BORGATA HOTEL CASINO & SPA
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

BORGATA HOTEL CASINO & SPA
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	2, 9	$36,433	$34,296
2	Short-Term Investments		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2013, $22,914; 2012, $23,387)	3, 11	32,753	32,847
4	Inventories		4,006	4,083
5	Other Current Assets		44,342	6,647
6	Total Current Assets		117,534	77,873
7	Investments, Advances, and Receivables	2	31,910	32,105
8	Property and Equipment - Gross	2, 4	1,817,269	1,824,168
9	Less: Accumulated Depreciation and Amortization	2, 4	(579,045)	(538,754)
10	Property and Equipment - Net	2, 4	1,238,224	1,285,414
11	Other Assets	2	11,853	13,425
12	Total Assets		$1,399,521	$1,408,817
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$3,941	$5,615
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	2	656	847
18	Other Accrued Expenses	5	111,600	70,682
19	Other Current Liabilities	6, 11	19,506	24,517
20	Total Current Liabilities		135,703	101,661
	Long-Term Debt:			
21	Due to Affiliates		0	0
22	External	2, 7, 9	788,307	792,997
23	Deferred Credits		11,483	13,742
24	Other Liabilities		27,318	27,909
25	Commitments and Contingencies		0	0
26	Total Liabilities		962,811	936,309
27	Stockholders', Partners', or Proprietor's Equity		436,710	472,508
28	Total Liabilities and Equity		$1,399,521	$1,408,817

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, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	Revenue:			
1	Casino		$145,679	$155,453
2	Rooms		26,206	26,788
3	Food and Beverage		33,935	36,246
4	Other		9,660	8,947
5	Total Revenue		215,480	227,434
6	Less: Promotional Allowances	2	49,836	51,283
7	Net Revenue		165,644	176,151
	Costs and Expenses:			
8	Cost of Goods and Services	2	112,667	113,004
9	Selling, General, and Administrative	11	22,894	22,481
10	Provision for Doubtful Accounts	3	758	721
11	Total Costs and Expenses		136,319	136,206
12	Gross Operating Profit		29,325	39,945
13	Depreciation and Amortization	4	15,914	15,191
	Charges from Affiliates Other than Interest:			
14	Management Fees		0	0
15	Other		0	0
16	Income (Loss) from Operations		13,411	24,754
	Other Income (Expenses):			
17	Interest Expense - Affiliates		0	0
18	Interest Expense - External	5, 7	(20,774)	(20,482)
19	CRDA Related Income (Expense) - Net		(1,041)	(1,157)
20	Nonoperating Income (Expense) - Net		(166)	33
21	Total Other Income (Expenses)		(21,981)	(21,606)
22	Income (Loss) Before Taxes and Extraordinary Items		(8,570)	3,148
23	Provision (Credit) for Income Taxes	2	(535)	576
24	Income (Loss) Before Extraordinary Items		(8,035)	2,572
25	Extraordinary Items (Net of Income Taxes - 2013, $0; 2012, $0)		0	0
26	Net Income (Loss)		($8,035)	$2,572

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, 2012
AND THE THREE MONTHS ENDED 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..........**		$446,700	$23,236	$0	$469,936
2	Net Income (Loss) - 2012..........			(25,191)		(25,191)
3	Capital Contributions................					0
4	Capital Withdrawals..................					0
5	Partnership Distributions...........					0
6	Prior Period Adjustments..........					0
7						0
8						0
9						0
10	**Balance, December 31, 2012..........**		446,700	(1,955)	0	444,745
11	Net Income (Loss) - 2013..........			(8,035)		(8,035)
12	Capital Contributions................					0
13	Capital Withdrawals..................					0
14	Partnership Distributions...........					0
15	Prior Period Adjustments..........					0
16						0
17						0
18						0
19	**Balance, March 31, 2013...............**		$446,700	($9,990)	$0	$436,710

