

QUARTERLY REPORT

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NEW JERSEY
PROPERTY
MAY 23 1990
185 W. STATE ST.
TRENTON, N.J.

LICENSEE ATLANTIC CITY SHOWBOAT, INC.

ADDRESS PO BOX 840
ATLANTIC CITY, NJ 08401

FOR THE QUARTER ENDED MARCH 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .

MARK J. MILLER

OFFICIAL TITLE.

VICE PRESIDENT-FINANCE

ADDRESS

PO BOX 840

ATLANTIC CITY, NJ 08401

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1990

DESCRIPTION	(a) 1990	(b) 1989
ASSETS		
Current Assets	\$ 27,529	\$ 26,918
Cash		
Accounts Receivable		
Prepaid Expenses		
Other Current Assets		
Property and Equipment	216,849	210,354
Property and Equipment		
Accumulated Depreciation		
Other Assets	10,854	10,718
Other Assets		
Total Assets	\$ 291,370	\$ 287,086
LIABILITIES AND EQUITY		
Current Liabilities	\$ 2,805	\$ 2,805
Accounts Payable		
Other Current Liabilities		
Long-Term Debt	180,000	180,000
Due to affiliates		
Other		
Deferred Credits	21,520	21,520
Deferred Credits		
Other Liabilities	1,518	1,518
Other Liabilities		
Commitments and Contingencies	42,571	42,571
Commitments and Contingencies		
Total Liabilities	759,897	759,897
Stockholders', Partners', or Proprietor's Equity	31,473	31,473
Common Stock		
Retained Earnings		
Other Equity		
Total Liabilities and Equity	\$ 291,370	\$ 287,086

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

BALANCE SHEETS

MARCH 31, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
	Current Assets:	\$	\$
1	Cash NOTE 1.....	27,829	24,918
2	Marketable securities	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 90, \$ 6,111 ; 19 89, \$2,749) NOTE 3.....	9,392	10,455
4	Inventories NOTE 1.....	2,757	2,568
5	Prepaid expenses and other current assets	3,325	2,804
6	Total current assets	43,303	40,745
7	Investments, Advances, And Receivables NOTE 2.....	20,369	17,241
8	Property And Equipment - Net NOTE 4.....	216,844	218,384
9	Other Assets	10,854	10,716
10	Total Assets	\$ 291,370	\$ 287,086
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
11	Accounts payable	6,069	5,757
12	Notes payable	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates	-0-	-0-
14	Other NOTE 8.....	2,805	2,805
15	Income taxes payable and accrued	-0-	-0-
16	Other accrued expenses NOTE 5.....	13,663	11,241
17	Other current liabilities NOTE 6.....	1,631	1,631
18	Total current liabilities	24,168	21,433
	Long-Term Debt:		
19	Due to affiliates NOTE 7.....	180,000	180,000
20	Other NOTE 8.....	11,640	11,640
21	Deferred Credits	1,418	1,418
22	Other Liabilities	42,671	42,671
23	Commitments And Contingencies NOTE 14		
24	Total Liabilities	259,897	242,162
25	Stockholders', Partners', Or Proprietor's Equity	31,473	44,924
26	Total Liabilities And Equity	\$ 291,370	\$ 287,086

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989

(UNAUDITED) INFORMATION IS SAME AS THAT REPORTED
(\$ IN THOUSANDS) ON CCC-215

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
<u>1</u>	Casino	\$	\$
<u>2</u>	Rooms		
<u>3</u>	Food and beverage		
<u>4</u>	Other		
<u>5</u>	Total revenue		
<u>6</u>	Less: Promotional allowances		
<u>7</u>	Net revenue		
	Costs And Expenses:		
<u>8</u>	Cost of goods and services		
<u>9</u>	Selling, general, and administrative		
<u>10</u>	Provision for doubtful accounts		
<u>11</u>	Depreciation and amortization		
	Charges from affiliates other than interest:		
<u>12</u>	Management fees		
<u>13</u>	Other		
<u>14</u>	Total costs and expenses		
<u>15</u>	Income (Loss) From Operations		
	Other Income (Expenses):		
<u>16</u>	Interest (expense) - affiliates		
<u>17</u>	Interest (expense) - external		
<u>18</u>	Investment alternative tax and related income (expense) - net.....		
<u>19</u>	Nonoperating income (expense) - net		
<u>20</u>	Total other income (expenses).....		
<u>21</u>	Income (Loss) Before Income Taxes And Extraordinary Items.....		
<u>22</u>	Provision (credit) for income taxes		
<u>23</u>	Income (Loss) Before Extraordinary Items		
<u>24</u>	Extraordinary items (net of income taxes - 19 <u> </u> , \$; 19 <u> </u> , \$)		
<u>25</u>	Net Income (Loss)	\$	\$

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 19 90 and 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino NOTE 1	\$ 60,866	\$ 59,629
2	Rooms	2,249	3,381
3	Food and beverage	9,503	11,068
4	Other	1,063	1,164
5	Total revenue	73,681	75,242
6	Less: Promotional allowances NOTES 1&13	6,794	8,671
7	Net revenue	66,887	66,571
	Costs And Expenses:		
8	Cost of goods and services	42,586	41,140
9	Selling, general, and administrative	15,142	15,475
10	Provision for doubtful accounts	1,257	996
11	Depreciation and amortization NOTE 1	4,407	4,033
	Charges from affiliates other than interest:		
12	Management fees NOTE 2	3,682	3,723
13	Other	-0-	-0-
14	Total costs and expenses	67,074	65,367
15	Income (Loss) From Operations	(187)	1,204
	Other Income (Expenses):		
16	Interest (expense) - affiliates NOTE 1	(5,118)	(5,118)
17	Interest (expense) - external	(593)	(658)
18	Investment alternative tax and related income (expense) - net.....	(249)	(256)
19	Nonoperating income (expense) - net NOTE 10.....	706	657
20	Total other income (expenses).....	(5,254)	(5,375)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(5,441)	(4,171)
22	Provision (credit) for income taxes NOTE 1&12	(1,897)	(1,233)
23	Income (Loss) Before Extraordinary Items	(3,544)	(2,938)
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	-0-	-0-
25	Net Income (Loss)	\$ (3,544)	\$ (2,938)

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

TRADING NAME OF LICENSEE ATLANTIC CITY SHOWBOAT, INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 19 90 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>90</u>		19 <u>89</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock: 2500 SHARES AUTHORIZED		\$		\$
1	Beginning balance (January 1)	1,500	76,909	1,500	76,909
2	Sale of stock				
3	.....			
4	Ending balance	1,500	76,909	1,500	76,909
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7	.....			
8	Ending Balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)				
10	DIVIDEND TO SBI NOTE 16		(7,000)		
11	.....			
12	Ending balance		(7,000)		
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For				
	Capital Stock:				
17	Beginning balance (January 1)		()		()
18	.....			
19	.....			
20	Ending balance		()		()
	Net Unrealized Loss On Noncurrent				
	Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	.....			
23	.....			
24	Ending balance		()		()
	Retained Earnings:				
25	Beginning balance (January 1)		(34,892)		(29,149)
26	Prior period adjustments		(3,544)		(2,938)
27	Net income (loss)		()		()
28	Dividends				
29	.....			
30	.....			
31	Ending balance		(38,436)		(32,087)
32	Ending Stockholders' Equity		\$ 31,473		\$ 44,822

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

STATEMENTS OF CASH FLOWS

TRADING NAME OF LICENSEE _____

STATEMENTS OF CHANGES IN PARTNERS'

OR PROPRIETOR'S EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Invested Capital:	\$	\$
1	Beginning balance (January 1)		
2	Additional capital invested		
3	.....	
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	.....	
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	.....	
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	()	()
15	.....	
16	.....	
17	Ending balance	()	()
18	Ending Partners' Or Proprietor's Equity	\$	\$

SUPPLEMENTAL DISCLOSURE OF OTHER INFORMATION

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

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 90	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ (3,377)	\$ (1,367)
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Purchase outflows for property and equipment.....	(5,378)	(2,298)
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	(702)	(730)
7	Purchase of other investments and loans/advances made.....		(1,324)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	4,977	
9	Cash outflows to acquire business entities.....		
10	.....	
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	(1,103)	(4,352)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt		
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....	(655)	(572)
17	Payments to settle long-term debt.....		
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....	(7,000)	
21	.....	
22	.....	
23	Net Cash Provided (Used) By Financing Activities.....	(7,655)	(7,944)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(12,135)	(6,244)
25	Cash And Cash Equivalents At Beginning Of Period	39,964	31,110
26	Cash And Cash Equivalents At End Of Period.....	\$ 27,829	\$ 24,866

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid During Period For:			
27	Interest (net of amount capitalized).....	\$ 10,695	\$ 10,110
28	Income taxes.....	\$ -0-	\$ -

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

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (3,544)	\$ (2,938)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	4,407	4,033
31	Amortization of other assets.....		
32	Amortization of debt discount or premium.....		
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....		1,025
35	(Gain) loss on disposition of property and equipment.....	9	
36	(Gain) loss on casino reinvestment obligations.....	249	256
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	776	(531)
39	Net (increase) decrease in inventories.....	(249)	(167)
40	Net (increase) decrease in other current assets.....	(1,267)	(574)
41	Net (increase) decrease in other assets.....	(228)	(265)
42	Net increase (decrease) in accounts payables.....	(1,617)	(1,860)
43	Net increase (decrease) in other current liabilities excluding debt.....	(6,465)	(4,201)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	4,416	3,718
45			
46	AMORT BOND ISSUE COSTS.....	136	137
47	Net Cash Provided (Used) By Operating Activities.....	\$ (3,377)	\$ (1,367)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ (5,378)	\$ (2,298)
49	Less: Capital lease obligations incurred.....		
50	Cash Outflows For Property And Equipment.....	\$ (5,378)	\$ (2,298)
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$	\$
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property and equipment.....		
54	Long-term debt assumed.....		
55	Issuance of stock or capital invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$	\$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$	\$
58	Less: Issuances to settle long-term debt.....		
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$	\$

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks	5,464		
2	Returned patrons' checks	7,049		
3	Total patrons' checks	12,513	\$ 5,964	\$ 6,549
4	Hotel Receivables	778	147	631
	Other Receivables:			
5	Receivables due from officers and employees.....			
6	Receivables due from affiliates			
7	Other accounts and notes receivables	2,212		
8	Total other receivables	2,212		2,212
9	Totals (Form 205).....	\$ 15,503	\$ 6,111	\$ 9,392

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1)	\$ 6,840
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	43,991
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(30,990)
13	Checks collected through deposits	(11,826)
14	Checks transferred to returned checks	(2,551)
15	Other adjustments	
16	Ending Balance	\$ 5,464
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 1,229
19	Provision As A Percent Of Counter Checks Issued	2.8 %

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Atlantic City Showboat (ACS), is a wholly-owned subsidiary of Ocean Showboat, Inc. (OSI). OSI is a 97.525% owned subsidiary of Showboat, Inc. (SBI). Additionally, OSI owns all of the stock of Ocean Showboat Finance Corporation (OSF). On March 30, 1987, ACS commenced limited services of hotel, restaurant, bar, bowling, and convention facilities at the Showboat Hotel, Casino and Bowling Center in Atlantic City, New Jersey. Full operation of the casino commenced on April 2, 1987.

Casino Revenue and Complimentaries

In accordance with common industry practice, casino revenues are the net of gaming wins less losses.

Complimentaries consist of rooms, food, and beverage furnished gratuitously to customers. The sales values of such services are included in the respective revenue classifications and are then deducted as complimentary expenses.

Cash

Included in cash are cash equivalents of \$20,610,000 and \$20,080,000 as of March 31, 1990 and 1989, respectively. These are repurchase agreements and commercial paper which have short-term maturities not greater than three months.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in first-out method.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Property & Equipment

Property and equipment are carried at cost. Depreciation, including amortization of capitalized leases is computed using the straight-line method. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

Estimated useful lives for property and equipment are 40 years for buildings and 2 to 7 years for furniture and equipment.

Income Taxes

Statement of Financial Accounting Standard No. 96 (FAS 96), "Accounting for Income Taxes", was issued by the Financial Accounting Standards Board in December 1987. FAS 96 requires a change from the deferred method to the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recognized for the tax consequences of "temporary differences" by applying enacted statutory rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. Under FAS 96, the effect deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. Under the deferred method, deferred taxes were recognized using the tax rate applicable to the year of the calculation and were not adjusted for subsequent changes in the tax laws. The Company elected to adopt FAS 96 in 1988.

The Company has consented to be included in the consolidated Federal Income Tax group of Showboat, Inc. and subsidiaries and is under a tax allocation agreement with SBI. Accordingly, income taxes are allocated based on the agreement which reflects the separate return method except that tax benefits available to the Company are recognized when generated by the company to the extent utilized by the consolidated group, including carrybacks.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

Amortization of Debt Issuance Cost

Costs associated with the issuance of debt have been deferred and are being amortized over the life of the related indebtedness using a weighted method based on retirement schedules specified in the bond indenture.

Disclosure

In accordance with the Quarterly Report Instructions, we have not submitted updated information for the aggregate maturities of long term debt, future lease obligations and the reconciliation of the provision for income taxes to the statutory rate. There have been no significant changes to the information submitted in our December 31, 1989 Annual Report.

2. RELATED PARTY TRANSACTIONS

In November 1985, ACS and SBI entered into a Parent Services Agreement whereby SBI has agreed to provide ACS with executive, financial, data processing, legal, marketing, tax planning and compliance, and administrative services. SBI's services are intended to support and supplement the routine functions and responsibilities of the ACS staff and are not intended to substitute for ACS's performance or OSI's oversight responsibilities. In addition to the services outlined above, SBI has also granted ACS a non-exclusive right to the use of each of SBI's trademarks, service marks, trade names and logos in the operation of ACS's business, including the registered trademark "Showboat".

In consideration for such services and license, ACS has agreed to pay SBI a fee equal to five percent of gross revenues, payable on a quarterly basis. The Bond Indenture of OSF provides that this management fee may not be paid during any period in which certain tests are not met, and to date, no management fees have been paid. For the three months ended March 31, 1990 and 1989, management fee expenses of \$ 3,682,000 and \$ 3,723,000 have been incurred, respectively. As of March 31, 1990 and 1989, management fees of \$42,672,000 and \$26,612,000 have been accrued, respectively.

The investments, advances and receivables balances of \$20,369,000 and \$17,241,000 at March 31, 1990 and 1989, include \$15,648,000 and \$15,415,000 receivables from Showboat, Inc. related to federal income taxes relating to the management fee.

ATLANTIC CITY SHOWBOAT, INC.
 NOTES TO FINANCIAL STATEMENTS
 (continued)

3. RECEIVABLES

Receivables consist of the following:

	<u>Mar 31</u>	<u>Mar 31</u>
	1990	1989
Casino	\$ 12,513,000	\$ 8,488,000
Hotel	778,000	1,001,000
Income Tax Receivable	1,873,000	3,635,000
Other	339,000	80,000
	<u>15,503,000</u>	<u>13,204,000</u>
Less allowance for doubtful accounts	6,111,000	2,749,000
	<u>\$ 9,392,000</u>	<u>\$ 10,455,000</u>

4. PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

	<u>Mar 31</u>	<u>Mar 31</u>
	1990	1989
Building and Improvements	\$190,477,000	\$188,041,000
Furniture, Fixtures & Equipment	39,901,000	37,131,000
Vehicles	403,000	745,000
Properties under capital lease		
Building	2,050,000	2,050,000
Furniture, Fixtures & Equipment	20,253,000	19,488,000
Construction in Progress	10,259,000	1,892,000
	<u>263,343,000</u>	<u>249,347,000</u>
Less accumulated depreciation and amortization	46,499,000	30,963,000
	<u>\$216,844,000</u>	<u>\$218,384,000</u>

ATLANTIC CITY SHOWBOAT, INC.
 NOTES TO FINANCIAL STATEMENTS

(continued)

5. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	<u>Mar 31</u>	<u>Mar 31</u>
	<u>1990</u>	<u>1989</u>
Salaries and Wages	\$ 3,463,000	\$ 3,361,000
Progressive Slot Liability	2,475,000	1,594,000
Payroll Taxes	1,394,000	920,000
Advertising	1,474,000	208,000
Medical Claims-Employee	1,056,000	1,246,000
Settlement Claims	982,000	784,000
Officers Club Redemption	752,000	-0-
DGE/CCC Charges	722,000	683,000
Taxes-Other	616,000	838,000
Legal Fees	121,000	270,000
Union Benefits	245,000	187,000
Profit Sharing	-0-	450,000
Other	<u>363,000</u>	<u>480,000</u>
	<u>\$ 13,663,000</u>	<u>\$11,021,000</u>

6. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	<u>Mar 31</u>	<u>Mar 31</u>
	<u>1990</u>	<u>1989</u>
Due to Affiliates - Interest	\$ 853,000	\$ 853,000
Other	<u>778,000</u>	<u>1,137,000</u>
	<u>\$ 1,631,000</u>	<u>\$ 1,990,000</u>

ATLANTIC CITY SHOWBOAT, INC.
 NOTES TO FINANCIAL STATEMENTS
 (continued)

ATLANTIC CITY SHOWBOAT, INC.
 NOTES TO FINANCIAL STATEMENTS
 (continued)

7. LONG-TERM DEBT, DUE TO AFFILIATES

Long-term debt, due to affiliates consist of the following:

	<u>Mar 31</u>	<u>Mar 31</u>
	<u>1990</u>	<u>1989</u>
On March 18, 1987, ACS incurred a Promissory Note to OSF for \$180,000,000 with interest payable semi-annually at the annual rate of 11.375%. ACS is required to repay on March 15 in each year, commencing in 1994 and ending in 2001, \$18,000,000. The note is secured by a leasehold mortgage on the ACS ground lease on site of the Atlantic City Showboat, the Atlantic City Showboat complex, and certain personal property.	\$180,000,000 =====	\$180,000,000 =====

8. LONG-TERM DEBT, OTHER

Long-term debt, other consist of the following:

	<u>Mar 31</u>	<u>Mar 31</u>
	<u>1990</u>	<u>1989</u>
Capitalized lease obligations (Note 9)	\$ 14,445,000	\$16,836,000
Less current maturities	<u>2,805,000</u>	<u>2,498,000</u>
	<u>\$ 11,640,000</u>	<u>\$ 14,338,000</u>

ATLANTIC CITY SHOWBOAT, INC.
 NOTES TO FINANCIAL STATEMENTS
 (continued)

9. LEASES

The Company leases certain furniture and equipment and a warehouse under long-term lease agreements. The leases covering furniture and equipment, which range from 5 to 7 years expiring through 1994, and a warehouse, which is for 15 years expiring in 2001, are classified as capital leases. The Company has the option to purchase the warehouse during the period of August 1989 through July 1990 for \$1,928,000.

ACS is leasing 10 1/2 acres of Boardwalk property in Atlantic City, New Jersey for a term of 99 years commencing October 1983. Annual rent payments, payable monthly, commenced upon opening of the Atlantic City Showboat. The rent will be adjusted based upon increases or decreases in the Consumer Price Index, not to exceed 10% per year during the second through the sixth lease year. In April 1989, the annual rent increased to \$6,959,000, a 6% increase. ACS is responsible for taxes, assessments, insurance and utilities.

Rent expense for all operating leases (except those with terms of a month or less that were not renewed) was \$1,926,000 and \$1,791,000 for the three months ended March 31, 1990 and 1989 respectively.

10. NON-OPERATING INCOME (EXPENSE)

For the three months ended March 31, 1990 and 1989,
 Non-Operating Income (Expense) is:

	Mar 31	Mar 31
	1990	1989
Interest Income on temporary Cash Investments	\$ 715,000	\$ 657,000
Loss on Disposal of Prop. & Equipment	(9,000)	-0-
	\$ 706,000	\$ 657,000

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

11. EMPLOYEE BENEFIT PLANS

Until November 1, 1989, the Company participated in a profit sharing and retirement plan with SBI for eligible employees who are not covered by a collective bargaining agreement or by another retirement plan to which the Company was required to contribute. Contributions to this plan were made at the discretion of the Board of Directors of Ocean Showboat. The benefits are limited to the allocated interest in the fund assets and each participant's account vests over a ten-year period. The Company contributed and accrued \$0 and \$150,000 during the three months ended March 31, 1990 and 1989, respectively.

Effective November 1, 1989, the Company amended its retirement and savings plan for eligible employees not covered by a collective bargaining agreement. Under the terms of the amended plan, an eligible employee may defer up to 3 percent of their salary of which 100 percent is matched by the Company. Eligible employees may contribute an additional 7 percent of their salary which will not be matched by the Company. The Company contributed \$157,000 to this plan for the three months ended March 31, 1990.

The Company's union employees are covered by union-sponsored collective bargained, multi-employer pension plans. Contributions determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of man-hours worked.

ATLANTIC CITY SHOWBOAT, INC.
 NOTE TO FINANCIAL STATEMENTS
 (continued)

ATLANTIC CITY SHOWBOAT, INC.
 NOTE TO FINANCIAL STATEMENTS
 (continued)

12. INCOME TAXES

Income tax expense (benefit) consists of the following:

	Mar 31	Mar 31
	1990	1989
Current	(1,897,000	(\$ 2,258,000)
Deferred	0	1,025,000
	(\$)	(\$ 1,233,000)
State Taxes	0	0
	<u>(\$ 1,897,000)</u>	<u>(\$ 1,233,000)</u>

13. COMPLIMENTARIES

	<u>Promotional Allowances</u>	
	Three Months	
	Ended March 31, 1990	
	<u>Recipients</u>	<u>Amount</u>
Rooms	12,800	\$1,408,000
Food	368,583	3,590,000
Beverage	708,441	1,664,000
Showroom	5,867	<u>132,000</u>
	=====	\$6,794,000
		=====

ATLANTIC CITY SHOWBOAT, INC.
 NOTES TO FINANCIAL STATEMENTS
 (continued)

13. COMPLIMENTARIES (continued)

	<u>Promotional Expenses</u>	
	Three Months	
	Ended March 31, 1990	
	<u>Recipients</u>	<u>Amount</u>
Coin	543,368	\$5,966,000
Travel	5,131	898,000
Other	35,200	308,000
	=====	\$7,172,000
		=====

Promotional allowances represent complimentary furnished gratuitously to customers of ACS goods and services, such as free room, food and beverage. The sales values of these complimentary are included in the respective revenue classification and are then deducted as promotional allowances. Promotional expenses are complimentary furnished gratuitously to customers of non-revenue producing items such as coin coupons issued to patrons and reimbursement of travel expenses. These charges are included in selling, general and administrative expense.

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

14. COMMITMENTS AND CONTINGENCIES

In conjunction with its land lease agreement, and in conjunction with obtaining various permits from various authorities of the State of New Jersey, the Company is required to share in certain costs subsequent to opening. Such costs relate to improving the Urban Renewal Tract, on which the Atlantic City Showboat is located, and improving the traffic and transportation infrastructure in Atlantic City. The Company's proportionate share of these costs, if any, has not yet been determined.

The New Jersey Casino Control Act (the Act) provides, among other things, for an assessment on licenses based upon their gross casino revenues after completion of its first full year of operation. This assessment may be satisfied by investing in qualified direct investments, purchasing bonds issued by the Casino Redevelopment Authority (CRDA), or paying an "alternative tax". In order for direct investments to be eligible, they must be approved by the CRDA. The Company's obligation under the Act through March 31, 1990 is \$5,986,000.

The Company intends to satisfy its obligation by purchasing CRDA bonds which may have terms as long as 50 years and will bear interest at two-thirds of market rates at issue date resulting in a current value lower than the face value of such bonds.

At March 31, 1990 and 1989, deposits and other assets includes \$4,008,000 and \$1,826,000, respectively, representing the Company's obligation to the CRDA of \$5,986,000 at March 31, 1990 and \$2,806,000 at March 31, 1989 net of an allowance for the interest rate differential of \$1,978,00 and \$980,000, respectively.

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

CITY OF ATLANTIC CITY

ATLANTIC CITY SHOWBOAT, INC.
NOTES TO FINANCIAL STATEMENTS
(continued)

15. INVESTMENT IN SHOWBOAT, INC.

In December 1989, the Board of Directors of ACSI authorized the purchase of up to 4 percent of the outstanding shares of SBI by the Company. These shares are designated for issuance to officers and key employees of ACSI as a result of their participation in the SBI long-term incentive plan. Adoption of the plan is subject to the approval of the shareholders of SBI. As of April 25, 1990, 124,400 shares of SBI had been purchased at a total cost of \$1,031,000.

16. DIVIDEND TO SHOWBOAT, INC.

In March 1990, ACSI declared a dividend to Showboat, Inc. for \$7,000,000. The declaration of this dividend is allowed under the OSFC Bond Indenture restrictions regarding the payment of dividends received by Showboat, Inc. as a result of the utilization of OSI's June 30, 1987 tax losses by the Showboat, Inc. consolidated group.

Subscribed and sworn to before me this 15th day of May, 1990.

Brenda Sue Wallace
Notary Public

BRENDA SUE WALLACE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires on 06/30/1995

State of Authority
of State of New Jersey

V. E. ...
Title

1987-88
Director

By Board of Directors

ATLANTIC CITY SHOWBOAT, INC.
General Manager

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY

:
:ss.

COUNTY OF ATLANTIC

:

MARK J. MILLER

Name

, being duly sworn according to law upon my oath

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.


Signature

V.P. FINANCE

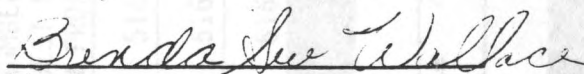
Title

3587-11

License Number

Subscribed and sworn to
before me this 15th day
of MAY, 19 90

On Behalf Of:


Signature

ATLANTIC CITY SHOWBOAT, INC.
Casino Licensee

BRENDA SUE WALLACE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 30, 1995.

Basis of Authority
to Take Oaths

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	516	16,865	11,009	\$ 67.93	65.3 %	22,018	\$ 33.97
FEBRUARY	516	14,750	11,282	\$ 65.14	76.5 %	24,000	\$ 30.62
MARCH	516	15,996	11,989	\$ 65.49	75.0 %	24,000	\$ 32.71
1ST QUARTER TOTALS		47,611	34,280	\$ 66.16	72.0 %	70,018	\$ 32.39
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

TRADING NAME OF LICENSEE Gnoc, Corp. (BALLY'S GRAND)
LIST OF FORMS - QUARTERLY REPORT

994-901
C-193
C.1

OF THE QUARTER ENDED MARCH 31, 1990

MAY 23 1990
185 W. ST.
TRENTON, NJ

QUARTERLY REPORT

LICENSEE Gnoc, Corp. (BALLY's GRAND)

ADDRESS P.O. BOX 1737 BOSTON & PACIFIC AVENUES
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED MARCH 31, **19**90

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .

PETER R. BURNS

OFFICIAL TITLE

VICE PRESIDENT OF FINANCE/TREASURER

ADDRESS

P.O. BOX 1737 BOSTON & PACIFIC AVENUES
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE GROC, CORP. (BALLY'S GRAND)

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1990

DESCRIPTION (a)	(b) 1990	(c) 1989
ASSETS		
Current Assets	\$ 6,178	\$ 5,169
Cash	1,100	1,100
Accounts Receivable	4,499	4,499
Prepaid Expenses	2,375	2,375
Other	20,430	20,430
Balance Sheets	CCC-205	
Statements of Income (Year-to-Date)	CCC-210	
Statements of Income (Three Months)	CCC-215	
Statements of Changes in Stockholders' Equity	CCC-220	
Statements of Changes in Partners' or Proprietor's Equity	CCC-225	
Statements of Cash Flows	CCC-235	
Notes to Financial Statements		
Schedule of Receivables and Patrons' Checks	CCC-240	1,719
Statement of Conformity and Accuracy	CCC-250	
Other		
Accounts Payable and accrued	31,561	31,561
Expenses	1,826	1,826
Liabilities	34,906	34,906
Current liabilities		
Other	268,507	100,318
Other	5,708	5,708
Contingencies	31,841	31,841
Other	372,773	372,773
Partners' or Proprietor's Equity	38,010	38,010
Liabilities and Equity	410,783	410,783

The accompanying notes are an integral part of the financial statements. Valid addresses listed by state without valid information contained in the notes.

BALANCE SHEETS

MARCH 31, 19 90 AND 19 89

(UNAUDITED)
(• IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 ⁹⁰	(d) 19 ⁸⁹
	ASSETS		
	Current Assets:		
1	Cash	\$ 6,598	\$ 5,188
2	Marketable securities Note 3	525	1,100
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>90</u> , \$14,559 ; 19 <u>89</u> , \$15,126)	5,393	4,489
4	Inventories	1,527	2,575
5	Prepaid expenses and other current assets Note 4	13,841	7,078
6	Total current assets	27,884	20,430
7	Investments, Advances, And Receivables Note 5	17,464	19,496
8	Property And Equipment - Net Note 6	257,390	256,929
9	Other Assets Note 7	111,166	113,928
10	Total Assets	\$ 413,904	\$ 410,783
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable	\$ 2,355	\$ 1,719
12	Notes payable	-	-
	Current portion of long-term debt:		
13	Due to affiliates	-	-
14	Other	-	-
15	Income taxes payable and accrued	-	-
16	Other accrued expenses Note 8	29,730	31,361
17	Other current liabilities Note 9	1,677	1,826
18	Total current liabilities	33,762	34,906
	Long-Term Debt:		
19	Due to affiliates Note 10	268,507	300,318
20	Other	-	-
21	Deferred Credits Note 11	8,793	5,708
22	Other Liabilities Note 12	33,071	31,841
23	Commitments And Contingencies Note 18	-	-
24	Total Liabilities	344,133	372,773
25	Stockholders', Partners', Or Proprietor's Equity Note 13	69,771	38,010
26	Total Liabilities And Equity	\$ 413,904	\$ 410,783

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

TRADING NAME OF LICENSEE GNOC, CORP. (BALLY'S GRAND)

STATEMENTS OF INCOME

FOR THE 3 MONTHS ENDED MARCH 31 19 90 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino	\$ 47,390	\$ 49,648
2	Rooms	3,665	3,617
3	Food and beverage	6,416	5,960
4	Other	2,144	1,808
5	Total revenue	59,615	61,033
6	Less: Promotional allowances Note 14.....	6,574	6,810
7	Net revenue	53,041	54,223
	Costs And Expenses:		
8	Cost of goods and services	25,353	23,623
9	Selling, general, and administrative	18,790	19,111
10	Provision for doubtful accounts	195	217
11	Depreciation and amortization	3,554	4,231
	Charges from affiliates other than interest:		
12	Management fees		
13	Other Note 15.....	372	1,133
14	Total costs and expenses	48,264	48,315
15	Income (Loss) From Operations	4,777	5,908
	Other Income (Expenses):		
16	Interest (expense) - affiliates Note 15.....	(8,258)	(9,293)
17	Interest (expense) - external	(107)	(41)
18	Investment alternative tax and related income (expense) - net.....	(298)	(304)
19	Nonoperating income (expense) - net Note 16.....	186	510
20	Total other income (expenses).....	(8,477)	(9,128)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(3,700)	(3,220)
22	Provision (credit) for income taxes Note 17.....	(1,168)	(900)
23	Income (Loss) Before Extraordinary Items	(2,532)	(2,320)
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -)	-	-
25	Net Income (Loss)	\$ (2,532)	\$ (2,320)

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>90</u>		19 <u>89</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:				
1	Beginning balance (January 1)	3,002,500	\$ 30	3,002,500	\$ 30
2	Sale of stock				
3	.....			
4	Ending balance	3,002,500	30	3,002,500	30
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7	.....			
8	Ending Balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		65,712		35,712
10	.....			
11	.....			
12	Ending balance		65,712		35,712
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		()		()
18	.....			
19	.....			
20	Ending balance		()		()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	.....			
23	.....			
24	Ending balance		()		()
	Retained Earnings:				
25	Beginning balance (January 1)		6,561		4,588
26	Prior period adjustments				
27	Net income (loss)		(2,532)		(2,320)
28	Dividends		()		()
29	.....			
30	.....			
31	Ending balance		4,029		2,268
32	Ending Stockholders' Equity		\$ 69,771		\$ 38,010

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

STATEMENTS OF CASH FLOWS

TRADING NAME OF LICENSEE GNOC, CORP. (BALLY'S GRAND)

STATEMENTS OF CHANGES IN PARTNERS'

OR PROPRIETOR'S EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

- NOT APPLICABLE -

LINE (a)	DESCRIPTION (b)	(c) 19 90	(d) 19 89
	Invested Capital:		
1	Beginning balance (January 1)	\$	\$
2	Additional capital invested		
3	.....	
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	.....	
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	.....	
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	()	()
15	.....	
16	.....	
17	Ending balance	()	()
18	Ending Partners' Or Proprietor's Equity	\$	\$

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

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
1	Net Cash Provided (Used) By Operating Activities.....	\$ 3,274	\$ 250
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	850	-
3	Proceeds from the sale of short-term investment securities.....	-	6,650
4	Purchase outflows for property and equipment.....	(1,232)	(3,759)
5	Proceeds from disposition of property and equipment.....	93	-
6	Purchase of casino reinvestment obligations.....	(596)	(609)
7	Purchase of other investments and loans/advances made.....	(2,664)	(6,000)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	-
9	Cash outflows to acquire business entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities.....	(3,549)	(3,718)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	-	-
14	Payments to settle short-term debt	(2,000)	-
15	Cash proceeds from issuance of long-term debt.....	-	-
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	-	-
18	Cash proceeds from issuing stock or capital contributions.....	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	-	-
21		-	-
22		-	-
23	Net Cash Provided (Used) By Financing Activities.....	(2,000)	-
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(2,275)	(3,468)
25	Cash And Cash Equivalents At Beginning Of Period	8,873	8,656
26	Cash And Cash Equivalents At End Of Period.....	\$ 6,598	\$ 5,188

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ -	\$ -
28	Income taxes.....	\$ 9	\$ -

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

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 1990	(d) 1989
Net Cash Flows From Operating Activities:			
29	Net income (loss).....	\$ (2,532)	\$ (2,320)
Noncash items included in income and cash items excluded from income:			
30	Depreciation and amortization of property and equipment.....	2,859	3,511
31	Amortization of other assets.....	695	720
32	Amortization of debt discount or premium.....	(330)	(289)
33	Deferred income taxes - current.....	-	(539)
34	Deferred income taxes - noncurrent.....	285	303
35	(Gain) loss on disposition of property and equipment.....	-	-
36	(Gain) loss on casino reinvestment obligations.....	298	304
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	(145)	749
39	Net (increase) decrease in inventories.....	200	62
40	Net (increase) decrease in other current assets.....	(3,085)	(792)
41	Net (increase) decrease in other assets.....	(25)	58
42	Net increase (decrease) in accounts payables.....	(1,011)	(2,299)
43	Net increase (decrease) in other current liabilities excluding debt.....	5,849	528
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	216	254
45	.....	-	-
46	.....	-	-
47	Net Cash Provided (Used) By Operating Activities.....	\$ 3,274	\$ 250

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Acquisition Of Property And Equipment:			
48	Additions to property and equipment.....	\$ 1,232	\$ 3,759
49	Less: Capital lease obligations incurred.....		
50	Cash Outflows For Property And Equipment.....	\$ 1,232	\$ 3,759
Acquisition Of Business Entities:			
51	Property and equipment acquired.....	\$	\$
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property and equipment.....		
54	Long-term debt assumed.....		
55	Issuance of stock or capital invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$	\$
Stock Issued Or Capital Contributions:			
57	Total issuances of stock or capital contributions.....	\$	\$
58	Less: Issuances to settle long-term debt.....		
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$	\$

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Method of Presentation

GNOC, CORP. (the "Company") is a wholly owned subsidiary of GNAC, CORP. ("GNAC"). The financial statements include the transactions between the Company, GNAC and other affiliates.

