assets		506	885
42	Increase (Decrease) in Accounts Payable		220	(4,918)
43	Increase (Decrease) in Other Current Liabilities		1,164	(6,656)
44	Increase (Decrease) in Other Liabilities		44	145
45				
46				
47	Net Cash Provided (Used) By Operating Activities		$37,371	$45,110

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2010 (c)	2009 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($3,042)	($4,329) *
49	Less: Capital Lease Obligations Incurred			
50	Cash Outflows for Property and Equipment		($3,042)	($4,329)
	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 MARCH 31, 2010

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.

5/17/2010
Date

Hugh Turner

Vice President of Finance
Title

007833-11
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 Condensed Consolidated Financial Statements

(Unaudited)

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") 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 Boyd Atlantic City, Inc. ("BAC"), a wholly-owned subsidiary of Boyd Gaming Corporation, and MAC, Corp. ("MAC"), a wholly-owned subsidiary of MGM MIRAGE. Pursuant to a settlement agreement between MGM MIRAGE and the New Jersey Division of Gaming Enforcement (the "Settlement"), the ownership interest of MAC was placed into a divestiture trust to which MGM MIRAGE is the primary beneficiary (the "Trust"). Our purpose is to develop, own, and operate a hotel casino and spa facility at Renaissance Pointe in Atlantic City, New Jersey.

Pursuant to the amended 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 condensed consolidated financial statements.

In our opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the results of our operations and our cash flows for the three months ended March 31, 2010 and 2009. We suggest reading this report in conjunction with our audited consolidated financial statements for the year ended December 31, 2009. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. The operating results and cash flows for the three months ended March 31, 2010 and 2009 are not necessarily indicative of the results that will be achieved for the full year or future periods

Income Taxes

We are treated as a partnership for federal income tax purposes; therefore, federal income taxes are the responsibility of BAC and MAC. 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. 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 the BAC and MAC. The amounts reflected in our condensed consolidated financial statements are on a stand-alone basis; however, we file a state consolidated tax return with BAC and MAC. The amounts due to BAC and the Trust are a result of the tax attributes BAC and MAC have contributed to the consolidated state tax return. We are currently evaluating the impact, if any, that the Settlement would have on our consolidated state tax return. A reconciliation of the components of our stand-alone state income taxes payable is presented below:

	March 31,	
	2010	2009
Amounts payable (receivable) - state	557,000	(56,000)
Amounts payable to BAC and the Trust	6,571,000	2,072,000
Income taxes payable	**$ 7,128,000**	**$ 2,016,000**

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 condensed 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.

Recently Issued Accounting Pronouncements

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 condensed consolidated financial statements.

Note 2. Receivables and Patrons' Checks

Receivables and patrons' checks consist of the following:

	March 31,	
	2010	2009
Casino receivables (net of an allowance for doubtful accounts – 2010 $24,161,000 and 2009 $22,882,000)	$ 21,755,000	$ 26,831,000
NJ tax refund receivable	1,948,000	-
Other (net of an allowance for doubtful accounts – 2010 $51,000 and 2009 $60,000)	7,136,000	7,435,000
Due from related parties (Note 5)	366,000	164,000
Receivables and patrons' checks, net	**$ 31,205,000**	**$ 34,430,000**

Note 3. Other Accrued Expenses

Other accrued expenses consist of the following:

	March 31,			
	2010		2009	
Payroll and related	$	23,433,000	$	20,334,000
Other		28,060,000		34,577,000
Other accrued expenses	**$**	**51,493,000**	**$**	**54,911,000**

Note 4. Other Current Liabilities

Other current liabilities consist of the following:

	March 31,			
	2010		2009	
Deferred gain on insurance liabilities	$	-	$	11,597,000
Casino related liabilities		7,818,000		6,709,000
Due to related parties (see Note 5)		1,108,000		1,150,000
Other		7,544,000		6,893,000
Other current liabilities	**$**	**16,470,000**	**$**	**26,349,000**

Note 5. 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 the Trust for these types of expenditures incurred by us were $156,000 and $90,000 at March 31, 2010 and 2009, respectively. Reimbursable expenditures incurred were $234,000 and $136,000 for the three months ended March 31, 2010 and 2009, 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 $210,000 and $74,000 for three months ended March 31, 2010 and 2009, respectively. Reimbursable expenditures incurred were $210,000 and $60,000 for the three months ended March 31, 2010 and 2009, respectively.

In 2005, we entered into a series of ground lease agreements with MAC totaling 19.0 acres, 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 can be terminated by either party upon 30 days written notice. The related amounts due to the Trust for these types of expenditures were $0 at March 31, 2010 and 2009, respectively. Related rent incurred $1,620,000 and $1,608,000 for the years ended March 31, 2010 and 2009, respectively.

Pursuant to the ground lease agreements, we are responsible for reimbursing the Trust for related property taxes paid on our behalf. The related amounts due to the Trust for these types of expenditures were $0 at

March 31, 2010 and 2009, respectively. Related property tax incurred was $2,990,000 and $3,145,000 for the three months ended March 31, 2010 and 2009, respectively.

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 legal fees, investigative fees, and other. The related amounts due to BAC for these types of expenditures paid by BAC were $1,108,000 and $1,150,000 at March 31, 2010 and 2009, respectively. Reimbursable expenditures were $446,000 and $2,270,000 for the three ended March 31, 2010 and 2009, respectively, which were included in the accompanying condensed consolidated statement of operations.

Note 6. Debt

Amounts outstanding under our bank credit agreement are as follows (in thousands):

	March 31, 2010	December 31, 2009
Revolving line of credit	$ 630,289,000	$ 679,619,000
Less current maturities	(630,289,000)	-
Total long-term debt, net	**$ -**	**$ 679,619,000**

Our First Amended and Restated Credit Agreement among MDFC, MDDC, Canadian Imperial Bank of Commerce and certain other financial institutions (the "Credit Parties") currently consists of a $750,000,000 revolving credit facility with reductions of $10,000,000 per quarter ending on December 31, 2010 resulting in the revolving credit facility of $720,000,000 maturing on January 31, 2011. We are currently in the process of refinancing our indebtedness under our existing bank credit agreement. At March 31, 2010, $630,289,000 was outstanding under the revolving credit facility, leaving availability of $119,711,000.

The interest rate on the revolving credit facility is based, at our option, 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 were 2.74% and 3.92% at March 31, 2010 and March, 31, 2009, respectively. The bank credit agreement is secured by substantially all of our real and personal property and is non-recourse to BAC and the Trust.

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 our bank credit agreement at March 31, 2010.

Note 7. Commitments and Contingencies

In August, 2008, Borgata and the ten other casinos in the Atlantic City gaming market (collectively, the "Casinos") entered into a Purse Enhancement Agreement (the "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 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 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 Agreement. We recorded an expense of $1,244,000 and $1,200,000 for the three ended March 31, 2010 and 2009, respectively, which were included in the accompanying condensed consolidated statement of operations.