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, 2013 AND 2012

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES...		$13,199	$25,202
	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............................	2, 4	(3,165)	(17,472)
5	Proceeds from Disposition of Property and Equipment...........	2, 4	10	6
6	CRDA Obligations		(1,736)	(1,992)
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	Insurance Proceeds for Replacement Assets			28
11	....			
12	Net Cash Provided (Used) By Investing Activities....................		(4,891)	(19,430)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt......................................			
15	Proceeds from Long-Term Debt	7	103,600	182,900
16	Costs of Issuing Debt...	7		
17	Payments to Settle Long-Term Debt.......................................	7	(109,600)	(200,600)
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock..			
20	Payments of Dividends or Capital Withdrawals......................			
21	....			
22	....			
23	Net Cash Provided (Used) By Financing Activities..................		(6,000)	(17,700)
24	Net Increase (Decrease) in Cash and Cash Equivalents.............		2,308	(11,928)
25	Cash and Cash Equivalents at Beginning of Period..................		34,125	46,224
26	Cash and Cash Equivalents at End of Period.............................	9	$36,433	$34,296

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)......................................	7	$19,569	$19,537
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.

BORGATA HOTEL CASINO & SPA
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND 2012

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2013 (c)	2012 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)		($8,035)	$2,572
30	Depreciation and Amortization of Property and Equipment	2, 4	15,695	15,157
31	Amortization of Other Assets		219	34
32	Amortization of Debt Discount or Premium	7	983	889
33	Deferred Income Taxes - Current	2	25	(108)
34	Deferred Income Taxes - Noncurrent	2	(797)	366
35	(Gain) Loss on Disposition of Property and Equipment	2	19	3
36	(Gain) Loss on CRDA-Related Obligations		1,041	1,120
37	(Gain) Loss from Other Investment Activities		(4)	19
38	(Increase) Decrease in Receivables and Patrons' Checks	3	4,446	1,165
39	(Increase) Decrease in Inventories		(142)	220
40	(Increase) Decrease in Other Current Assets		1,034	1,802
41	(Increase) Decrease in Other Assets		465	2,405
42	Increase (Decrease) in Accounts Payable		299	(3,493)
43	Increase (Decrease) in Other Current Liabilities	6	(2,128)	3,044
44	Increase (Decrease) in Other Liabilities		79	35
45	Gain From Insurance Recoveries		0	(28)
46				
47	Net Cash Provided (Used) By Operating Activities		$13,199	$25,202

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line	Description	Notes	2013	2012
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment	2, 4	($3,165)	($17,472)
49	Less: Capital Lease Obligations Incurred			
50	Cash Outflows for Property and Equipment		($3,165)	($17,472)
	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

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
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	143,399	$ 16,888		
2	Food	324,500	7,684	293,000	$ 2,930
3	Beverage	1,472,566	4,786		
4	Travel			5,908	1,477
5	Bus Program Cash				
6	Promotional Gaming Credits	592,852	14,821		
7	Complimentary Cash Gifts	128,437	3,211		
8	Entertainment	26,571	1,063	500	50
9	Retail & Non-Cash Gifts	11,653	583	6,756	1,689
10	Parking				
11	Other	21,281	800	339,623	861
12	Total	2,721,259	$ 49,836	645,787	$ 7,007

*Promotional Allowances - Other includes $638K of Spa comps, $197K of Comp room incidentals, and $(35K) change in Comp and Slot dollars earned but not redeemed.

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	143,399	$ 16,888		
2	Food	324,500	7,684	293,000	$ 2,930
3	Beverage	1,472,566	4,786		
4	Travel			5,908	1,477
5	Bus Program Cash				
6	Promotional Gaming Credits	592,852	14,821		
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*Promotional Allowances - Other includes $638K of Spa comps, $197K of Comp room incidentals, and $(35K) change in Comp and Slot dollars earned but not redeemed.

BORGATA HOTEL CASINO & SPA
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.

5/15/2013
Date

[Insert Name Here]

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

Organization

Marina District Development Company, LLC, a New Jersey limited liability company ("MDDC"), is the parent of Marina District Finance Company, Inc., a New Jersey corporation ("MDFC"). MDFC is a 100% owned finance subsidiary of MDDC. MDDC has fully and unconditionally guaranteed MDFC's securities; and accordingly, the consolidated financial statements of MDDC (as parent) are included herein. Unless otherwise indicated or required by the context, the terms "we," "our," "us" and the "Company" refer to MDDC and MDFC.