On March 1, 1987, the capital stock of GNAC and certain of its affiliates, including the Company, were purchased by Bally Manufacturing Corporation ("Bally") from Golden Nugget, Inc. ("GNI") (Note 2).

B. Disclosures Not Presented

Certain disclosures have not been presented in these Notes to Financial Statements since they would duplicate disclosures contained in the Casino Control Commission Annual Report for the year ended December 31, 1989. The notes excluded are Summary of Significant Accounting Policies, Pension Costs, Lease and Other Commitments.

NOTE 2 - TRANSFER OF OWNERSHIP

On March 1, 1987, Bally acquired GNAC, including the Company, other related properties and real estate property leases from GNI in a transaction which has been accounted for as a purchase. The accompanying financial statements reflect a preliminary allocation of the purchase price, which is subject to adjustment based on the resolution of certain disputed matters (See Note 18). The excess of the total estimated acquisition cost and debt assumed over the preliminary estimate of the fair value of net assets acquired is being amortized by the Company over forty years.

NOTE 3 - MARKETABLE SECURITIES

Marketable securities as of March 31, 1990 and 1989 consisted of repurchase agreements, at cost which approximates market.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 4 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Prepaid State gaming taxes and licenses	\$ 566,000	\$ 393,000
Prepaid Operating expenses	798,000	607,000
Prepaid entertainment costs	-	208,000
Prepaid State income tax	-	4,000
Trustees fees	4,000	-
Refundable Federal income tax	5,860,000	111,000
Prepaid insurance expenses	1,525,000	660,000
Deferred Federal and State income tax	5,088,000	5,095,000
	<u>\$13,841,000</u>	<u>\$7,078,000</u>
	=====	=====

NOTE 5 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Bally Manufacturing Corp.	\$ 3,726,000	\$ 6,000,000
New Jersey Casino Reinvestment related assets (net of discount)	13,738,000	13,496,000
	<u>\$17,464,000</u>	<u>\$19,496,000</u>
	=====	=====

During 1989, the Company donated approximately \$18.7 million to the New Jersey Casino Reinvestment Development Authority (CRDA) and also assisted Bally's Park Place in a CRDA donation \$4.0 million. The financial impact of the donations to the Company is that the Company's obligations on deposit at the CRDA were reduced by \$22.7 million and the Company received \$11.6 million in "credits" against future CRDA obligations and "credits" receivable from Bally's Park Place. No gain or loss was recorded relating to these transactions as the book value also approximated \$11.6 million.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Land and improvements	\$ 51,776,000	\$ 51,737,000
Buildings and leasehold improvements	185,558,000	174,242,000
Furniture, fixtures and equipment	55,927,000	51,506,000
Construction in progress	<u>3,210,000</u>	<u>8,470,000</u>
	296,471,000	285,955,000
Less accumulated depreciation and amortization	<u>(39,081,000)</u>	<u>(29,026,000)</u>
	\$257,390,000	\$256,929,000

NOTE 7 - OTHER ASSETS

Other assets as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Costs in excess of acquired assets, net	\$110,945,000	\$113,656,000
Other	<u>221,000</u>	<u>272,000</u>
	\$111,166,000	\$113,928,000

See Note 2 for discussion of purchase price accounting.

Customer deposits	\$ 122,000	\$ 122,000
Unredeemed gaming	220,000	220,000
Advance room deposits	87,000	181,000
Sally Manufacturing Corp.	-	86,000
Sally's Park Place, Inc.	117,000	227,000
Sally's Las Vegas	-	32,000
Other	8,000	48,000
	<u>\$1,274,000</u>	<u>\$1,236,000</u>

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 8 - OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Accrued payroll	\$ 8,589,000	\$ 8,063,000
Accrued progressive jackpot liability	2,467,000	1,678,000
Accrued interest	11,439,000	12,764,000
Accrued New Jersey casino reinvestment liability	595,000	609,000
Accrued sales, use and luxury taxes	381,000	552,000
Accrued Casino Control Commission and Division of Gaming Enforcement Fees	262,000	431,000
Accrued Casino License Fee	565,000	360,000
Accrued self insurance claims	1,427,000	1,627,000
Accrued casino win tax	201,000	167,000
Accrued legal fees	505,000	996,000
Accrued insurance	116,000	467,000
Accrued real estate tax	160,000	430,000
Other	<u>3,023,000</u>	<u>3,217,000</u>
	<u>\$29,730,000</u>	<u>\$31,361,000</u>

NOTE 9 - OTHER CURRENT LIABILITIES

Other current liabilities as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Customer deposits	\$ 122,000	\$ 122,000
Unredeemed gaming chips and tokens	1,050,000	1,220,000
Advance room deposits	87,000	101,000
Bally Manufacturing Corp.	-	86,000
Bally's Park Place, Inc.	413,000	227,000
Bally's Las Vegas	-	22,000
Other	<u>5,000</u>	<u>48,000</u>
	<u>\$1,677,000</u>	<u>\$1,826,000</u>

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 10 - LONG TERM DEBT-DUE TO AFFILIATES

Long term debt-due to affiliates as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
13 1/4% (effective rate of 13.3%) Mortgage-Backed Notes of \$259,000,000 principal amount at March 31, 1990 and \$289,000,000 at March 31, 1989 interest payable semi-annually, maturing in 1995, sinking fund payments to retire \$14,950,000 principal amount annually commencing on June 1, 1991 and 20% of issue prior to maturity (including unamortized premium of \$9,507,000 at March 31, 1990 and \$11,318,000 at March 31, 1989). (Note 2)	\$268,507,000 =====	\$300,318,000 =====

In June 1985, the Company consummated the public sale of \$299 million principal amount of 13 1/4% Mortgage-Backed Notes ("the Notes") due June 1, 1995. The Notes are unconditionally guaranteed by GNAC and are secured by a first lien and security interest on the Company's Boardwalk Casino-Hotel.

As a result of the purchase of the Company by Bally the Notes were valued at \$312,829,000 at March 1, 1987, based upon an imputed interest rate.

On October 8, 1987, \$10,000,000 principal amount of the Notes had been acquired to satisfy future sinking fund requirements.

During 1989, \$30,000,000 principal amount of the Notes were acquired at a cost of approximately \$31,728,000 to satisfy future sinking fund requirements. A gain of approximately \$144,000 was recorded.

NOTE 11 - DEFERRED CREDITS

Deferred credits as of March 31, 1990 and 1989 consisted of deferred federal and state income taxes.

GNOC, CORP.
 NOTES TO FINANCIAL STATEMENTS
 (Unaudited)

NOTE 12 - OTHER LIABILITIES

Other liabilities as of March 31 consisted of advances due to affiliates and other liabilities as follows:

	1990	1989
Bally's Grand Transportation Corp.	\$ 1,881,000	\$ 1,600,000
GNAC, CORP.	26,949,000	26,021,000
Golden Nugget Marketing Corp. (a New York Corp.)	1,000	1,000
Self Insurance Claim	4,240,000	4,219,000
	\$33,071,000	\$31,841,000

NOTE 13 - STOCKHOLDER'S EQUITY

At March 31, 1990 and 1989, the Company had 5,000,000 shares of common stock authorized; of such shares 3,002,500 were issued and outstanding.

NOTE 14 - PROMOTIONAL EXPENSES AND ALLOWANCES

Promotional expenses and allowances and number of recipients for the three months ended March 31, 1990 consisted of the following:

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSES	
	Number of Recipients	Dollar Amount	Number of Recipients	Dollar Amount
Rooms	24,988	\$2,135,000	-	\$ -
Food	208,406	2,547,000	-	-
Beverage	574,055	1,119,000	-	-
Travel	-	-	8,223	1,328,000
Other				
Coin	-	-	333,623	4,563,000
Entertainment	3,433	127,000	435	53,000
Parking	34,087	273,000	-	-
Retail	5,791	341,000	-	-
Other	248	32,000	20,203	321,000
Total Other	43,559	773,000	354,261	4,937,000
TOTAL	851,008	\$6,574,000	362,484	\$6,265,000

GNOC, CORP.
NOTES TO FINANCIAL STATEMENTS
(Unaudited)

NOTE 15 - CHARGES FROM AFFILIATES

The charges from affiliates for the three months ended March 31, Bally consisted of the following:

Nature of Charge

<u>From Affiliate</u>	<u>1990</u>	<u>1989</u>
Interest	\$8,258,000	\$9,293,000
Other (a)	372,000	1,133,000

(a) Other expenses include allocations of certain operating expenses from affiliated companies which perform services or incur costs on behalf of the Company including Bally's Grand Transportation Corp., GNAC, Corp. and Bally's Park Place, Inc.

NOTE 16 - NON-OPERATING INCOME (EXPENSE) - NET

Non-operating income (expense) - net for the three months ended March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Interest and dividend income	\$194,000	\$508,000
Other non-operating income (expense)	(8,000)	2,000
	<u>\$186,000</u>	<u>\$510,000</u>
	=====	=====

NOTE 17 - INCOME TAXES

The income tax provision for the three months ended March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Current:		
Federal	\$(767,000)	\$(543,000)
State	(245,000)	(122,000)
	<u>(1,012,000)</u>	<u>(665,000)</u>
Deferred:		
Federal	(128,000)	(154,000)
State	(28,000)	(81,000)
	<u>(156,000)</u>	<u>(235,000)</u>
	<u>\$ (1,168,000)</u>	<u>\$ (900,000)</u>
	=====	=====

GROC, CORP.

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1990

NOTE 18 - LITIGATION

Pursuant to the Purchase Agreement (the "Agreement") between Bally and GNI, an amount may be due to either party depending on the difference in value of certain assets and liabilities as defined in the Agreement. The Agreement provides for arbitration to satisfy the dispute and such arbitration proceedings are presently in progress. In the opinion of Management and Counsel, this matter would not have a material adverse effect on the Company's financial statements.

Deposited patrons' checks	13,297		
Undeposited patrons' checks	18,205	13,768	4,442
Accounts receivable	433	21	412
Prepaid expenses			
Expenses due from officers and employees	13		
Expenses due from affiliates	2		
Prepays and loans receivables	80		
Other receivables	874	728	99
Total	33,901	14,527	8,391

UNDEPOSITED PATRONS' CHECKS ACTIVITY		AMOUNT
DESCRIPTION		
Balance on hand (January 31)		4,442
Checks issued (excluding counter checks, issued through negotiations, partial reconciliations, partial redemptions, and patrons' checks)		37,439
Checks returned prior to deposit (including the unissued portion of checks returned through partial redemptions, and excluding checks returned through reconciliations relating to generalizations, substitutions, and patrons' checks)		23,210
Checks collected through deposits		8,510
Checks transferred to returned checks		1,733
Other adjustments		4,912
Total		4,912
Patrons included in Balance on Line 16		
Patrons - Uncollectible Patrons' Checks		193
Patrons - Partially Issued Counter Checks Issued		55

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks	4,912		
2	Returned patrons' checks	13,293		
3	Total patrons' checks	18,205	\$ 13,763	\$ 4,442
4	Hotel Receivables	923	71	852
	Other Receivables:			
5	Receivables due from officers and employees.....	19		
6	Receivables due from affiliates	-		
7	Other accounts and notes receivables	805		
8	Total other receivables	824	725	99
9	Totals (Form 205).....	\$ 19,952	\$ 14,559	\$ 5,393

UNDEPOSITED PATRONS' CHECKS ACTIVITY		AMOUNT (h)
LINE (f)	DESCRIPTION (g)	
10	Beginning Balance (January 1)	\$ 4,926
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	35,439
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(25,210)
13	Checks collected through deposits	(8,510)
14	Checks transferred to returned checks	(1,733)
15	Other adjustments	
16	Ending Balance	\$ 4,912
17	"Hold" Checks Included In Balance On Line 16	\$ -
18	Provision For Uncollectible Patrons' Checks	\$ 195
19	Provision As A Percent Of Counter Checks Issued .....	.55 %

TRADING NAME OF LICENSEE BALLY'S GRAND HOTEL & CASINO

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	518	15,800	8,906	\$ 115.58	56.4%	15,522	\$ 66.31
FEBRUARY	518	13,803	10,681	\$ 109.88	77.4%	19,104	\$ 61.43
MARCH	518	15,703	13,179	\$ 111.73	83.9%	22,958	\$ 64.14
1ST QUARTER TOTALS		45,306	32,766	\$ 112.17	72.3%	57,584	\$ 63.83
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

LIST OF FORMS - QUARTERLY REPORT

974-901
C193
C.1

NEW JERSEY PROPERTY TAX

MAY 23 1990

LICENSEE BALLY'S PARK PLACE, INC., NEW JERSEY

ADDRESS PARK PLACE AND THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED MARCH 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .

JOSEPH A. D'AMATO

OFFICIAL TITLE

VICE PRESIDENT & TREASURER

ADDRESS

PARK PLACE AND THE BOARDWALK

ATLANTIC CITY, NEW JERSEY 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE Bally's Park Place Casino Hotel and Tower

LIST OF FORMS - QUARTERLY REPORT

DESCRIPTION

FOR THE QUARTER ENDED March 31, 1990

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	CCC-240
Schedule of Receivables and Patrons' Checks	CCC-240
Statement of Conformity and Accuracy	CCC-250

REVISOR TO CONFORM WITH 1990 REGULATIONS

The accompanying notes are an integral part of the financial statements. Refer to the notes for a complete listing of information required in the report.

BALANCE SHEETS

March 31, 19 90 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u> *
ASSETS			
	Current Assets:		
1	Cash	\$ -	\$ -
2	Marketable securities	7,797	8,145
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 <u>90</u> , \$ 5,700 ; 19 <u>89</u> , \$ 5,709)	-	-
4	Inventories	9,196	7,800
5	Prepaid expenses and other current assets NOTE 2	3,794	2,213
		4,997	2,285
6	Total current assets	25,784	20,443
7	Investments, Advances, And Receivables NOTE 11	32,418	18,234
8	Property And Equipment - Net NOTE 3	487,497	462,526
9	Other Assets	16,979	5,012
10	Total Assets	\$ 562,678	\$ 506,215
LIABILITIES AND EQUITY			
	Current Liabilities:		
11	Accounts payable	\$ 13,972	\$ 18,724
12	Notes payable	-	-
	Current portion of long-term debt:		
13	Due to affiliates	-	-
14	Other	35	-
15	Income taxes payable and accrued	2,933	5,142
16	Other accrued expenses NOTE 12	19,593	16,046
17	Other current liabilities	1,820	1,651
18	Total current liabilities	38,353	41,563
	Long-Term Debt:		
19	Due to affiliates NOTE 4	350,000	99,671
20	Other NOTE 4	11,169	67,040
21	Deferred Credits NOTE 5	10,706	10,635
22	Other Liabilities NOTE 7	22,300	15,717
23	Commitments And Contingencies	-	-
24	Total Liabilities	432,528	234,626
25	Stockholders', Partners', Or Proprietor's Equity	130,150	271,589
26	Total Liabilities And Equity	\$ 562,678	\$ 506,215

* RESTATED TO CONFORM WITH 1990 PRESENTATION

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

TRADING NAME OF LICENSEE Bally's Park Place Casino Hotel and Tower

STATEMENTS OF INCOME

FOR THE 3 MONTHS ENDED March 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino	\$ 67,050	\$ 62,261
2	Rooms	6,893	3,947
3	Food and beverage	8,682	7,352
4	Other	2,618	2,112
5	Total revenue	85,243	75,672
6	Less: Promotional allowances NOTE 8.....	(7,666)	(6,675)
7	Net revenue	77,577	68,997
	Costs And Expenses:		
8	Cost of goods and services	41,645	36,059
9	Selling, general, and administrative	14,773	16,803
10	Provision for doubtful accounts	296	133
11	Depreciation and amortization	6,454	5,455
	Charges from affiliates other than interest:		
12	Management fees	-	-
13	Other NOTE 6.....	-	300
14	Total costs and expenses	63,168	58,750
15	Income (Loss) From Operations	14,409	10,247
	Other Income (Expenses):		
16	Interest (expense) - affiliates NOTE 9.....	(9,944)	(691)
17	Interest (expense) - external NOTE 9.....	(274)	(878)
18	Investment alternative tax and related income (expense) - net NOTE 13	(466)	(495)
19	Nonoperating income (expense) - net NOTE 14.....	338	287
20	Total other income (expenses).....	(10,346)	(1,777)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	4,063	8,470
22	Provision (credit) for income taxes NOTE 10.....	1,819	3,577
23	Income (Loss) Before Extraordinary Items	2,244	4,893
24	Extraordinary items (net of income taxes - 19 <u>90</u> \$ -0- ; 19 <u>89</u> , \$ -0-)	-	-
25	Net Income (Loss)	\$ 2,244	\$ 4,893

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE Three MONTHS ENDED March 31, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>90</u>		19 <u>89</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:				
1	Beginning balance (January 1)	100	\$ 93,987	100	\$ 93,987
2	Sale of stock	-	-	-	-
3	.....			
4	Ending balance	100	93,987	100	93,987
	Preferred Stock:				
5	Beginning balance (January 1)	-	-	-	-
6	Sale of stock				
7	.....			
8	Ending Balance	-	-	-	-
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		34,652		34,652
10	.....		-		-
11	.....			
12	Ending balance		34,652		34,652
	Treasury Stock:				
13	Beginning balance (January 1)	-	(-)	-	(-)
14	Purchase of additional stock		(-)		(-)
15	Sale or retirement of stock				
16	Ending balance	-	(-)	-	(-)
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)	-	(-)	-	(-)
18	.....			
19	.....			
20	Ending balance	-	(-)	-	(-)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		(-)		(-)
22	.....			
23	.....			
24	Ending balance		(-)		(-)
	Retained Earnings:				
25	Beginning balance (January 1)		(733)		138,057
26	Prior period adjustments		-		-
27	Net income (loss)		2,244		4,893
28	Dividends		(-)		(-)
29	.....			
30	.....			
31	Ending balance		1,511		142,950
32	Ending Stockholders' Equity		\$ 130,150		\$ 271,589

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

STATEMENTS OF CASH FLOWS

TRADING NAME OF LICENSEE Bally's Park Place Casino Hotel and Tower

**STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY**

FOR THE Three MONTHS ENDED March 31, 19 90 AND 19 89

(UNAUDITED)

(\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 19 ____	(d) 19 ____
	Invested Capital:		
1	Beginning balance (January 1)	\$ 923	\$ 899
2	Additional capital invested		
3	.....	
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	.....	
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	.....	( )	( )
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	()	()
15	.....	( )	( )
16	.....	( )	( )
17	Ending balance	()	()
18	Ending Partners' Or Proprietor's Equity	\$	\$

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

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED March 31, 1990 and 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
1	Net Cash Provided (Used) By Operating Activities.....	\$ 772	\$ 10,319
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Purchase outflows for property and equipment.....	(13,329)	(19,796)
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	(492)	(389)
7	Purchase of other investments and loans/advances made.....	(593)	(1,463)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....		241
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(14,414)	(21,407)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....		
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....	16,382	17,747
17	Payments to settle long-term debt.....	(10,012)	(7,506)
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	6,370	10,241
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(7,272)	(847)
25	Cash And Cash Equivalents At Beginning Of Period.....	15,069	8,992
26	Cash And Cash Equivalents At End Of Period.....	\$ 7,797	\$ 8,145

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
28	Interest (net of amount capitalized).....	\$ 18,632	\$ 4,754
29	Income taxes.....	\$ -0-	\$ 1,447

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

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED March 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 90	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ 2,244	\$ 4,893
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	6,027	5,214
31	Amortization of other assets.....	427	241
32	Amortization of debt discount or premium.....	--	8
33	Deferred income taxes - current.....	(293)	2,859
34	Deferred income taxes - noncurrent.....	(126)	(3,290)
35	(Gain) loss on disposition of property and equipment.....		5
36	(Gain) loss on casino reinvestment obligations.....	(114)	(9)
37	(Gain) loss from other investment activities.....	132	101
38	Net (increase) decrease in receivables and patrons' checks.....	1,195	2,779
39	Net (increase) decrease in inventories.....	(10)	(48)
40	Net (increase) decrease in other current assets.....	(2,077)	(1,243)
41	Net (increase) decrease in other assets.....	(739)	(79)
42	Net increase (decrease) in accounts payables.....	(801)	(1,927)
43	Net increase (decrease) in other current liabilities excluding debt.....	(7,613)	(848)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	800	1,663
45	<u>NET BOOK VALUE OF DISPOSALS</u>	1,300	
46	<u>CRDA OBLIGATION AMORTIZATION</u>	420	
47	Net Cash Provided (Used) By Operating Activities.....	\$ 772	\$ 10,319

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ 13,329	\$ 19,796
49	Less: Capital lease obligations incurred.....		
50	Cash Outflows For Property And Equipment.....	\$ 13,329	\$ 19,796
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$	\$
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property and equipment.....		
54	Long-term debt assumed.....		
55	Issuance of stock or capital invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$	\$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$	\$
58	Less: Issuances to settle long-term debt.....		
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$	\$

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 1 - Notes to Financial Statements
For the Three Months Ended March 31, 1990 and 1989
(Unaudited)

The accompanying financial statements should be read in conjunction with the consolidated financial statements in the Casino Control Commission Annual Report for the year December 31, 1989.

Please refer to the Annual Report for the following:

1. Summary of Significant Accounting Policies
2. Leases (except rent expense for the periods)
3. Provision for Income Taxes, Reconciliation to Statutory Rate
4. Pension Plans
5. Reinvestment Obligation
6. Capital Stock-Description of Features

All adjustments (which include only normal and recurring adjustments) have been recorded which are, in the opinion of management, necessary for a fair presentation of the financial position of Bally's Park Place, New Jersey (the "Company") at March 31, 1990 and 1989. Certain reclassifications have been made to the 1989 financial statements to conform to the 1990 representation.

Investments in Subsidiaries

The Company has three wholly-owned subsidiaries, B.W. Realty, Inc. (which operates a motel in Atlantic City), Bally Warwick, Inc. (which owns several condominiums in a building in Atlantic City for sale and lease) and Bally's Park Place Realty Company (which owns land in Atlantic City). The investments in these subsidiaries are reflected in the accompanying financial statements on the equity method.

Transactions with related parties

The Company participates in the Bally Manufacturing Corporation ("Bally"), the parent of the Company, insurance program for general liability in 1990. Under this program, general liability insurance expense is allocated to the Company based on claims experience. General liability insurance expense allocated to the Company was \$297,000 for the three months ended March 31, 1990. There were no such allocations in 1989 as the Company did not participate in the Bally insurance program.

The accompanying financial statements reflect an allocation of costs and expenses incurred by Bally on behalf of the Company. This allocation method includes all such costs and expenses which are directly attributable to the Company and, in management's view, results in a reasonable allocation of Bally's expenses to the Company. Certain other costs, such as general corporate overhead, are not allocated by Bally to the Company as the proportionate share of such costs which would be allocated to the Company is not significant.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 1 - Notes to Financial Statements
For the Three Months Ended March 31, 1990 and 1989
(Unaudited)

During the three months ended March 31, 1990, the Company purchased slot machines for its casino from an affiliate for an aggregate amount of \$199,000. There were no such purchases during the first quarter of 1989.

In the first quarter of 1989, rent expense, related to a former lease agreement between Bally, and the Company for land acquired in 1989 by the Company from Bally, was \$300,000. There was no such lease expense for the three months ended March 31, 1990.

The Company leases surface area parking lots to GNOC Corp. ("Bally's Grand"), another wholly owned subsidiary of Bally. Rental income was \$62,000 and \$76,000 for the three months ended March 31, 1990 and 1989, respectively. In 1989, certain support operations of the Company and Bally's Grand were consolidated. The Company allocated direct costs to Bally's Grand of \$353,000 in the first quarter of 1990 related to these consolidated operations. There were no such costs allocated in the first quarter of 1989 since such costs were not significant.

Income Taxes

The effective income tax rate was greater than the U.S. statutory rate for the three months ended March 31, 1990 and 1989 (44.8% and 42.2%, respectively). The variation from the statutory rate was due principally to state income taxes (net of the related Federal income tax benefit).

BALLY'S PARK PLACE CASINO HOTEL AND TOWER

Note 2 - Prepaid Expenses and
Other Current Assets
March 31,

Unaudited

	<u>1990</u>	<u>1989</u>
Deferred Income Taxes	\$ 1,895,000	\$ 206,000
Prepaid Insurance	2,193,000	1,428,000
*Other	<u>909,000</u>	<u>651,000</u>
	<u>\$ 4,997,000</u>	<u>\$ 2,285,000</u>
Accumulated Depreciation and Amortization	220,250,000	174,873,000

* No item in this category exceeds 5% of total current assets.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 3 - Property, Plant and Equipment
 March 31,

Unaudited

	<u>1990</u>	<u>1989</u>
Land	\$ 62,068,000	\$ 62,045,000
Buildings, Leasehold Improvements	455,521,000	317,719,000
Furniture, Fixtures and Equipment	121,381,000	107,252,000
Construction in Progress	<u>48,394,000</u>	<u>151,933,000</u>
	687,364,000	638,949,000
Less Accumulated Depreciation and Amortization	<u>199,867,000</u>	<u>176,423,000</u>
Property and Equipment, Net	<u>\$487,497,000</u>	<u>\$462,526,000</u>

In 1989, the Company issued \$350,000,000 principal amount of 11 7/8% First Mortgage Notes Due in 1999 (the "Notes"). Beginning August 1996, annual principal payments are required which will retire approximately 40 percent of the Notes prior to maturity. The Notes may be redeemed beginning August 1996 in whole or in part, with premiums ranging from 4.45 percent in 1996 to 5.00 percent in 1997 and thereafter. The Notes are secured by property at Bally's Park Place which had a net book value of \$426,579,000 at March 31, 1990. Debt service costs is being amortized using the bonds outstanding method.

In 1989, the Company entered into an unsecured revolving credit agreement dated June 30, 1989 which provides for borrowings, from time to time, of up to \$20,000,000 through June 30, 1992. The principal amount outstanding on June 30, 1992 is payable in four semi-annual installments beginning December 31, 1992. The rate of interest on the borrowings (10.0% at March 31, 1990) is, at the Company's option, based upon the agent bank's prime rate or certain other benchmark rates. The Company pays an annual fee of 3/8 of 1 percent on the unused commitment.

The indentures relating to the bonds and the revolving credit agreement contain covenants restricting the Company's investment policies, capital expenditures, encumbrances on property and equipment securing the mortgage debt, sale, transfer or lease of assets, and the amounts of additional debt that may be incurred. Payments of dividends are restricted in amount. At March 31, 1990, approximately \$52,000,000 was available to pay dividends, of which \$30,000,000 requires New Jersey Casino Control Commission approval before payment.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 4 - Long-Term Debt, Affiliates and Other
 March 31,

Unaudited

Long-Term Debt

	1990	1989
	(In thousands)	
Due to affiliates:		
11 7/8% First Mortgage Notes due 1999	\$ 350,000	\$ ---
13 7/8% Mortgage-Backed Bonds due 2003	---	99,671
	\$ 350,000	\$ 99,671
Other:		
Revolving credit agreement	\$ 8,500	\$ 63,500
Other secured and unsecured debt	2,669	3,540
	\$ 11,169	\$ 67,040

In 1989, the Company issued \$350,000,000 principal amount of 11 7/8% First Mortgage Notes due in 1999 (the "Notes"). Beginning August 1996, annual sinking fund payments are required which will retire approximately 40 percent of the Notes prior to maturity. The Notes may be redeemed beginning August 1994, in whole or in part, with premiums ranging from 4.45 percent in 1994 to zero in 1997 and thereafter. The Notes are secured by property at Bally's Park Place, which had a net book value of \$426,579,000 at March 31, 1990. Debt issuance costs is being amortized using the bonds outstanding method.

In 1989, the Company entered into an unsecured revolving credit agreement due June 30, 1994 which provides for borrowings, from time to time, of up to \$100,000,000 through June 30, 1992. The principal amount outstanding on June 30, 1992 is payable in four semi-annual installments beginning December 31, 1992. The rate of interest on the borrowings (10.0% at March 31, 1990) is, at the Company's option, based upon the agent bank's prime rate or certain other short-term rates. The Company pays an annual fee of 3/8 of 1 percent on the unused commitment.

The Indentures relating to the Bonds and the revolving credit agreement contain covenants restricting the Company's investment policies, total indebtedness, encumbrances on property and equipment securing the mortgage note, sale, transfer or lease of assets, and the amounts of additional debt which may be incurred. Payments of dividends are restricted in amount. At March 31, 1990, approximately \$52,000,000 was available to pay dividends, of which \$50,000,000 requires New Jersey Casino Control Commission approval before payment.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER

Note 5 - Deferred Credits

For the Period Ended March 31,

Unaudited

	<u>1990</u>	<u>1989</u>
Deferred Federal Income Taxes	<u>\$10,706,000</u>	<u>\$10,635,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 6 - Rent Expense
For the Three Months Ended March 31,

Unaudited

	<u>1990</u>	<u>1989</u>
Affiliates - Bally Manufacturing Corp.	\$ ---	\$ 300,000

In connection with the employment of certain officers, the Company has unfunded Supplemental Executive Retirement Plans, under which the participants earn benefits based on years of service and compensation. The Company recognizes expense over the expected length of the officers' employment.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 7 - Other Liabilities
 For the Three Months Ended March 31,

Unaudited

	Provisional Allowances		1990	1989
Accrued S.E.R.P.	Number of Participants	Dollar Amount	<u>\$22,300,000</u>	<u>\$15,717,000</u>

In connection with the employment of certain officers, the Company has unfunded Supplemental Executive Retirement Plans, under which the participants earn benefits based on years of service and compensation. The Company recognizes this expense over the expected length of the officers' employment.

	140,612	964,000		
	3,900	66,000		
	1,484	49,000		
			47,260	\$ 845,000
Contribution - Cash			264,548	4,881,000
of services			151	9,000
			1,835	102,000
of Services		<u>\$7,686,000</u>		<u>\$4,927,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 8 - Complimentary Services
 For the Three Months Ended March 31, 1990

Unaudited

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	27,191	\$2,826,000	(447,000)	(2,778,000)
Food	206,848	2,213,000	\$ 2,344,000	\$ 691,000
Beverage	766,001	1,532,000		
Parking	140,612	984,000	\$ 394,000	\$ 1,616,000
Shows	3,900	66,000	(130,000)	(738,000)
Other	1,484	45,000	\$ 774,000	\$ 878,000
Travel			42,263	\$ 845,000
Coupon Redemption - Cash			264,548	3,881,000
Rooms off premises			153	9,000
Other			3,835	192,000
Total Amount of Services		<u>\$7,666,000</u>		<u>\$4,927,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 9 - Interest Expense Taxes
 For the Three Months Ended March 31,

Unaudited

	<u>1990</u>	<u>1989</u>
<u>Charges From Affiliates</u>		
Bally's Park Place Funding, Inc.	\$10,391,000	\$ 3,469,000
Capitalized interest	<u>(447,000)</u>	<u>(2,778,000)</u>
	<u>\$ 9,944,000</u>	<u>\$ 691,000</u>
	(321,000)	(334,000)
<u>External Sources</u>		
Interest on various loans	\$ 394,000	\$ 1,616,000
Capitalized interest	<u>(120,000)</u>	<u>(738,000)</u>
	<u>\$ 274,000</u>	<u>\$ 878,000</u>

Reconciliation of Deferred Income Taxes
 For the Three Months Ended March 31,

	<u>1990</u>	<u>1989</u>
	\$ (293,000)	\$ (141,000)
	<u>(126,000)</u>	<u>(290,000)</u>
	<u>\$ (419,000)</u>	<u>\$ (431,000)</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER

Note 10 - Provision for Income Taxes
For the Three Months Ended March 31,

Unaudited

	1990	1989
Current:		
Federal	\$1,838,000	\$3,658,000
State	400,000	350,000
	2,238,000	4,008,000
Deferred:		
Federal	(321,000)	(334,000)
State	(98,000)	(97,000)
	(419,000)	(431,000)
Total Income Taxes	\$1,819,000	\$3,577,000

Reconciliation of Deferred Income Taxes
For the Three Months Ended March 31,

	1990	1989
Short-term	\$ (293,000)	\$ (141,000)
Long-term	(126,000)	(290,000)
	\$ (419,000)	\$ (431,000)

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 11 - Investments, Advances and Receivables
 March 31,

	1990	1989
<u>Other long-term investments and receivables:</u>		
Reese Palley/Martin Blatt (Mortgage - Marlboro Bleinheim)		
First Mortgage	\$ ---	\$ 1,989,000
Second Mortgage	---	<u>2,652,000</u>
Total long-term receivables	\$ ---	\$ 4,641,000
 Investment in subsidiaries - equity:		
Bally Warwick, Inc. - 100% owned	4,390,000	4,125,000
B.W. Realty, Inc. - 100% owned	<u>5,426,000</u>	<u>4,716,000</u>
Total investments in subsidiaries - equity	9,816,000	8,841,000
Casino Reinvestment Development Authority funds (less discount of \$4,956,000 in 1990 and \$4,092,000 in 1989)	4,312,000	3,811,000
Central credit receivable (less discount of \$134,000 in 1990 and \$56,000 in 1989)	150,000	112,000
Jacobs Family Terrace Mortgage Receivable (less reserve of \$162,000 in 1990 and \$77,000 in 1989)	2,546,000	1,202,000
Bally's Park Place Realty Company	15,625,000	---
Less current portion	<u>(31,000)</u>	<u>(373,000)</u>
Total Investments, Advances and Receivables	<u>\$32,418,000</u>	<u>\$18,234,000</u>

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 12 - Other Accrued Expenses
 March 31,

Unaudited

	<u>1990</u>	<u>1989</u>
Payroll	\$ 5,910,000	\$ 5,762,000
Progressive Jackpots	1,965,000	2,994,000
Interest	5,476,000	1,802,000
*Miscellaneous	<u>7,082,000</u>	<u>5,488,000</u>
Total	<u>\$20,433,000</u>	<u>\$16,046,000</u>

* No item in this category exceeds 5% of total current liabilities.

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
Note 13 - Reinvestment Obligation
For the March 31, 1990 and March 31,

(Unaudited)

The Company, pursuant to the New Jersey Casino Control Act ("Act"), is subject to making qualified investments, as specified by the Act or become liable for an alternative tax (2.5% of gross casino revenues). The Company has fulfilled its obligation under the Act by making deposits to the Casino Reinvestment Development Authority ("CRDA") and by direct investments.

