GOLDEN NUGGET ATLANTIC CITY, LLC
QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 2013

SUBMITTED TO THE
DIVISION OF GAMING ENFORCEMENT
OF THE
STATE OF NEW JERSEY

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

GOLDEN NUGGET ATLANTIC CITY, LLC
BALANCE SHEETS

AS OF MARCH 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$4,332	$5,624
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2013, $2,492 ; 2012, $1,082)	3	4,731	2,572
4	Inventories	2	1,619	1,479
5	Other Current Assets	4	694	986
6	Total Current Assets		11,376	10,661
7	Investments, Advances, and Receivables		1,858	908
8	Property and Equipment - Gross	2,5	156,632	134,401
9	Less: Accumulated Depreciation and Amortization		(11,789)	(2,463)
10	Property and Equipment - Net		144,843	131,938
11	Other Assets	6	12,045	10,004
12	Total Assets		$170,122	$153,511
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$11,372	$28,133
14	Notes Payable		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates		0	0
16	External	8	3,611	2,435
17	Income Taxes Payable and Accrued		0	0
18	Other Accrued Expenses	7	7,671	8,140
19	Other Current Liabilities		9,750	6,898
20	Total Current Liabilities		32,404	45,606
	Long-Term Debt:			
21	Due to Affiliates		0	0
22	External	8	12,484	13,304
23	Deferred Credits		0	0
24	Other Liabilities		0	0
25	Commitments and Contingencies		0	0
26	Total Liabilities		44,888	58,910
27	Stockholders', Partners', or Proprietor's Equity		125,234	94,601
28	Total Liabilities and Equity		$170,122	$153,511

* Restated to conform with current year

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

GOLDEN NUGGET ATLANTIC CITY, LLC
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	Revenue:			
1	Casino		$30,144	$31,394
2	Rooms		3,699	3,239
3	Food and Beverage		3,300	3,209
4	Other		2,818	2,105
5	Total Revenue	2	39,961	39,947
6	Less: Promotional Allowances	2	10,634	13,847
7	Net Revenue		29,327	26,100
	Costs and Expenses:			
8	Cost of Goods and Services		28,682	28,580
9	Selling, General, and Administrative	2	2,406	2,302
10	Provision for Doubtful Accounts		401	264
11	Total Costs and Expenses		31,489	31,146
12	Gross Operating Profit		(2,162)	(5,046)
13	Depreciation and Amortization		2,793	1,391
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other		0	0
16	Income (Loss) from Operations		(4,955)	(6,437)
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	0
18	Interest Expense - External	2,8	(423)	(2,083)
19	CRDA Related Income (Expense) - Net	10	(118)	(133)
20	Nonoperating Income (Expense) - Net		0	1
21	Total Other Income (Expenses)		(541)	(2,215)
22	Income (Loss) Before Taxes and Extraordinary Items		(5,496)	(8,652)
23	Provision (Credit) for Income Taxes			
24	Income (Loss) Before Extraordinary Items		(5,496)	(8,652)
	Extraordinary Items (Net of Income Taxes -			
25	2012, $0; 2011, $0)			0
26	Net Income (Loss)		($5,496)	($8,652)

* Golden Nugget Atlantic City, LLC began operations on May 24, 2011

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

GOLDEN NUGGET ATLANTIC CITY, LLC
STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
AND THE THREE MONTHS ENDING MARCH 31, 2013

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	**Balance, December 31, 2011..........**		$36,300	($4,080)		$32,220
2	Net Income (Loss) - 2012..........			(24,921)		(24,921)
3	Capital Contributions................		117,466			117,466
4	Capital Withdrawals..................					0
5	Partnership Distributions...........					0
6	Prior Period Adjustments..........					0
7						0
8						0
9						0
10	**Balance, December 31, 2012..........**		153,766	(29,001)	0	124,765
11	Net Income (Loss) - 2013..........			(5,496)		(5,496)
12	Capital Contributions................		5,965			5,965
13	Capital Withdrawals..................					0
14	Partnership Distributions...........					0
15	Prior Period Adjustments..........					0
16						0
17						0
18						0
19	**Balance, March 31, 2013...............**		$159,731	($34,497)	$0	$125,234

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

GOLDEN NUGGET ATLANTIC CITY, LLC
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

AMENDED 6/24/14

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES...		($6,434)	($2,120)
	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............................		(693)	(32,423)
5	Proceeds from Disposition of Property and Equipment...........		0	0
6	CRDA Obligations		(379)	(399)
7	Other Investments, Loans and Advances made........................			
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....................		(1,072)	(32,822)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt......................................			
15	Proceeds from Long-Term Debt		13,750	0
16	Costs of Issuing Debt..		0	0
17	Payments to Settle Long-Term Debt.......................................		(14,142)	(36,899)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		5,966	71,032
19	Purchases of Treasury Stock...			
20	Payments of Dividends or Capital Withdrawals.......................			
21	....			
22	....			
23	Net Cash Provided (Used) By Financing Activities..................		5,574	34,133
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		(1,932)	(809)
25	Cash and Cash Equivalents at Beginning of Period..................		6,264	6,433
26	Cash and Cash Equivalents at End of Period.............................		$4,332	$5,624

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).......................................		$358	$878
28	Income Taxes...			