MDDC was incorporated in July 1998 and has been operating since July 3, 2003. MDFC was incorporated in 2000 and has been a wholly-owned subsidiary of MDDC since its inception. We developed, own and operate Borgata Hotel Casino and Spa, including The Water Club at Borgata (collectively, "Borgata"). Borgata is located on a 45.6-acre site at Renaissance Pointe in Atlantic City, New Jersey. Borgata is an upscale destination resort and gaming entertainment property.

Borgata was developed as a joint venture between Boyd Atlantic City, Inc. ("BAC"), a wholly owned subsidiary of Boyd Gaming Corporation ("Boyd"), and MAC, Corp. ("MAC"), a second tier, wholly owned subsidiary of MGM Resorts International (the successor-in-interest to MGM MIRAGE) ("MGM"). The joint venture operates pursuant to an operating agreement between BAC and MAC (the "Operating Agreement"), in which each originally held a 50% interest in Marina District Development Holding Company, LLC, MDDC's parent holding company ("MDDHC").

As managing member of MDDHC pursuant to the terms of the Operating Agreement, BAC, through MDDHC, has responsibility for the oversight and management of our day-to-day operations. We do not presently record a management fee to BAC, as our management team performs these services directly or negotiates contracts to provide for these services. As a result, the costs of these services are directly borne by us and are reflected in our condensed consolidated financial statements. Boyd, the parent of BAC, is a diversified operator of 21 wholly owned gaming entertainment properties. Headquartered in Las Vegas, Nevada, Boyd has gaming operations in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, and Mississippi.

On March 24, 2010, MAC transferred its MGM Interest in MDDHC, and certain land leased to MDDC, into a divestiture trust, of which MGM and its subsidiaries are the economic beneficiaries (the "Divestiture Trust"), for sale to a third-party in connection with MGM's settlement agreement with the NJDGE. MGM has subsequently announced that it had entered into an agreement with the NJDGE, as approved by the NJCCC. The amendment provided that until March 24, 2013, MGM had the right to direct the Divestiture Trust to sell the MGM Interest. If a sale was not concluded by that time, the Divestiture Trust was to be responsible for selling MGM's Interest during the following 12-month period, or not later than March 24, 2014. Subsequent to a Joint Petition of MGM, Boyd and MDDC, the NJCCC, on February 13, 2013, approved amendments to the Stipulation of Settlement and Trust Agreement which permits MGM to file an application for a statement of compliance, which, if approved, could permit MGM to reacquire its interest in MDDC. The deadline requiring MGM and the Divestiture Trust to sell the MGM Interest has been tolled to allow the NJCCC to complete a review of the application. BAC has a right of first refusal on any sale of the MGM Interest. We continue to operate under normal business conditions throughout MGM's sales efforts, and do not believe that it has had or will have a material impact on our operations.

Upon the transfer of the MGM Interest into the Divestiture Trust, MGM relinquished all of its specific participating rights under the Operating Agreement, and Boyd effectively obtained control of Borgata. As a result, beginning on March 24, 2010, our financial position and results of operations have been included in the consolidated financial statements of Boyd. This resulting change in control required acquisition method accounting by Boyd in accordance with the authoritative accounting guidance for business combinations; however, there was no resulting direct impact on our consolidated financial statements. Accordingly, our financial position and results of operations as reported herein will differ from the results as consolidated with and separately reported by Boyd, as certain fair value and other acquisition method accounting adjustments have not been pushed down to our stand-alone consolidated financial statements.

Basis of Presentation

Interim Condensed Consolidated Financial Statements

As permitted by the rules and regulations of the Securities and Exchange Commission ("SEC"), certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP, have been condensed or omitted, although we believe that the disclosures made are adequate to make the information reliable. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2012.