At March 31, 1990 and 1989, the Company had \$8,793,000 and \$7,503,000 respectively, in remaining bond purchase commitments on deposit with the CRDA. The Company has purchased \$475,000 and 400,000 in bonds with the CRDA as of March 31, 1990 and 1989, respectively. The Company has also sponsored the development of a 72-unit condominium housing project in Atlantic City. In 1988, the Company commenced direct sales of the units and as of March 31, 1990 70 units were sold.

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

BALLY'S PARK PLACE CASINO HOTEL AND TOWER
 Note 14 - Non-Operating Income
 For the Three Months Ended March 31,

Unaudited

DESCRIPTION (a)	1990	1989	ACCOUNTS RECEIVABLE - NET OF ALLOWANCE
Interest income	\$389,000	\$311,000	
Equity in income or (loss) of unconsolidated subsidiaries:			
B. W. Realty, Inc.	(147,000)	(100,000)	
Bally Warwick, Inc.	15,000	(1,000)	
Other	<u>81,000</u>	<u>77,000</u>	
Total	<u>\$338,000</u>	<u>\$287,000</u>	

DEPOSITED PATRONS' CHECKS ACTIVITY DESCRIPTION (a)	1990	1989
Balance (January 1)		
Checks issued (excluding counter checks) through transactions relating to consolidations, partial redemptions, and other deposits)		
Checks returned prior to deposit (including and excluding items of major value redeemed through partial redemptions, and excluding items returned through transactions relating to consolidations, partial redemptions, and other deposits)		
Checks collected through deposits		
Checks transferred to returned checks		
Other adjustments		
Balance		

* Held checks included in Balance on line 14
 * Excludes Uncollectible Patrons' Checks
 * Excludes 5% A Percent Of Counter Checks Issued

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

March 31, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:			
1	Undeposited patrons' checks	\$ 2,401		
2	Returned patrons' checks	7,817		
3	Total patrons' checks	10,218	\$ 5,600	\$ 4,618
4	Hotel Receivables	1,108	100	1,008
	Other Receivables:			
5	Receivables due from officers and employees.....	9		
6	Receivables due from affiliates	1,650		
7	Other accounts and notes receivables	1,911		
8	Total other receivables	3,570	-	3,570
9	Totals (Form 205).....	\$ 14,896	\$ 5,700	\$ 9,196

UNDEPOSITED PATRONS' CHECKS ACTIVITY		AMOUNT (h)
LINE (f)	DESCRIPTION (g)	
10	Beginning Balance (January 1)	\$ 3,024
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	25,943
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(21,100)
13	Checks collected through deposits	(4,123)
14	Checks transferred to returned checks	(1,343)
15	Other adjustments	
16	Ending Balance	\$ 2,401
17	"Hold" Checks Included In Balance On Line 16	\$ -
18	Provision For Uncollectible Patrons' Checks	\$ 296
19	Provision As A Percent Of Counter Checks Issued	1

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
COUNTY OF Atlantic : ss.
:

Joseph A. D'Amato, being duly sworn according to law upon my oath
Name
deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

Joseph A. D'Amato
Signature

Vice President & Treasurer
Title

#03310-11
License Number

Subscribed and sworn to
before me this day
of May 15, 1990

On Behalf Of:

Cheryl Ann Ruggles
Signature

Bally's Park Place, NJ
Casino Licensee

CHERYL ANN RUGGLES
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Feb. 16, 1994

Basis of Authority
to Take Oaths

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	1,195	37,320	18,757	\$ 103.81	50.3 %	37,501	\$ 51.92
FEBRUARY	1,199	33,621	22,033	\$ 103.92	65.5 %	43,042	\$ 53.20
MARCH	1,211	37,193	24,932	\$ 105.80	67.0 %	49,301	\$ 53.51
1ST QUARTER TOTALS		108,134	65,722	\$ 104.60	60.8 %	129,844	\$ 52.95
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

74-901
C193
C.1

BOARDWALK REGENCY CORPORATION
TRADING NAME OF LICENSEE
LIST OF FORMS - QUARTERLY REPORT

QUARTERLY REPORT

LICENSEE BOARDWALK REGENCY CORPORATION
d/b/a CAESARS ATLANTIC CITY

TITLE _____

ADDRESS 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

PROPERTY OF
NEW JERSEY STATE TREASURY
MAY 23 1990
185 W. STATE ST.
TRENTON, N.J.

FOR THE QUARTER ENDED MARCH 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . MICHAEL J. WALSH

OFFICIAL TITLE VICE PRESIDENT FINANCE

ADDRESS 2100 PACIFIC AVENUE
ATLANTIC CITY, NEW JERSEY 08401

LIST OF FORMS - QUARTERLY REPORT

(\$ IN THOUSANDS)

FOR THE QUARTER ENDED MARCH 31, 1990

DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS		
Current assets	\$ 8,729	\$ 7,761
Long-term assets		
Total Assets	\$ 8,729	\$ 7,761
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities		
Long-term liabilities		
Partners', Proprietor's, or Proprietor's Equity		
Total Liabilities and Equity	\$ 8,729	\$ 7,761

TITLE	FORM NO.
Balance Sheets	CCC-205
Statements of Income (Year-to-Date)	CCC-210
Statements of Income (Three Months)	CCC-215
Statements of Changes in Stockholders' Equity	CCC-220
Statements of Changes in Partners' or Proprietor's Equity	CCC-225
Statements of Cash Flows	CCC-235
Notes to Financial Statements	CCC-240
Schedule of Receivables and Patrons' Checks	CCC-240
Statement of Conformity and Accuracy	CCC-250

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

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

BALANCE SHEETS
MARCH 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
	Current Assets	\$	\$
1	Cash.....	8,729	7,761
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for..... doubtful accounts - 1990_, \$11,942 ; 1989_, \$13,942).....	16,275	30,570
4	Inventories.....(NOTE 1).....	3,030	3,058
5	Prepaid expenses and other current assets.....(NOTE 2).....	11,069	9,043
6	Total current assets.....	39,103	50,432
7	Investments, Advances and Receivables.....(NOTES 3 & 13)	1,024	959
8	Property and Equipment - Net.....(NOTES 1,4&9)	258,519	216,249
9	Other Assets.....(NOTE 11)....	4,320	3,163
10	Total Assets.....	\$ 302,966	\$ 270,803
LIABILITIES AND EQUITY			
	Current Liabilities	\$	\$
11	Accounts payable.....	12,722	11,221
12	Notes payable.....(NOTE 5).....	19,428	-
	Current portion of long-term debt:		
13	Due to affiliates.....	-	-
14	Other.....(NOTE 9).....	231	19,702
15	Income taxes payable and accrued.....(NOTES 1 & 6)	1,759	4,524
16	Other accrued expenses.....(NOTE 7).....	15,372	27,588
17	Other current liabilities.....	2,131	2,248
18	Total current liabilities.....	51,643	65,283
	Long-Term Debt:		
19	Due to affiliates.....(NOTE 8).....	79,747	69,174
20	Other.....(NOTE 9).....	16,339	13,701
21	Deferred Credits.....(NOTES 1 & 6)	7,409	5,939
22	Other Liabilities.....(NOTE 10)....	8,617	6,609
23	Commitments and Contingencies (NOTE 9&13)..		
24	Total Liabilities.....	163,755	160,706
25	Stockholders', Partners', Or Proprietor's Equity.....	139,211	110,097
26	Total Liabilities and Equity.....	\$ 302,966	\$ 270,803

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

TRADING NAME OF CAESARS ATLANTIC CITY

STATEMENTS OF INCOME

FOR THE 3 MONTHS ENDED MARCH 31, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....(NOTE 1).....	72,569	70,343
2	Rooms.....	3,675	3,618
3	Food and beverage.....	8,348	8,136
4	Other.....	3,229	3,560
5	Total revenue.....	87,821	85,657
6	Less: promotional allowances.....(NOTES 1 & 14)..	9,098	9,347
7	Net revenue.....	78,723	76,310
	Costs And Expenses:		
8	Cost of goods and services.....(NOTES 1 & 14)..	41,946	39,934
9	Selling, general, and administrative.....(NOTES 1 & 14)..	18,944	18,160
10	Provision for doubtful accounts.....	1,165	1,245
11	Depreciation and amortization.....(NOTE 1).....	4,076	3,966
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(NOTE 12).....	2,020	1,789
14	Total costs and expenses.....	68,151	65,094
15	Income (Loss) From Operations.....	10,572	11,216
	Other Income (Expense):		
16	Interest income (expense) - affiliates....(NOTES 8 & 12)..	(2,723)	(1,676)
17	Interest income (expense) - external.....	(105)	(653)
18	Investment alternative tax and related income (expense) - net.....(NOTE 13).....	391	(215)
19	Nonoperating income (expense) - net.....	58	(39)
20	Total other income (expense).....	(2,379)	(2,583)
21	Income (Loss) Before Income Taxes and Extraordinary items..	8,193	8,633
22	Provision (Credit) for income taxes.....(NOTES 1 & 6)...	3,318	3,603
23	Income (Loss) Before Extraordinary Items.....	4,875	5,030
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$).....	-	-
25	Net Income (Loss).....	\$ 4,875	\$ 5,030

Certain reclassifications have been made in the prior year's financial statements in order to conform with the presentation used in the 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.

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 1990 AND 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(c)SHARES	(d)DOLLARS	(e)SHARES	(f)DOLLARS
	Common Stock: NO PAR VALUE, 1000 SHARES		\$		\$
1	Beginning balance (January 1) AUTHORIZED....	100	1,370	100	1,370
2	Sale of stock.....	-	-	-	-
3	.....	-	-	-	-
4	Ending balance.....	100	1,370	100	1,370
	Preferred Stock:				
5	Beginning balance (January 1).....	-	-	-	-
6	Sale of stock.....	-	-	-	-
7	.....	-	-	-	-
8	Ending balance.....	-	-	-	-
	Additional Paid-in Capital:	+++++		+++++	
9	Beginning balance (January 1).....	+++++	5,912	+++++	5,912
10	.....	+++++	-	+++++	-
11	.....	+++++	-	+++++	-
12	Ending balance.....	+++++	5,912	+++++	5,912
	Treasury Stock:				
13	Beginning balance (January 1).....	-	(-)	-	(-)
14	Purchase of additional stock.....	-	(-)	-	(-)
15	Sale or retirement of stock.....	-	-	-	-
16	Ending balance.....	-	(-)	-	(-)
	Subscriptions Receivable for Capital Stock:				
17	Beginning balance (January 1).....	-	(-)	-	(-)
18	.....	-	( - )	-	( - )
19	.....	-	-	-	-
20	Ending balance.....	-	(-)	-	(-)
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:	+++++		+++++	
21	Beginning balance (January 1).....	+++++	(-)	+++++	(-)
22	.....	+++++	( - )	+++++	( - )
23	.....	+++++	-	+++++	-
24	Ending balance.....	+++++	(-)	+++++	(-)
	Retained Earnings:	+++++		+++++	
25	Beginning balance (January 1).....	+++++	127,054	+++++	97,785
26	Prior period adjustments.....	+++++	-	+++++	-
27	Net income (loss).....	+++++	4,875	+++++	5,030
28	Dividends.....	+++++	(-)	+++++	(-)
29	.....	+++++	-	+++++	-
30	.....	+++++	-	+++++	-
31	Ending balance.....	+++++	131,929	+++++	102,815
32	Ending Stockholders' Equity.....	+++++	\$139,211	+++++	\$110,097

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

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 1990 AND 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Invested Capital: (Used) By Operating Activities:	\$ 11,100	\$ 2,449
1	Beginning balance (January 1).....		
2	Additional capital invested.....		
3	.....	
4	Ending balance.....		
	Accumulated Income:		
5	Beginning balance (January 1).....		
6	Prior period adjustments.....		
7	Net income (loss).....		
8	.....	
9	Ending balance.....		
	Capital Withdrawals:		
10	Beginning balance (January 1).....	()	()
11	Additional capital withdrawals.....	()	()
12	.....	
13	Ending balance.....	()	()
	Net Unrealized Loss On Noncurrent		
	Marketable Equity Securities:		
14	Beginning balance (January 1).....	()	()
15	.....	( )	( )
16	.....	
17	Ending balance.....	()	()
18	Ending Partners' Or Proprietor's Equity.....	\$ 10,740	\$ 9,330

THIS STATEMENT IS NOT APPLICABLE

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

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 1990 AND 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 11,100	\$ 2,449
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	-	-
3	Proceeds from the sale of short-term investment securities...	-	-
4	Cash outflows for property and equipment.....	(15,582)	(7,044)
5	Proceeds from disposition of property and equipment.....	77	-
6	Purchase of casino reinvestment obligations.....	280	(956)
7	Purchase of other investments and loans/advances made.....	-	-
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	62	-
9	Cash outflows to acquire business entities.....	-	-
10	CRDA reimbursements.....	-	2,600
11	.....	-	-
12	Net Cash Provided (Used) By Investing Activities.....	(15,163)	(5,400)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	-	-
14	Payments to settle short-term debt.....	-	-
15	Cash proceeds from issuance of long-term debt.....	2,079	1,916
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(32)	(555)
18	Cash proceeds from issuing stock or capital contributions....	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	-	-
21	.....	-	-
22	.....	-	-
23	Net Cash Provided (Used) By Financing Activities.....	2,047	1,361
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(2,016)	(1,590)
25	Cash and Cash Equivalents At Beginning Of Period.....	10,745	9,351
26	Cash And Cash Equivalents At End Of Period.....	\$ 8,729	\$ 7,761

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 2,783	\$ 2,331
28	Income taxes.....	\$ 4,713	\$ 5,938

The accompanying notes are an integral part of the financial statements. Valid comparisons cannot be made without using information contained in the notes. Certain reclassifications have been made in the prior period financial statements in order to conform with the presentation used in the current period.

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 1990 AND 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ 4,875	\$ 5,030
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment....	4,004	3,904
31	Amortization of other assets	72	62
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	(555)	(84)
34	Deferred income taxes - noncurrent.....	68	(382)
35	(Gain) loss on disposition of property and equipment.....	(38)	59
36	(Gain) loss on casino reinvestment obligations.....	(391)	215
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	(666)	4,216
39	Net (increase) decrease in inventories.....	73	(247)
40	Net (increase) decrease in other current assets.....	1,029	9
41	Net (increase) decrease in other assets.....	(598)	58
42	Net increase (decrease) in accounts payable.....	2,845	(122)
43	Net increase (decrease) in other current liabilities excluding debt.....	371	(10,269)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	11	-
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities.....	\$ 11,100	\$ 2,449

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition Of Property And Equipment:		
48	Additions to property and equipment.....	\$ 15,582	\$ 7,044
49	Less: Mortgage assumed.....	-	-
50	Cash Outflows For Property And Equipment.....	\$ 15,582	\$ 7,044
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$ -	\$ -
52	Goodwill acquired.....	-	-
53	Net assets acquired other than cash, goodwill, and property and equipment.....	-	-
54	Long-term debt assumed.....	-	-
55	Issuance of stock or capital invested.....	-	-
56	Cash Outflows To Acquire Business Entities.....	\$ -	\$ -
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$ -	\$ -
58	Less: Issuances to settle long-term debt.....	-	-
59	Consideration in acquisition of business entities.....	-	-
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ -	\$ -

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTES TO FINANCIAL STATEMENTS

NOTE 1. Summary of Significant Accounting Policies:

Description of Business

Boardwalk Regency Corporation (BRC), a New Jersey corporation, is a wholly-owned subsidiary of Caesars New Jersey, Inc. (CNJ), a New Jersey corporation. CNJ is an 86.6% owned subsidiary of Caesars World, Inc. (CWI), a Florida corporation. Additionally, CNJ also owns all of the stock of Caesars World Finance Corporation (CWFC), a Delaware corporation. BRC owns and operates Caesars Atlantic City hotel/casino (CAC) in Atlantic City, New Jersey.

Revenue and Promotional Allowances

Casino revenue represents the net win from gaming wins and losses. The retail value of accommodations and the food and beverage provided to customers without charge is included in gross revenue and deducted as promotional allowances.

Inventories

Inventories are stated at the lower of cost or market, cost being determined principally on the first-in, first-out basis.

Property and Equipment

Property and equipment is recorded at cost, including interest on funds borrowed to finance construction. For the three months ended March 31, 1990 and 1989 capitalized interest of \$367,000 and \$317,000, respectively, was recorded. Depreciation and amortization are provided for on the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 40 years
Furniture, fixtures and equipment	3 to 8 years

Betterments, renewals and extraordinary repairs that extend the life of the asset are capitalized; other repairs and maintenance are expensed. The cost and accumulated depreciation applicable to assets retired are removed from the accounts and the resultant gain or loss on disposition is recognized.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 1. Summary of Significant Accounting Policies (continued):

Reclassifications

Certain reclassifications have been made in the prior period financial statements in order to conform with the presentation used in the current period.

Income Taxes

BRC is included in CWI's consolidated Federal income tax return. Pursuant to a tax reimbursement agreement, BRC records income taxes based upon what the amount would have been, had BRC filed a separate return. In addition, when the potential tax benefits to CWI exceed the benefits that BRC could have derived as a separate entity, CWI will reimburse BRC for these excess benefits. The reimbursement of the excess benefits will be made before the earlier of the last year in which those benefits are available to BRC or the last year in which BRC is a member of CWI's consolidated group for Federal income tax purposes. Interest on the excess benefits will accrue at 7% per annum from the date CWI files a tax return in which such tax benefits are realized. Deferred income taxes are provided for timing differences between book and tax recognition of revenues and expenses.

In December 1987, the Financial Accounting Standards Board issued a Statement of Financial Accounting Standards Number 96 (SFAS 96) on accounting for income taxes. BRC is required to adopt the new accounting and disclosure rules prescribed by SFAS 96 no later than its fiscal year ending July 31, 1993, although earlier adoption is permitted. Implementation of SFAS 96 may involve either restating net income for prior years or recognizing a cumulative adjustment in the year of adoption. The immediate effect of adopting SFAS 96 will depend principally on enacted tax rates at the date of adoption. Assuming no changes to the current tax rates as provided by the Tax Reform Act of 1986, BRC's preliminary review indicates that the adoption of SFAS 96 is expected to have a favorable impact on BRC's financial statements.

Disclosures

Certain disclosures have been omitted in conformance with the Casino Control Commission's quarterly instructions that usually are required for a fair presentation of the financial statements in accordance with generally accepted accounting principles. The omitted disclosures pertain to the aggregate maturities of long term debt and future minimum lease payments for operating and capital leases. The disclosures were omitted because there was not a material change in the information previously disclosed in the Company's annual financial statements for the year ended December 31, 1989.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 2. Prepaid Expenses and Other Current Assets:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Deferred income taxes.....	\$ 8,971	\$5,499
Other.....	<u>2,098</u>	<u>3,544</u>
	<u>\$11,069</u>	<u>\$9,043</u>

NOTE 3. Investments, Advances, and Receivables:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
CRDA investment deposits.....	\$1,346	\$1,431
CRDA bonds receivable.....	128	43
Note receivable, net.....	<u>25</u>	<u>-</u>
	1,499	1,474
Less: CRDA valuation allowance(NOTE 13)	<u>475</u>	<u>515</u>
	<u>\$1,024</u>	<u>\$ 959</u>

NOTE 4. Property and Equipment:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Land.....	\$ 38,227	\$ 21,997
Buildings and improvements.....	210,928	178,575
Furniture, fixtures and equipment.....	76,204	66,231
Construction in progress.....	20,942	2,874
Properties under capital leases.....	<u>11,893</u>	<u>54,394</u>
	358,194	324,071
Less: accumulated depreciation and amortization.....	97,270	105,302
Stat CRDA valuation allowance(NOTE 13)	<u>2,405</u>	<u>2,520</u>
Deferred:		
Federal.....	(238)	(334)
State.....	<u>\$258,519</u>	<u>\$216,249</u>
	<u>\$3,318</u>	<u>\$2,603</u>

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 5. Notes Payable:

CWI maintains an unsecured credit arrangement with a syndicate of banks. This credit arrangement consists of a \$100,000,000 term loan and a \$100,000,000 revolving credit facility to be used by CWI and its affiliates, including BRC, for working capital needs and general corporate purposes. The revolving credit facility bears interest at one quarter percent below the prime rate or an alternative negotiated rate and matures on September 30, 1992, unless extended by the banks. This facility replaced all prior short-term bank credit arrangements.

The credit arrangement contains affirmative and negative covenants and among other things, requires the maintenance of certain financial ratios; limits CWI's, CNJ's, and BRC's ability to incur additional debt, repurchase shares and sell certain assets; and restricts mergers, consolidations and similar transactions with respect to CWI and its subsidiaries.

In May 1989 BRC entered into an unsecured \$50,000,000 revolving line of credit with Desert Palace, Inc. (DPI), a wholly-owned subsidiary of CWI. The revolving line of credit carries interest at the prime rate, a \$75,000 annual commitment fee which began on May 31, 1989, and has a term of five years.

In 1990 the maximum amount outstanding at any month-end under the DPI revolving line of credit was \$22,828,000, the average of the month-end amounts outstanding was \$21,433,000 and the weighted average interest rate was 10.0 percent.

NOTE 6. Income Taxes:

The provision for income taxes for the three months ended March 31, 1990 and 1989 is comprised of the following:

	1990	1989
	(In Thousands)	
Current:		
Federal.....	\$2,788	\$3,084
State.....	1,017	985
Deferred:		
Federal.....	(238)	(324)
State.....	(249)	(142)
	<u>\$3,318</u>	<u>\$3,603</u>

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 6. Income Taxes (continued):

Deferred credits of \$7,409,000 and \$5,939,000 at March 31, 1990 and 1989, respectively, represent deferred income taxes which result from temporary differences between income for financial reporting purposes and income for tax purposes. The most significant temporary differences relate to depreciation, certain accrued liabilities and the provisions for the reinvestment obligations imposed by the Casino Control Act.

The provision for income taxes for the three months ended March 31, 1990 and 1989 differs from the amount computed at the statutory rate as follows:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Federal income tax at statutory rate.....	\$2,786	\$2,935
State income taxes, net of federal benefit.....	487	512
Other, net.....	45	156
	<u>\$3,318</u>	<u>\$3,603</u>

The Internal Revenue Service has examined CWI's consolidated Federal income tax returns through fiscal 1985 and is currently examining the returns for fiscal 1986, 1987 and 1988.

NOTE 7. Other Accrued Expenses:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Insurance.....	\$ 4,559	\$ 3,007
Salaries, wages and vacation pay...	3,225	5,400
Taxes, other than income taxes.....	2,194	2,222
Legal.....	1,848	3,510
Progressive slots.....	1,596	2,822
Rent.....	-	8,353
Other.....	1,950	2,274
	<u>\$15,372</u>	<u>\$27,588</u>

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 8. Long-term Debt, Due to Affiliates:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
DPI non-negotiable term note due June 1, 1992, interest at 11.45%.	\$75,017	\$69,174
DPI fixed rate term note due May 1, 1994, interest at 11.30%.	<u>4,730</u>	<u>-</u>
	<u>\$79,747</u>	<u>\$69,174</u>

In addition to the unsecured \$50,000,000 revolving line of credit discussed in Note 5, BRC has also entered into two additional loan agreements with DPI. The first is a \$56,000,000 non-negotiable term note executed in June 1987. Interest accrues monthly in arrears at the rate of 11.45 percent and is added to the unpaid principal balance at the end of the month. All unpaid principal together with all unpaid accrued interest is due June 1, 1992. The note is unsecured and may be prepaid at any time without penalty. The second loan is a \$29,490,000 five year term note which was executed in May 1989 to finance a portion of the lease purchase discussed in Note 9. Interest at 11.3 percent of the unpaid principal balance of the term note is payable quarterly, effective September 30, 1989. A facility fee equal to three-quarter percent of the initial principal is payable in five equal annual installments which began on May 31, 1989. The term note is unsecured and may be prepaid at any time without penalty.

NOTE 9. Long-term Debt, Other:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
(a) Long-term debt.....	\$ 2,547	\$ -
(b) Capitalized lease obligation....	<u>13,792</u>	<u>13,701</u>
	<u>\$16,339</u>	<u>\$13,701</u>

(b) Capitalized lease obligation, net of amounts representing interest.....

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
(a) Mortgage payable, interest at 8.0%, maturing January 1999, secured by property.....	\$2,778	\$ -
Less current maturities.....	<u>231</u>	<u>-</u>
	<u>\$2,547</u>	<u>\$ -</u>

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 9. Long-term Debt, Other (continued):

BRC leases land, buildings and equipment under noncancellable lease agreements which expire at various dates through 2076. The leases generally provide that BRC pay the taxes, insurance and maintenance expenses related to the leased assets. CWI has guaranteed a substantial portion of BRC's lease obligations. Major leased assets, which have been capitalized, include a portion of the land on which the casino/hotel is situated. This lease requires annual payments of \$575,000 and beginning in 1990 the payments increase by 50 percent of the increase in the producer price index. The lease expires in 2008 and is renewable for two additional 30-year periods. BRC has the right to exercise a \$6,500,000 purchase option beginning in November 1990. After July 1991 the purchase price increases pursuant to a formula tied to the increase in the producer price index. BRC is required to maintain a \$5,000,000 letter of credit for the benefit of the owner of this property.

BRC also leases approximately six acres of property in Atlantic City, including an entire block of Boardwalk frontage, which may be suitable for development of a casino/hotel. The capitalized lease requires annual payments of \$875,000 and had a purchase option at December 31, 1989, of \$13,000,000. The purchase option will increase by \$500,000 in August 1997 and for each of the ten years thereafter.

On June 1, 1989, BRC purchased the property under its primary lease for \$38,822,000, including related costs and expenses. Upon consummation of the purchase, BRC assumed a \$2,974,000 mortgage on the property and retired the \$19,676,000 capitalized lease obligation. The excess of the purchase price over the carrying value of the capitalized lease asset of \$19,146,000 has been added to property and equipment. A portion of this purchase was financed through borrowings from DPI. This lease had provided for a minimum rental of \$1,230,000 for the five months of 1989 prior to the purchase and a percentage rental of 19.3 percent of the casino/hotel's net profit (as defined). The percentage rental amounted to \$2,158,000 for the three months ended March 31, 1989.

	1990	1989
	(In Thousands)	
(b) Capital lease obligations, net of amounts representing interest.....	\$13,792	\$33,403
Less current maturities.....	-	19,702
	<u>\$13,792</u>	<u>\$13,701</u>

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 9. Long-term Debt, Other (continued):

Rent expense for the three months ended March 31, 1990 and 1989 is comprised of the following:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
Minimum rentals under operating leases...	\$727	\$ 856
Contingent rentals under capital leases..	-	2,158
	<u>\$727</u>	<u>\$3,014</u>

Note 10. Other Liabilities:

	<u>1990</u>	<u>1989</u>
	(In Thousands)	
CRDA valuation allowance.....(NOTE 13)..	\$2,600	\$2,600
Settlement claims.....	5,692	3,765
Other liabilities.....	<u>325</u>	<u>244</u>
	<u>\$8,617</u>	<u>\$6,609</u>

NOTE 11. Pension Plans:

BRC participates in CWI's nonqualified defined benefit pension plans covering any officer or other employee designated as a key executive of CWI or its subsidiaries. The benefits are based on years of service (not to exceed 30) and the employee's highest five years of compensation during the last ten years of employment. During 1989, BRC funded the vested benefits of certain current employees in the amount of \$841,000 by making contributions to a revocable trust. Income earned by the revocable trust accrues to the benefit of BRC. The amounts in these revocable trusts are recorded as "other assets". Pension expense was \$89,000 and \$81,000 for the three months ended March 31, 1990 and 1989, respectively. The actuarially computed present value of the accumulated benefit obligation relating to participants employed by BRC was \$969,000 at July 31, 1989, the most recent valuation date. The liability accrued with respect to the Plan at July 31, 1989 was \$1,383,000.

BRC also has an Individual Retirement Account Plan which is available to all full-time employees who have at least one year of service and are not covered under any qualified retirement plan. The expense of this plan was \$184,000 and \$172,000 for the three months ended March 31, 1990 and 1989, respectively.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 11. Pension Plans (continued):

In addition to the BRC plans described above, union employees are covered by various multi-employer pension plans. For the union sponsored plans, information is not available from the plans' sponsors to permit BRC to determine its share of unfunded vested benefits, if any.

NOTE 12. Related Party Transactions:

Intercompany Services

CWI, CNJ and DPI provide BRC with substantial funds for lease deposits, working capital and other operating purposes. CWI also provides certain assistance to BRC, including supervision of the casino/hotel operations and the furnishing of accounting, tax, internal audit, marketing, legal and security services. BRC reimburses CWI for the cost of such services, which amounted to \$2,020,000 and \$1,789,000 for the three months ended March 31, 1990 and 1989, respectively. The breakdown of these services is as follows:

	1990	1989
	(In Thousands)	
Reservations office expenses.....	\$1,112	\$1,015
General insurance.....	467	554
Other.....	441	220
	<u>\$2,020</u>	<u>\$1,789</u>

NOTE 13. Commitments and Contingencies:

The New Jersey Casino Control Act (the "Act") provides, among other things, for an investment obligation on licensees based upon their gross casino revenues. This assessment may be satisfied by BRC investing in qualified eligible direct investments, by purchasing bonds issued by the Casino Reinvestment Development Authority (CRDA), and by making qualified contributions. The CRDA has given approval to BRC for qualified eligible direct investments consisting of three housing developments including a high-rise development which opened for occupancy in March 1989. The cost of the high-rise development was approximately \$35,400,000 of which \$35,300,000 has been incurred at March 31, 1990. The other two housing developments are fifteen unit townhouse complexes and are expected to incur future negative cash flows and have negligible future residual value. BRC, as owner of these housing developments, is required to operate them for a minimum of 15 years for the high-rise and 20 years for the other two developments.

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 13. Commitments and Contingencies (continued):

A portion of the investment obligation is being met by purchasing CRDA bonds which may have terms as long as fifty years and bear interest at two-thirds of market rates at issue date resulting in a value lower than the face value of such bonds. At March 31, 1990 and 1989, the cumulative allowance for the investment obligation, including a valuation allowance for the differential in interest rates and the estimated reserve on the housing developments described above, was \$5,005,000 and \$5,120,000, respectively. Adjustments to such valuation allowances have been made for changes in interest rates and reductions in BRC's obligation to purchase long-term CRDA bonds because of the approval for the qualified direct investments. Operating income includes a \$365,000 credit and a \$250,000 charge for the three months ended March 31, 1990 and 1989, respectively, to provide for such adjustments.

At March 31, 1990, all investment obligations had been substantially satisfied or prepaid.

Commitments

BRC has committed approximately \$17,600,000 as of March 31, 1990 related to construction costs associated with a transportation center.

Litigation

BRC is party to legal proceedings arising in the normal conduct of of business. The Company believes that the final outcome of these matters will not have a material adverse effect upon BRC's financial position.

	Three Months Ended March 31, 1990	
	\$ 4,011	\$ 4,011
	3,145	3,145
	3,532	3,532
	965	965
	<u>17,830</u>	<u>17,830</u>
	\$ 11,673	\$ 11,673

BOARDWALK REGENCY CORPORATION
(d/b/a CAESARS ATLANTIC CITY)
(unaudited)

NOTE 14. Complimentaries:

Promotional Allowances

(\$ Amounts in Thousands)

DESCRIPTION (b)	Three Months Ended March 31, 1990		ALLOWANCE (c)	ACCOUNTS RECEIVABLE (d) NET OF ALLOWANCE
	Recipients	Amount		
Rooms	36,628	\$2,159		
Food	190,622	3,386		
Beverage	451,995	2,528		
Parking	79,904	696		
Theatre	6,792	178	\$ 11,830	\$ 14,976
Other	1,817	151		
	<u>767,758</u>	<u>\$9,098</u>		

Promotional Expenses

(\$ Amounts in Thousands)

DESCRIPTION	Three Months Ended March 31, 1990	
	Recipients	Amount
Coin	306,042	\$ 6,011
Travel	14,199	3,145
Special events	9,937	3,552
Other	87,752	965

417,930 \$13,673

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patron's Checks:	\$		
1	Undeposited patrons' checks.....	8,650		
2	Returned patrons' checks.....	18,176		
3	Total patrons' checks.....	26,826	\$ 11,850	\$ 14,976
4	Hotel Receivables.....	781	92	689
	Other Receivables:			
5	Receivables due from officers and employees.....	13		
6	Receivables due from affiliates.....	-		
7	Other accounts and notes receivables.....	597		
8	Total other receivables.....	610	-	610
9	Totals (Form 205).....	\$ 28,217	\$ 11,942	\$ 16,275

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 7,533
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	67,587
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(47,537)
13	Checks collected through deposits.....	(17,753)
14	Checks transferred to returned checks.....	(1,180)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 8,650
17	"Hold" Checks Included In Balance On Line 16.....	\$ -
18	Provision For Uncollectible Patrons' Checks.....	\$ 1,165
19	Provision As A Percent Of Counter Checks Issued.....	1.72%

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
COUNTY OF ATLANTIC :ss.
:

Michael J. Walsh, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

M. Walsh
Signature
VICE PRESIDENT FINANCE
Title

01482-11
License Number

Subscribed and sworn to
before me this 14th day
of May, 1990

On Behalf Of:

Kathryn J. Robinson
Signature
KATHRYN J. ROBINSON
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires FEB. 20, 1992

BOARDWALK REGENCY CORPORATION
Casino License

Basis of Authority
to Take Oaths

TRADING NAME OF LICENSEE CAESARS ATLANTIC CITY

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	639	18,099	14,279	\$ 84.04	78.9 %	28,143	\$ 42.64
FEBRUARY	638	16,364	14,444	\$ 76.16	88.3 %	29,257	\$ 37.60
MARCH	636	18,483	17,083	\$ 81.95	92.4 %	33,880	\$ 41.32
1ST QUARTER TOTALS		52,946	45,806	\$ 80.78	86.5 %	91,280	\$ 40.53
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED March 31, 1990

974-901
C 193
C.I.
NEW JERSEY
PROPERTY TAX
MAY 23 1990
185
TREASURY

LICENSEE The Claridge at Park Place, Inc.

ADDRESS Indiana Avenue and The Boardwalk
Atlantic City, NJ 08401

FOR THE QUARTER ENDED March 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .

Raymond A. Spera

OFFICIAL TITLE

Vice President of Finance

ADDRESS

Indiana Avenue and The Boardwalk

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE The Claridge Casino Hotel

BALANCE SHEETS

TRADING NAME OF LICENSEE The Claridge Casino Hotel

March 31, 19 90 AND 19 89

LIST OF FORMS - QUARTERLY REPORT

(\$ IN THOUSANDS)

DESCRIPTION FOR THE QUARTER ENDED March 31, 19 90

(b)	(c) 19 90	(d) 19 89
ASSETS		
At cost, which approximates market value	5,639	4,771
Checks (net of allowance for doubtful accounts) \$ 2,710 19 89, \$ 2,771 19 89	17,716	15,258
Prepaid expenses and other current assets	2,185	747
Investments	27,360	23,143
Accounts receivable and receivables (Note 3)	141,922	152,280
Other receivables	3,184	3,885
Statements of Changes in Partners' or Proprietor's Equity	173,139	179,354
Statements of Cash Flows		
Notes to Financial Statements		
Schedule of Receivables and Patrons' Checks	3,371	3,357
Statement of Conformity and Accuracy	500	12,508
Accrued liabilities	33	-0-
Depreciation (Note 5)	15,517	18,359
Provision for doubtful accounts (Note 6)	14,878	7,077
Other liabilities	34,087	56,801
Reserves (Note 7)	-0-	43,583
Other reserves (Note 7)	102,595	83,557
Contingencies (Note 8)	-0-	-0-
Contingencies	71,522	91,487
Partners', Partners', Or Proprietor's Equity	208,314	275,473
Liabilities and Equity	(35,175)	(96,076)
	173,139	179,354

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

BALANCE SHEETS

March 31, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 90	(d) 19 89
	ASSETS		
	Current Assets:		
1	Cash	\$ 5,639	\$ 4,771
2	Marketable securities at cost which approximates market	-0-	50
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 19 90, \$ 2,710 ; 19 89, \$ 2,771)	17,716	15,258
4	Inventories	1,840	2,317
5	Prepaid expenses and other current assets	2,165	747
6	Total current assets	27,360	23,143
7	Investments, Advances, And Receivables (Note 3)	141,922	152,260
8	Property And Equipment - Net of accum. depr. of \$10353 & \$8,921	3,673	3,885
9	Other Assets (Note 4)	184	66
10	Total Assets	\$ 173,139	\$ 179,354
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable	\$ 3,371	\$ 3,357
12	Notes payable	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates (Note 7)	-0-	12,508
14	Other (Note 7)	500	15,500
15	Income taxes payable and accrued	33	-0-
16	Other accrued expenses (Note 5)	15,517	18,359
17	Other current liabilities (Note 6)	14,676	7,077
18	Total current liabilities	34,097	56,801
	Long-Term Debt:		
19	Due to affiliates (Note 7)	-0-	43,583
20	Other (Note 7)	102,695	83,557
21	Deferred Credits	-0-	-0-
22	Other Liabilities (Note 8)	71,522	91,487
23	Commitments And Contingencies		
24	Total Liabilities	208,314	275,428
25	Stockholders', Partners', Or Proprietor's Equity	(35,175)	(96,074)
26	Total Liabilities And Equity	\$ 173,139	\$ 179,354

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

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED March 31, 19 90 and 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 <u>90</u>	(d) 19 <u>89</u>
	Revenue:		
1	Casino	\$ 32,037	\$ 29,302
2	Rooms	2,410	2,472
3	Food and beverage	5,120	4,827
4	Other	518	830
5	Total revenue	40,085	37,431
6	Less: Promotional allowances (Note 10)	3,938	4,137
7	Net revenue	36,147	33,294
	Costs And Expenses:		
8	Cost of goods and services	20,066	20,202
9	Selling, general, and administrative	9,568	8,389
10	Provision for doubtful accounts	133	158
11	Depreciation and amortization	408	412
	Charges from affiliates other than interest:		
12	Management fees	-0-	-0-
13	Other (Note 13)	9,317	10,969
14	Total costs and expenses	39,492	40,130
15	Income (Loss) From Operations	(3,345)	(6,836)
	Other Income (Expenses):		
16	Interest (expense) - affiliates (Note 13)	(108)	(2,714)
17	Interest (expense) - external	(3,777)	(2,825)
18	Investment alternative tax and related income (expense) - net (Note 3)	(338)	(118)
19	Nonoperating income (expense) - net (Note 9)	5,438	5,549
20	Total other income (expenses)	1,215	(108)
21	Income (Loss) Before Income Taxes And Extraordinary Items	(2,130)	(6,944)
22	Provision (credit) for income taxes (Note 12)	-0-	-0-
23	Income (Loss) Before Extraordinary Items	(2,130)	(6,944)
24	Extraordinary items (net of income taxes - 19__, \$; 19__, \$)	-0-	-0-
25	Net Income (Loss)	\$ (2,130)	\$ (6,944)

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 3 MONTHS ENDED March 31, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>90</u>		19 <u>89</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	(Par value \$.10, authorized Common Stock: & outstanding 1000 shares)		\$		\$
1	Beginning balance (January 1)	1,000	1	1,000	1
2	Sale of stock				
3	.....			
4	Ending balance	1,000	1	1,000	1
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7	.....			
8	Ending Balance				
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		4,999		4,999
10	.....			
11	.....			
12	Ending balance		4,999		4,999
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For				
	Capital Stock:				
17	Beginning balance (January 1)		()		()
18	.....			
19	.....			
20	Ending balance		()		()
	Net Unrealized Loss On Noncurrent				
	Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	.....			
23	.....			
24	Ending balance		()		()
	Retained Earnings:				
25	Beginning balance (January 1)		(38,045)		(94,130)
26	Prior period adjustments				
27	Net income (loss)		(2,130)		(6,944)
28	Dividends		()		()
29	.....			
30	.....			
31	Ending balance		(40,175)		(101,074)
32	Ending Stockholders' Equity		\$ (35,175)		\$ (96,074)

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

STATEMENTS OF CASH FLOWS

TRADING NAME OF LICENSEE The Claridge Casino Hotel

**STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY**

FOR THE 3 MONTHS ENDED March 31, 19 90 AND 19 89

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19	(d) 19
	Invested Capital:	\$	\$
1	Beginning balance (January 1)		(353)
2	Additional capital invested		(59)
3	.....	
4	Ending balance		1,460
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		828
6	Prior period adjustments		
7	Net income (loss)		2,750
8	.....	
9	Ending balance		-0-
	Capital Withdrawals:		
10	Beginning balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	.....	
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	()	()
15	.....		2,750
16	.....		479
17	Ending balance	()	()
18	Ending Partners' Or Proprietor's Equity	\$	\$

SUPPLEMENTAL DISCLOSURE BY QUARTERLY DISCLOSURES

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

- Not Applicable -

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED March 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 90	(d) 19 89
1	Net Cash Provided (Used) By Operating Activities.....	\$ 1,453	\$ (3,097)
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Purchase outflows for property and equipment.....	(848)	(212)
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	(92)	(363)
7	Purchase of other investments and loans/advances made.....	(487)	(59)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	2,130	1,460
9	Cash outflows to acquire business entities.....		
10	.....	
11	.....	
12	Net Cash Provided (Used) By Investing Activities.....	703	826
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	-0-	2,750
14	Payments to settle short-term debt	(1,000)	-0-
15	Cash proceeds from issuance of long-term debt.....		
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(126)	-0-
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21	.....	
22	.....	
23	Net Cash Provided (Used) By Financing Activities.....	(1,126)	2,750
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	1,030	479
25	Cash And Cash Equivalents At Beginning Of Period	4,609	4,292
26	Cash And Cash Equivalents At End Of Period.....	\$ 5,639	\$ 4,771

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 2,004	\$ 3,787
28	Income taxes.....	\$ 90	\$ -0-

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

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED March 31, 1990 and 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

Line (a)	Description (b)	(c) 19 90	(d) 19 89
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (2,130)	\$ (6,944)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	405	412
31	Amortization of other assets.....	3	-0-
32	Amortization of debt discount or premium.....	129	109
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....		
35	(Gain) loss on disposition of property and equipment.....	-0-	-0-
36	(Gain) loss on casino reinvestment obligations.....	338	118
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks, excluding reclass. from long term *	(503)	(326)
39	Net (increase) decrease in inventories.....	163	151
40	Net (increase) decrease in other current assets.....	160	102
41	Net (increase) decrease in other assets.....	(88)	-0-
42	Net increase (decrease) in accounts payables.....	(165)	(319)
43	Net increase (decrease) in other current liabilities excluding debt.....	4,909	3,912
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	(1,611)	(176)
45	<u>Discount on Wraparound Mortgage Receivable</u>	(157)	(136)
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 1,453	\$ (3,097)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 848	\$ 212
50	Less: Capital lease obligations incurred.....		
	Cash Outflows For Property And Equipment.....	\$ 848	\$ 212
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$	\$
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property and equipment.....		
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.....	\$	\$
58	Less: Issuances to settle long-term debt.....		
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ -0-	\$ -0-

* Certain reclassifications have been made in the 1989 statement of cash flows to conform to the 1990 presentation.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements
MARCH 31, 1990 AND 1989

(1) Business

(a) Organization

The Claridge at Park Place, Incorporated ("New Claridge") formed on August 29, 1983, is a wholly-owned subsidiary of The Claridge Hotel and Casino Corporation (the "Corporation"). On October 31, 1983, New Claridge acquired certain assets of Del Webb's Claridge Casino - Hotel (the "Claridge"), including gaming equipment (the "Casino Assets"), from Del E. Webb New Jersey, Inc. ("DEWNJ"), a wholly-owned subsidiary of Del Webb Corporation ("Webb"), leased certain other of the Claridge's assets, including the buildings, parking facility and nongaming, depreciable, tangible property of the Claridge (the "Hotel Assets"), from Atlantic City Boardwalk Associates, L.P., ("the Partnership"), subleased the land on which the Claridge is located from the Partnership, assumed certain liabilities related to the acquired assets and undertook to carry on the business of the Claridge.

(b) Claridge Expansion

New Claridge expanded its facility by constructing a two story bridge building which connects the hotel building to the parking garage. The expanded facility, which opened to the public on August 28, 1986, houses approximately 10,000 square feet of casino space and a cabaret theatre with a seating capacity of approximately 200. The cost of the project approximated \$20 million. To finance the expansion, New Claridge together with Webb, DEWNJ, and the Partnership committed on March 17, 1986, to an agreement with the First Fidelity Bank, N.A. which increased the current First Mortgage by an amount sufficient to finance the cost of the expansion. As a result of the expansion project and the increase in the First Mortgage certain new agreements were entered into and certain existing agreements and certain Webb Commitments were amended on March 17, 1986.

(c) Restructuring

On October 27, 1988, the parties with an economic interest in the Corporation and New Claridge executed an agreement (the "Restructuring Agreement") with respect to the restructuring (the "Restructuring") of the Claridge. On June 16, 1989 the Restructuring was concluded pursuant to the terms of the Restructuring Agreement. The implementation of this agreement results in a reorganization of the ownership interests in the Corporation, modifications of the rights and obligations of the five banks which are the participants in New Claridge's first mortgage loan (the "First Mortgage Lenders"), satisfaction and

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

Webb relinquished all of the Class B stock in the Corporation and is entitled to retain only one of the seats on the Board of termination of the obligations and commitments of Webb and DEWNJ, and modifications of the lease arrangements between New Claridge and the Partnership. Had the parties not executed the Restructuring Agreement, New Claridge would probably have exhausted its working capital resources by December 1988, would not have been relicensed for the license period beginning October 31, 1988 through October 31, 1989, and would have had to consider filing for protection in bankruptcy.

The Restructuring was intended to provide the Corporation and New Claridge with financial viability through at least October 31, 1989.

Because New Claridge has not been able to obtain a profitable level of operations since its inception in 1983, it has not generated the cash flow necessary to meet its obligations. Further additional debts have arisen since 1983 representing fees and interest earned by Webb which Webb was required to loan back to New Claridge.

The following transactions occurred on June 16, 1989 in accordance with the Restructuring Agreement as amended.

Webb made a payment to the First Mortgage Lenders of approximately \$14.5 million to reduce the first mortgage loan. This resulted in the reduction of the outstanding balance of the first mortgage loan from \$89,015,000 to \$74,557,000.

Webb forgave and cancelled all accrued but unpaid management fees, and interest and the Management Agreement was terminated. In addition, Webb forgave and cancelled a \$500,000 unsecured loan made to New Claridge.

Additionally, Webb forgave and cancelled \$10.35 million of the working capital loans which it had made to New Claridge. At June 16, 1989, such loans were \$15.0 million. New Claridge repaid the additional \$4.65 million owed to Webb at the closing of the Restructuring. Webb made a payment of approximately \$5 million to Manufacturers Hanover Trust Company to satisfy fully the working capital advances made by Manufacturers Hanover Trust Company to New Claridge under a \$5 million working capital line of credit which Webb had guaranteed on behalf of New Claridge. Webb was released from its obligation to provide working capital facilities to New Claridge.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

Webb relinquished all of its Class B stock in the Corporation and is entitled to retain only one of its seats on the Board of Directors of New Claridge. In addition, Webb has the right to designate one nominee to serve on the Board of Directors of the Corporation. All options, cross options and land options existing between Webb, DEWNJ, the Partnership and New Claridge was terminated.

Webb transferred all of its right, title and interest to its Claridge land, easement and air rights to the Partnership.

DEWNJ assigned, without recourse and without representation or warranty, of any kind or nature, to the First Mortgage Lenders all right, title and interest of DEWNJ in, to and under the Purchase Money Second Mortgage. New Claridge shall have the right to require the Bank to cancel and release the Second Mortgage and the obligations secured thereunder upon the occurrence of one or more of the following conditions:

- (i) all indebtedness, liabilities and obligations owing to the First Mortgage Lenders and secured by the First Mortgage have been paid in full;
- (ii) all or substantially all of the assets of New Claridge have been sold; or
- (iii) as of December 1, 1990, New Claridge holds all necessary licenses to operate an approved hotel and casino under the Casino Control Act and neither the Casino Control Commission nor the Division of Gaming Enforcement or the New Jersey Attorney General has commenced any proceeding to revoke or terminate any such license.

Interest which accrues at 14% shall be deferred until January 1, 1991, at which time interest will become due and payable. Pursuant to the terms of the Subordination Agreement of the Purchase Money Second Mortgage between DEWNJ and the First Mortgage Lenders, the Purchase Money Second Mortgage is subordinate to the First Mortgage. Principal and interest charges due under the Purchase Money Second Mortgage are subordinate to payment in full to the First Mortgage Lenders of all obligations pursuant to the Revolving Credit and Term Loan Agreement. If any of the conditions are met which would cause the cancellation of the Second Mortgage, New Claridge will be released from its obligation to pay any amounts accrued for interest.

THE CLARIDGE CASINO - HOTEL

Pursuant to amendments to the Operating Lease and Expansion Operating Lease, the Partnership agreed to defer up to \$15 million in rentals through 1992 and to abate up to \$33 million in rentals commencing in 1992, thereby reducing its cash flow to the extent necessary to pay Partnership expenses until a sale or further refinancing of the Claridge. The receipt of amounts deferred is contingent upon the realization of profits or distributions from such sale or further refinancing.

In addition, the Partnership loaned \$3.6 million to New Claridge representing substantially all cash and cash equivalents remaining in the Partnership as of June 16, 1989 other than funds needed to pay expenses incurred through the closing of the Restructuring. The Partnership paid to New Claridge \$100,000 for the cancellation of the Land Option Agreement.

At the closing of the Restructuring, New Claridge's first mortgage balance was reduced in accordance with the Restructuring Agreement from \$89,015,000 to \$74,557,000. The Revolving Credit and Term Loan Agreement ("Loan Agreement") which constitutes an amendment to New Claridge's First Mortgage Agreement, prior to the September 29, 1989 amendment as described below, required principal payments totalling \$1.5 million in both 1989 and 1990. A payment in the amount of \$500,000 was due and payable on the last day of each July, August, and September of 1989 and 1990. Commencing January 31, 1991, the required amortization of the first mortgage loan, prior to amendment as described below, for the calendar years 1991 and 1992 was \$11,500,000 per year payable in equal monthly installments, with a balloon payment for the remaining balance due January 1, 1993.

On September 29, 1989 the Loan Agreement was amended to provide for a reduction of the required principal payments from \$1.5 million in 1990 and \$11.5 million in 1991 to \$500,000 in both 1990 and 1991. A payment of \$150,000 is due on the last day of each July and August of 1990 and 1991 with a payment of \$200,000 on the last day of September in both 1990 and 1991. Required principal payments will remain at \$11.5 million for 1992 with the remaining balance to be paid on January 1, 1993.

New Claridge is also required to pay, quarterly, to the First Mortgage Lenders, for permanent application to the outstanding principal balance of the first mortgage loan, any excess cash flow as defined in the Loan Agreement.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

The Loan Agreement which provided for a revolving working facility of \$5.4 million was amended to permit increases in the revolving credit facility from up to \$7.5 million to up to \$11 million to the extent that New Claridge makes quarterly principal payments of excess cash flow. The revolving working capital facility which is secured by the first mortgage and all other collateral presently securing the first mortgage loan will mature on January 1, 1993.

The Restructuring Agreement provides for Webb to retain an interest as a creditor, equal to \$20 million plus interest at the rate of 15% per annum (the "Contingent Payment"), in any proceeds ultimately recovered from the operations and/or the sale or refinancing of the Claridge facility in excess of the first mortgage loan. The Corporation and the Partnership agreed not to make any distributions to the investors whether derived from operations or from sale or refinancing proceeds, until Webb in its capacity as an unsecured creditor pursuant to the Contingent Payment, has been paid \$20 million plus interest on such amount from the closing of the Restructuring to the date of such payment at a rate of 15%, compounded semi-annually. On April 2, 1990, Webb transferred its interest in the contingent payment to an irrevocable trust for the benefit of the United Way of Arizona, and upon such transfer Webb was no longer required to be qualified or licensed by the New Jersey Casino Control Commission.

Webb agreed to permit those investors from whom Webb had received written releases from all liabilities ("Releasing Investors") to receive certain amounts ("Contingent Payment Rights"), to the extent available, in accordance with the following schedule of priorities:

- (i) Releasing Investors would receive a prorata interest in the first \$10 million of any net proceeds from operations or a sale or a refinancing of the Claridge facility pursuant to an agreement executed within five years after the Restructuring ("Five-Year Payments") (i.e., the sum obtained by multiplying the lesser of \$10 million of, or the total of, any Five-Year Payments by the percentage interest of the Releasing Investors in the Partnership and the Corporation, with the balance of any such funds to be applied against the Contingent Payment), and

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

- (ii) All distributions of funds other than Five-Year Payments, or of Five-Year Payments in excess of the \$10 million, will be shared by Webb and Releasing Investors in the following proportions: Releasing Investors will receive a pro rata share of one-half of any such excess proceeds, with Webb receiving the balance until it has received the Contingent Payment.

The Restructuring Agreement provided for certain financial arrangements during the period commencing with the signing of the Restructuring Agreement and ending on the Restructuring date (the "Interim Period"). During the Interim Period Webb was obligated to continue to meet its obligations under the Management Agreement including its obligation to provide working capital to New Claridge.

On February 1, 1989 the First Mortgage Lenders and New Claridge entered into an agreement (the "Interim Agreement") pursuant to which the First Mortgage Lenders would provide New Claridge with a working capital line of credit guaranteed by Webb, of up to \$5 million. This working capital line of credit was available for use by New Claridge when funds provided by Webb became exhausted.

In addition, Webb paid interest accrued on \$14.5 million of the First Mortgage Loan and on the \$5 million Manufacturers Hanover Trust Company line of credit from December 1, 1988 through the closing of the Restructuring.

During the Interim Period the Partnership deferred receipt of all amounts it was entitled to receive under the Operating Lease and Expansion Operating Lease except to the extent necessary to pay Partnership expenses during the Interim Period.

The First Mortgage Lenders deferred principal payments under the First Mortgage Loan from December 1, 1988 through March 31, 1989.

(d) Other Significant Events

i. Claridge License Renewal

On October 31, 1989, New Claridge was issued a two-year casino license by the New Jersey Casino Control Commission. The financial stability of New Claridge was the major issue and the relicensing was based, in part, on the execution of the amendment to the Revolving Credit and Term Loan Agreement, (see Notes 1 and 7). The Commission also imposed certain conditions upon New Claridge which require New Claridge to provide certain financial information and quarterly updates to the Commission as to the status of sale or refinancing efforts, with the goal of New Claridge toward presenting a final plan concerning a sale or substantial capital infusion by October 31, 1990.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

ii. Other Events

On April 15, 1989, the Corporation, New Claridge, (the "Seller"), and the Partnership entered into an agreement with ALM Moonstone, Inc. (the "Purchaser") for the sale of the Claridge Hotel and Casino (the "Claridge").

Completion of the sale was subject to a number of conditions including licensing of the Purchaser by the Commission, closing of the Restructuring, the absence of any material adverse change to the business of the Seller or the assets of the Seller or the Partnership and approval of the sale by two-thirds of the Class A Shareholders of the Corporation and a majority in interest of the limited partners of the Partnership. As of August 4, 1989, the Seller and the Partnership had obtained investor approval of the proposed sale.

Completion of the sale was also subject to the Purchaser's obtaining necessary financing and the Commission approval of such financing. By its terms, the Asset Purchase Agreement terminated on August 15, 1989 upon the failure of the Purchaser, by that date, to obtain the financing and the licensing approvals from the Commission necessary to close the sale.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

Since its inception, the New Claridge has incurred significant operating losses. New Claridge would probably not have been relicensed for the licensed period beginning October 31, 1988 and ending October 31, 1989, and would have had to consider filing for protection under bankruptcy, had it not entered into the Restructuring Agreement on October 27, 1988.

New Claridge entered into the Restructuring Agreement in an attempt to implement a plan pursuant to which it could remain financially viable through at least October 1989. On June 16, 1989 the restructuring of the financial obligations of the Corporation and New Claridge was concluded pursuant to the terms of the Restructuring Agreement.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

On September 29, 1989 the Loan Agreement between New Claridge and First Fidelity Bank, N.A. was amended to provide for a reduction in the principal payments due in 1990 and 1991. In addition, the Loan Agreement was amended to permit increases in the revolving working capital facility from up to \$7.5 million to up to \$11 million to the extent of quarterly principal payments of excess cash flow as defined in the Loan Agreement.

On October 31, 1989, New Claridge was issued a two year casino license by the New Jersey Casino Control Commission (the "Commission").

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Corporation be unable to continue in existence.

(b) Cash

Cash includes investments in interest-bearing repurchase agreements in government securities. Interest income is recorded as earned.

	1990	1989
	\$106,313	109,218

(c) Casino Receivables and Revenues

Credit is issued to certain casino customers and New Claridge records all unpaid credit as casino receivables on the date the credit was granted. Allowances for estimated uncollectible casino receivables are provided to reduce these receivables to amounts anticipated to be collected. New Claridge recognizes as casino revenue, the net win (which is the difference between amounts wagered and amounts paid to winning patrons) from gaming activity.

	1990	1989
	20,000	20,000
	8,779	7,908

(d) Promotional Allowances

Promotional allowances are presented at retail value. The cost of providing these complimentary is included in the statement of earnings as operating costs.

	1990	1989
	1,254	-0-

The Expandable Wraparound Mortgage Loan Agreement ("Expandable Wraparound Mortgage") was executed and delivered by the Partnership to New Claridge and is secured by all property of the Partnership. As part of the agreement, New Claridge will service the Partnership's debt under the Partnership's First Mortgage and Purchase Money Second Mortgage indebtedness (Note 7). The discounted portion of the Expandable Wraparound Mortgage is due to the deferral of \$20,000,000 in interest between 1983 and 1988 until maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988. During the three months ended March 31, 1990, \$1,250,000 in principal payments were made.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(e) Inventories
 Inventories are stated at a lower of cost or market, cost being determined principally on a first-in, first-out basis.

(f) Furniture and Equipment
 Furniture and equipment is stated at cost. Depreciation is provided over the estimated useful lives (from three to five years) of the respective assets using the straight-line method.

(3) Investments, Advances, and Receivables

Investments, Advances, and Receivables at March 31, 1990 and 1989 are summarized as follows:

	<u>1990</u>	<u>1989</u>
\$127,000,000 Expandable Wraparound Mortgage 14%, maturities through September 30, 2000 (net of \$15,437,000 discount and \$16,032,000 discount at March 31, 1990 and 1989, respectively)	\$106,313	109,218
Deferred interest receivable, due September 30, 2000	20,000	20,000
FF&E promissory note, 14%	8,097	10,494
FF&E promissory note - expansion, 14%	13,996	14,788
Reinvestment Obligations	758	5,668
Reinvestment Obligation Credit	<u>2,801</u>	<u>-0-</u>
	151,965	160,168
Less Current Installments:		
Receivables	8,779	7,908
Reinvestment Obligation Credit	<u>1,264</u>	<u>-0-</u>
	<u>\$141,922</u>	<u>152,260</u>

The Expandable Wraparound Mortgage Loan Agreement ("Expandable Wraparound Mortgage") was executed and delivered by the Partnership to New Claridge and is secured by all property of the Partnership. As part of the agreement, New Claridge will service the Partnership's debt under the Partnership's First Mortgage and Purchase Money Second Mortgage indebtedness (Note 7). The discounted portion of the Expandable Wraparound Mortgage is due to the deferral of \$20,000,000 in interest between 1983 and 1988 until maturity. Principal payments required under the Expandable Wraparound Mortgage commenced in 1988. During the three months ended March 31, 1990, \$1,250,000 in principal payments were made.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

The Expandable Wraparound Mortgage also includes a provision whereby New Claridge will loan the Partnership up to \$25,000,000 in the form of FF & E promissory notes, secured under the Expandable Wraparound Mortgage, for the purchase of property and equipment. One half of the principal is due in 48 months and the remaining balance is due 60 months from the date of the respective FF&E promissory note. During the three months ended March 31, 1990, \$671,000 in principal payments were made.

The Expandable Wraparound Mortgage was increased by \$17 million to provide the Partnership with funding for the construction of the expansion. Effective on the date that the expansion opened to the public (August 28, 1986), the Partnership commenced making level monthly payments of principal and interest so as to repay on September 30, 1998, in full, the principal balance of this \$17 million increase in the Expandable Wraparound Mortgage. The Expandable Wraparound Mortgage was amended to require, in addition to the above, principal payments (in equal monthly installments) due during the years 1988 through 1998 in escalating amounts totalling \$80,000,000 and on September 30, 2000 a balloon payment of \$67,000,000, which includes \$20,000,000 of deferred interest.

The Casino Control Act as amended in December 1984 provides for the imposition of an investment obligation pursuant to criteria set forth in the Act or the payment of an alternative tax. The investment obligation is calculated as 1.25% of the total gaming revenues each calendar year. Gaming revenues are the total revenues derived from gaming operations less the provision for bad debt. If the casino licensee opts not to make an investment as required it is assessed an additional tax of 2.5% of total gaming revenues less the provision for bad debt. The licensee has two options in satisfying its investment obligation. It can make a direct investment in a project which must be approved by the Casino Reinvestment Development Authority ("CRDA") which is the agency responsible for administering this portion of the Casino Control Act. Or it can buy bonds issued by the CRDA which shall, if tax exempt, bear interest at the rate of 66 2/3% of the average rate of Bond Buyer Weekly 25 Revenue Bond Index for the 26 weeks preceding the issue of the bonds. If the bonds are not tax exempt they shall bear interest at the rate of 66 2/3% of the average rate of Moody's A Rated Utility Index for the 26 weeks preceding the issue of the CRDA bonds. The investment obligation must be paid on the 15th day of the first, fourth, seventh, and tenth months of each year based on the estimated gaming revenues for the three month period preceding the first day of those months. The alternative tax must be paid not later than April 30 of the following year. New Claridge has deposited its reinvestment funds with the State Treasurer. Through

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

March 31, 1990, \$9,010,000 has been deposited with the State. On March 16, 1987 CRDA had its first bond issue of which New Claridge's mandatory share was \$602,000. On April 30, 1987 a second bond issue was executed. New Claridge's portion amounted to \$1,052,000. Additional bond issuances executed through March 31, 1990 have totalled \$52,574. All purchases were made from funds already deposited. These funds deposited are earning interest at a rate approximately one-third less than market. Since at the time of purchase the bonds will also bear interest at two-thirds of market rates New Claridge has recorded a valuation allowance of \$3,062,000 to date of which \$30,000 was recorded during the three months ended March 31, 1990. Until such time as the bonds are issued this valuation allowance may be adjusted due to potential fluctuations in bond interest rates and other factors, including the determination of the terms of the bonds. New Claridge's investment obligation at March 31, 1990 and 1989 is \$92,000 and \$363,000 respectively.

On December 1, 1989, New Claridge made a donation to the CRDA in the amount of \$6,659,000. The amount donated represented amounts previously paid to the CRDA and included all of New Claridge's obligations (a) incurred from January 1, 1984 through September 30, 1989; and (b) incurred prior to January 1, 1984 allocable to Atlantic City which had not, as of November 30, 1989, been applied to the purchase of bonds. In exchange for the donation, New Claridge received a credit equal to \$3,396,000, (fifty-one percent of its donation), to be applied to its obligation commencing after September 30, 1989. During the fourth quarter of 1989 New Claridge recorded an expense of \$1,102,000 to write-down the book value of the donated amount to \$3,396,000. New Claridge also recorded an expense of \$287,000 in the fourth quarter of 1989, which represented the amount of the credit applied to the fourth quarter of 1989 obligation. For the three months ended March 31, 1990, New Claridge has recorded expense of \$308,000, representing the amount of the credit applied to the first quarter of 1990 obligation.

In addition, it was determined on January 15, 1990 that certain bonds issued by the CRDA and purchased by New Claridge pursuant to its investment obligation as required by the Casino Control Act, had become impaired and that the payment of interest and principal was uncertain. New Claridge's investment in these bonds totals \$1,654,000. These bonds as issued were to pay interest at approximately two-thirds of market rate. Consequently, New Claridge had recorded a valuation allowance of approximately \$538,000 at the time of purchase in 1987. Given the uncertainty regarding the receipt of principal and interest, New Claridge recorded an additional valuation allowance of \$1,116,000 so as to fully reserve its investment.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

At December 31, 1987, New Claridge also had a contingent liability to make a qualified investment in satisfaction of its pre-December 1984 investment obligation. Because no such qualified investment was made by December 31, 1988, New Claridge funded its obligation and accordingly \$333,000 was deposited with the State in 1988.

(4) Other Assets

Other assets at March 31, 1990 and 1989 consist of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Intangible assets (net of accumulated amortization of \$4 at March 31, 1990)	\$ 115	-0-
Refundable deposits, non-current	<u>69</u>	<u>66</u>
	<u>\$ 184</u>	<u>66</u>

(5) Other Accrued Expenses

Other accrued expenses at March 31, 1990 and 1989 consist of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Progressive jackpot liability	\$ 2,992	2,879
Accrued payroll and related benefits	4,579	4,618
Accrued interest payable	5,551	7,635
Other	<u>2,395</u>	<u>3,227</u>
	<u>\$15,517</u>	<u>18,359</u>
Secured 10% Note due September 30, 2000 (net of discount at March 31, 1990 and 1989, respectively)	32,446	31,961
Deferred interest payable, due September 30, 2000 (b)	-0-	11,827
Working capital line, prime or fixed rate determined by lender (c)	-0-	19,750
Revolving line of credit, prime plus 2% (d)	-0-	-0-
Working Capital Line, prime plus 2% (e)	-0-	1,350
Unsecured 10% Note due December 31, 1989	-0-	500
	103,195	155,148
Less current installments	<u>500</u>	<u>18,008</u>
	<u>\$102,695</u>	<u>127,140</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(6) Other Current Liabilities

Other current liabilities at March 31, 1990 and 1989 consist of the following:

	<u>1990</u>	<u>1989</u>
Due to affiliates	\$ 3,600	2,490
Deferred lease, current	7,167	1,491
Auto/general claims liability	2,273	1,668
Other	<u>1,636</u>	<u>1,428</u>
	<u>\$14,676</u>	<u>7,077</u>

As of March 31, 1990, Due to Affiliates includes \$3.6 million due to the Partnership. On June 16, 1989 pursuant to the terms of the Restructuring Agreement, the Partnership loaned to New Claridge \$3.6 million representing all its cash other than funds needed to pay expenses incurred through or at the closing of the Restructuring.

(7) Long-term Debt

Long term debt at March 31, 1990 and 1989 consists of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
First Mortgage Note, prime plus 1%, or LIBOR plus 2%, or unadjusted LIBOR plus 2.25%, maturities to 1993 (a)	\$ 70,749	89,765
\$47,000,000 Purchase Money Second Mortgage 14%, due September 30, 2000 (net of \$14,554,000 and \$15,039,000 discount at March 31, 1990 and 1989, respectively)	32,446	31,961
Deferred interest payable, due September 30, 2000 (b)	-0-	11,622
Working capital line, prime or fixed rate determined by lender (c)	-0-	19,950
Revolving line of credit, prime plus 1% (d)	-0-	-0-
Interim Working Capital Line, prime plus 1% (e)	-0-	1,350
Unsecured 10% Note due December 31, 1989	<u>-0-</u>	<u>500</u>
	103,195	155,148
Less current installments	<u>500</u>	<u>28,008</u>
	<u>\$102,695</u>	<u>127,140</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

Pursuant to the Expandable Wraparound Mortgage Loan Agreement (Note 3) on October 31, 1983 New Claridge assumed the debt of the Partnership relating to an \$80,000,000 First Mortgage made by the Partnership to a group of banks and a \$47,000,000 Purchase Money Second Mortgage made by the Partnership to DEWNJ. The Expandable Wraparound Mortgage is secured by the Hotel Assets and is subordinate to the First Mortgage and the Purchase Money Second Mortgage.

Provided the Partnership is not in default of its obligations under the Expandable Wraparound Mortgage and New Claridge is current in its rental obligations to the Partnership under the Operating Lease, New Claridge will be obligated to make payments required under the First Mortgage and Purchase Money Second Mortgage.

- (a) On March 17, 1986 the First Mortgage was amended and assumed by New Claridge. The amount of the amended and assumed First Mortgage ("Amended First Mortgage") was increased to \$96.5 million to provide financing for the construction of the expansion. On June 16, 1989 the Restructuring was concluded pursuant to the terms of the Restructuring Agreement. The First Mortgage balance was reduced in accordance with the agreement from approximately \$89 million to \$74.6 million. As of March 31, 1990 \$70.7 million was outstanding.

The Loan Agreement, prior to amendment as described below, required principal payments totalling \$1.5 million in both 1989 and 1990. A payment in the amount of \$500,000 was due and payable on the last day of each July, August, and September of 1989 and 1990. New Claridge is also required to pay, quarterly, to the First Mortgage Lenders, for permanent application to the outstanding principal balance of the first mortgage loan, any excess cash flow, as defined in the loan agreement. Commencing January 31, 1991, the required amortization of the First Mortgage Loan, prior to amendment as described below, for the calendar years 1991 and 1992 was \$11,500,000 per year payable in equal monthly installments. A balloon payment for the remaining balance is due January 31, 1993.

On April 20, 1990, New Claridge made a principal payment of \$2,030,000, representing the amount of excess cash flow for the three months ended March 31, 1990.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

On September 29, 1989 the Loan Agreement was amended to provide for a reduction of the required principal payments to \$500,000 in both 1990 and 1991. A payment of \$150,000 is due on the last day of each July and August of 1990 and 1991 with a payment of \$200,000 on the last day of September in both 1990 and 1991.

On December 1, 1989 the First Mortgage Lenders agreed in principal to the donation of funds to the CRDA, as described in Note 3. The First Mortgage Lenders will require New Claridge to make quarterly principal payments as a permanent reduction to the First Mortgage balance, in an amount equal to one-half of the Net Savings (the amount of the credit used less the interest income lost due to the donation of the funds) for each quarter. The remaining one-half of the Net Savings will be available to New Claridge. In the three months ended March 31, 1990, New Claridge made a principal payment of \$126,000 under this agreement.