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

GOLDEN NUGGET ATLANTIC CITY, LLC
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(UNAUDITED)

($ IN THOUSANDS)

AMENDED 6/24/14

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		($5,496)	($8,652)
30	Depreciation and Amortization of Property and Equipment		2,793	1,391
31	Amortization of Other Assets			
32	Amortization of Debt Discount or Premium		36	2,144
33	Deferred Income Taxes - Current			
34	Deferred Income Taxes - Noncurrent			
35	(Gain) Loss on Disposition of Property and Equipment			
36	(Gain) Loss on CRDA-Related Obligations		118	133
37	(Gain) Loss from Other Investment Activities		0	0
38	(Increase) Decrease in Receivables and Patrons' Checks		41	188
39	(Increase) Decrease in Inventories		68	(2)
40	(Increase) Decrease in Other Current Assets		373	301
41	(Increase) Decrease in Other Assets		(186)	(1,269)
42	Increase (Decrease) in Accounts Payable		(5,743)	2,917
43	Increase (Decrease) in Other Current Liabilities		1,562	729
44	Increase (Decrease) in Other Liabilities			
45				
46				
47	Net Cash Provided (Used) By Operating Activities		($6,434)	($2,120)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment		($693)	($34,026)
49	Less: Capital Lease Obligations Incurred		0	1,603
50	Cash Outflows for Property and Equipment		($693)	($32,423)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired		$0	$0
52	Goodwill Acquired			
53	Other Assets Acquired - net		0	0
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		$5,966	$71,032
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		$5,966	$71,032

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

GOLDEN NUGGET ATLANTIC CITY, LLC
SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE THREE MONTHS ENDED MARCH 31, 2013
(UNAUDITED)
($ IN THOUSANDS)

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	46,265	$2,175	0	$0
2	Food	59,638	1,065	13,750	824
3	Beverage	186,019	791	0	0
4	Travel	0	0	4,017	100
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	33,829	4,135	0	0
7	Complimentary Cash Gifts	5,228	1,251	0	0
8	Entertainment	6,381	159	0	0
9	Retail & Non-Cash Gifts	78,159	1,000	0	0
10	Parking	0	0	128,243	385
11	Other	3,639	56	0	0
12	Total	419,158	$10,632	146,010	$1,309

FOR THE THREE MONTHS ENDED MARCH 31, 2013

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	46,265	$2,175	0	$0
2	Food	59,638	1,065	13,750	824
3	Beverage	186,019	791	0	0
4	Travel	0	0	4,017	100
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	33,829	4,135	0	0
7	Complimentary Cash Gifts	5,228	1,251	0	0
8	Entertainment	6,381	159	0	0
9	Retail & Non-Cash Gifts	78,159	1,000	0	0
10	Parking	0	0	128,243	385
11	Other	3,639	56	0	0
12	Total	419,158	$10,632	146,010	$1,309

*No item in this category (Other) exceeds 5%.

GOLDEN NUGGET ATLANTIC CITY, LLC
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED MARCH 31, 2013

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Division'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.S.A. 5:12-84a(1)-(5) during the quarter.

Keith Crede

5/15/2013	
Date	Keith Crede

Vice President Finance
Title

6939-11
License Number

On Behalf of:
GOLDEN NUGGET ATLANTIC CITY, LLC
Casino Licensee

NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Golden Nugget Atlantic City, LLC ("GNAC") operates the Golden Nugget Atlantic City hotel and casino in Atlantic City, NJ. We are wholly owned by Fertitta Entertainment Holdings, LLC and are an affiliate of Landry's, Inc., which also owns the Golden Nugget hotels and casinos in Las Vegas and Laughlin, NV. On May 24, 2011, GNAC purchased the assets of Trump Marina Associates, LLC for approximately $37.7 million.

We had no operations prior to May 24, 2011.