In our opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments of normal recurring nature necessary to fairly present our financial position as of March 31, 2013 and the results of our operations and cash flows for the three months ended March 31, 2013 and 2012. Our operating results for the three months ended March 31, 2013 and 2012, and our cash flows for the three months ended March 31, 2013 and 2012, are unaudited, and are not necessarily indicative of the results that would be achieved for the full year or future periods.

Principles of Consolidation

The accompanying condensed consolidated financial statements have been prepared in accordance with GAAP and include the accounts of MDDC and MDFC.

All intercompany accounts and transactions have been eliminated.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with maturities of three months or less at their date of purchase on deposit with high credit quality financial institutions. The carrying values of these instruments approximate their fair values due to their short maturities.

Accounts Receivable, Net

Accounts receivable consist primarily of casino, hotel and other receivables. Accounts receivable are typically non-interest-bearing and are initially recorded at cost. Accounts are written off when management deems the account to be uncollectible. An estimated allowance for doubtful accounts is maintained to reduce our receivables to their carrying amount. The allowance is estimated based on specific review of customer accounts as well as management's experience with collection trends in the casino industry and current economic and business conditions. As a result, the net carrying value approximates fair value.

Property and Equipment, Net

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or, for leasehold improvements, over the shorter of the asset's useful life or term of the lease.

The estimated useful lives of our major components of property and equipment are:

Building and improvements	10 through 40 years
Furniture and equipment	3 through 7 years

Gains or losses on disposals of assets are recognized as incurred, using the specific identification method. Costs of major improvements are capitalized, while costs of normal repairs and maintenance are charged to expense as incurred.

We evaluate the carrying value of long-lived assets whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. For an asset that is to be disposed of, we recognize the asset at the lower of carrying value or fair market value, less costs of disposal, as estimated based on comparable asset sales, solicited offers, or a discounted cash flow model. For a long-lived asset to be held and used, we review the asset for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We then compare the estimated undiscounted future cash flows of the asset to the carrying value of the asset. The asset is not impaired if the undiscounted future cash flows exceed its carrying value. If the carrying value exceeds the undiscounted future cash flows, then an impairment charge is recorded, typically measured using a discounted cash flow model, which is based on the estimated future results of the relevant reporting unit discounted using our weighted-average cost of capital and market indicators of terminal year free cash flow multiples. If an asset is under development, future cash flows include remaining construction costs. All resulting recognized impairment charges are recorded as operating expenses.

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 financing fees, discounts and origination fees, are capitalized on amounts expended for the respective projects using our weighted-average cost of borrowing. Capitalization of interest will cease 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. We did not capitalize interest during the three months ended March 31, 2013. Capitalized interest during the three months ended March 31, 2012 was $284,000.

Debt Financing Cost

Debt financing costs, which include legal and other direct costs related to the issuance of our outstanding debt, are deferred and amortized to interest expense over the contractual term of the underlying long-term debt using the effective interest method. In the event that our debt is modified, repurchased or otherwise reduced prior to its original maturity date, we ratably reduce the unamortized debt financing costs.

Long-Term Debt, Net

Long-term debt is reported at amortized cost. The discounts on the senior secured notes and the transaction costs paid to the initial purchasers upon issuance are recorded as adjustments to the face amounts of our outstanding debt. These resulting differences between the net proceeds upon issuance of the senior secured notes and the face amounts of the senior secured notes are accreted to interest expense using the effective interest method.

Income Taxes

As a single member LLC, MDDC is treated as a disregarded entity for federal income tax purposes. As such, it is not subject to federal income tax and its income is treated as earned by its member, MDDHC. MDDHC is treated as a partnership for federal income tax purposes and federal income taxes are the responsibility of its members. In New Jersey, casino partnerships are subject to state income taxes under the New Jersey Casino Control Act; therefore, MDDC, considered a casino partnership, is required to record New Jersey state income taxes. In 2004, MDDC was granted permission by the state of New Jersey, pursuant to a ruling request, to file a consolidated New Jersey corporation business tax return with the members of its parent, MDDHC. The amounts reflected in the condensed consolidated financial statements are reported as if MDDC was taxed for state purposes on a stand- alone basis; however, MDDC files a consolidated state tax return with the members of MDDHC.