Interest is payable monthly in arrears at an annual rate equal to 1% over Marine Midland Bank, N.A.'s prime rate or the Eurodollar Rate (as defined) plus the applicable margin.

- (b) On June 16, 1989 the Purchase Money Second Mortgage was assigned without recourse and without representation or warrant, of any kind or nature to the First Mortgage Lenders in accordance with the terms of the Restructuring Agreement as amended. New Claridge has the right, upon the occurrence of certain conditions, to require the First Mortgage lenders to cancel and release the Second Mortgage and the obligations secured thereunder.
- (c) Pursuant to the Management Agreement as amended on March 17, 1986, Del Webb Corporation through Del E. Webb New Jersey, Inc. increased its guarantee from \$10 million to \$20 million to New Claridge the availability of credit from third party lenders, or is such credit becomes unavailable, to provide such funds to New Claridge. As of March 31, 1989, \$19,950,000 had been advanced. Webb's obligations pursuant to the terms of the Management Agreement were terminated pursuant to the terms of the Restructuring Agreement.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

Liabilities

(d) Pursuant to the terms of the Loan Agreement, the First Mortgage Lenders established on the restructuring date, a revolving working capital facility in the amount of \$5.4 million. On September 29, 1989 the Loan Agreement was amended to provide for increases in the revolving working capital facility to up to \$11 million to the extent New Claridge makes principal payments other than scheduled principal payments after September 30, 1989. As of March 31, 1990, the revolving working capital facility was \$7.6 million, due to an unscheduled principal payment of \$2.2 million made on October 23, 1989.

Interest on the revolving credit borrowings is payable monthly in arrears at the prime rate plus 1%. As of March 31, 1990, none of the revolving line was in use.

(e) Pursuant to the terms of the Restructuring Agreement New Claridge together with First Fidelity Bank, N.A., as the lead bank for the First Mortgage Lenders, and Webb as guarantor entered into the Interim Bank Agreement whereby the First Mortgage Lenders would provide New Claridge with a working capital line of credit of up to \$5 million. The Interim Bank Agreement was executed on February 1, 1989. The working capital line of credit was available to New Claridge when funds provided by Webb pursuant to the Management Agreement had been exhausted. Availability under this working capital line of credit would be reduced by the greater of the amount loaned to New Claridge by the Partnership pursuant to the Restructuring Agreement or \$2.6 million at such time as investor approval of the Restructuring is obtained. Interest on working capital line of credit borrowings was paid monthly in arrears at the prime rate plus 1%. As of March 31, 1989, \$1,350,000 was borrowed under the interim line of credit.

	\$ 71,542	\$ 91,487
Interest Income - Other	51	113
Net Nonoperating Income/(expense)	38	73
Facilities/Maintenance Fee	133	-0-
Total	\$ 5,436	\$ 5,349

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(8) Other Liabilities

Other liabilities at March 31, 1990 and 1989 consist of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Deferred rent	\$ 51,522	55,571
Deferred fees	-0-	32,491
Management fees abated	-0-	3,425
Contingent Liability - Webb	<u>20,000</u>	<u>-0-</u>
Total	<u>\$ 71,522</u>	<u>91,487</u>

Pursuant to the Restructuring Agreement, Webb retains an interest as a creditor, equal to \$20 million plus interest at a rate of 15% per annum, in any proceeds ultimately recovered from operations and/or the sale or refinancing of the Claridge facility in excess of the first mortgage loan. Consequently, New Claridge has deferred the recognition of \$20 million of forgiveness income with respect to the Webb payment. Interest on the Webb payment is not being accrued since the likelihood of paying such amount is not considered probable at this time. On April 2, 1990, Webb transferred its interest in the Webb payment to an irrevocable trust for the benefit of the United Way of Arizona, and upon such transfer Webb was no longer required to be qualified or licensed by the New Jersey Casino Control Commission.

(9) Other Nonoperating Income (Expense - Net)

Other nonoperating income (expense) - net for the three months ended March 31, 1990 and 1989 consists of the following (in thousands):

	<u>1990</u>	<u>1989</u>
Interest Income - Wraparound Mortgage	\$ 5,221	5,434
Interest Income - Other	51	113
Other Nonoperating income/(expense)	33	2
Facilities/Maintenance Fee	<u>133</u>	<u>-0-</u>
Total	<u>\$ 5,438</u>	<u>5,549</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(10) Complimentary Services

Complimentary services for the three months ended March 31, 1990 are summarized as follows:

For the three months ended March 31, 1990

Promotional Allowances

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	19,355	\$ 819,443
Food	96,203	1,664,509
Beverage	228,369	1,325,728
Showroom	13,783	128,464
Total	<u>357,710</u>	<u>\$3,938,144</u>

Promotional Expenses

	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Coupon Redemption of Cash & Tokens	383,263	\$3,833,230
Travel	2,197	177,951
Parking	14,387	88,288
Other	7,821	169,832
Total	<u>407,668</u>	<u>\$4,269,301</u>

(11) Operating Lease

New Claridge leases the Hotel Assets and subleases the land on which the Claridge is located from the Partnership under an Operating Lease. The initial lease term is 15 years with three ten-year renewal options.

Basic lease payments under the Operating Lease as amended (as described below), as of March 31, 1990 are as follows:

04/01/90 - 03/31/91	\$ 34,846
04/01/91 - 03/31/92	34,153
04/01/92 - 03/31/93	31,971
04/01/93 - 03/31/94	32,734
04/01/94 - 03/31/95	33,583
Later Years	<u>125,466</u>
Total Minimum	<u>\$292,753</u>

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

In addition, additional rent payments are required based upon fixed assets purchased by the Partnership (the FF&E Replacements, note 3) and then leased to New Claridge. For the three months ended March 31, 1990 and 1989 rental expense for all operating leases amounted to \$9,657,000 and \$11,366,000 respectively, of which \$(1,610,000) and \$(176,000) of rental expense is attributable to the requirement under Statement of Financial Accounting Statements #13 to provide a level rent expense for those leases with escalating payments. Under the terms of the Operating lease, the Partnership is responsible for taxes, assessments, insurance, maintenance and repairs and other costs related to use and occupancy of the Hotel Assets.

On March 17, 1986 New Claridge entered into an Expansion Operating Lease Agreement with the Partnership whereby New Claridge will lease the expansion facility for an initial term beginning March 17, 1986 and ending on September 30, 1998 with three 10-year renewal options. Basic annual rent payable during the initial term of the Expansion Operating Lease is \$3,950,000 in 1986 (prorated based on the day that the Expansion Improvements open to the public), annually thereafter the rental amount will be adjusted based on the Consumer Price Index but any increase not to exceed two percent per annum. The basic annual rent is predicated on the construction of the Expansion Improvements costing a specified amount. If the cost of construction differs from this amount, basic annual rent will be adjusted according to a formula. The total Expansion Operating Lease to be paid in 1990 is \$4,189,000. If the term of the Expansion Operating Lease is extended, basic annual rent will be calculated pursuant to a formula, with such rent not to be more than \$3,000,000 nor less than \$2,500,000 and not to be greater than 10% more than the basic annual rent for the immediately preceding lease year in each lease year thereafter. New Claridge is required to pay as additional rent certain expenses relating to the leasing by the Partnership of the Air Rights granted by the City of Atlantic City to DEWNJ, over which the expansion facility is constructed. New Claridge is also required to pay as additional rent certain expenses and the debt service relating to Furniture, Fixture and Equipment Replacements and building improvements (collectively "Expansion FF&E Replacements") for the expanded facility. The Partnership will be required during the entire term of the Expansion Operating Lease to provide New Claridge with Expansion FF&E Replacements and until September 30, 1998, will be required to provide facility maintenance and engineering services to New Claridge. New Claridge will be obligated to lend the Partnership any amounts necessary to fund the cost of Expansion FF&E Replacements. Any advances by New Claridge for the foregoing will be secured under the Expandable Wraparound Mortgage. New Claridge will have the option to purchase, on September 30, 1998 and, if it renews the Expansion Operating Lease, on September 30, 2003, the expansion facility and the Partnership's leasehold interest in the Air Rights for their fair market value at the time the option is exercised.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

In conjunction with the Restructuring, the Operating Lease and Expansion Operating Lease were amended to abate or defer receipt of all amounts it is entitled to receive except to the extent necessary to pay Partnership expenses until a sale or further refinancing of the Claridge. The receipt of amounts deferred is contingent upon the realization of profits or distributions from such sale or further refinancing. As a result of the Restructuring, lease expense recognized on a level basis is reduced prospectively, from the use of a revised schedule of rent levelling relative to the abatement of certain rental payments beginning in 1992. Commencing in 1992 \$33 million of Basic Rent will be abated.

(12) Income Taxes

The provision for income taxes as of March 31, 1990 and 1989 is comprised of the following:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Current:		
Federal	\$-0-	-0-
State	-0-	-0-
Deferred	-0-	-0-
	<u>\$-0-</u>	<u>-0-</u>

The provision for income taxes differs from the amount computed at the statutory rate as follows:

	<u>1990</u>	<u>1989</u>
	(in thousands)	
Federal income tax at statutory rates	\$(724)	(2,361)
Goodwill amortization not deductible for tax purposes	-0-	-0-
Unrecognized tax benefit of loss carryforward	<u>724</u>	<u>2,361</u>
	<u>\$ -0-</u>	<u>-0-</u>

New Claridge is included in the consolidated income tax return of its parent, the Corporation. At March 31, 1990 there was available net operating loss carryforward for financial statement purposes of \$11,130,000. As a result of the restructuring, the amount of debt forgiven resulted in the loss carryforward of \$37,592,000, unused tax credits of \$1,041,000 and reduction in tax basis of assets by \$81,251,000. This also resulted in the reduction of net operating loss carryforwards for financial statement purposes in the amount of \$98,000,000 and the loss of all tax credit carryforwards for financial statement purposes.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

(13) Related Party Transactions

- (a) Pursuant to an exclusive management agreement ("Management Agreement") between New Claridge and DEWNJ, DEWNJ agreed to manage the Claridge in a proper, efficient and competitive manner in accordance with standards not less than those existing at the time of the agreement was entered into. The Management Agreement which had an initial term of 15 years, entitled DEWNJ to receive as compensation certain management fees based on various operating results.

Under the terms of the Management Agreement, Webb was obligated to defer the payment or allow the recapture of management fees and interest whenever the New Claridge's cash flow was insufficient to meet its current obligations including payment of such fees. The Management Agreement was amended to provide for the abatement of management fees for the period November 1, 1985 through the completion of the expansion project. With the opening of the expansion facility on August 28, 1986, the abatement of management fees ceased and the Incentive Fee increased to an amount equal to 10% of gross operating profit until such time as all abated fees have been recouped. Effective January 1, 1987 DEWNJ agreed to abate management fees through December 31, 1987 and each year thereafter upon the mutual consent of DEWNJ and New Claridge. In addition, DEWNJ agreed to abate interest on deferred management fees for the period of April 1, 1987 to and including December 31, 1987. Effective January 1, 1988 the agreement with DEWNJ was further amended to abate management fees and interest on deferred management fees through December 31, 1988. This agreement was further extended, effective January 1, 1989, through the earlier of the closing of the Restructuring or August 1, 1989. At June 16, 1989 New Claridge had deferred fees and interest of \$32,491,000. In addition Webb guaranteed a \$20 million line of credit which was available to fund cash flow deficits. At March 31, 1989, \$19,950,000 of the credit line was in use.

On June 16, 1989 the Restructuring transaction was concluded and therewith Webb and DEWNJ terminated virtually all of their contractual and financial arrangements with New Claridge, including the Management Agreement.

THE CLARIDGE CASINO - HOTEL

Notes to Financial Statements - Continued

- (b) Through June 16, 1989 Webb and DEWNJ had direct and material interest in the Purchase Money Second Mortgage and other indebtedness of New Claridge. At the closing of the Restructuring on June 16, 1989, the Partnership loaned to New Claridge all cash and cash equivalents remaining in the Partnership other than funds needed to pay expenses incurred through or at the closing of the restructuring. Interest on this loan accrues at 12% per year. For the three months ended March 31, 1990 and 1989 interest expense due to affiliates was \$108,000 and \$2,714,000 respectively.
- (c) Prior to the Restructuring, New Claridge purchased from Webb and DEWNJ certain services including insurance through October 1, 1988, and other miscellaneous services. On October 1, 1988 New Claridge obtained its own equivalent insurance coverage. In conjunction with the restructuring, the Maintenance Services Contract was assigned to New Claridge; consequently, certain charges are paid directly to the Partnership. The costs of these services for the three months ended March 31, 1990 and 1989 amounted to \$28,000 and \$102,000, respectively.
- (d) The Partnership has a direct material interest in the Expandable Wraparound Mortgage Loan Agreement and the Operating Lease as described in the preceding notes. Under the terms of the above agreements, for the three months ended March 31, 1990 and 1989 New Claridge has earned interest income of \$5,221,000 and \$5,434,000 respectively, and incurred lease expense of \$9,289,000 and \$10,867,000, respectively.

DESCRIPTION	AMOUNT
Balance (January 1)	1,639
Issued (including counter checks issued through transactions with consolidations, partial redemptions, substitutions, and patron's checks)	16,577
Returned prior to deposit (including the unredeemed portion of counter checks issued through partial redemptions, and excluding checks returned to patrons)	17,265
Returned to returned checks	1,733
Checks included in Balance On Line	
For Uncollectible Patron's Checks	
3 Percent Of Counter Checks Issued	

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

March 31, 19 90

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks	1,753		
2	Returned patrons' checks	3,134		
3	Total patrons' checks	4,887	\$ 2,602	\$ 2,285
4	Hotel Receivables	595	83	512
	Other Receivables:			
5	Receivables due from officers and employees.....	6		
6	Receivables due from affiliates	14,822		
7	Other accounts and notes receivables	116		
8	Total other receivables	14,944	25	14,919
9	Totals (Form 205).....	\$ 20,426	\$ 2,710	\$ 17,716

UNDEPOSITED PATRONS' CHECKS ACTIVITY		AMOUNT (h)
LINE (f)	DESCRIPTION (g)	
10	Beginning Balance (January 1)	\$ 1,639
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)	15,527
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits)	(12,245
13	Checks collected through deposits	(2,394
14	Checks transferred to returned checks	(774
15	Other adjustments	
16	Ending Balance	\$ 1,753
17	"Hold" Checks Included In Balance On Line 16	\$
18	Provision For Uncollectible Patrons' Checks	\$ 124
19	Provision As A Percent Of Counter Checks Issued .....	.8

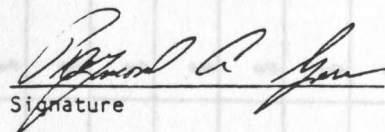
STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
COUNTY OF Atlantic :ss.
:

Raymond A. Spera, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

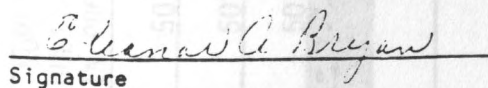

Signature

Vice President of Finance
Title

02369-11
License Number

Subscribed and sworn to
before me this 15th day
of May, 1990

On Behalf Of:


Signature

The Claridge at Park Place, Inc.
Casino Licensee

ELEANOR A. BRYAN
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March 6, 1990

Basis of Authority
to Take Oaths

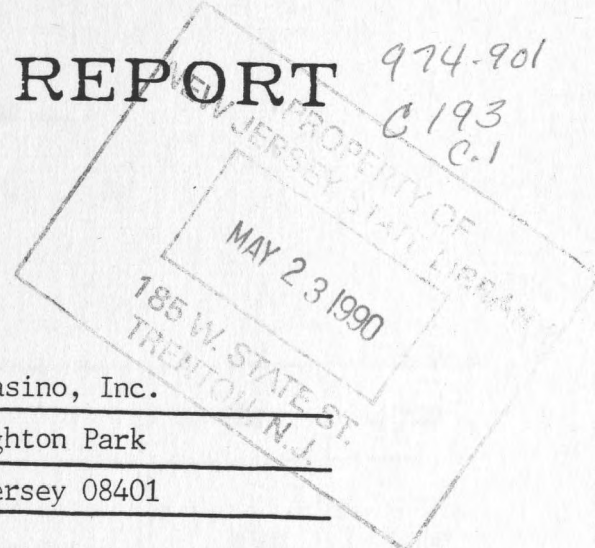
HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	501	15,363	11,454	\$ 67.27	74.6 %	26,335	\$ 29.26
FEBRUARY	501	13,532	11,631	\$ 64.95	86.0 %	24,446	\$ 30.90
MARCH	501	15,426	13,723	\$ 64.77	89.0 %	29,177	\$ 30.46
1ST QUARTER TOTALS		44,321	36,808	\$ 65.61	83.0 %	79,958	\$ 30.20
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

974-901
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C-1



LICENSEE Greate Bay Hotel & Casino, Inc.

ADDRESS Indiana Avenue & Brighton Park

Atlantic City, New Jersey 08401

FOR THE QUARTER ENDED March 31, 1990

TIME
Licensee Sheets
Statements of Income (Year-to-Date)
Statements of Income (Three Months)
Statements of Changes in Partners'
or Proprietor's Equity
Statements of Cash
Notes to Financial Statements
Schedule of Receivables and Payables
Statement of Conformity and Accuracy

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .

John R. Rauen

OFFICIAL TITLE

Vice President, Finance

ADDRESS

Indiana Avenue & Brighton Park

Atlantic City, NJ 08401

TRADING NAME OF LICENSEE Sands Hotel & Casino

BALANCE SHEETS

March 31, 1989 and 1990

(UNAUDITED)

TRADING NAME OF LICENSEE Sands Hotel & Casino

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED March 31, 1990

TITLE	FORM NO.	(a) 1990	(b) 1989
Assets		2,531	16,788
Liabilities and patrons' checks (net of allowance for doubtful)		27,810	25,496
1989 - 1990, \$ 15,144 ; 1988, \$ 11,495		3,251	2,496
and other current assets		4,169	3,877
Liabilities		44,390	47,381
Balance Sheets	CCC-205		
Statements of Income (Year-to-Date)	CCC-210	8,968	15,894
Statements of Income (Three Months)	CCC-215	163,410	177,957
Statements of Changes in Stockholders' Equity	CCC-220	2,730	2,876
Statements of Changes in Partners' or Proprietor's Equity	CCC-225	7,238	6,594
Statements of Cash Flows	CCC-235	2,502	
Notes to Financial Statements		348	7,706
Schedule of Receivables and Patrons' Checks	CCC-240	883	7,811
Statement of Conformity and Accuracy	CCC-250	14,550	17,302
		5,183	3,332
		30,480	33,385
Liabilities to affiliates		181,688	182,309
Other		2,117	2,827
Deferred Credits		1,075	963
Other liabilities			
Prepayments and contingencies			
Other liabilities		217,863	221,355
Stockholders', Partners', or Proprietor's Equity		28,395	28,787
Total liabilities and equity	CCC-201	246,849	249,811

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

TRADING NAME OF LICENSEE Sands Hotel & Casino

BALANCE SHEETS

March 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:	\$	\$
1	Cash.....	9,631	15,146
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$ 15,144 ; 1989, \$ 11,495).....	27,810	26,466
4	Inventories.....	3,251	2,406
5	Prepaid expenses and other current assets..... Note 8.....	4,108	3,973
6	Total current assets.....	44,800	47,991
7	Investments, Advances, And Receivables..... Note 9.....	8,908	15,694
8	Property And Equipment - Net..... Note 7.....	183,410	177,057
9	Other Assets.....	9,730	9,876
10	Total Assets.....	\$ 246,848	\$ 250,618
	LIABILITIES AND EQUITY		
	Current Liabilities:	\$	\$
11	Accounts payable.....	7,020	6,595
12	Notes payable.....	2,000	-
	Current portion of long-term debt:		
13	Due to affiliates.....	-	-
14	Other..... Note 2.....	906	2,105
15	Income taxes payable and accrued.....	803	7,411
16	Other accrued expenses..... Note 10.....	14,558	12,882
17	Other current liabilities..... Note 11.....	5,199	5,272
18	Total current liabilities.....	30,486	34,265
	Long-Term Debt:		
19	Due to affiliates..... Note 2.....	182,666	182,305
20	Other..... Note 2.....	3,116	3,822
21	Deferred Credits.....	1,075	963
22	Other Liabilities.....	-	-
23	Commitments And Contingencies..... Note 5.....	-	-
24	Total Liabilities.....	217,343	221,355
25	Stockholders', Partners', Or Proprietor's Equity.....	29,505	29,263
26	Total Liabilities And Equity.....	\$ 246,848	\$ 250,618

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

TRADING NAME OF LICENSEE Sands Hotel & Casino

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED March 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE; (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$ 53,803	\$ 50,172
2	Rooms.....	2,347	2,474
3	Food and beverage.....	7,259	5,688
4	Other.....	1,143	1,166
5	Total revenue.....	64,552	59,500
6	Less: Promotional allowances..... Note 12.....	5,764	4,557
7	Net revenue.....	58,788	54,943
	Costs And Expenses:		
8	Cost of goods and services.....	26,646	23,837
9	Selling, general, and administrative.....	20,124	17,354
10	Provision for doubtful accounts.....	2,258	449
11	Depreciation and amortization.....	4,173	4,138
	Charges from affiliates other than interest:		
12	Management fees..... Note 4.....	1,094	1,304
13	Other.....	-	-
14	Total costs and expenses.....	54,295	47,082
15	Income (Loss) From Operations.....	4,493	7,861
	Other Income (Expenses):		
16	Interest (expense) - affiliates..... Note 4.....	(5,847)	(5,635)
17	Interest (expense) - external.....	(354)	(186)
18	Investment alternative tax and related income (expense) - net.....	(554)	(169)
19	Nonoperating income (expense) - net..... Note 6.....	646	723
20	Total other income (expenses).....	(6,109)	(5,267)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(1,616)	2,594
22	Provision (credit) for income taxes..... Note 3.....	(1,678)	1,233
23	Income (Loss) Before Extraordinary Items.....	62	1,361
24	Extraordinary items (net of income taxes - 19___, \$; 19___, \$).....	-	-
25	Net Income (Loss).....	\$ 62	\$ 1,361

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

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

TRADING NAME OF LICENSEE Sands Hotel & Casino

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 3 MONTHS ENDED March 31, 1990 and 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

LINE	(a)	(b)	(c) 1990	(d) 1989	DESCRIPTION
1			100	100	Common Stock: Beginning balance (January 1)
2			100	3,500	Sale of stock
3			100	3,500	Ending balance
4			100	3,500	Preferred Stock: Ending balance
5					Beginning balance (January 1)
6					Sale of stock
7					Ending Balance
8					Additional Paid-in Capital: Ending Balance
9			19,738	19,738	Beginning balance (January 1)
10					
11					
12			19,738	19,738	Ending balance
13					Treasury Stock: Beginning balance (January 1)
14					Purchase of additional stock
15					Sale or retirement of stock
16					Ending balance
17					Subscriptions Receivable for Capital Stock: Beginning balance (January 1)
18					
19					
20					Ending balance
21					Net Unrealized Loss On Noncurrent Marketable Equity Securities: Beginning balance (January 1)
22					
23					
24					Ending balance
25			6,205	4,664	Retained Earnings: Beginning balance (January 1)
26					Prior period adjustments
27			62	1,361	Net income (loss)
28					Dividends
29					
30					
31			6,267	6,025	Ending balance
32			29,505	29,263	Ending Stockholders' Equity

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

TRADING NAME OF LICENSEE SANDS HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE 3 MONTHS ENDED March 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	Not Applicable	
		(c) 19__	(d) 19__
	Invested Capital:	\$	\$
1	Beginning balance (January 1).....		
2	Additional capital invested.....		
3	.....	
4	Ending balance.....		
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....		
6	Prior period adjustments.....		
7	Net income (loss).....		
8	.....	
9	Ending balance.....		
	Capital Withdrawals:		
10	Beginning balance (January 1).....	()	()
11	Additional capital withdrawals.....	()	()
12	.....	
13	Ending balance.....	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	()	()
15	.....	
16	.....	
17	Ending balance.....	()	()
18	Ending Partners' Or Proprietor's Equity.....	\$	\$

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

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CCC-225

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

CCC-225

TRADING NAME OF LICENSEE Sands Hotel & Casino

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 2,405	\$ 6,005
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Purchase outflows for property and equipment.....	(5,487)	(3,645)
5	Proceeds from disposition of property and equipment.....		
6	Purchase of casino reinvestment obligations.....	(150)	(624)
7	Purchase of other investments and loans/advances made.....		
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....		
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(5,637)	(4,269)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	2,000	-
14	Payments to settle short-term debt.....	-	-
15	Cash proceeds from issuance of long-term debt.....	-	-
16	Costs of issuing debt.....	(326)	(700)
17	Payments to settle long-term debt.....		
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	1,674	(700)
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(1,558)	1,036
25	Cash And Cash Equivalents At Beginning Of Period.....	11,189	14,110
26	Cash And Cash Equivalents At End Of Period.....	\$ 9,631	\$ 15,146

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	Cash Paid During Period For:		
27	Interest (net of amount capitalized).....	\$ 6,644	\$ 6,253
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.

TRADING NAME OF LICENSEE Sands Hotel & Casino

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE: (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ 62	\$ 1,361
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	3,764	3,729
31	Amortization of other assets.....	409	409
32	Amortization of debt discount or premium.....	90	90
33	Deferred income taxes - current.....	-	1,480
34	Deferred income taxes - noncurrent.....	2,418	(247)
35	(Gain) loss on disposition of property and equipment.....		
36	(Gain) loss on casino reinvestment obligations.....	554	169
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	2,832	894
39	Net (increase) decrease in inventories.....	(790)	211
40	Net (increase) decrease in other current assets.....	773	258
41	Net (increase) decrease in other assets.....	(65)	(21)
42	Net increase (decrease) in accounts payables.....	(236)	(367)
43	Net increase (decrease) in other current liabilities excluding debt.....	(7,406)	(1,961)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....		
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 2,405	\$ 6,005

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property and Equipment:		
49	Additions to property and equipment.....	5,487	3,645
50	Less: Capital lease obligations incurred.....	5,487	3,645
	Cash Outflows For Property And Equipment.....		
51	Acquisition Of Business Entities:		
52	Property and equipment acquired.....		
53	Goodwill acquired.....		
54	Net assets acquired other than cash, goodwill, and property and equipment.....		
55	Long-term debt assumed.....		
56	Issuance of stock or capital invested.....		
	Cash Outflows To Acquire Business Entities.....		
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions.....		
59	Less: Issuances to settle long-term debt.....		
60	Consideration in acquisition of business entities.....		
	Cash Proceeds From Issuing Stock Or Capital Contributions.....		

SANDS HOTEL & CASINO
(A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
(unaudited)

Note 1 - Organization and Business

Greate Bay Hotel & Casino, Inc. ("GBH&C") is a New Jersey Corporation and, through an affiliate, is a wholly-owned subsidiary of Pratt Casino Properties, Inc. ("Pratt Casino Properties"). Pratt Casino Properties, a Delaware corporation, is wholly owned by Pratt Hotel Corporation ("Pratt"), a Delaware corporation, through certain of its subsidiaries. Pratt Casino Properties was incorporated during October 1987, and acquired the ownership of GBH&C through contributions of capital by its parent.

During the three month period ended March 31, 1990, there were no changes in GBH&C's significant accounting policies as previously reported. In addition, there are no significant differences in the footnotes presented herein versus those reported in GBH&C's annual report at December 31, 1989 to the Casino Control Commission.

Note 2 - Long-term Debt

Long-term debt as of March 31, 1990 and 1989 is as follows:

	<u>1990</u>	<u>1989</u>
11.75% first mortgage notes, due 1994, net of discounts of \$1,564,000 and \$1,925,000 respectively (A)	\$171,466,000	\$171,105,000
16.5% Promissory note due 1998 (B)	11,200,000	11,200,000
Note Payable to bank, due 1991 (C)	3,525,000	5,425,000
Other	<u>497,000</u>	<u>502,000</u>
	186,688,000	188,232,000
Less: Current portion of long-term debt	<u>906,000</u>	<u>2,105,000</u>
Long-term Debt:	\$185,782,000	\$186,127,000
	=====	=====
	11,582,000	
Total Payments:	188,262,000	
Amortised Discount:	(1,564,000)	
Current Portion	(185,782,000)	
Long-Term Portion	-1-	

SANDS HOTEL & CASINO
 (A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
 (unaudited)

- (A) On August 6, 1987, GBH&C borrowed from an affiliate \$173,030,000 of seven-year nonrecourse first mortgage notes (the "Notes"). The Notes bear interest at 11.75% per annum, payable monthly; interest only is payable during the first four years; and thereafter, principal, with interest, is payable in monthly installments of \$2,049,000 based on a 15-year amortization schedule with the unpaid balance of \$158,310,000 due during August 1994.

The mortgage indenture contains various provisions that, among other things, restrict the ability of GBH&C to incur additional secured indebtedness, to create additional liens on the property or sell the property. Additionally, maintenance of certain cash balances is required, as well as a requirement that a minimum of \$5,000,000 be committed annually for property and fixtures renewals, replacements and betterments. Substantially all of GBH&C's assets are pledged as collateral for this mortgage and the mortgage is guaranteed to the extent of \$10,000,000 by Pratt.

- (B) In February 1988, GBH&C borrowed \$11,200,000 from an affiliate, the proceeds of which were principally used to refinance an existing liability to another affiliate. The note bears interest at 16.5% per annum, with interest only payable semi-annually in March and September. The note matures in March 1998.
- (C) The note bears interest at 1% above the bank's prime lending rate and provides for equal monthly principal payments of \$75,000 with the unpaid balance of \$1,275,000 due during October 1992.

GBH&C has \$5,000,000 available under a line of credit. Interest on borrowings under the line of credit is calculated at 1% above the prime lending rate of a certain bank. As of March 31, 1990, there was \$2,000,000 outstanding under this line of credit.

Maturities of Long-term debt at March 31, 1990 amounted to:

1990 (9 months)	\$ 680,000
1991	2,346,000
1992	6,628,000
1993	5,258,000
1994	161,678,000
Thereafter	<u>11,662,000</u>
Total Payments:	188,252,000
Unamortized Discount	(1,564,000)
Current Portion	<u>(906,000)</u>
Long-Term Portion	\$185,782,000 =====

SANDS HOTEL & CASINO
(A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
(unaudited)

Note 3 - Income Taxes

The components of the provision for income taxes for the three months ended March 31, 1990 and 1989 are as follows:

	1990	1989
Federal Income Tax Provision		\$ 5,173,000
(Benefit)		(1,023,000)
Current	\$ 3,182,000	\$ 1,150,000
Deferred	(1,895,000)	(195,000)
State Income Tax Provision		
(Benefit)		
Current	914,000	330,000
Deferred	(523,000)	(52,000)
Total Provision (Benefit)		
for Income Taxes:	\$(1,678,000)	\$1,233,000
	=====	=====

Note 4 - Related Party Transactions

GBH&C has a Management Agreement with Pratt Casino Management, Inc., ("PCMI"), a subsidiary of Pratt. Pursuant to the Management Agreement, PCMI is responsible for the supervision, direction and control of the day-to-day operation of the hotel/casino. The agreement expires during 1991, at which time it may be extended if certain minimum operating results are achieved. In accordance with the provisions of this Management Agreement, PCMI is entitled to receive annually a basic consulting fee of 1.5% of "adjusted gross revenues", as defined, and, if annual "gross operating profits" as defined, exceed \$5,000,000, incentive compensation of between 5% and 7.5% of gross operating profits in excess of certain stated amounts. Total charges to operations for the three months ended March 31, 1990 and 1989 were \$1,094,000 and \$1,304,000 respectively and are included in management fees charged from affiliates in the accompanying Financial Statements. Consultant and incentive fees of \$2,023,000 and \$1,176,000 were due to PCMI at March 31, 1990 and 1989 respectively, and are included in other current liabilities in the accompanying Financial Statements.

The Company has a License Agreement with PPI, (an affiliate) which entered into a parallel agreement with MGM Sands Inc. for the use of the trade name "Sands". The license agreement, as amended in May 1987, provides for a license fee equal to the greater of (i) 3% of room charges, as defined, or (ii) \$100,000 for each property using the name. Such charges amounted to \$70,000 and \$74,000 for the three months ended March 31, 1990 and 1989, respectively. Such amounts are included in general and administrative expenses in the accompanying financial statements.

SANDS HOTEL & CASINO
 (A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
 (unaudited)

Note 4 - Related Party Transactions - (Continued)

For three months ended March 31, 1990 and 1989 the company paid the following amounts in interest charges to affiliates:

	3/31/90	3/31/89
11.75% first mortgage notes	\$ 5,173,000	\$ 5,173,000
16.5% promissory note	<u>462,000</u>	<u>462,000</u>
	\$ 5,635,000	\$ 5,635,000
	=====	=====

Note 5 - Commitments and Contingencies

In January 1989, the American Arbitration Association issued a determination in favor of GBH&C on its claim against a construction management company for damages due to improper performance in the completion of the renovation of the Property during 1983 and 1984. The arbitration award, including interest through January 31, 1989, totaled \$14,524,000 and, on July 28, 1989, the Superior Court of New Jersey confirmed this arbitration award into a judgement. Although the construction management company has sought reconsideration of the Superior Court's confirmation of the arbitration award, the confirmation of the award into a judgement was reaffirmed. The construction management company has filed an appeal of the determination of the Superior Court confirming the arbitration award into a judgement; nevertheless, GBH&C believes this amount will be collected in 1990 and, based on the advice of counsel, believes that the likelihood of the award being modified or vacated is remote.

Note 6 - Non-Operating Income (Expenses)

For the three months ended March 31, 1990 and 1989, Non-Operating Income of \$ 646,000 and \$ 723,000 was earned on temporary investments, on deposits made with the CRDA pursuant to the Company's Casino Reinvestment obligations, and other sources.