Principles of Consolidation

The accompanying financial statements include the consolidated accounts of Golden Nugget Atlantic City, LLC, and its wholly owned subsidiaries (collectively, the "Company," "we" or "us"). All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The condensed financial statements included herein have been prepared without audit and pursuant to the rules and regulations of the New Jersey Division of Gaming Enforcement. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. In the opinion of management, all adjustments, consisting of normal recurring items and estimates necessary for a fair presentation of the results for interim periods have been made. Estimates are used for, but not limited to, the assessment of recoverability of long lived assets; costs to settle unpaid claims and the redemptions of cash back points. Actual results could differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition and Promotional Allowances

Casino revenue is the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs ("casino front money") and for chips in the customer's possession ("outstanding chip liability"). Cash discounts and other incentives to customers related to gaming play are recorded as a reduction of gross gaming revenue as promotional allowances.

Hotel, food and beverage, entertainment and other operating revenues are recognized as services are performed. The retail value of accommodations, food and beverage, and other services furnished to hotel-casino guests without charge is included in gross revenue and then deducted as promotional allowances.

The estimated cost of providing such promotional allowances for the three months ended March 31 is as follows (in thousands):

	Three Months Ended	
	2013	2012
Rooms	$1,514	$ 1,939
Food & Beverage	2,356	2,840
Other	1,233	746
Total	$5,102	$ 5,525

Progressive Jackpots

We maintain a number of progressive slot machines and table games. As wagers are made on the respective progressive games, the amount available to win (to be paid out when the appropriate jackpots are hit) increases. In April 2010, the FASB issued ASU No. 2010-16, "*Accruals for Casino Jackpot Liabilities*", which clarifies when a casino entity is required to accrue a jackpot liability. ASU No. 2010-16 clarifies that base jackpot liabilities should not be accrued before the jackpot is won, if payment of the jackpot can be avoided. Based on this guidance, we do not record a liability for the progressive jackpots. Jackpots are charged to revenue when won.

Financial Instruments

Generally Accepted Accounting Principles (GAAP) establishes a hierarchy for fair value measurements, such that Level 1 measurements include unadjusted quoted market prices for identical assets or liabilities in an active market, Level 2 measurements include quoted market prices for identical assets or liabilities in an active market which have been adjusted for items such as effects of restrictions for transferability and those that are not quoted but are observable through corroboration with observable market data, including quoted market prices for similar assets, and Level 3 measurements include those that are unobservable and of a highly subjective measure.

The fair values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate the carrying amounts due to their short maturities. The fair value of our long-term debt instruments are estimated based on quoted market prices, where available, or on the amount of future cash flows associated with each instrument, discounted using our current borrowing rate for comparable debt instruments.

Inventories

Inventories consisting of principally food and beverage, operating supplies and retail items are stated at the lower of cost or market value.

Property and Equipment

Property and equipment purchased subsequent to the acquisition are recorded at cost. Depreciation expense is computed utilizing the straight-line method over the estimated useful lives of the depreciable assets, as follows: buildings and improvements — 40 years; equipment — 5 to 10 years; furniture, fixtures and leasehold improvements — 5 to 20 years; and automobiles and limousines — 4 to 5 years.

Costs of major improvements are capitalized; costs of normal repairs and maintenance are charged to expense as incurred. Gains or losses on dispositions of property and equipment are recognized in the consolidated statements of operations when incurred.

Interest is capitalized in connection with construction and development activities, and other real estate development projects. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. During the three ending March 31, 2013 and 2012, we capitalized interest costs of approximately $0 and $686,000 respectively.

Slot Player Club Liability

We have established promotional slot and player clubs to encourage repeat business from frequent and active slot machine customers and table games patrons. Members earn points based on gaming activity and such points can be redeemed for cash or complimentary amenities. We establish a liability for unredeemed points based upon historical redemption experience.

Self-Insurance Liability

We maintain large deductible insurance policies related to workers compensation, general liability and certain employee medical claims. Predetermined loss limits have been arranged with insurance companies to limit our per occurrence cash outlay. Accrued liabilities include estimated costs to settle unpaid claims and estimated incurred but not reported claims using actuarial methodologies.

Advertising Costs

Costs for advertising are expensed as incurred during such year. Advertising costs, included in Selling. General and Administrative expense, were $383,000 and $250,000 for the three months ended March 31, 2013 and 2012.

Casino License

We are subject to regulation and licensing by the New Jersey Division of Gaming Enforcement ("DGE"). We operated under a temporary license issued by the DGE on May 24, 2011 through February 15, 2012. During the formal licensing process, our license was held in trust to be in compliance with the DGE regulations. On February 15, 2012, we received full licensure approval.