The amounts due to these members, are a result of the members' respective tax attributes included in the consolidated state tax return. A reconciliation of the components of our stand-alone state income taxes payable is presented below:

	March 31, 2013	March 31, 2012
Amounts payable to members of MDDHC	$ 1,695,000	$ 1,890,000
Amounts receivable - State	(1,039,000)	(1,043,000)
Income taxes payable, net	**$ 656,000**	**$ 847,000**

Revenue Recognition
Gaming revenue represents the net win from gaming activities, which is the aggregate 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. Cash discounts, commissions and other incentives to customers related to gaming play are recorded as a reduction of gross gaming revenues as promotional allowances.

Room revenue recognition criteria are met at the time of occupancy.

Food and beverage revenue recognition criteria are met at the time of service

Promotional Allowances
The retail value of accommodations, food and beverage, and other services furnished to guests on a complimentary basis is included in gross revenues and then deducted as promotional allowances. Promotional allowances also include incentives such as cash, goods and services (such as complimentary rooms and food and beverages) earned in our loyalty 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 and services. We record the estimated retail value of these goods and services as revenue and then record a corresponding deduction as promotional allowances.

The amounts included in promotional allowances are as follows:

	March 31,	
	2013	**2012**
Rooms	$ 16,987,000	$ 16,755,000
Food and beverage	12,411,000	13,345,000
Other	20,438,000	21,183,000
Total promotional allowances	**$ 49,836,000**	**$ 51,283,000**

The estimated costs of providing such promotional allowances are as follows:

	March 31,	
	2013	**2012**
Room	$ 5,466,000	$ 5,319,000
Food and beverage	9,571,000	10,120,000
Other	2,219,000	2,442,000
Total	**$ 17,256,000**	**$ 17,881,000**

Gaming Taxes
We are subject to taxes based on gross gaming revenues in New Jersey. These gaming taxes are an assessment on our gaming revenues and are recorded as a gaming expense in the condensed consolidated statements of operations. These taxes were $10,821,000 and $12,300,000 during the three months ended March 31, 2013 and 2012, respectively.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates incorporated into our condensed consolidated financial statements include the estimated allowance for doubtful accounts receivable, the estimated useful lives for depreciable and amortizable assets, value of certain funds deposited with the New Jersey Casino Reinvestment Development Authority (the "CRDA"), estimated cash flows in assessing the recoverability of long-lived assets, certain tax liabilities, self insured liability reserves, various loyalty point programs, fair values of assets and liabilities measured at fair value, fair values of assets and liabilities disclosed at fair value, contingencies and litigation, claims and assessments. Actual results could differ from these estimates.

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 consolidated financial statements.

NOTE 3. RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks consist of the following:

	March 31,	
	2013	**2012**
Casino receivables (net of an allowance for doubtful accounts – 2013 $22,886,000 and 2012 $23,349,000)	$ 25,751,000	$ 26,084,000
Other (net of an allowance for doubtful accounts – 2013 $28,000 and 2012 $38,000)	5,800,000	6,381,000
Due from related parties (Note 11)	1,202,000	382,000
Receivables and patrons' checks, net	**$ 32,753,000**	**$ 32,847,000**

NOTE 4. PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following:

	March 31,	
	2013	**2012**
Land	$ 87,301,000	$ 87,301,000
Building and improvements	1,411,136,000	1,401,789,000
Furniture and equipment	311,182,000	316,084,000
Construction in progress	7,650,000	18,993,000
Total property and equipment	1,817,269,000	1,824,167,000
Less accumulated depreciation	579,045,000	538,753,000
Property and equipment, net	**$ 1,238,224,000**	**$ 1,285,414,000**

Depreciation expense was $15,695,000 and $15,157,000 during the three months ended March 31, 2013 and 2012, respectively. Major items included in construction in progress at March 31, 2013 and March 31, 2012 include various property improvement and capital projects currently in process, primarily related to hotel remodel projects. The decrease in construction in progress of $11,343,000 at March 31, 2013, as compared to March 31, 2012, is primarily due to the completion of room refurbishments at the Borgata hotel. Construction in progress presented in the table above primarily relates to costs capitalized in conjunction with major improvements that have not yet been placed into service, and accordingly, such costs are not currently being depreciated.