SANDS HOTEL & CASINO
 (A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
 (unaudited)

Note 7 - Property and Equipment

Property and equipment as of March 31, 1990 and 1989 consisted of the following:

	<u>1989</u>	<u>1988</u>
Land	\$ 36,179,000	\$ 36,179,000
Buildings	155,584,000	148,730,000
Furniture, fixtures and equipment	85,907,000	76,140,000
Construction in progress	<u>8,930,000</u>	<u>4,211,000</u>
	286,600,000	265,260,000
Less: accumulated depreciation and amortization	<u>103,190,000</u>	<u>88,203,000</u>
 Total property and equipment	 \$183,410,000 =====	 \$177,057,000 =====

Note 8 - Prepaid Expenses and Other Current Assets

At March 31, 1990 and 1989, the line item Prepaid Expenses and Other Current Assets is comprised of the following:

	<u>1990</u>	<u>1989</u>
Current portion of CRDA prepaid obligation	\$ 2,320,000	
Prepaid advertising and promotions	243,000	\$405,000
Prepaid licenses and permits	179,000	187,000
Prepaid taxes	242,000	259,000
Miscellaneous prepaids	292,000	567,000
Prepaid air charters	55,000	69,000
Deposits	606,000	317,000
Prepaid insurance	44,000	153,000
Other deferred charges	8,000	111,000
Other	<u>119,000</u>	<u>1,905,000</u>
 Total prepaid expenses and other current assets	 \$ 4,108,000 =====	 \$3,973,000 =====

SANDS HOTEL & CASINO
 (A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
 Notes to Financial Statements
 (unaudited)

Note 9 - Investments, Advances, and Receivables

At March 31, 1990 and 1989, the line item Investments, Advances and Receivables is comprised of the following:

	<u>1990</u>	<u>1989</u>
CRDA Investments (net of allowance of \$3,101,000 and \$4,444,000 at March 31, 1990 and 1989 respectively)	\$ 8,744,000	\$ 15,202,000
Other items	<u>164,000</u>	<u>492,000</u>
Total Investments, Advances and Receivables	\$ 8,908,000 =====	\$ 15,694,000 =====

Note 10 - Other Accrued Expenses

As of March 31, 1990 and 1989, the line item Other Accrued Expenses is comprised of the following:

	<u>1990</u>	<u>1989</u>	
Accrued salaries and wages	\$ 1,124,000	\$ 881,000	
Accrued vacation	1,510,000	1,200,000	
Other accrued expenses	1,956,000	1,429,000	
Accrued interest on debt	1,480,000	1,468,000	
Accrued progressive slot machine jackpot	3,031,000	3,364,000	
Accrued C.C.C. inspection fees	220,000	146,000	Dollar Amount
Accrued D.G.E. inspection fees	248,000	168,000	
Accrued casino license fees	393,000	243,000	
Accrued insurance	1,881,000	1,751,000	
F.I.C.A. payable	169,000	205,000	
NJ Sales Tax	37,000	199,000	
S.U.I payable	770,000	753,000	\$ 1,276,000
Gaming revenue tax	331,000	364,000	
Other	<u>1,408,000</u>	<u>711,000</u>	18,000
Total other accrued expenses	\$ 14,558,000 =====	\$ 12,882,000 =====	

SANDS HOTEL & CASINO
 (A Wholly Owned Subsidiary of Pratt Casino Properties, Inc.)
Notes to Financial Statements
 (unaudited)

Note 11 - Other Current Liabilities

As of March 31, 1990 and 1989, the line item Other Current Liabilities was comprised of the following:

	1990	1989
Unredeemed gaming chips liability	\$ 926,000	\$ 332,000
Unredeemed token liability	28,000	192,000
Casino customer deposits	197,000	292,000
Unclaimed wages	160,000	180,000
Advance deposits	73,000	94,000
CRDA	149,000	624,000
Due to affiliates	3,499,000	2,999,000
Deferred trade out liability	79,000	53,000
Red Carpet Slot liability	-	316,000
Other	88,000	190,000
Total Other Current Liabilities	\$ 5,199,000	\$ 5,272,000

Note 12 - Promotional Allowances and Expenses

A summary of Promotional Allowances and Expenses incurred during the three month period ended March 31, 1990 is as follows:

DESCRIPTION	Promotional Allowances		Promotional Expenses	
	No. of Recipients	Dollar Amount	No. Of Recipients	Dollar Amount
Rooms	23,655	\$ 718,000	-	-
Food	180,261	2,073,000	-	-
Beverage	402,333	2,414,000	-	-
Travel	-	-	4,919	\$ 1,276,000
Theatre	8,307	213,000	-	-
Parking	28,000	224,000	2,185	18,000
Bus Tour Coupon	-	-	221,783	4,795,000
Exchange Coin	-	-	29,286	205,000
Food Court - Other	-	-	4,286	30,000
Red Carpet Certificates	-	-	18,393	554,000
Other	15,250	122,000	-	-
Total Promotional Allowances and Expenses		\$ 5,764,000		\$ 6,878,000

TRADING NAME OF LICENSEE Sands Hotel & Casino

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

March 31, 1990

(UNAUDITED)

(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE: (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks.....	5.335		
2	Returned patrons' checks.....	19.612		
3	Total patrons' checks.....	24.947	15.050	9.897
4	Hotel Receivables.....	756	94	662
	Other Receivables:			
5	Receivables due from officers and employees.....	0		
6	Receivables due from affiliates.....	701		
7	Other accounts and notes receivables.....	16.550		
8	Total other receivables.....	17.251		17.251
9	Totals (Form 205).....	\$ 42.954	\$ 15.144	\$ 27.810

UNDEPOSITED PATRONS' CHECKS ACTIVITY

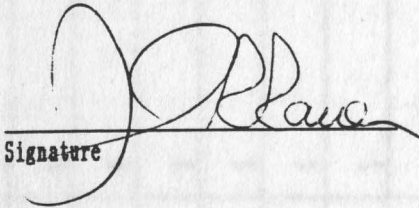
LINE: (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 6.797
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	45.461
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(33.092)
13	Checks collected through deposits.....	(9.162)
14	Checks transferred to returned checks.....	(4.669)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 5.335
17	"Hold" Checks Included in Balance On Line 16.....	\$ 2.241
18	Provision For Uncollectible Patrons' Checks.....	4.93
19	Provision As A Percent Of Counter Checks Issued.....	

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
:66.
COUNTY OF ATLANTIC :

John R. Rauon being duly sworn according to law upon my oath
NAME
deposes and says:

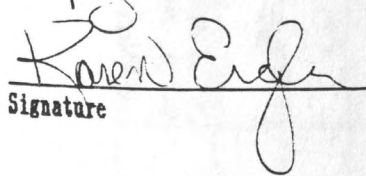
1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.


Signature

John R. Rauon
Vice President, Finance
Title

866-11
License Number

Subscribed and sworn to
before me this 15th day
of May, 1990


Signature

KAREN S. ERICK
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Nov. 18, 1993

Basis of Authority
to Take Oaths

4/86

On Behalf Of:

Greate Bay Hotel & Casino, Inc.
Casino Licensee

CCC-250

TRADING NAME OF LICENSEE SANDS HOTEL AND CASINO

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	500	15,500	12,375	\$ 56.47	79.8 %	22,023	\$ 31.73
FEBRUARY	500	14,000	12,486	\$ 59.11	89.2 %	22,864	\$ 32.28
MARCH	500	15,315	14,407	\$ 62.76	94.1 %	27,065	\$ 33.41
1ST QUARTER TOTALS		44,815	39,268	\$ 59.62	87.6 %	71,952	\$ 32.54
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

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QUARTERLY REPORT

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

ADDRESS BOARDWALK & NORTH CAROLINA AVENUE

ATLANTIC CITY, NEW JERSEY 08402

FOR THE QUARTER ENDED MARCH 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . .

JOHN R. SPINA

OFFICIAL TITLE

CORPORATE VICE PRESIDENT

ADDRESS

BOARDWALK & NORTH CAROLINA AVENUE

ATLANTIC CITY, NEW JERSEY 08402

TRADING NAME OF LICENSEE MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED MARCH 31, 1990

<u>TITLE</u>	<u>FORM NO.</u>	1989	(2) 1989
Balance Sheets	CCC-205		
Statement of Income (Year)	CCC-210	8,308	52,393
Statements of Income (Three Months)	CCC-215	321,408	2,076
Statements of Changes in Stockholders' Equity	CCC-220	185,563	
Statements of Changes in Partners' or Proprietor's Equity	CCC-225	272,363	125,646
Statements of Cash Flows	CCC-235	8547,570	
Notes to Financial Statements		8,487	4,872
Schedule of Receivables and Patrons' Checks	CCC-240	740	
Statement of Conformity and Accuracy	CCC-250	2,930	33,252
		5,067	16,846
		325,000	
		38,321	
		410,167	
	CCC-201		
		8547,570	

2/87

CCC-205

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

BALANCE SHEETS

MARCH 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:		
1	Cash	\$ 9,106	\$ 8,108
2	Marketable securities (Short-term Money Market At Cost)	10,817	52,193
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$5,021; 1989, \$4,902)	133,118	121,408
4	Inventories	2,027	2,036
5	Prepaid expenses and other current assets	1,672	1,818
6	Total current assets	156,740	185,563
7	Investments, Advances, And Receivables	4,118	12,998
8	Property And Equipment - Net ....(Note 2).....	229,387	222,363
9	Other Assets	18,909	126,646
10	Total Assets	\$409,154	\$547,570
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts Payable	\$ 4,537	\$ 4,872
12	Notes Payable		740
13	Current portion of long-term debt: (Note 4)		
14	Due to affiliates		
15	Other	481	
16	Income taxes payable and accrued (Note 12).....		2,930
17	Other accrued expenses (Note 3).....	17,260	33,242
18	Other current liabilities	4,118	5,062
	Total current liabilities	26,396	46,846
19	Long-Term Debt: (Note 4)		
20	Due to affiliates	355,231	325,000
21	Other .....(Note 5).....	1,596	
22	Deferred Credits ....(Note 7).....	38,048	38,321
23	Other Liabilities		
24	Commitments and Contingencies (Note 13)		
	Total Liabilities	421,271	410,167
25	Stockholders', Partners', or Proprietor's Equity	(12,117)	137,403
26	Total Liabilities and Equity	\$409,154	\$547,570

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

CCC-205

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$ 46,000	\$ 52,035
2	Rooms	3,509	3,645
3	Food and beverage	5,894	6,985
4	Other	1,873	1,788
5	Total revenue	57,276	64,453
6	Less: promotional allowances ....(Note 6).....	5,723	6,040
7	Net revenue	51,553	58,413
	Costs And Expenses:		
8	Cost of goods and services	37,499	33,605
9	Selling, general, and administrative	12,678	15,700
10	Provision for doubtful accounts	488	267
11	Depreciation and amortization	3,898	4,860
	Charges from affiliates other than interest: (Note 9)		
12	Management fees	1,200	750
13	Other	1,439	2,930
14	Total costs and expenses	57,202	58,112
15	Income (Loss) From Operations	(5,649)	301
	Other Income (Expense):		
16	Interest (expense) - affiliates.. (Note 9).....		(11,156)
17	Interest expense - external	(56)	(21)
18	Investment alternative tax and related inc.(exp) (Note 13)	(346)	(329)
19	Nonoperating income (expense) - net ... (Note 10).....	299	3,131
20	Total other income (expenses)	(103)	(8,375)
21	Income (Loss) Before Income Taxes And Extraordinary Items .	(5,752)	(8,074)
22	Provision (Credit) for income taxes (Notes 1,12).....		(2,800)
23	Income (Loss) Before Extraordinary Items	(5,752)	(5,274)
24	Extraordinary Items (net of income taxes - 1990, \$ NONE ; 1989, \$ NONE)		
25	Net Income (Loss)	(\$ 5,752)	(\$ 5,274)

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino	\$ 46,000	\$ 52,035
2	Rooms	3,509	3,645
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22	Provision (Credit) for income taxes (Notes 1,12).....		(2,800)
23	Income (Loss) Before Extraordinary Items	(5,752)	(5,274)
24	Extraordinary Items (net of income taxes - 1990, \$ NONE ; 1989, \$ NONE)		
25	Net Income (Loss)	(\$ 5,752)	(\$ 5,274)

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

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	1990		1989	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock: (\$1 par value, 2,500 shares authorized)				
1	Beginning balance (January 1)	100	\$	100	\$
2	Sale of stock				
3					
4	Ending balance	100		100	
	Preferred Stock:				
5	Beginning balance (January 1)				
6	Sale of stock				
7					
8	Ending balance				
	Additional Paid-In Capital:	+++++		+++++	
9	Beginning balance (January 1)	+++++	180,030	+++++	180,030
10		+++++		+++++	
11		+++++		+++++	
12	Ending balance	+++++	180,030	+++++	180,030
	Treasury Stock:				
13	Beginning balance (January 1)				
14	Purchase of additional stock ...				
15	Sale or retirement of stock ...				
16	Ending balance				
	Subscriptions Receivable For From Capital Stock: Griffin Company				
17	Beginning balance (January 1)		(35,000)		(35,000)
18	Note Receivable Griffin Company				
19					
20	Ending balance		(35,000)		(35,000)
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:	+++++		+++++	
21	Beginning balance (January 1)	+++++		+++++	
22		+++++		+++++	
23		+++++		+++++	
24	Ending balance	+++++		+++++	
	Retained Earnings:	+++++		+++++	
25	Beginning balance (January 1)	+++++	(151,395)	+++++	(2,353)
26	Prior period adjustments	+++++		+++++	
27	Net income (loss)	+++++	(5,752)	+++++	(5,274)
28	Dividends	+++++		+++++	
29		+++++		+++++	
30		+++++		+++++	
31	Ending balance	+++++	(157,147)	+++++	(7,627)
32	Ending Stockholders' Equity	+++++	(\$ 12,117)	+++++	\$137,403

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

CCC-220

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
 (a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

**STATEMENTS OF CHANGES IN PARTNERS'
 OR PROPRIETOR'S EQUITY**

FOR THE THREE MONTHS ENDED MARCH 31, 1990 and 1989
 (UNAUDITED)
 (\$ IN THOUSANDS)

NOT APPLICABLE

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Invested Capital:		
1	Beginning balance (January 1)	\$	\$
2	Additional capital invested		
3	.....	
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	.....	
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	.....	
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)		
15	.....	
16	.....	
17	Ending balance		
18	Ending Partners' Or Proprietor's Equity	\$	\$

NOT APPLICABLE

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

CCC-225

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1990 and 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) by Operating Activities	(\$ 563)	(\$ 27,483)
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities		
3	Proceeds from the sale of short-term investment securities		
4	Cash outflows for property and equipment	(6,702)	(1,518)
5	Proceeds from disposition of property and equipment	5	52
6	Purchase of casino reinvestment obligations	(573)	(649)
7	Purchase of other investments and loans/advances made		(2)
8	Proceeds from disposal of investments and collections of advances and long-term receivables		
9	Cash outflows to acquire business entities		
10	Investment in subsidiary	20	
11	Loans to Affiliate	16,821	
12	Net Cash Provided (Used) By Investing Activities	9,571	(2,117)
	Cash Flows From Financing Activities		
13	Cash proceeds from issuance of short-term debt		
14	Payments to settle short-term debt		(30)
15	Cash proceeds from issuance of long-term debt		
16	Costs of issuing debt		
17	Payments to settle long-term-debt	(127)	
18	Cash proceeds from issuing stock or capital contributions.		
19	Purchases of treasury stock		
20	Payments of dividends or capital withdrawals		
21	Payments for Recapitalization Cost.....		
22	.....	
23	Net Cash Provided (Used) By Financing Activities	(127)	(30)
24	Net Increase (Decrease) in Cash And Cash Equivalents	8,881	(29,630)
25	Cash And Cash Equivalents At Beginning Of Year	11,042	89,931
26	Cash And Cash Equivalents At End Of Year	\$19,923	\$60,301

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Year For:		
28	Interest (net of amount capitalized)	\$ 1,776	\$ 21
	Income taxes		

12/87

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

CCC-235

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)
STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1990 and 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss)	<u>(\$ 5,752)</u>	<u>(\$ 5,274)</u>
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment	<u>3,746</u>	<u>3,494</u>
31	Amortization of other assets	<u>152</u>	<u>1,366</u>
32	Amortization of debt discount or premium		
33	Deferred income taxes - current		
34	Deferred income taxes - noncurrent		
35	(Gain) loss on disposition of property and equipment ...	<u>(5)</u>	<u>119</u>
36	(Gain) loss on casino reinvestment obligations	<u>346</u>	<u>329</u>
37	(Gain) loss from other investment activities	<u>57</u>	<u>25</u>
38	Net (increase) decrease in receivables and patrons' checks	<u>282</u>	<u>(34,432)</u>
39	Net (increase) decrease in inventories	<u>146</u>	<u>240</u>
40	Net (increase) decrease in other current assets	<u>374</u>	<u>(717)</u>
41	Net (increase) decrease in other assets	<u>(333)</u>	<u>(44)</u>
42	Net increase (decrease) in accounts payable	<u>(204)</u>	<u>(1,306)</u>
43	Net increase (decrease) in other current liabilities excluding debt	<u>646</u>	<u>12,489</u>
44	Net increase (decrease) in other noncurrent liabilities excluding debt	<u>(18)</u>	<u>(3,772)</u>
45	Other		
46			
47	Net Cash Provided (Used) By Operating Activities	<u>(\$ 563)</u>	<u>(\$27,483)</u>

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment	<u>(\$ 8,780)</u>	<u>(\$ 1,518)</u>
50	Less: Capital lease obligations incurred	<u>2,078</u>	
	Cash Outflows For Property And Equipment	<u>(\$ 6,702)</u>	<u>(\$ 1,518)</u>
51	Acquisition Of Business Entities:		
52	Property and equipment acquired	<u>\$</u>	<u>\$</u>
53	Goodwill acquired		
54	Net assets acquired other than cash, goodwill, and property and equipment		
55	Long-term debt assumed		
56	Issuance of stock or capital invested	<u>\$</u>	<u>\$</u>
	Cash Outflows To Acquire Business Entities		
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions	<u>\$</u>	<u>\$</u>
59	Less: Issuances to settle long-term debt		
60	Consideration in acquisition of business entities ..	<u>\$</u>	<u>\$</u>
	Cash Proceeds From Issuing Stock Or Capital Contributions ..		

MERV GRIFFIN'S RESORTS CASINO HOTEL

(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

General:

The accompanying consolidated financial statements, which are unaudited, include the operations of Resorts International Hotel, Inc. ("RIH") and its subsidiaries.

While the accompanying financial information is unaudited, management of RIH believes that all adjustments necessary for a fair presentation of these financial statements have been made and all such adjustments are of a normal recurring nature.

Basis of Presentation:

RIH, a wholly owned subsidiary of Resorts International, Inc. (RII), owns and operates the Resorts International Casino Hotel ("Resorts Casino Hotel") a casino/hotel complex located in Atlantic City, New Jersey.

Effective November 15, 1988, The Griffin Company ("Griffin Co."), a company wholly-owned by Merv Griffin, purchased a controlling interest in RII from Donald J. Trump, then Chairman of the Board and controlling shareholder of RII (The "Acquisition"). Also effective November 15, 1988, Griffco Acquisition Corp. ("Griffco"), a wholly-owned subsidiary of Griffin Co, was merged with and into RII (the "Merger"). As a result of the Merger and the Acquisition, RII became a wholly-owned subsidiary of Griffin Co.

Acquisition:

The Acquisition was accounted for as a purchase and according to a practice known as "push-down" accounting, on November 15, 1988, RIH adjusted its net assets to reflect its portion of the cost of the Acquisition. In doing so, RIH's consolidated assets and liabilities were adjusted to their estimated fair values, based on independent appraisals, evaluations, estimations and other studies. RII's consolidated goodwill was allocated among its subsidiaries based on return on investment computations and other relevant factors.

Goodwill was being amortized on the straight line basis over 40 years. The appraisals used to establish fair values of the majority of RIH's property and equipment also provided revised estimates of remaining depreciable lives of such assets, which generally were greater than those previously used by RIH, particularly for hotels and other buildings. RIH commenced using such revised estimates as of November 15, 1988.

Principles of consolidation:

The consolidated financial statements include the accounts of RIH and its subsidiaries except for one wholly owned subsidiary which is accounted for on the equity basis of accounting. All significant intercompany balances and transactions have been eliminated in consolidation.

Revenue recognition:

RIH records as revenue the win from gaming activities which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services and from theatre ticket sales are recognized at the time the related service is performed.

Promotional allowances:

Gross revenues include the retail value of complimentary rooms, food, beverage and other hotel services furnished to casino patrons. The retail value of these complimentary services is deducted as a promotional allowance to arrive at net revenues. The cost of complimentary services is charged to cost of goods and services and selling, general and administrative.

Cash equivalents

RIH considers all of its short-term money market securities which have maturities of three months or less to be cash equivalents.

Inventories:

Inventories of provisions, supplies and spare parts are carried at the lower of cost (first-in, first-out) or market.

Property and equipment:

Depreciation is computed on the straight-line method over the estimated useful lives of the assets, as follows: land improvements, 12 - 20 years; buildings and improvements, 24-30 years; furniture and equipment, 2-7 years.

Casino Reinvestment Development Authority ("CRDA") Obligations

Under the New Jersey Casino Control Act ("Casino Control Act"), RIH is obligated to purchase CRDA bonds, which will bear a below market interest rate, or make an alternative qualifying investment. RIH charges to expense an estimated discount related to CRDA investment obligations as of the date the obligation arises based on fair market interest rates of similar quality bonds in existence as of that date. On the date RIH actually purchases the CRDA bond, the estimated discount previously recorded is adjusted to reflect the actual terms of the bonds issued and the then existing fair market interest rate for similar quality bonds.

The discount on CRDA bonds purchased is amortized to interest income over the life of the bonds using the effective interest rate method.

Income taxes

For periods from November 15, 1988, RIH will file a consolidated United States federal income tax return with RII's new parent, Griffin Co. pursuant to a Tax Sharing Agreement entered into with the Griffin Co. and RII. RIH will be liable to Griffin Co. for the amount of federal income taxes calculated on a separate return basis, and so taxes have been provided on that basis. However, RIH will not be liable to Griffin Co. to the extent that Griffin Co.'s consolidated federal tax return does not have an actual tax liability for a particular year, or that RII and its domestic subsidiaries would not have had an actual tax liability had they filed a separate consolidated federal income tax return for such year.

Also for periods from November 15, 1988, RIH adopted the Statement of Financial Accounting Standards No. 96, "Accounting For Income Taxes" ("SFAS 96"). Under the liability method specified by SFAS 96, the deferred tax liability is determined based on the difference between the financial reporting and tax basis of assets and liabilities and enacted tax rates which will be in effect for the years in which the differences are expected to reverse. The deferred tax liability is reduced by cumulative tax credits and losses being carried forward for tax purposes. Deferred tax expense is the result of changes in the deferred tax liability.

For periods through November 14, 1988 the Company's taxable income was included in the consolidated federal income tax return filed by RII. Based on an agreement with RII, RIH provides for federal and state income taxes using a combined tax rate, except for those isolated transactions which materially affected RIH's effective tax rate, in which case the applicable transactions are separately tax effected using the appropriate tax rates. Effective January 1, 1987, RIH's agreement with RII was amended to reflect changes in federal tax laws brought about by the Tax Reform Act of 1986 (the "1986 Act"). Based on the tax rates included in the 1986 Act, RIH has agreed with RII for 1987 that it would provide for federal and state income taxes using a combined rate of 45%. For years subsequent to 1987, taxes were provided using a combined tax rate of 40%. Isolated transactions that materially affect RIH's effective tax rates continue to be separately tax effected.

LONG TERM DEBT - DUE TO AFFILIATES
(Thousands of Dollars)

	MARCH 31,	
	1990	1989
Notes payable to affiliates	\$200,000	\$200,000
Notes payable to affiliates	125,000	125,000
Interest payable to affiliates	30,231	
	<u>\$355,231</u>	<u>\$325,000</u>

In August, 1989, RIH sought approval of the Casino Reinvestment Development Authority ("CRDA") for RIH to make a donation of \$12,048,000 in exchange for which RIH would be relieved of its obligation to purchase bonds in the amount of \$18,193,000, for which cash was already on deposit with the CRDA. The CRDA approved this transaction and the remaining \$6,145,000 on deposit was returned by the CRDA to RIH on August 18, 1989. The net effect of recording the donation of \$12,048,000 and reversing the previously provided discount applicable to the entire \$18,193,000, which was to have been invested in a non-cash charge of \$3,388,000 which was recorded by RIH in August, 1989.

NOTE 2 - PROPERTY AND EQUIPMENT:

(In Thousands of Dollars)

	<u>MARCH 31,</u>	
	<u>1990</u>	<u>1989</u>
Land	\$ 53,250	\$ 53,250
Land and improvements	3,443	3,529
Building and improvements	142,148	138,954
Furniture, machinery and equipment	41,133	31,426
Construction in progress	<u>8,478</u>	<u>247</u>
	248,452	227,406
Less - Accumulated depreciation	<u>19,065</u>	<u>5,043</u>
	<u>\$229,387</u>	<u>\$222,363</u>

NOTE 3 - OTHER ACCRUED EXPENSES:

(In Thousands of Dollars)

	<u>MARCH 31,</u>	
	<u>1990</u>	<u>1989</u>
Accrued payroll	\$ 5,222	\$ 4,186
Progressive slot liability	5,242	5,030
Interest payable to affiliate		16,734
Other	<u>6,796</u>	<u>7,292</u>
	<u>\$17,260</u>	<u>\$ 33,242</u>

NOTE 4 - LONG-TERM DEBT - DUE TO AFFILIATES:

(In Thousands of Dollars)

	<u>MARCH 31,</u>	
	<u>1990</u>	<u>1989</u>
13 7/8% note payable to affiliate	\$200,000	\$200,000
13 1/2% note payable to affiliate	125,000	125,000
Interest payable to affiliate	<u>30,231</u>	
	<u>\$355,231</u>	<u>\$325,000</u>

On November 16, 1988, Griffin Resorts issued \$200,000,000 principal amount of First Mortgage Notes due 1998 (the "Mortgage Notes"), and \$125,000,000 principal amount of Senior Secured Reset Notes (the "Reset Note", and together with the Mortgage Notes, the "Securities"). Griffin Resorts loaned the proceeds of the Securities to RIH in exchange for (i) two promissory notes payable to Griffin Resorts, which Griffin Resorts, in turn, pledged to the Trustees for the Securities; and (ii) a first mortgage on the Resorts Casino Hotel and the other properties owned by RIH, and a first priority security interest in the personal property of RIH granted to the Collateral Agent for the Securities and (iii) the assignment of RIB's promissory note for \$50,000,000 and mortgages securing such note. RIH paid, or assumed the liability for, the issuance costs of the Securities which amounted to \$20,300,000.

One promissory note, in the amount of \$200,000,000, contains interest, principal and redemption terms which are substantially identical to those of the Mortgage Notes. The Mortgage Notes bear interest at 13 7/8% per annum until July 15, 1991 at which time the interest rate shall not be increased by more than 100 basis points (one percentage point). Interest is payable each May 1 and November 1. Sinking fund payments of \$20,000,000 are required annually commencing November 1, 1993.

The second promissory note for \$125,000,000, contains interest, principal and redemption terms which are substantially identical to those of the Reset Notes. The Reset Notes bear interest at 13 1/2% per annum until November 1, 1990 (the "First Reset Date"). Prior to the First Reset Date, Griffin Resorts, unless the Reset Notes are to be redeemed, will elect a new date which shall be one, three or five years from the First Reset Date. The interest rate payable on the Reset Notes from the First Reset Date to the date so chosen (such date, together with the First Reset Date and each date subsequently so chosen, a "Reset Date") shall be reset as prescribed. Griffin Resorts may make similar elections, and the interest rate will be similarly reset on each Reset Date provided that the final maturity shall be no later than November 1, 1995. The interest rate on the Reset Notes may not exceed the initial interest rate by more than 250 basis points (two and one half percentage points). Interest is payable each May 1 and November 1.

The promissory notes issued by RIH were written to mirror the terms of Griffin Resorts publicly held notes with the intent that RIH pay interest to Griffin Resorts on Griffin Resorts' interest payment dates so that Griffin Resorts would have cash available to make its interest payments to the public on those dates. Thus, with the announcement of the interest moratorium on Griffin Resorts' notes (see Note 14), RIH also ceased the payment of interest on its notes to Griffin Resorts. Accordingly, accrued interest on these notes at March 31, 1990 is reflected in long-term, rather than current, liabilities.

NOTE 5 - LONG-TERM DEBT - OTHER:

Long-term debt-other consists of capital lease obligations under which RIH is the lessee of computer equipment, slot machines and printing equipment. The leases were entered into in 1989 and expire in various years through 1990. The outstanding obligations at March 31, 1990 are as follows:

	March 31,	
	1990	1989
Capital lease obligations	\$2,077,000	
Less current maturities	481,000	
	<u>\$1,596,000</u>	<u>\$ 0</u>

Minimum future principal payments of long-term debt - other outstanding as of March 31, 1990 are as follows:

1990	\$ 355,000
1991	528,000
1992	484,000
1993	195,000
1994	423,000
Thereafter	<u>92,000</u>
	<u>\$2,077,000</u>

NOTE 6 - PROMOTIONAL ALLOWANCES AND PROMOTIONAL EXPENSES:

(In Thousands of Dollars)
Quarter ended 03/31/90

	PROMOTIONAL ALLOWANCES		PROMOTIONAL EXPENSE	
	NUMBER OF RECIPIENTS	AMOUNT	NUMBER OF RECIPIENTS	AMOUNT
Rooms	23	\$1,981		
Food	224	2,139		
Beverage	128	243		
Travel			4	\$598
Coupon redemption:				
Cash			639	6,121
Food	29	636		
Admissions	60	666		
Parking			206	734
Other		58	13	132
Totals	<u>464</u>	<u>\$5,723</u>	<u>862</u>	<u>\$7,585</u>

NOTE 7 - DEFERRED CREDITS:

Deferred credits represent deferred income taxes of \$37,516,000 and \$37,716,000 at March 31, 1990 and 1989 respectively, and the unamortized portion of a lump-sum payment made by a tenant at the inception, July 1983, of a fifteen year lease. This payment is being amortized and recorded in earnings in equal monthly installments over the life of the lease.

NOTE 8 - SAVINGS AND PENSION PLANS:

RIH has a defined contribution plan (the "Thrift Plan"), in which substantially all non-union employees are eligible to participate. Employees of certain other affiliated companies are also eligible to participate in the Thrift Plan. Under the Thrift Plan, eligible participating employees may contribute up to a total of 4% of their annual cash compensation as a basic contribution and may also elect to contribute up to an additional 10% as a voluntary contribution. RIH and other subsidiaries of RII contribute an amount equal to 50% of their employees' basic contributions as a "basic match". In addition to the basic match, the company may declare an "incentive match". For 1990, the incentive match is an additional 50% of the employees' contributions up to 2% of the employees' annual cash compensation. RIH's contributions under the Plan were approximately \$163,321 and \$155,000 for the three months ended March 31, 1990 and 1989, respectively.

In addition to the Company's plan described above, union employees are covered by various multi-employer pension plans to which contributions are made. Contributions by RIH were approximately \$145,000 and \$170,000 for the three months ended March 31, 1990 and 1989, respectively.

NOTE 9 - CHARGES FROM AFFILIATES:

RIH has recorded expenses from affiliates and RII as follows:

(In Thousands of Dollars)

AFFILIATED COMPANY	TRANSACTION	THREE MONTHS ENDED MARCH 31,	
		1990	1989
Griffin Resorts, Inc.	Interest charges	\$ 11,156	\$ 11,156
Resorts International, Inc.	Management fee	\$ 1,200	\$ 750
Resorts International, Inc.	Insurance	\$ 736	\$ 736
	Property Rental	94	29
	Other	208	765
International Intelligence, Inc.	Security fees	54	10
ANTL, Inc.	Aircraft rentals	124	757
PIVI	Flights	36	
Resorts of New York, Inc.	Sales office expenses	29	43
Steeplechase Transport and Parking, Inc.	Parking fees	704	699
Trams Atlantic, Inc	Limo Services	237	
Chalk's Airline	Aircraft rentals	47	
Others	Property rentals		81
	Other		575
		<u>\$1,439</u>	<u>\$ 2,930</u>

NOTE 10 - NONOPERATING INCOME (EXPENSE), NET:
(In Thousands of Dollars)

	THREE MONTHS ENDED	
	MARCH 31,	
	1990	1989
Interest income	\$ 280	\$1,901
Interest income from affiliates	1,612	1,688
Corporate office expense	(69)	(55)
Restructuring/ refinancing costs	(1,266)	
Non-operating rent/taxes	(303)	
Donated CRDA Deposits		
Other	45	(403)
	<u>\$ 299</u>	<u>\$3,131</u>

NOTE 11 - DIVIDENDS AND OTHER RESTRICTED TRANSACTIONS:

Dividends

For periods subsequent to November 14, 1988, the declaration and payment of dividends (other than stock dividends) by RIH are restricted by the indentures for the Securities. As of March 31, 1990, due to these restrictions, no funds were available for dividends or other restricted payments.

Other Restricted Transactions:

Pursuant to the indentures for the Securities neither Griffin Resorts, RIH nor any of their respective subsidiaries may (i) sell, lease, transfer or otherwise dispose of any of its properties, assets or securities to, (ii) purchase any property, assets or securities from, (iii) make any investment in or, (iv) enter into any contract or agreement with or for the benefit of any affiliates of any of them (other than Griffin Resorts, RIH or any such subsidiary in which no affiliate (other than Griffin Resorts, RIH or another such wholly owned subsidiary) owns, directly or indirectly, any equity interest) (an "Affiliate transaction"), other than (a) loans to Griffin Co. by Griffin Resorts and RIH respectively, promptly following the issuance of the Securities, which shall not in the aggregate exceed \$50,000,000 less the consolidated cash balances of RII and its subsidiaries (other than Griffin Resorts, RIH and their subsidiaries) on the date of such loans plus \$3,000,000 and the forgiveness or cancellation of such loans and the notes relating thereto, (b) a loan to Griffin Co. by Griffin Resorts or the Company on or after January 1, 1989 in an amount not exceeding \$25,000,000 backed by a \$25,000,000 letter of credit to be pledged as Collateral for the Securities, provided, that no default or event of default shall have occurred and be continuing and the forgiveness or cancellation of such loans and the note relating thereto on or after November 15, 1992, and (c) Affiliate Transactions pursuant to a management agreement and the Tax Sharing Agreement entered into among Griffin Co., RII, Griffin Resorts, RIH, and certain other subsidiaries of RII, as in effect on the date of the indentures and certain other permitted Affiliate Transactions.

The management agreement referred to in (c) above provides for an annual management services fee from RIH, Griffin Resorts and their subsidiaries to RII of \$16,000,000 and certain other permitted advances.

Notwithstanding the restrictions described above, RIH may make loans to Griffin Resorts, and Griffin Resorts may make loans or advances to RII to the extent required to provide RII and RII's subsidiaries (other than Griffin Resorts, RIH and their respective subsidiaries) with sufficient funds to satisfy the obligations on their indebtedness outstanding as of the date the Securities were issued (and any indebtedness issued in exchange therefore ("Exchange Debt")); provided that, at the time of such loan or advance, no indebtedness of RII or any of its subsidiaries shall have been accelerated prior to its stated maturity; and provided, further, that in the case of Exchange Debt, such Exchange Debt does not have scheduled principal payments due on or prior to November 1, 1996 in any amounts which are greater than, or which occur sooner than, any such scheduled principal payments due on or prior to November 1, 1996 on the indebtedness in exchange for which such Exchange Debt is issued.

NOTE 12 - INCOME TAXES:

As discussed in Note 1, RIH adopted SFAS 96, and entered into a new Tax Sharing Agreement, effective November 15, 1988. With the application of push-down accounting, the effects of adopting SFAS 96 were included in determining the new basis of RIH's assets and liabilities at November 15, 1988. Previous periods were not restated.

For federal tax purposes, the Company has net operating loss carryforwards for regular tax and alternative minimum tax ("AMT") of approximately \$77,100,000 and \$76,500,000 respectively, at December 31, 1989, these amounts expire in 2003.