3. ACCOUNTS RECEIVABLE

Accounts receivable as of March 31 consisted of the following (in thousands):

	2013	2012
Gaming	$5,453	$2,262
Allowance	(1,988)	(847)
Non-Gaming	1,770	1,391
Allowance	(504)	(234)
Total	$4,731	$2,572

4. OTHER CURRENT ASSETS

Other current assets as of March 31 consisted of the following (in thousands):

	2013	2012
Prepaid Insurance	$ 204	$ 181
Prepaid taxes	226	181
Other prepaid	264	623
Total	$ 694	$ 986

5. PROPERTY AND EQUIPMENT

Property and equipment as of March 31 consisted of the following (in thousands):

	2013	2012
Land	$ 17,650	$ 17,649
Buildings and Improvements	93,675	61,255
Furniture, Fixtures, Equipment	42,164	22,950
Construction in Progress	3,143	32,547
Property and Equipment, Gross	156,632	134,401
Accumulated Depreciation	(11,789)	(2,463)
Property and Equipment, Net	$144,843	$ 131,938

6. OTHER ASSETS

Other assets as of March 31 consisted of the following (in thousands):

	2013	2012
Deferred Cost	$3,393	$4,627
Software	7,863	4,617
Deposits	789	790
Total	$12,045	$10,004

7. OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31 consisted of the following (in thousands):

	2013	2012
Payroll & related	$ 5,177	$5,787
Deposits	1,742	1,734
Other	752	619
Total	$ 7,671	$8,140

8. LONG TERM DEBT

On January 6, 2012, we repaid our outstanding term loan and accrued interest for an aggregate $37.1 million. Our $10.0 million revolving credit facility and certain equipment loans remain outstanding. In addition, the delayed draw term loan was cancelled and a commitment from an affiliate to provide up to $20.0 million in additional funding was terminated. The revolving credit facility expires on November 30, 2015 and bears interest at Libor or the bank's base rate, plus a financing spread of 8.5% at March 31, 2013. The facility has a minimum interest rate of 10%. In addition, the credit facility requires a commitment fee on the unfunded portion of the $10.0 million revolving credit facility. We have granted liens on substantially all real property and personal property as collateral under the credit facility and guarantee the credit facility.

In addition to the credit facility, we have entered into a number of equipment loans for the purchase of gaming hardware and software. These loans have maturities ranging from May 2013 to July 2015 and bear interest at rates ranging from 4.8% to 8.0%. Principal and interest payments are due monthly.

Our debt agreements contain various restrictive covenants including limitations on additional indebtedness, dividend payments and other restricted payments as defined in the agreements. At March 31, 2013, we were in compliance with all such covenants. As of March 31, 2013 we had $250,000 available borrowing capacity under the revolving credit facility.

Long-term debt as of March 31 is comprised of the following:	2013	2012
$10.0 million revolving credit facility due November 2015	9,750	10,000
Various Equipment loans due May 2013-July 2015	6,345	5,739
Total debt	16,095	15,739
Less current portion	(3,611)	(2,435)
Long term debt	$12,484	$13,304

9. EMPLOYEE BENEFIT PLAN

Certain of our employees are covered by union-sponsored, collective bargained, multi-employer health and welfare and defined benefit pension plans. We recorded expenses of $1.4 million and $1.8 million for the three months ended March 31, 2013 and 2012, respectively. The plans' sponsors have not provided sufficient information to permit us to determine our share of unfunded vested benefits, if any. However, based on available information, we do not believe that unfunded amounts attributable to our casino operations are material.

We are self-insured up to certain limits for most health care benefits for our non-union employees. The liability for claims filed and estimates of claims incurred but not reported is included in the accrued liabilities caption in the accompanying consolidated balance sheets.

We sponsor a retirement savings plan under Section 401(k) of the Internal Revenue Code covering our non-union employees. The plan is available to certain employees with at least six months of service. For those employees who were previously employed by Trump Marina Associates, LLC, for at least six months, participation in the plan was made available beginning June 1, 2011. The plan allows eligible employees to defer, within prescribed limits, a percentage of their income on a pre-tax basis through contributions to the plan. We match on a discretionary basis, subject to a vesting schedule. We recorded no charges for matching contributions for the three months ended March 31, 2013 and 2012.

10. COMMITMENTS AND CONTINGENCIES

Casino Reinvestment Development Authority Obligation

As required by the provisions of the New Jersey Casino Control Act (the "Act"), a casino licensee must pay an investment alternative tax of 2.5% of its gross casino revenues as defined in the Act. However, pursuant to contracts with the Casino Reinvestment Development Authority ("CRDA"), the Company pays 1.25% of its gross casino revenues to the CRDA (the "CRDA Payment") to fund qualified investments as defined in the Act and such CRDA Payment entitles the Company to an investment tax credit in an amount equal to twice the amount of the CRDA Payment against the 2.5% investment alternative tax. Qualified investments may include the purchase of bonds issued by the CRDA at a below market rate of interest, direct investment in projects or donation of funds to projects as determined by CRDA. Pursuant to the contract with CRDA, the Company is required to make quarterly deposits with the CRDA to satisfy its investment obligations.