We test certain of these property and equipment assets for recoverability if a recent operating cash flow loss, combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses, is associated with the use of a long-lived asset.

Impairment is the condition that exists when the carrying value of a long-lived asset exceeds its fair value. An impairment loss shall be recognized only if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying value of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. That assessment shall be based on the carrying amount of the asset at the date it is tested for recoverability. An impairment loss shall be measured as the amount by which the carrying value of a long-lived asset exceeds its fair value.

We did not incur any impairment losses during the three months ended March 31, 201 and 2012.

NOTE 5. OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following:

	March 31, 2013	March 31, 2012
Payroll and related expenses	$ 20,182,000	$ 20,956,000
Accrued interest	22,543,000	22,408,000
Other	68,875,000	27,318,000
Other accrued expenses	**$ 111,600,000**	**$ 70,682,000**

NOTE 6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	March 31, 2013	March 31, 2012
Casino related liabilities	$ 10,736,000	$ 13,071,000
Due to related parties (see Note 11)	489,000	1,745,000
Other	8,281,000	9,701,000
Other current liabilities	**$ 19,506,000**	**$ 24,517,000**

NOTE 7. LONG-TERM DEBT, NET

Long-term debt, net consists of the following:

	March 31, 2013			
	Outstanding Principle	**Unamortized Discount**	**Unamortized Origination Fees**	**Long-Term Debt, Net**
Amended Credit Facility	$ 14,000,000	$ -	$ -	$ 14,000,000
9.50% Senior Secured Notes due 2015	398,000,000	(2,328,000)	(5,467,000)	390,205,000
9.875% Senior Secured Notes due 2018	393,500,000	(2,033,000)	(7,365,000)	384,102,000
	$ 805,500,000	**$ (4,361,000)**	**$ (12,832,000)**	**$ 788,307,000**

	March 31, 2012			
	Outstanding Principle	**Unamortized Discount**	**Unamortized Origination Fees**	**Long-Term Debt, Net**
Amended Credit Facility	$ 22,500,000	$ -	$ -	$ 22,500,000
9.50% Senior Secured Notes due 2015	398,000,000	(3,093,000)	(7,262,000)	387,645,000
9.875% Senior Secured Notes due 2018	393,500,000	(2,303,000)	(8,345,000)	382,852,000
	$ 814,000,000	**$ (5,396,000)**	**$ (15,607,000)**	**$ 792,997,000**

Bank Credit Facility

The blended interest rate for outstanding borrowings under our amended credit facility was 4.9% at March 31, 2013. At March 31, 2013, the outstanding balance under the credit facility was approximately $14,000,000, leaving contractual availability of $46,000,000.

Guarantees

The amended credit facility is guaranteed on a senior secured basis by MDDC and any future subsidiaries of MDDC and is secured by a first priority lien on substantially all of our assets, subject to certain exceptions. The obligations under the amended credit facility have priority in payment to our senior secured notes.

Neither BAC, its parent, its affiliates, nor the Divestiture Trust are guarantors of our amended credit facility.

Compliance with Financial and Other Covenants
The amended credit facility contains certain financial and other covenants, including, without limitation, (i) establishing a minimum Consolidated EBITDA (as defined in the amended credit facility) of $110,000,000 over each trailing twelve-month period ending on the last day of each calendar quarter; (ii) imposing limitations on MDFC's ability to incur additional debt; and (iii) imposing restrictions on our ability to pay dividends and make other distributions, make certain restricted payments, create liens, enter into transactions with affiliates, merge or consolidate, and engage in unrelated business activities.

We believe we were in compliance with the amended credit facility covenants at March 31, 2013.