NOTE 13 - CONTINGENCY:

CRDA

The Casino Control Act, as originally adopted, required a licensee to make investments equal to 2% of the licensee's net casino win (as defined under the Casino Control Act) (the "investment obligation") for each calendar year, commencing in 1979, in which such net casino win exceeded its "cumulative investments" (as defined in the Casino Control Act). A licensee had five years from the end of each calendar year to satisfy this investment obligation or become liable for an "alternative tax" in the same amount. In 1984, the New Jersey legislature amended the Casino Control Act so that these provisions now apply only to investment obligations for the years 1979 through 1983.

Effective for 1984 and subsequent years, the amended Casino Control Act requires a licensee to satisfy its investment obligation by purchasing bonds to be issued by the CRDA, or by making other investments authorized by the CRDA, in an amount equal to 1.25% of a licensee's net casino win. If the investment obligation is not satisfied, then the licensee will be subject to an investment alternative tax of 2.5% of net casino win. Since 1985, a licensee has been required to make quarterly deposits with the CRDA against its current year investment obligation.

An analysis of RIH's investment obligations under the Casino Control Act and RIH's means of settlement since 1979 follows:

(In Thousands of Dollars)

	<u>1979-1983</u>	<u>1984-1989</u>	<u>SUB-TOTAL</u>	<u>1990</u>	<u>TOTAL</u>
Investment obligations	(\$21,637)	(\$17,940)	(\$39,577)	(\$570)	(\$40,147)
Means of settlement:					
Housing related investments under audit	13,104		13,104		13,104
Housing related investments previously approved	1,000		1,000		1,000
CRDA deposits/bond purchases	<u>7,533</u>	<u>17,940</u>	<u>25,473</u>	<u>-0-</u>	<u>25,473</u>
Remaining investment obligation at March 31, 1990 which was deposited in April 1990	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(\$ -0-)</u>	<u>(\$570)</u>	<u>(\$ 570)</u>

With regard to the housing related investments under audit, in January 1988, the CRDA notified RIH of its interpretation as to the periods of time during which expenditures could be made to satisfy investment obligations. This interpretation differs from RIH's and if found to be correct would decrease the amount of RIH's qualifying expenditures by approximately \$5,000,000 to \$6,000,000. RIH believes that its interpretation is correct and intends to contest this issue.

RIH also received a letter dated November 9, 1989, from the State of New Jersey Department of the Treasury (the "Treasury") stating that the housing related investments made by RIH were not sufficient to meet its investment obligation for the years 1979 through 1983. The letter also stated that alternative tax in the amount of \$21,637,000 was due for those years, in addition to penalties and interest thereon which amounted to \$12,514,000 as of the date of the letter. As set forth in the table above, RIH believes that \$8,533,000 of such obligations have been settled in cash (\$7,533,000) and by previously approved housing related investments (\$1,000,000). Also, RIH has received an audit report issued by an agency acting on behalf of the Treasury identifying qualifying credits from housing related investments of \$10,165,000. This leaves a total of \$2,939,000 of housing related investments under audit in question. RIH has notified the Treasury that it takes exception to the Treasury's computation of amounts due. Further, RIH believes that the \$2,939,000 of housing related investments in question will be found, under further audit, to have been satisfied. However, no assurance can be given on the issue.

If the CRDA's interpretation as to the periods of time during which qualifying expenditures can be made is found to be correct, or if the Treasury's issue is determined adversely, RIH could be required to pay the relevant amount in cash to the CRDA.

As reflected in the table above, through March 31, 1990, RIH had made CRDA deposits/bond purchases totalling \$25,473,000. However, in August 1989 RIH sought and received approval of the CRDA to make a donation of \$12,048,000 in exchange for which RIH would be relieved of its obligation to purchase CRDA bonds of \$18,193,000. Because RIH already had the \$18,193,000 for bond purchases on deposit with the CRDA, the difference between this amount and the amount of the donation, or \$6,145,000 was refunded to RIH in August 1989. Thus, at March 31, 1990, RIH had a remaining balance of \$4,318,000 face value of bonds issued by the CRDA and had \$2,962,000 on deposit with the CRDA. These bonds and deposits, net of an estimated discount charged to expense to reflect the below-market interest rate payable on the bonds, were recorded as Investments, Advances and Receivables in the Company's Balance Sheet.

RIH records charges to expense to reflect the below-market interest rate payable on the bonds it may have to purchase to fulfill its investment obligation at the date the obligation arises. The charge for the three months ended March 31, 1990 for discounts on obligations arising in 1990 was \$346,000. The charge for 1989 for discounts on obligations arising for the three months ended March 31 was \$329,000.

NOTE 14 - BANKRUPTCY PROCEEDINGS:

As a result of the acquisition of RII by Griffin Co. as of November 15, 1988 (see Note 1), RII Consolidated's long-term debt obligations increased to \$927,000,000. Since that time RII Consolidated has experienced serious shortfalls between its debt service and other cash needs and obligations, and its cash flow from operations before interest and income taxes. On August 28, 1989, due to these shortfalls, RII announced a moratorium on the payment of interest on its debentures and the notes and debentures issued by its subsidiaries, GRI and RIFI. On September 19, 1989, RII and GRI filed with the Securities and Exchange Commission an offer to exchange existing long-term debt obligations for new debt and common stock. This exchange, as described below, was superseded by the bankruptcy proceedings.

On November 12, 1989, certain creditors of RII and one of its subsidiaries, RIFI, filed involuntary petitions for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code ("Chapter 11"). On December 22, 1989, RII and RIFI filed consents to the involuntary petitions and two other subsidiaries of RII, GRH and GRI, filed voluntary petitions for relief under Chapter 11. Also on December 22, 1989, RII, RIFI and GRI (hereinafter referred to as the "Debtors") filed a joint plan of reorganization which provides, among other things, for the issuance of certain new debt and equity securities of RII in exchange for the existing debt securities issued by RII, GRI and RIFI. On April 16, 1990, the Debtors filed a First Amended Joint Plan of Reorganization (the "Plan"), which also proposed an exchange of securities as described above. The Debtors have continued to operate their respective businesses as debtors-in-possession subject to the jurisdiction of the Bankruptcy Court. There can be no assurance that the plan will be approved.

TRADING NAME OF LICENSEE: MERV GRIFFIN'S RESORTS CASINO HOTEL
(a wholly owned subsidiary of RESORTS INTERNATIONAL, INC.)

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1990
(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES			
DESCRIPTION (b)	ACCOUNT (c) BALANCE	(d) ALLOWANCE	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
Patrons' Checks:			
Undeposited patrons' checks	\$ 4,730		
Returned patrons' checks	7,105		
Total patrons' checks	11,835	\$4,930	\$ 6,905
Hotel Receivables	988	91	897
Other Receivables:			
Receivables due from officers and employees	24		
Receivables due from affiliates	125,292		
Other accounts and notes receivables ..			
Total other receivables	125,316		125,316
Totals (Form 305)	138,139	\$5,021	\$133,118

UNDEPOSITED PATRONS' CHECKS ACTIVITY		AMOUNT (h)
DESCRIPTION (g)		
Beginning Balance (January 1)		\$ 5,029
Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits)		37,967
Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits) ...		(27,982)
Checks collected through deposits		(8,005)
Checks transferred to returned checks		(2,279)
Other adjustments		\$ 4,730
Ending balance		\$
"Hold" Checks Included In Balance On Line 16		\$ 488
Provision For Uncollectible Patrons' Checks		1.3
Provision As A Percent of Counter Checks Issued		%

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
:SS.
COUNTY OF ATLANTIC :

John R. Spina, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Annual Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Annual Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Annual Report is accurate to the best of my knowledge and belief.


Signature

Corporate Vice President
Title

02507-11
License Number

On Behalf Of:

Subscribed and sworn to
before me this 15th day
of May 1990.

Stephanie Caldwell
Signature

STEPHANIE CALDWELL
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires JULY 15, 1990

RESORTS INTERNATIONAL HOTEL, INC.
Casino Licensee

Basis of Authority to Take Oaths

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	681	19,456	13,602	\$ 92.85	69.9 %	26,819	\$ 47.09
FEBRUARY	681	17,420	13,545	\$ 88.38	77.8 %	27,344	\$ 43.78
MARCH	681	19,330	14,615	\$ 86.27	75.6 %	30,258	\$ 41.67
1ST QUARTER TOTALS		56,206	41,762	\$ 89.10	74.3 %	84,421	\$ 44.08
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

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C193
C.1

PROPERTY OF
NEW JERSEY STATE LIBRARY
MAY 23 1990
185 W. STATE ST.
TRENTON, N.J.

TRAINING NAME OF LICENSEE TropWorld Casino and Entertainment Resort
LIST OF FORMS - QUARTERLY
FOR THE QUARTER ENDED March 31, 1990

QUARTERLY REPORT

LICENSEE Adamar of New Jersey, Inc.
dba TropWorld Casino and Entertainment Resort

ADDRESS Brighton and the Boardwalk
Atlantic City, New Jersey 08401

Balance Sheets CCC-195
Statements of Income (Year-to-Date) CCC-213
Statements of Income (Three Months) CCC-215
FOR THE QUARTER ENDED March 31, 1990

Statements of Changes in Partners'
or Proprietor's Equity CCC-175
Statements of Cash Flow CCC-235
Notes to Financial Statements
Schedules of Receipts CCC-250
Statement of Conformity and Accuracy CCC-260

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



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . Lester Brzozowski

OFFICIAL TITLE. Vice President of Finance

ADDRESS Brighton and the Boardwalk
Atlantic City , NJ 08401

BALANCE SHEETS

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

LIST OF FORMS - QUARTERLY REPORT

FOR THE QUARTER ENDED March 31, 1990

	TITLE	FORM NO.
1	Current Assets:	
2	Marketable Securities	
3	Receivables and patrons' checks (net of allowance for doubtful accounts)	
4	Prepaid expenses and other current assets	
5	Total current assets	
6	Current Liabilities:	
7	Accounts payable	
8	Accrued expenses	
9	Other current liabilities	
10	Total current liabilities	
11	Long-Term Debt:	
12	Due to affiliates	
13	Other	
14	Deferred Credits	
15	Other liabilities	
16	Contingencies	
17	Total liabilities	
18	Stockholders', Partners', or Proprietors' Equity	
19	Total Liabilities and Equity	

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

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

BALANCE SHEETS

March 31, 19 90 AND 89

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
	Current Assets:	\$	\$
1	Cash.....	9,033	6,199
2	Marketable Securities.....	-0-	-0-
3	Receivables and patrons' checks (net of allowance for doubtful accounts 1990 \$11,391 ; 1989, \$8,531).....	20,736	14,058
4	Inventories.....	2,019	2,060
5	Prepaid expenses and other current assets.....	4,000	3,566
6	Total current assets.....	35,788	25,883
7	Investments, Advances, and Receivables.....(Note II-7, III-1).....	50,891	24,136
8	Property and Equipment - Net .....(Note II-1).....	249,940	252,444
9	Other Assets.....	1,047	7,233
10	Total Assets.....	\$ 337,666	\$ 309,696
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
11	Accounts payable.....	2,827	3,553
12	Notes payable.....	-0-	-0-
	Current portion of long-term debt:		
13	Due to affiliates.....	-0-	-0-
14	Other.....(Note II-2).....	2,883	14,988
15	Income taxes payable and accrued.....	(645)	(2,170)
16	Other accrued expenses.....(Note III-2).....	18,513	15,872
17	Other current liabilities.....(Note III-3).....	3,170	2,819
18	Total current liabilities.....	26,748	35,062
	Long-Term Debt:		
19	Due to affiliates.....(Note II-2).....	140,000	-0-
20	Other.....(Note II-2).....	8,654	107,178
21	Deferred Credits.....(Note II-3).....	656	2,097
22	Other Liabilities.....(Note II-7, III-4).....	19,626	41,492
23	Commitments and Contingencies (Note II-4)		
24	Total Liabilities.....	195,684	185,829
25	Stockholders', Partners', Or Proprietor's Equity.....	141,982	123,867
26	Total Liabilities and Equity.....	\$ 337,666	\$ 309,696

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

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED March 31, 1990 AND 1989

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	65,083	59,810
2	Rooms.....	5,601	5,408
3	Food and beverage.....	9,478	10,064
4	Other.....	2,257	2,398
5	Total revenue.....	82,419	77,680
6	Less: Promotional allowances.....(Note II-5, II-6)....	8,746	8,245
7	Net revenue.....	73,673	69,435
	Costs And Expenses:		
8	Cost of goods and services.....(Note II-6, II-7)....	38,556	40,960
9	Selling, general, and administrative.....(Note II-7).....	19,253	21,884
10	Provision for doubtful accounts.....	831	890
11	Depreciation and amortization.....	3,870	5,321
	Charges from affiliates other than interest:		
12	Management fees.....(Note II-7).....	153	192
13	Other.....(Note-II-7).....	14,112	12,418
14	Total costs and expenses.....	76,775	81,665
15	Income (Loss) From Operations.....	(3,102)	(12,230)
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....	(4,636)	-0-
17	Interest expense - external.....	(807)	(3,790)
18	Investment alternative tax and related income (expense) - net.(II-4)	(268)	(233)
19	Nonoperating income (expense) - net.....(Note III-5).....	5,638	4,574
20	Total other income (expenses).....	(73)	551
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(3,175)	(11,679)
22	Provision (credit) for income taxes.....(Note II-8).....	(1,373)	(4,783)
23	Income (Loss) Before Extraordinary Items.....	(1,802)	(6,896)
24	Extraordinary items (net of income taxes - 1990, \$ -0- ; 1989, \$ -0-).....	-0-	-0-
25	Net Income (Loss).....	\$ (1,802)	\$ (6,896)

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

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STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE three MONTHS ENDED March 31, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19 <u>90</u>		19 <u>89</u>	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:				
1	Beginning balance (January 1)	100	\$ 1	100	\$ 1
2	Sale of stock				
3	.....			
4	Ending balance	100	1	100	1
	Preferred Stock:				
5	Beginning balance (January 1)	70,609	78,902	70,609	78,902
6	Sale of stock				
7	.....			
8	Ending Balance	70,609	78,902	70,609	78,902
	Additional Paid-in Capital:				
9	Beginning balance (January 1)		53,883		29,565
10	.....			
11	.....			
12	Ending balance		53,883		29,565
	Treasury Stock:				
13	Beginning balance (January 1)		()		()
14	Purchase of additional stock		()		()
15	Sale or retirement of stock				
16	Ending balance		()		()
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1)		()		()
18	.....			
19	.....			
20	Ending balance		()		()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1)		()		()
22	.....			
23	.....			
24	Ending balance		()		()
	Retained Earnings:				
25	Beginning balance (January 1)		10,998		22,295
26	Prior period adjustments				
27	Net income (loss)		(1,802)		(6,896)
28	Dividends		()		()
29	.....			
30	.....		9,196		15,399
31	Ending balance				
32	Ending Stockholders' Equity		\$ 141,982		\$ 123,867

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

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

STATEMENTS OF CHANGES IN PARTNERS'

OR PROPRIETOR'S EQUITY

FOR THE Three MONTHS ENDED March 31, 19 90 AND 19 89

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 19 ____	(d) 19 ____
	Invested Capital:	\$	\$
1	Beginning balance (January 1)		
2	Additional capital invested		
3	.....	
4	Ending balance		
	Accumulated Income (Loss):		
5	Beginning balance (January 1)		
6	Prior period adjustments		
7	Net income (loss)		
8	.....	
9	Ending balance		
	Capital Withdrawals:		
10	Beginning balance (January 1)	()	()
11	Additional capital withdrawals	()	()
12	.....	
13	Ending balance	()	()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1)	()	()
15	.....	
16	.....	
17	Ending balance	()	()
18	Ending Partners' Or Proprietor's Equity	\$	\$

NOT APPLICABLE

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

MAY 16 9 11 AM '90
DIVISION OF REVENUE
CASINO AND ENTERTAINMENT RESORTS

STATEMENTS OF CASH FLOW

FOR THE THREE MONTHS ENDED March 31, 1990 AND 1989

TRADING NAME OF LICENSEE TropWorld Casino and Entertainment Resort

STATEMENTS OF CASH FLOW

FOR THE THREE MONTHS ENDED March 31, 1990 AND 1989
(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 2,943	\$ (6,994)
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....		
3	Proceeds from the sale of short-term investment securities.....		
4	Purchase outflows for property and equipment.....	(1,851)	(5,056)
5	Proceeds from disposition of property and equipment.....	4	5
6	Purchase of casino reinvestment obligations.....	(809)	(740)
7	Purchase of other investments and loans/advances made.....	(3,148)	(1,086)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	4,660	8,187
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(1,144)	1,310
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....		
15	Cash proceeds from issuance of long-term debt.....	-0-	10,234
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....	(687)	(2,235)
18	Cash proceeds from issuing stock or capital contributions.....		
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	(687)	7,999
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	1,112	2,315
25	Cash And Cash Equivalents At Beginning Of Period.....	7,921	3,884
26	Cash And Cash Equivalents At End Of Period.....	\$ 9,033	\$ 6,199

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 5,491	\$ 2,915
28	Income Taxes.....	\$ -0-	\$ -0-

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

STATEMENTS OF CASH FLOW

FOR THE THREE MONTHS ENDED March 31, 1990 AND 1989

(UNAUDITED)

(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities:		
29	Net income (loss).....	\$ (1,802)	\$ (6,896)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	3,805	4,625
31	Amortization of other assets.....	65	696
32	Amortization of debt discount or premium.....		
33	Deferred income taxes - current.....		
34	Deferred income taxes - noncurrent.....	(1,488)	(425)
35	(Gain) loss on disposition of property and equipment.....	(25)	10
36	(Gain) loss on casino reinvestment obligations.....	268	233
37	(Gain) loss from other investment activities.....		
38	Net (increase) decrease in receivables and patrons' checks.....	638	266
39	Net (increase) decrease in inventories.....	(18)	70
40	Net (increase) decrease in other current assets.....	230	511
41	Net (increase) decrease in other assets.....	104	(418)
42	Net increase (decrease) in accounts payables.....	(1,822)	(421)
43	Net increase (decrease) in other current liabilities excluding debt.....	2,257	(7,008)
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	731	1,763
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 2,943	\$ (6,994)

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
	Additions to property and equipment.....	\$ (5,066)	\$ (5,471)
49	Less: Capital lease obligations incurred.....	* (3,215)	* (415)
50	Cash Outflows For Property And Equipment.....	\$ (1,851)	\$ (5,056)
	Acquisition Of Business Entities:		
51	Property and equipment acquired.....	\$	\$
52	Goodwill acquired.....		
53	Net assets acquired other than cash, goodwill, and property and equipment.....		
54	Long-term debt assumed.....		
55	Issuance of stock or capital invested.....		
56	Cash Outflows To Acquire Business Entities.....	\$	\$
	Stock Issued Or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$	\$
58	Less: Issuances to settle long-term debt.....		
59	Consideration in acquisition of business entities.....		
60	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$	\$

* CAPITAL LEASE OBLIGATIONS OF \$3,267 AND \$415 WERE INCURRED FOR 1990 AND 1989 RESPECTIVELY, WHEN ADAMAR ENTERED INTO NEW PROPERTY AND EQUIPMENT LEASES. CAPITAL LEASE OBLIGATION RETIREMENTS OF \$52 WERE INCURRED FOR 1990.

NOTE 2. LONG-TERM DEBT

At March 31, 1990 and 1989, long-term debt consisted of:

	1990	1989
Note payable: prime minus 1%	439,000	
Mortgage payable		319,000
Construction interest		102,727,000

ADAMAR OF NEW JERSEY, INC.
DBA TROPWORLD CASINO AND ENTERTAINMENT RESORT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 1990 AND 1989

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 1. DISCLOSURES NOT PRESENTED

Certain footnotes have not been presented in these Notes to Consolidated Financial Statements. These footnotes would be a duplicate of items contained in the Casino Control Commission Annual Report for the year ended December 31, 1989.

The specific footnotes not presented are the summary of significant accounting policies and lease obligations. The footnotes contained in the December 31, 1989 Annual Report should be read in conjunction with these financial statements.

II. SIGNIFICANT INFORMATION

NOTE 1. PROPERTY AND EQUIPMENT

At March 31, 1990 and 1989, the components of property and equipment consisted of:

	<u>1990</u>	<u>1989</u>
Land	\$ 36,308,000	\$ 35,707,000
Building, furniture and fixtures	280,152,000	264,431,000
Less accumulated depreciation	(68,225,000)	(52,409,000)
Construction in progress	<u>1,705,000</u>	<u>4,715,000</u>
Total Property and Equipment	<u>\$249,940,000</u>	<u>\$252,444,000</u>

NOTE 3. DEFERRED CREDITS

Deferred credits consist of losses arising from timing differences between financial and taxable income.

NOTE 4. COMMITMENTS AND CONTINGENCIES

LICENSING

On November 26, 1989, the Company was awarded a gambling gaming license by the New Jersey Casino Control Commission. The license is renewable on a biennial basis. The license was renewed on November 21, 1991, and expires November 21, 1993, for a period of two years. Management has no indication that future renewals will not be granted.

NOTE 2. LONG-TERM DEBT

At March 31, 1990 and 1989, long-term debt consisted of:

	<u>1990</u>	<u>1989</u>
Note payable; prime minus 1%;	\$ -0-	\$ 439,000
Mortgage payable; 10%;	-0-	319,000
Construction and term loan; various interest rate options ranging from prime plus 3/4% to LIBOR plus 1 3/4%;	-0-	108,727,000
Note payable to Aztar Mortgage Funding, Inc.; 13.5%; due 1996;	140,000,000	-0-
Obligations under capital leases	<u>11,537,000</u>	<u>12,681,000</u>
	151,537,000	122,166,000
Less current portion	<u>(2,883,000)</u>	<u>(14,988,000)</u>
Long-term portion	<u>\$148,654,000</u>	<u>\$107,178,000</u>

Substantially all of the Company's property and equipment is pledged as collateral for long-term debt.

The aggregate fixed maturities for all long-term debt are:

1990	\$ 2,252,000
1991	2,688,000
1992	2,525,000
1993	2,228,000
1994	1,721,000
Thereafter	<u>140,123,000</u>
TOTAL	<u>\$151,537,000</u>

NOTE 3. DEFERRED CREDITS

Deferred credits consist of income taxes due to timing differences between financial and taxable income.

NOTE 4. COMMITMENTS AND CONTINGENCIES

Licensing

On November 26, 1982, the Company was granted a permanent gaming license by the New Jersey Casino Control Commission. The license is renewable on a biennial basis. The license was renewed on November 21, 1989, effective November 26, 1989, for a period of two years. Management has received no indication that future renewals will not be granted.

There have been no recent developments in legal proceedings.

The New Jersey Casino Control Commission imposes an annual tax of eight percent on gross revenue. Pursuant to legislation adopted in 1984, casino licensees are required to invest an additional one and one-quarter percent of gross casino revenue for the purchase of bonds to be issued by the Casino Reinvestment Development Authority ("CRDA") or make other approved investments equal to that amount; in the event the investment requirement is not met, the casino licensee is subject to a tax of two and one-half percent of gross casino revenue. As mandated by the legislation, the interest rate of the CRDA bonds purchased by the licensee will be two-thirds of the average market rate for bonds available for purchase and published by a national bond index at the time of the CRDA bond issuance. The Company's reinvestment obligation for 1990 and 1989, respectively, was \$809,000 and \$740,000 for the purchase of CRDA bonds and, accordingly, the Company recorded a loss provision of of \$268,000 and \$233,000 to recognize the effect of the below market interest rate the bonds would have borne had they been issued on March 31, 1990 and 1989.

Total	1,874,712	1,874,712	1,874,712	1,874,712
-------	-----------	-----------	-----------	-----------

6. JACKPOT PAYOUTS

Jackpot payouts for the year ending March 31, 1990 are:

	1990	1989	1988	1987
Motor Vehicles	1,212,000	1,212,000	1,212,000	1,212,000
Total	1,212,000	1,212,000	1,212,000	1,212,000

7. RELATED PARTIES

Due to affiliates is included in other long-term assets. The identity of the affiliates and approximate balances are:

Due to Nevada Co.	1,212,000	1,212,000
Due to Atlantic City, Inc.	1,212,000	1,212,000
Due to Yngl...	1,212,000	1,212,000
Due to...	1,212,000	1,212,000
Due to...	1,212,000	1,212,000
Due to...	1,212,000	1,212,000

NOTE 5. COMPLIMENTARY SERVICES

The amount of promotional allowances and promotional expenses for the three months ended March 31, 1990 are:

	<u>PROMOTIONAL ALLOWANCES</u>		<u>PROMOTIONAL EXPENSE</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Room	23,175	\$ 2,850,000	-0-	\$ -0-
Food	335,956	3,292,000	24,388	239,000
Beverage	1,410,132	1,493,000	-0-	-0-
Travel	-0-	-0-	1,309	458,000
Tivoli Pier/ Showroom/Boxing	10,669	143,000	5,187	104,000
Coin Payouts	-0-	-0-	409,350	6,042,000
Other	96,798	968,000	13,661	137,000
Total	1,876,730	\$ 8,746,000	453,895	\$ 6,980,000

NOTE 6. JACKPOT PAYOUTS

Jackpot payouts for the three months ending March 31, 1990 are:

	<u>PAYOUTS INCLUDED IN PROMOTIONAL ALLOWANCES</u>		<u>OTHER PAYOUTS</u>	
	<u>Number of Payouts</u>	<u>Dollar Amount</u>	<u>Number of Payouts</u>	<u>Dollar Amount</u>
Motor Vehicles	-0-	\$ -0-	1	\$ 23,858
Total	-0-	\$ -0-	1	\$ 23,858

NOTE 7. RELATED PARTIES

Due to affiliates is reflected in Other Liabilities. The identity of the affiliates and corresponding balances are:

	<u>1990</u>	<u>1989</u>
Due to Ramada Inc.	\$ -0-	\$ 706,000
Due to Atlantic-Deauville, Inc.	60,000	22,191,000
Due to Tropicana West	-0-	195,000
Due to Ramada New Jersey, Inc.	193,000	2,527,000
Due to Adamar Garage Corporation	1,274,000	-0-
Due to Aztar Mortgage Funding, Inc.	593,000	-0-
	<u>\$ 2,120,000</u>	<u>\$25,619,000</u>

Advances to affiliates are reflected in Investments, Advances and Receivables. The identity of the affiliates and corresponding balances are:

	1990	1989
Advances to Aztar Corporation	\$ 236,000	\$ -0-
Advances to Tropicana West	4,457,000	-0-
	4,693,000	-0-
Note receivable - Adamar Garage Corporation	17,052,000	-0-
	<u>\$21,745,000</u>	<u>\$ -0-</u>

A note payable to Aztar Mortgage Funding, Inc. in the amount of \$140,000,000 is included in Long-term debt to affiliates (see Note II-2).

For the three months ended March 31, 1990 and 1989 the Company incurred management fees from Aztar Corporation of \$153,000 and \$192,000, respectively.

The nature of "Charges from affiliates - other" for the three months ended March 31, 1990 and 1989 are as follows:

	1990	1989
Basic rent - AGP	\$12,290,000	\$ 12,244,000
Rent	238,000	174,000
Rent - Adamar Garage Corporation	1,584,000	-0-
Total	<u>\$14,112,000</u>	<u>\$ 12,418,000</u>

For the three months ended March 31, 1990 and 1989 the Company incurred charges from affiliates which are indicated in the accompanying Statements of Income as Cost of goods and services and Selling, general, and administrative. The nature of the charges and dollar amounts are as follows:

<u>COST OF GOODS AND SERVICES</u>	1990	1989
Executive Deferred Compensation Plan	\$ 1,000	\$ 1,000
Property Insurance	122,000	219,000
Executive Employee Relocation	-0-	3,000
Workman's Compensation	187,000	228,000
Total	<u>\$ 310,000</u>	<u>\$ 451,000</u>

	1990	1989
Computed expected tax expense	34.0%	34.0%
Increase in tax resulting from:		
State taxes, net	6.7%	6.7%
Permanent tax differences	2.3%	2.3%
Total	<u>43.0%</u>	<u>43.0%</u>

For income tax purposes, \$140,000,000 is included in Aztar's consolidated corporate federal income tax return.

At January 1, 1990, operating losses of \$1,000,000 are available as offset future income for federal income tax purposes. This carryforward will expire in the year 2004 unless the net operating losses are offset against income.

	<u>1990</u>	<u>1989</u>
<u>SELLING, GENERAL AND ADMINISTRATIVE</u>		
Insurance (1)	\$ 345,000	\$ 465,000
Executive Deferred Compensation Plan	16,000	14,000
Legal & Professional Fees	-0-	49,000
Workman's Compensation	36,000	37,000
Corporate Allocation	153,000	-0-
Long-term Incentive	235,000	-0-
Restricted Stock	<u>43,000</u>	<u>-0-</u>
	<u>828,000</u>	<u>565,000</u>
Total	<u>\$ 1,138,000</u>	<u>\$ 1,016,000</u>

(1) Insurance amounts include various premiums and claim settlements.

NOTE 8. INCOME TAXES/BENEFITS

The provision/(benefit) for income taxes from continuing operations is comprised of the following:

	<u>1990</u>	<u>1989</u>
State Deferred	\$ (326,000)	\$ 57,000
Federal Deferred	<u>(1,162,000)</u>	<u>(482,000)</u>
Total Deferred	<u>(1,488,000)</u>	<u>(425,000)</u>
State Current	17,000	(1,134,000)
Federal Current	<u>98,000</u>	<u>(3,224,000)</u>
Total Current	<u>115,000</u>	<u>(4,358,000)</u>
TOTAL	<u>\$ (1,373,000)</u>	<u>\$ (4,783,000)</u>

The following table provides a reconciliation between the provision/(benefit) for income taxes on continuing operations and the federal statutory rate (1990-34%, 1989-34%) when both are expressed as a percentage of pretax income/(loss):

	<u>1990</u>	<u>1989</u>
Computed expected tax expense	34.0%	34.0%
Increase		
in tax resulting from:		
State taxes, net	6.7%	6.1%
Permanent tax difference	<u>2.5%</u>	<u>0.9%</u>
Total	<u>43.2%</u>	<u>41.0%</u>

For income tax purposes, Adamar is included in Aztar's consolidated corporate, federal income tax return.

At January 1, 1990, operating losses of \$4,200,000 are available to offset future income for financial reporting purposes. This carryforward will expire in the year 2004 unless the net operating losses are offset against income.

III. SUPPORTING SCHEDULES FOR MATERIAL ITEMS

NOTE 1. INVESTMENTS, ADVANCES, AND RECEIVABLES

At March 31, 1990 and 1989, Investments, Advances, and Receivables consisted of the following:

	<u>1990</u>	<u>1989</u>
Due from Affiliates	\$ 4,693,000	\$ -0-
CRDA investment	12,149,000	9,691,000
Mortgage receivable	16,690,000	14,265,000
Note receivable - Adamar Garage Corporation	17,052,000	-0-
Long-term note receivable	<u>307,000</u>	<u>180,000</u>
Total	<u>\$ 50,891,000</u>	<u>\$ 24,136,000</u>

NOTE 2. OTHER ACCRUED EXPENSES

At March 31, 1990 and 1989, Other accrued expenses consisted of the following:

	<u>1990</u>	<u>1989</u>
Accrued payroll taxes and benefits	\$ 6,789,000	\$ 6,378,000
Accrued advertising	1,009,000	945,000
Accrued rent	383,000	395,000
Accrued taxes	927,000	888,000
Accrued progressive slot win	4,958,000	3,506,000
Accrued CCC & DGE	760,000	516,000
Accrued miscellaneous	1,970,000	1,314,000
Other	<u>1,717,000</u>	<u>1,930,000</u>
Total	<u>\$ 18,513,000</u>	<u>\$ 15,872,000</u>

NOTE 3. OTHER CURRENT LIABILITIES

At March 31, 1990 and 1989, Other current liabilities consisted of the following:

	<u>1990</u>	<u>1989</u>
Reinvestment Obligation	\$ 809,000	\$ 740,000
Accrued construction payables	284,000	484,000
Gaming chips	866,000	720,000
Casino and RCC payment deposit	237,000	129,000
Unclaimed wages	386,000	285,000
Other	<u>588,000</u>	<u>461,000</u>
Total	<u>\$ 3,170,000</u>	<u>\$ 2,819,000</u>

SCHEDULE OF RECEIVABLES AND PAYABLES

MARCH 31, 1990

(UNAUDITED)

(\$ IN THOUSANDS)

NOTE 4. OTHER LIABILITIES

At March 31, 1990 and 1989, Other liabilities consisted of the following:

DESCRIPTION	1990	1989
Due to affiliates	\$ 2,120,000	\$ 25,619,000
Deferred rent	17,506,000	15,873,000
TOTAL	\$ 19,626,000	\$ 41,492,000

NOTE 5. NON-OPERATING INCOME/(EXPENSE)

For the period ending March 31, 1990 and 1989, Non-operating income/(expense) consisted of the following:

	1990	1989
Interest income	\$ 1,692,000	\$ 730,000
Administrative fee	25,000	25,000
Leased land rental	1,386,000	1,385,000
Maintenance reimbursement	2,510,000	2,444,000
Gain/(Loss) on disposition	25,000	(10,000)
Total	\$ 5,638,000	\$ 4,574,000

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

STATEMENT OF March 31, 1990
(UNAUDITED) **TRUTHFULNESS AND ACCURACY**
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT (c) BALANCE	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (E) NET OF ALLOWANCE
	Patrons' Checks:	\$		
1	Undeposited patrons' checks.....	6,318		
2	Returned patrons' checks.....	14,982		
3	Total patrons' checks.....	21,300	(11,047)	10,253
4	Hotel Receivables.....	2,400	(344)	2,056
	Other Receivables:			
5	Receivables due from officers and employees..	18		
6	Receivables due from affiliates.....	-0-		
7	Other accounts and notes receivables.....	8,409		
8	Total other receivables.....	8,427		8,427
9	Totals (Form 205).....	\$ 32,127	\$ (11,391)	\$ 20,736

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 6,794
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	48,132
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(34,683)
13	Checks collected through deposits.....	(10,735)
14	Checks transferred to returned checks.....	(3,190)
15	Other adjustments.....	-0-
16	Ending Balance.....	\$ 6,318
17	"Hold" Checks Included in Balance On Line 16.....	\$ -0-
18	Provision For Uncollectible Patrons' Checks.....	\$ 713
19	Provision As A Percent Of Counter Checks Issued.....	1.5 %

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF New Jersey :
 COUNTY OF Atlantic : ss.