The deposits are recorded at cost less a valuation allowance. The valuation allowance is established by a charge to the statement of income as part of Other Income/(Expense) at the time the obligation is incurred to make the deposit unless there is an agreement with the CRDA for a return of the deposit at full face value. If the CRDA deposits are used to purchase CRDA bonds, the valuation allowance is transferred to the bonds as a discount, which is amortized to interest income using the interest method. If the CRDA deposits are used to make other investments, the valuation allowance is transferred to those investments and remains a valuation allowance. The CRDA bonds are classified as held-to-maturity securities and are carried at amortized cost less a valuation allowance.

For the three months ended March 31, 2013 and 2012, the Company charged to Other Income/ (Expense) $118,000 and $133,000 to give effect to the below market interest rates associated with CRDA deposits.

CRDA deposits, net of allowances of $978,000 and $465,000 respectively, reflected in Investments, Advances, and Receivables on the accompanying consolidated balance sheet as of March 31, 2013 and 2012 are $1,858,000 and 908,000 respectively.

Atlantic City Tourism District

As part of the State of New Jersey's plan to revitalize Atlantic City, a new law was enacted in February 2011 requiring that a tourism district (the "Tourism District") be created and managed by the CRDA. The Tourism District has been established to include each of the Atlantic City casino properties along with certain other tourism related areas of Atlantic City. The law requires that a public-private partnership be created between the CRDA and a private entity that represents existing and future casino licensees. The private entity, known as the Atlantic City Alliance ("ACA"), has been established in the form of a not-for-profit limited liability company, of which we are a member. The public-private partnership between the ACA and CRDA shall be for an initial term of five years and its general purpose shall be to revitalize the Tourism District. The law requires that a $5.0 million contribution be made to this effort by all casinos prior to 2012 followed by an annual amount of $30.0 million to be contributed by the casinos commencing January 1, 2012 for a term of five years. Each casino's share of the annual contributions will equate to a percentage representing its gross gaming revenue compared to the aggregate gross gaming revenues for that period for all casinos. As a result, we will expense our pro rata share of the $155.0 million as incurred. For the three months ended March 31, 2013 and 2012, we incurred expense of $352,000 and $283,000, respectively for the pro rata share of contribution to the ACA.

General Litigation

We are subject to legal proceedings and claims that arise in the ordinary course of business. We do not believe that the outcome of any of these matters will have a material adverse effect on our financial position, results of operations or cash flows.

11. TRANSACTIONS WITH AFFILIATES

Trademark Licensing Agreement

We license the Golden Nugget trademark pursuant to a five-year Trademark License Agreement (the "Agreement") from an affiliate, GNLV, Corp., which commenced on May 24, 2011. Under the Agreement, we are granted a nonexclusive license to use the Golden Nugget trademarks and other marks in connection with the marketing and operation of our hotel and casino property. Fees payable under the agreement include license fees of $250,000 per year and royalty fees equal to 3% of certain non-gaming revenues above $55.0 million during each year of the license term.

Shared Services Agreement

We have entered into a Shared Services Agreement (SSA) with an affiliate, Landry's, Inc. ("Landry's"). Pursuant to the SSA, the parties agree to cooperatively develop and implement joint programs for the procurement and implementation of certain products and services including insurance and risk management, legal, information technology, entertainment, general purchasing, financial planning and accounting, human resources and employee benefit administration, marketing, strategic and tactical business planning, retail and executive management. The SSA provides for the reimbursement of expenses if either party incurs costs in excess of its proportional share.

Tenant Agreement

We have entered into certain lease agreements with wholly owned subsidiaries of Landry's wherein they operate restaurants in our casino property and we receive rental payments. Moreover, we routinely enter into certain transactions with affiliated companies. These transactions have been entered into between related parties and are not the result of arm's-length negotiations. Accordingly, the terms of the transactions may have been more or less favorable to us than might have been obtained from unaffiliated third parties. Rental revenue from the Landry's subsidiaries totaled $172,000 and $150,000 for the three months ended March 31, 2013 and 2012 respectively.

12. SUBSEQUENT EVENTS

We have evaluated subsequent events through May 15, 2013 which is the date our financial statements were available to be issued.