Senior Secured Notes
9.5% Senior Secured Notes Due 2015.
Significant Terms
The notes are guaranteed on a senior secured basis by MDDC and any future restricted subsidiaries of MDDC. The notes contain covenants that, among other things, limit MDFC's ability and the ability of MDDC to (i) incur additional indebtedness or liens; (ii) pay dividends or make distributions; (iii) make certain investments; (iv) sell or merge with other companies; and (v) enter into certain types of transactions. We believe we were in compliance with these covenants at March 31, 2013.

9.875% Senior Secured Notes Due 2018.
Significant Terms
The notes are guaranteed on a senior secured basis by MDDC and any future restricted subsidiaries of MDDC. The notes contain covenants that, among other things, limit MDFC's ability and the ability of MDDC to (i) incur additional indebtedness or liens; (ii) pay dividends or make distributions; (iii) make certain investments; (iv) sell or merge with other companies; and (v) enter into certain types of transactions. We believe we were in compliance with these covenants at March 31, 2013.

Original Issue Discounts
The original issue discounts have been recorded as offsets to the principal amounts of these notes and are being accreted to interest expense over the terms of the notes using the effective interest method. At March 31, 2013, the effective interest rates on the 9.5% notes due 2015 and the 9.875% notes due 2018 were 10.3% each.

Indentures
The indenture governing both the 9.5% notes and the 9.875% notes allow for the incurrence of additional indebtedness, if after giving effect to such incurrence, our coverage ratio (as defined in the indenture, essentially a ratio of Consolidated EBITDA, as defined, to fixed charges, including interest) for a trailing four-quarter period on a pro forma basis would be at least 2.0 to 1.0. Such pro forma coverage ratio was above 2.0 to 1.0 at the dates in which these respective tranches of senior secured notes were issued; however, at March 31, 2013, our coverage ratio (as defined in the indenture) is below 2.0 to 1.0. Accordingly, the indenture prohibits us from incurring new indebtedness; however, we may still borrow under the $60,000,000 senior secured credit facility.

NOTE 8. COMMITMENTS AND CONTIGNECIES

Commitments
There have been no material changes to our commitments described under Note 6, Commitments and Contingencies, in our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the SEC on March 28, 2013.

Contingencies
Legal Matters
We are subject to various claims and litigation in the ordinary 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 9. FAIR VALUE MEASUREMENTS

The authoritative accounting guidance for fair value measurements defines fair value, expands disclosure requirements around fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions.

These inputs create the following fair value hierarchy:

- *Level 1*: Quoted prices for identical instruments in active markets.
- *Level 2*: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- *Level 3*: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

As required by the guidance for fair value measurements, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Thus, assets and liabilities categorized as Level 3 may be measured at fair value using inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

Balances Measured at Fair Value

The fair value of our cash and cash equivalents was $36,433,000 and $34,296,000 as of March 31, 2013 and 2012, respectively. The fair value of our cash and cash equivalents, classified in the fair value hierarchy as Level 1, is based on statements received from our banks at March 31, 2013 and 2012, respectively. The fair value of our CRDA deposits was $29,101,000 and $26,581,000 as of March 31, 2013 and March 31, 2012, respectively. The fair value of our CRDA deposits, classified in the fair value hierarchy as Level 3, is based on estimates of the realizable value applied to the balances on statements received from the CRDA at March 31, 2013 and March 31, 2012.

The following table summarizes the fair value of the Company's Level 3 assets for the three months ended March 31, 2013.

	March 31, 2013
	CRDA Deposits
Balance at January 1, 2013	$ 28,464,000
Additional deposits, net of reserve	637,000
Included in other comprehensive income (loss)	-
Transfers in or out of Level 3	-
Purchases, sales, issuances and settlements:	
Settlements	-
Ending Balance at March 31, 2013	**$ 29,101,000**

Balances Disclosed at Fair Value

The following tables present the fair value of our long-term debt at March 31, 2013 and March 31, 2012:

	March 31, 2013			
	Outstanding Face Amount	**Carrying Value**	**Estimated Fair Value**	**Fair Value Hierarchy**
Amended Credit Facility	$ 14,000,000	$ 14,000,000	$ 14,000,000	Level 2
9.5% Senior Secured Notes due 2015	398,000,000	390,205,000	418,059,000	Level 1
9.875% Senior Secured Notes due 2018	393,500,000	384,102,000	414,379,000	Level 1
Total long-term debt	**$ 805,500,000**	**$ 788,307,000**	**$ 846,438,000**	

	March 31, 2013			
	Outstanding Face Amount	**Carrying Value**	**Estimated Fair Value**	**Fair Value Hierarchy**
Amended Credit Facility	$ 22,500,000	$ 22,500,000	$ 22,500,000	Level 2
9.5% Senior Secured Notes due 2015	398,000,000	387,645,000	366,160,000	Level 1
9.875% Senior Secured Notes due 2018	393,500,000	382,852,000	362,512,000	Level 1
Total long-term debt	**$ 814,000,000**	**$ 792,997,000**	**$ 751,172,000**	

The estimated fair value of our amended credit facility at March 31, 2013 and March 31, 2012 approximates its carrying value due to the short-term nature and variable repricing of the underlying Eurodollar loans comprising our amended credit facility. The estimated fair values of our senior secured notes are based on quoted market prices as of March 31, 2013 and March 31, 2012.

There were no transfers between Level 1, Level 2 or Level 3 measurements during the three months ended March 31, 2013.

NOTE 10. EMPLOYEE BENEFIT PLANS

We contribute to multi-employer pension defined benefit plans under terms of collective-bargaining agreements that cover our union-represented employees. These unions cover certain of our culinary, hotel and other trade workers. We are obligated to make defined contributions under these plans.

The significant risks of participating in multiemployer plans include, but are not limited to, the following:

- We may elect to stop participating in our multi-employer plans. As a result of such election, we may be required to pay a withdrawal liability based on the underfunded status of the plan, as applicable. Our ability to fund such payments would be based on the results of our operations and subject to the risk factors that impact our business. If any of these risks actually occur, our business, financial condition and results of operations could be materially and adversely affected and it could affect our ability to meet our obligations to the multiemployer plan.

- We may contribute assets to the multiemployer plan for the benefit of our covered employees that are used to provide benefits to employees of other participating employers.

- We may be required to fund additional amounts if other participating employers stop contributing to the multiemployer plan.

Contributions, based on wages paid to covered employees, totaled $1,720,000 and $1,543,000 during the three months ended March 31, 2013 and 2012, respectively. Our share of unfunded vested liabilities related to certain multi-employer pension plans was $68,400,000 as of January 1, 2011.

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 lesser 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 $351,000 during each of the three months ended March 31, 2013 and 2012.

NOTE 11. RELATED PARTY TRANSACTIONS

We engage in transactions with BAC and MAC in the ordinary course of business. Related party balances are non-interest-bearing and are included in accounts receivable or accrued liabilities, as applicable, on the consolidated balance sheets.

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 Divestiture Trust for these types of expenditures incurred by us were $338,000 and $228,000 at March 31, 2013 and 2012, respectively. Reimbursable expenditures incurred were $232,000 and $141,000 for the three months ended March 31, 2013 and 2012, 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 $864,000 and $154,000 for the three months ended March 31, 2013 and 2012, respectively. Reimbursable expenditures incurred were $175,000 and $43,000 for the three months ended March 31, 2013 and 2012, respectively.

Compensation of Certain Employees

We reimburse BAC for compensation paid to employees performing services for us 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 and certain financing fees. The related amounts due to BAC for these types of expenditures paid by BAC were $489,000 and $1,745,000 at March 31, 2013 and March 31, 2012, respectively. Reimbursable expenditures were $3,382,000 and $3,163,000 for the three months ended March 31, 2013 and 2012, respectively. Reimbursable expenses, with the exception of deferred financing fees, are included in selling, general and administrative on the condensed consolidated statements of operations.

NOTE 12. SUBSEQUENT EVENTS

We have evaluated all events or transactions that occurred after March 31, 2013. During this period, we did not identify any subsequent events, the effects of which would require adjustment to our financial position or results of operations.