John McLaughlin

Name

, being duly sworn according to law upon my oath

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

John McLaughlin
 Signature

Controller

Title

01684-11

License Number

On Behalf Of:

Subscribed and sworn to
 before me this 11th day
 of May, 1996

Albion Duran
 Signature

TropWorldCasino & Entertainment Resort
 Casino Licensee

Basis of Authority
 to Take Oath
ALBION DURAN
Notary Public for the State of New Jersey
My Commission Expires Aug. 22, 1999

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	1,014	31,434	21,283	\$ 74.98	67.7 %	41,646	\$ 38.32
FEBRUARY	1,014	28,392	24,614	\$ 75.40	86.7 %	49,215	\$ 37.71
MARCH	1,014	31,434	28,569	\$ 55.75	90.9 %	55,517	\$ 28.69
1ST QUARTER TOTALS		91,260	74,466	\$ 67.74	81.6 %	146,378	\$ 34.46
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

QUARTERLY REPORT

974.901
C193
C.1

PROPERTY OF
NEW JERSEY STATE LIQUOR

MAY 23 1990

165 W. STATE ST.
TRENTON, N.J.

LICENSEE TRUMP CASTLE ASSOCIATES
ADDRESS HURON AVENUE & BRIGANTINE BLVD.
- ATLANTIC CITY

FOR THE QUARTER ENDED MARCH 31, 1990

TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE
OF CORRESPONDENCE REGARDING
THIS QUARTERLY REPORT . . . Tom Venier
OFFICIAL TITLE. Vice President of Finance
ADDRESS Huron Avenue & Brigantine Blvd.
Atlantic City, NJ 08401

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

LIST OF FORMS - QUARTERLY REPORT

PERIOD 1990 and 1991

FOR THE QUARTER ENDED MARCH, 1990

DESCRIPTION	(c) 1990	(d) 1991
ASSETS		
Assets:		
Cash	\$ 13,730	\$ 12,452
Marketable Securities	9,555	0
Receivables and patrons' checks less of allowances for doubtful accounts - 1990, \$2,866; 1991	17,210	15,289
Inventories	2,251	2,851
Prepaid expenses and other current assets	4,500	2,407
Total current assets	41,246	33,999
Investments, Advances, and Receivables	2,071	3,355
Property and Equipment - Net	273,245	340,280
Other Assets	11,089	12,455
Total Assets	\$436,356	\$402,094
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable	4,575	4,345
Notes payable	15,000	0
Unpaid portion of long-term debt to affiliates	25,000	0
Income taxes payable and accrued	0	0
Other accrued expenses	23,741	21,925
Total current liabilities	48,316	26,270
Deferred Credits	0	19
Commitments and Contingencies	0	0
Total Liabilities	48,316	26,289
Stockholders', Partners', or Proprietor's Equity	388,040	375,805
Total Liabilities and Equity	\$436,356	\$402,094

TITLE **FORM NO.**
 Balance Sheets CCC-205

Statements of Income (Year-to-Date) CCC-210

Statements of Income (Three Months) CCC-215

Statements of Changes in Stockholders' Equity CCC-220

Statements of Changes in Partners' or Proprietor's Equity CCC-225

Statements of Cash Flows CCC-235

Notes of Financial Statements

Schedule of Receivables and Patrons' Checks CCC-240

Statement of Conformity and Accuracy CCC-250

7/87

CCC-201

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

CCC-205

TRADING NAME OF LICENSEE TRUMP CASTLE HOTEL & CASINO

BALANCE SHEETS

MARCH 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	ASSETS		
	Current Assets:		
1	Cash.....(NOTE 1).....	\$ 13,730	\$ 17,452
2	Marketable Securities.....	9,655	0
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$2,866 ; 1989, \$1,603).....	17,310	15,249
4	Inventories.....	3,250	2,851
5	Prepaid expenses and other current assets.....	4,881	2,837
6	Total current assets.....	48,826	38,389
7	Investments, Advances, And Receivables.....	2,076	5,555
8	Property And Equipment - Net.....(NOTE 2).....	373,866	345,695
9	Other Assets.....(NOTE 6).....	11,788	12,455
10	Total Assets.....	\$436,556	\$402,094
	LIABILITIES AND EQUITY		
	Current Liabilities:		
11	Accounts payable.....(NOTE 7).....	\$ 5,975	\$ 13,586
12	Notes payable.....(NOTE 5).....	15,000	0
	Current portion of long-term debt:		
13	Due to affiliates.....(NOTE 3).....	22,680	0
14	Other.....	0	0
15	Income taxes payable and accrued.....	0	0
16	Other accrued expenses.....(NOTE 8).....	23,741	21,505
17	Other current liabilities.....(NOTE 9).....	11,512	10,750
18	Total current liabilities.....	78,908	45,841
	Long-Term Debt:		
19	Due to affiliates.....(NOTE 3).....	285,744	306,222
20	Other.....(NOTE 4).....	50,000	23,080
21	Deferred Credits.....	0	190
22	Other Liabilities.....	19	19
23	Commitments And Contingencies (NOTE 11)		
24	Total Liabilities.....	414,671	375,352
25	Stockholders', Partners', Or Proprietor's Equity.....	21,885	26,742
26	Total Liabilities And Equity.....	\$436,556	\$402,094

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

STATEMENTS OF INCOME

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:		
1	Casino.....	\$ 66,336	\$ 59,515
2	Rooms.....	4,731	4,253
3	Food and beverage.....	10,304	9,499
4	Other.....	2,700	2,050
5	Total revenue.....	84,071	75,317
6	Less: Promotional allowances.....(NOTE 13).....	10,011	9,357
7	Net revenue.....	74,060	65,960
	Costs And Expenses:		
8	Cost of goods and services.....(NOTE 14).....	39,763	34,952
9	Selling, general, and administrative.....	23,164	18,575
10	Provision for doubtful accounts.....	690	566
11	Depreciation and amortization.....	4,976	4,171
	Charges from affiliates other than interest:		
12	Management fees.....	0	0
13	Other.....	0	0
14	Total costs and expenses.....	68,593	58,264
15	Income (Loss) From Operations.....	5,467	7,696
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(NOTE 3).....	(10,295)	(10,484)
17	Interest (expense) - external.....(NOTE 4,5).....	(1,721)	0
18	Investment alternative tax and related income (expense) - net..(NOTE 10)..	(2,040)	(241)
19	Non-operating income (expense) - net.....(NOTE 9).....	222	482
20	Total other income (expenses).....	(13,834)	(10,243)
21	Income (Loss) Before Income Taxes And Extraordinary Items.....	(8,367)	(2,547)
22	Provision (credit) for income taxes.....(NOTE 1).....	0	(255)
23	Income (Loss) Before Extraordinary Items.....	(8,367)	(2,292)
24	Extraordinary items (net of income taxes - 19 __, \$; 19 __, \$).....	0	0
25	Net Income (Loss).....	\$ (8,367)	\$ (2,292)

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

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989

NOT APPLICABLE

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	19		198	
		(c) SHARES	(d) DOLLARS	(e) SHARES	(f) DOLLARS
	Common Stock:				
1	Beginning balance (January 1).....		\$		\$
2	Sale of stock.....				
3	.....			
4	Ending balance.....				
	Preferred Stock:				
5	Beginning balance (January 1).....				
6	Sale of stock.....				
7	.....			
8	Ending balance.....				
	Additional Paid-In Capital:				
9	Beginning balance (January 1).....				
10	.....			
11	.....			
12	Ending balance.....				
	Treasury Stock:				
13	Beginning balance (January 1).....		()		()
14	Purchase of additional stock.....		()		()
15	Sale or retirement of stock.....				
16	Ending balance.....		()		()
	Subscriptions Receivable For Capital Stock:				
17	Beginning balance (January 1).....		()		()
18	.....			
19	.....			
20	Ending balance.....		()		()
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:				
21	Beginning balance (January 1).....		()		()
22	.....			
23	.....			
24	Ending balance.....		()		()
	Retained Earnings:				
25	Beginning balance (January 1).....				
26	Prior period adjustments.....				
27	Net income (loss).....				
28	Dividends.....		()		()
29	.....			
30	.....			
31	Ending balance.....				
32	Ending Stockholders' Equity.....		\$ N/A		\$ N/A

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

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Invested Capital:		
1	Beginning balance (January 1).....	\$ 71,196	\$ 66,196
2	Additional capital invested.....	0	0
3	.....	0	0
4	Ending balance.....	71,196	66,196
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....	(2,494)	4,204
6	Prior period adjustments.....		0
7	Net income (loss).....	(8,367)	(2,292)
8	.....	
9	Ending balance.....	(10,861)	1,912
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(38,450)	(42,197)
11	Additional capital withdrawals.....	(0)	(0)
12	Repayment of withdrawals.....		831
13	Ending balance.....	(38,450)	(41,366)
	Net Unrealized Loss On Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	(0)	(0)
15	.....	
16	.....	
17	Ending balance.....	(0)	(0)
18	Ending Partners' Or Proprietor's Equity.....	\$ 21,885	\$ 26,742

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

CCC-225

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) By Operating Activities.....	\$ 2,848	\$ 1,892
	Cash Flows From Investing Activities:		
2	Purchase of short-term investment securities.....	0	
3	Proceeds from the sale of short-term investment securities.....	0	
4	Purchase outflows for property and equipment.....	(4,869)	(9,340)
5	Proceeds from disposition of property and equipment.....	0	0
6	Purchase of casino reinvestment obligations.....		(743)
7	Purchase of other investments and loans/advances made.....		
8	Proceeds from disposal of investments and collection of advances and long-term receivables CRDA.....	3,153	
9	Cash outflows to acquire business entities.....		
10			
11			
12	Net Cash Provided (Used) By Investing Activities.....	(1,716)	(10,083)
	Cash Flows From Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....		
14	Payments to settle short-term debt.....	(2,000)	
15	Cash proceeds from issuance of long-term debt.....		5,099
16	Costs of issuing debt.....		
17	Payments to settle long-term debt.....		
18	Cash proceeds from issuing stock or capital contributions.....		831
19	Purchases of treasury stock.....		
20	Payments of dividends or capital withdrawals.....		
21			
22			
23	Net Cash Provided (Used) By Financing Activities.....	(2,000)	5,930
24	Net Increase (Decrease) In Cash And Cash Equivalents.....	(868)	(2,261)
25	Cash And Cash Equivalents At Beginning Of Period.....	14,598	19,713
26	Cash And Cash Equivalents At End Of Period.....	\$ 13,730	\$ 17,452

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For:		
	Interest (net of amount capitalized).....	\$ 11,385	\$ 9,984
28	Income taxes.....	\$ 0	\$

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

STATEMENTS OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 1990 and 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows From Operating Activities		
29	Net income (loss).....	\$ (8,367)	\$ (2,292)
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property and equipment.....	4,783	4,019
31	Amortization of other assets.....	193	152
32	Amortization of debt discount or premium.....	600	500
33	Deferred income taxes - current.....	0	0
34	Deferred income taxes - noncurrent.....	0	(255)
35	(Gain) loss on disposition of property and equipment.....	0	0
36	(Gain) loss on casino reinvestment obligations.....	2,040	241
37	(Gain) loss from other investment activities.....	0	0
38	Net (increase) decrease in receivables and patrons' checks.....	(1,003)	(1,391)
39	Net (increase) decrease in inventories.....	241	187
40	Net (increase) decrease in other current assets.....	(2,151)	(537)
41	Net (increase) decrease in other assets.....	(47)	(56)
42	Net increase (decrease) in accounts payable.....	(2,495)	(9,052)
43	Net increase (decrease) in other current liabilities excluding debt.....	9,054	10,376
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	0	0
45			
46			
47	Net Cash Provided (Used) By Operating Activities.....	\$ 2,848	\$ 1,892

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

48	Acquisition Of Property And Equipment:		
49	Additions to property and equipment.....	\$ 4,869	\$ 9,340
50	Less: Capital lease obligations incurred.....	0	0
	Cash Outflows For Property And Equipment.....	\$ 4,869	\$ 9,340
51	Acquisition of Business Entities:		
52	Property and equipment acquired.....	\$ 0	\$
53	Goodwill acquired.....		
54	Net assets acquired other than cash, goodwill, and property and equipment.....		
55	Long-term debt assumed.....		
56	Issuance of stock or capital invested.....		
	Cash Outflows To Acquire Business Entities.....	\$ 0	\$
57	Stock Issued Or Capital Contributions:		
58	Total issuances of stock or capital contributions.....	\$ 0	\$ 831
59	Less: Issuances to settle long-term debt.....		
60	Consideration in acquisition of business entities.....		
	Cash Proceeds From Issuing Stock Or Capital Contributions.....	\$ 0	\$ 831

The allowance for doubtful accounts is maintained at a level consistent with the TRUMP CASTLE HOTEL & CASINO for possible future losses. \$2,216,000 through March 31, 1990.

NOTES TO FINANCIAL STATEMENTS

Inventories:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization and Operation:

Trump's Castle Associates Limited Partnership (the "Partnership") was organized on May 24, 1985, as a New Jersey limited partnership. Donald J. Trump and Trump's Castle Hotel & Casino, Inc., a New Jersey corporation which is owned by Mr. Trump, are the general partners and Mr. Trump is the sole limited partner (the "Partners").

Revenue Recognition:

The Partnership records as revenue the win from gaming activities which represents the difference between amounts wagered and amounts won by patrons. Revenues from hotel and related services are recognized at the time the related service is performed.

Promotional Allowances:

Gross revenues include the retail value of complimentary food, beverage and hotel services furnished to patrons. The retail value of these promotional allowances is deducted from gross revenue to arrive at net revenues. The cost of promotional allowances is charged to operations.

Marketable Securities

Marketable securities as of March 31, 1990, consisted of the purchase, by the Partnership, of Trump Castle Funding, Inc. Series A-1 Bonds, which are presented at cost.

Income Taxes/Deferred Credits:

The accompanying financial statements do not include a provision for Federal income taxes of the Partnership, since any income or losses allocated to the Partners are reportable for Federal income tax purposes by the Partners.

Under the New Jersey Casino Control Commission regulations, the Partnership is required to file a consolidated New Jersey corporation business tax return. Accordingly, a credit for state income taxes has been reflected in the accompanying financial statements. Deferred state income taxes result primarily from differences in the timing of reporting depreciation for tax and financial statement purposes.

Allowance for Doubtful Accounts:

The allowance for doubtful accounts is maintained at a level considered adequate to provide for possible future losses. The Partnership has provided \$2,866,000 through March 31, 1990.

Inventories:

Food and beverage inventories are carried on a weighted average basis and all other inventories are carried at the lower of cost or market on a first in, first out basis.

Property and Equipment:

Property and equipment is recorded at cost and is depreciated on the straight-line method over the estimated useful lives of assets. Estimated useful lives for furniture, fixtures and equipment are from three to eight years and 40 years for buildings.

Original Issuance Discount and Bond Issuance Costs:

Original issue discount is accreted over the life of the related indebtedness using the effective interest method.

Costs associated with the issuance of the bonds are capitalized and amortized over the life of the bonds using the effective interest method.

NOTE 2 - PROPERTY AND EQUIPMENT:

(In Thousands of Dollars)

Property and equipment as of March 31:

	<u>1990</u>	<u>1989</u>
Land	\$ 31,771	\$ 31,766
Buildings	236,728	236,728
Furniture, Fixtures and Equipment	85,890	68,323
Construction in Progress	15,923	70,652
Building Improvements	91,498	9,227
	-----	-----
TOTAL	\$461,810	\$416,696
Less Accumulated Depreciation	(87,944)	(71,001)
	-----	-----
Net Property and Equipment	<u>\$373,866</u>	<u>\$345,695</u>

NOTE 3 - LONG TERM DEBT:

On June 27, 1985, Trump's Castle Funding ("The Company") issued its Series A-1 and Series A-2 First Mortgage Bonds (the "Bonds") for proceeds of \$300,000,000. The proceeds of the bonds were loaned by the Company to the Partnership under the terms which conform in all material respects with the terms of the Bonds, and were used by the Partnership to repay the interim bank financing.

The Series A-1 Bonds in an aggregate principal amount of \$226,800,000 bear interest at a rate of 13-3/4%, which is payable semi-annually, with the principal due in full in 1997. These bonds are redeemable at any time, subject to certain conditions at the option of the Company, at the principal amount plus a premium of 13-3/4%, in the first year, which premium declines ratably each year to zero in the year of maturity. In addition, commencing in 1990, the Company will be required to annually make sinking fund payments in an amount sufficient to redeem 10% of the principal amount of the Series A-1 Bonds up to a maximum of 70% of the principal amount through 1996.

The Series A-2 Bonds in an aggregate principal amount of \$125,000,000 bear interest at a rate of 7% and were issued at a discount (net proceeds of \$73,200,000) at an effective interest rate of 13-3/4%. Interest will be payable semi-annually and the principal will be due in full in 1999. These bonds will be redeemable at any time, subject to certain conditions, at the option of the Company, at 100% of the stated principal amount thereof.

The bonds are secured solely by an assignment to the Trustee of the Partnership's notes to the Company in the aggregate amount necessary to service bonds and by a first mortgage on Partnership, excluding cash which may be distributed as described below (regardless of whether such cash has been distributed) and are non-recourse to such distributable cash. The Partnership has issued a non-recourse, limited guaranty of the payment of the principal or premium, if any, and interest on the bonds. The bonds are non-recourse to the Partners of the Partnership and the shareholders of the Company and all other persons and entities (other than the Company and the Partnership). The bonds cannot be subordinated to any other future borrowings by the Partnership or the Company.

The bond indenture permits the quarterly distribution of available cash flow, as defined, to the Partners in excess of \$1,512,000. The Partnership must also maintain such cash flow in an aggregate amount of \$6,048,000 during each 12 month period ending June 30, 1986 through 1990. In addition, the bond indenture limits additional borrowings and liens, certain activities of the Partnership and the Company, and the consolidation, merger, and transfer of substantially all of the assets, among other provisions.

NOTE 4 - LINE OF CREDIT:

In February 1988, the Partnership obtained a line of credit from a bank for \$50,000,000. This line of credit has been used to partially finance an expansion of Trump Castle Hotel & Casino. Interest is payable monthly at 1% above the bank's prime rate. Principal is payable beginning approximately four years from loan origination, and is based on a ten year payout with the balance due in 1998. Security for this loan is identical to that of the first mortgage bonds (Note 3). As of March 31, 1990, the Company had borrowed \$50,000,000 against this line of credit for construction costs, legal fees, and other closing costs. Legal fees and closing costs are included in other assets and the borrowings are included in long term debt - other. As of March 31, 1990, Trump Castle has capitalized \$3,223,000 of interest associated with this borrowing.

NOTE 5 - NOTES PAYABLE

As of March 31, 1990, the Partnership had drawn \$13,000,000 against a revolving credit line issued by a bank. The line is intended to fund short term working capital requirements, and is a demand note due and payable within twelve months of issuance, bearing interest at the bank's prime rate.

The partnership has received \$2,000,000 from Donald J. Trump payable on demand with interest payable at the current prime rate.

NOTE 6 - OTHER ASSETS - (Net):
(In Thousands of Dollars)

Other Assets consist of:	<u>1990</u>	<u>1989</u>
Deferred Loan Cost	\$ 465	\$ 588
Deferred Bond Costs (Net)	11,027	11,687
Other Non-Current Assets	248	124
TOTAL OTHER ASSETS	<u>\$11,788</u>	<u>\$12,455</u>

NOTE 7 - ACCOUNTS PAYABLE:
(In Thousands of Dollars)

	<u>1990</u>	<u>1989</u>
Accounts Payable Trade	\$ 4,545	\$ 4,263
Accounts Payable - Affiliates	0	2,916
Hilton Hotel Corporation	0	5,000
Patron Deposits	1,350	1,014
Other	79	393
TOTAL ACCOUNTS PAYABLE	<u>\$ 5,975</u>	<u>\$13,586</u>

NOTE 8 - OTHER ACCRUED EXPENSES:
(In Thousands of Dollars)

Other accrued expenses consist of:	<u>1990</u>	<u>1989</u>
Accrued Payroll	\$4,507	\$3,182
Accrued Interest	11,759	11,759
Accrued Advertising/Promotions	752	1,018
Accrued Progressive Jackpots	1,716	1,265
Accrued Sick/Vacation	4,217	3,511
Other	790	770
	-----	-----
TOTAL OTHER ACCRUED EXPENSES	\$23,741	\$21,505
	=====	=====

NOTE 9 - OTHER CURRENT LIABILITIES:
(In Thousands of Dollars)

Other current liabilities consist of:	<u>1990</u>	<u>1989</u>
Outstanding Chip Liability	\$ 976	\$1,284
Outstanding Token Liability	290	209
Patron Deposits	141	89
Accrued Utilities	305	447
Accrued Group Health Insurance	1,398	1,198
Accrued Insurance	1,948	1,459
A/P Other	3,042	1,247
Accrued Legal	492	359
Accrued CCC/DGE	582	519
Construction Retainage	1,616	2,771
Accrued Inventories	613	425
Accrued CRDA	109	743
	-----	-----
TOTAL OTHER CURRENT LIABILITIES	\$11,512	\$10,750
	=====	=====

NOTE 10 - NON-OPERATING INCOME (EXPENSE) - NET:
(In Thousands of Dollars)

Non-operating income for quarter ended March 31, 1990:

	<u>Three Months</u>	
	<u>1990</u>	<u>1989</u>
Discount Earned	\$ 58	\$ 49
Interest Income	164	433
	----	----
TOTAL NON-OPERATING INCOME	\$222	\$482
	=====	=====

NOTE 11 - COMMITMENTS AND CONTINGENCIES:

In May 1989, the New Jersey Casino Control Commission ("CCC") issued the Partnership a license to operate Trump Castle. A license is not transferable, is issued for a term of two years, and must be acted upon by the CCC no later than 30 days prior to the expiration of the license then in force. The continued operations of the Partnership are subject to its retaining its operating license.

CASINO REINVESTMENT DEVELOPMENT AUTHORITY OBLIGATIONS

The New Jersey Casino Control Act requires the Partnership to make qualified investments, as defined, in New Jersey, or pay an investment alternative tax.

Commencing 12 months after the date of opening (June 17, 1985) and continuing for a period of 25 years thereafter, the Partnership must either obtain investment tax credits, as defined, in an amount equivalent to 1.25% of its gross casino revenues or pay an alternative tax of 2.5% of its gross casino revenues. Investment tax credits may be obtained by the purchase of bonds at below market interest rates from the Casino Reinvestment Development Authority (CRDA) or by making qualified investments which must be approved by the CRDA. The Partnership is required to make quarterly deposits with the CRDA to satisfy its investment obligation.

In April, 1990 the Partnership modified its agreement with the Casino Reinvestment Development Authority (CRDA) under which it is required to purchase bonds to satisfy the investment alternative tax on gross revenues.

Under the modified terms of the agreement, the Partnership has donated \$9,288,688 in deposits to the CRDA in exchange for satisfaction of an equivalent amount of its prior bond purchase commitments, as well as receiving future tax credits in the amount of \$4,890,230, which credits are to be utilized to satisfy substantial portions of the Partnership's investment alternative tax obligations over approximately the next six quarters.

As a result of this agreement, the Partnership has charged \$752,000 to first quarter 1990, operations, which represents application of portion of the tax credits, as well as effect to the below market interest rates associated with the first quarter bond purchase commitment.

Additionally, the Partnership has charged \$1,288,000 against its first quarter 1990, results to give effect to the "CRDA" donation. This charge represents the write down of the net asset value of the CRDA deposits to the value of the tax credits issued to the Partnership by the CRDA.

The Partnership, along with another Atlantic City casino, has entered into a joint venture agreement with the New Jersey Department of Transportation to fund the construction of certain roadway improvements in the Atlantic City Marina District. The agreement requires that the Partnership make cash contributions totaling \$8,000,000. As of March 31 1990, the Partnership had made contributions totaling \$2,668,000.

NOTE 12 - EMPLOYEE BENEFIT PLANS:

Effective November 1, 1986, the Company adopted a retirement savings plan for its non-union employees under Section 401K of the Internal Revenue Code. The plan allows employees of the Partnership to defer up to 15% of their income on a pre-tax basis through contributions to the plan. The Partnership will match 50% of eligible employees' contributions up to a maximum of 4% of the individual earnings. The Partnership recorded charges of approximately \$106,000 for matching contributions for the three months ended March 31, 1990.

The Partnership made payments to various trustee pension plans under industry-wide union agreements. The payments are based on the hours worked by or gross wages paid to covered employees. It is not practical to determine the amount of payments ultimately used to fund pension benefit plans or the current financial condition of these plans. Under the Employee Retirement Income Security Act, the Partnership may be liable for its share of the plan's unfunded liability, if any, if the plans are terminated.

NOTE 13 - PROMOTIONAL ALLOWANCE AND PROMOTIONAL EXPENSES:

Promotional Allowances and Expenses and number of recipients for the three months ended March 31, 1990, consisted of the following:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Amount</u>	<u>Number of Recipients</u>	<u>Amount</u>
Rooms	41,624	\$ 2,694,000	51	58,000
Food	354,980	4,526,000	---	---
Beverage	478,461	1,555,000	---	---
Travel	3,023	323,000	9,146	1,898,000
Cash Coupons	---	---	704,248	7,581,000
Admissions	55,860	784,000	400	55,000
Other	2,760	127,000	87,453	1,609,000
	-----	-----	-----	-----
TOTALS	936,708	\$10,011,000	751,298	\$11,201,000
	=====	=====	=====	=====

NOTE 14 - JACKPOT PAYOUTS

Jackpot payouts in the form of merchandise which are included in cost of goods and services consisted of the following:

LINE NO.	DESCRIPTION (b)	For the Three Months Ended 3-31-90		BALANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
		Number of Recipients	Amount		
1	Deposited patrons' checks.....				
2	Motor Vehicles	10	\$131,850		
		--	-----		
3	Deposited patrons' checks.....			\$ 2,504	\$ 11,592
4	TOTALS	10	\$131,850	82	1,094
5	Other receivables.....	==	=====		
6	Receivables due from officers and employees.....				
7	Receivables due from affiliates.....				
8	Other accounts and notes receivables.....				
9	Other receivables.....				
10	Total (Form 203).....		\$ 20,775	\$ 2,584	\$ 17,210

LINE NO.	DESCRIPTION (a)	AMOUNT (b)
11	Beginning Balance (January 1).....	\$ 5,924
12	Checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	22,675
13	Checks redeemed prior to deposit (including the uncollected portion of counter checks redeemed through partial redemptions, and including counter redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(25,477)
14	Checks collected through deposits.....	106,781
15	Checks transferred to returned checks.....	(2,278)
16	Other adjustments.....	
17	Ending Balance.....	\$ 8,155
18	Checks Included In Balance On 3/31/90.....	\$ 8
19	Provision For Uncollectible Patrons' Checks.....	\$ 588
20	Provision As A Percent Of Counter Checks Issued.....	1.0

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 19

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES

LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE- (e) NET OF ALLOWANCE
Patrons' Checks:				
1	Undeposited patrons' checks.....	\$ 8,199		
2	Returned patrons' checks.....	6,293		
3	Total patrons' checks.....	14,492	\$ 2,504	\$ 11,988
4	Hotel Receivables.....	1,456	362	1,094
Other Receivables:				
5	Receivables due from officers and employees.....	23		
6	Receivables due from affiliates.....	2,200		
7	Other accounts and notes receivables.....	2,005		
8	Total other receivables.....	4,228	0	8,456
9	Totals (Form 205).....	\$ 20,176	\$ 2,866	\$ 17,310

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 8,064
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	66,819
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(47,527)
13	Checks collected through deposits.....	(16,781)
14	Checks transferred to returned checks.....	(2,376)
15	Other adjustments.....	
16	Ending Balance.....	\$ 8,199
17	"Hold" Checks Included In Balance On Line 16.....	\$ 0
18	Provision For Uncollectible Patrons' Checks.....	\$ 668
19	Provision As A Percent Of Counter Checks Issued.....	1.0 %

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
: ss.
COUNTY OF ATLANTIC :

Thomas P. Venier, being duly sworn according to law upon my oath deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

Tom Venier

Signature

Vice President Finance

Title

00711-11

License Number

Subscribed and sworn to before

On Behalf Of:

me this 14th day
of May, 1990

Trump Castle Hotel & Casino
Casino Licensee

Sharon J. Miller
Signature

SHARON J. MILLER
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires JUNE 18, 1991
Basis of Authority to Take Oaths

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	703	21,703	15,520	\$ 93.83	71.5 %	29,050	\$ 50.13
FEBRUARY	703	19,684	16,173	\$ 97.18	82.2 %	32,248	\$ 48.74
MARCH	703	21,793	17,906	\$ 103.42	82.2 %	36,430	\$ 50.83
1ST QUARTER TOTALS		63,180	49,599	\$ 98.38	78.5 %	97,728	\$ 49.93
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

974-901

QUARTERLY REPORT

C 193
C.1

FOR THE QUARTER ENDED MARCH 31, 1990

NEW JERSEY
MAY 23 1990
185 W. STATE ST.
TRENTON, NJ

LICENSEE TRUMP PLAZA ASSOCIATES

ADDRESS MISSISSIPPI AVENUE AND BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

FOR THE QUARTER ENDED MARCH 31, 1990

Schedule of Receivables and Patron's Checks CCC-240

Statement of Conformity and Accuracy CCC-250

TO THE
CASINO CONTROL COMMISSION
 OF THE
STATE OF NEW JERSEY



NAME OF OFFICER IN CHARGE OF CORRESPONDENCE REGARDING THIS QUARTERLY REPORT . . . TIM MALAND

OFFICIAL TITLE. SR. VICE PRESIDENT OF FINANCE & ADMINISTRATION

ADDRESS MISSISSIPPI AVENUE & BOARDWALK
ATLANTIC CITY, NEW JERSEY 08401

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

MARCH 31, 1989 AND 1990

LIST OF FORMS - QUARTERLY REPORT

(1 IN THOUSANDS)

FOR THE QUARTER ENDED MARCH 31, 1990		(c) 1990	(d) 1989
(a)	(b)		
ASSETS			
Current Assets:			
	Cash.....	\$ 16,149	\$ 32,217
	Marketable securities.....	-	-
	Receivables and patrons' checks (net of allowances for counts - 1990, \$14,117; 1989, \$12,981).....	11,263	11,603
Balance Sheets			
	Inventories.....	3,974	4,126
Statements of Income (Year-to-Date)	assets..... (Note 2)...	5,476	5,553
	Statements of Changes in Partners' or Proprietor's Equity.....	36,862	43,014
	Investments, Advances, and Receivables..... (Note 3)...	8,045	11,471
Statements of Cash Flows	Net..... (Note 4)...	122,250	117,779
	Other Assets..... (Note 5)...	40,482	40,074
Notes to Financial Statements			
	Total Assets.....	1409,639	1407,596
Schedule of Receivables and Patron's Checks			CCC-240
Statement of Conformity and Accuracy			CCC-250
Current Liabilities:			
	Accounts payable.....	3,693	5,785
	Notes payable.....	-	30
Current portion of long-term debt:			
	Due to affiliates.....	-	-
	Other..... (Note 6)...	1,742	1,757
	Income taxes payable and accrued.....	22	1,669
	Other accrued expenses..... (Note 6)...	26,935	24,604
	Other current liabilities..... (Note 7)...	5,626	17,559
	Total current liabilities.....	47,918	47,120
Long-Term Debt:			
	Due to affiliates..... (Note 8)...	250,000	250,000
	Other..... (Note 8)...	23,275	26,886
Deferred Credits..... (Note 10)...		4,356	5,316
Other Liabilities.....			
Commitments and Contingencies..... (Note 14)			
Total Liabilities.....		319,649	329,942
Stockholders', Partners', or Proprietor's Equity.....		109,990	107,654
Total Liabilities and Equity.....		1409,639	1407,596

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

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

BALANCE SHEETS

MARCH 31, 1990, AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
ASSETS			
	Current Assets:	\$	\$
1	Cash.....	18,149	22,217
2	Marketable securities.....	-	-
3	Receivables and patrons' checks (net of allowance for doubtful accounts - 1990, \$14,117; 1989, \$12,091).....	11,263	12,603
4	Inventories.....	3,974	4,126
5	Prepaid expenses and other current assets....(Note 2)...	5,476	4,068
6	Total current assets.....	38,862	43,014
7	Investments, Advances, and Receivables.....(Note 3)...	8,045	11,471
8	Property and Equipment - Net.....(Note 4)...	322,250	313,079
9	Other Assets.....(Note 5)...	40,482	40,032
10	Total Assets.....	<u>\$409,639</u>	<u>\$407,596</u>
LIABILITIES AND EQUITY			
	Current Liabilities:	\$	\$
11	Accounts payable.....	3,693	5,705
12	Notes payable.....	-	30
	Current portion of long-term debt:		
13	Due to affiliates.....	-	-
14	Other.....(Note 9)...	3,742	1,757
15	Income taxes payable and accrued.....	22	1,669
16	Other accrued expenses.....(Note 6)...	26,935	24,604
17	Other current liabilities.....(Note 7)...	6,626	13,355
18	Total current liabilities.....	41,018	47,120
	Long-Term Debt:		
19	Due to affiliates.....(Note 8)...	250,000	250,000
20	Other.....(Note 9)...	23,275	26,886
21	Deferred Credits.....(Note 10)...	4,356	5,936
22	Other Liabilities.....	-	-
23	Commitments and Contingencies (Note 14)		
24	Total Liabilities.....	318,649	329,942
25	Stockholders', Partners', or Proprietor's Equity.....	90,990	77,654
26	Total Liabilities and Equity.....	<u>\$409,639</u>	<u>\$407,596</u>

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

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Revenue:	\$	\$
1	Casino.....	70,403	73,720
2	Rooms.....	4,762	4,678
3	Food and beverage.....	11,945	10,988
4	Other.....	5,620	2,334
5	Total revenue.....	92,730	91,720
6	Less: Promotional allowances.....(Note 11)..	11,656	9,667
7	Net revenue.....	81,074	82,053
	Costs and Expenses:		
8	Costs of goods and services.....	44,507	37,976
9	Selling, general, and administrative.....	23,832	25,315
10	Provision for doubtful accounts.....	847	1,162
11	Depreciation and amortization.....	4,506	3,905
	Charges from affiliates other than interest:		
12	Management fees.....	-	-
13	Other.....(Note 14)....	515	344
14	Total costs and expenses.....	74,207	68,702
15	Income (Loss) from Operations.....	6,867	13,351
	Other Income (Expenses):		
16	Interest (expense) - affiliates.....(Note 12)....	(8,047)	(8,047)
17	Interest (expense) - external.....	(548)	(588)
18	Investment alternative tax and related income (expense) - net.....(Note 14)....	(2,673)	(301)
19	Nonoperating income (expense) - net.....(Note 13)....	373	498
20	Total other income (expenses).....	(10,895)	(8,438)
21	Income (Loss) before Income Taxes and Extraordinary Items.....	(4,028)	4,913
22	Provision (credit) for income taxes.....(Note 15)....	(354)	473
23	Income (Loss) before Extraordinary Items.....	(3,674)	4,440
24	Extraordinary items (net of income taxes - 1990, \$ - ; 1989, \$ -).....	-	-
25	Net Income (Loss).....	<u>\$ (3,674)</u>	<u>\$ 4,440</u>

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

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CHANGES IN PARTNERS'
OR PROPRIETOR'S EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Invested Capital:		
1	Beginning balance (January 1).....	\$ 50,707	\$ 50,707
2	Additional capital invested.....	-	-
3	.....	-	-
4	Ending balance.....	50,707	50,707
	Accumulated Income (Loss):		
5	Beginning balance (January 1).....	90,332	65,768
6	Prior period adjustments.....	-	-
7	Net income (loss).....	(3,674)	4,440
8	.....	-	-
9	Ending balance.....	86,658	70,208
	Capital Withdrawals:		
10	Beginning balance (January 1).....	(52,558)	(49,180)
11	Additional capital withdrawals.....	6,183	5,919
12	.....	-	-
13	Ending balance.....	(46,375)	(43,261)
	Net Unrealized Loss on Noncurrent Marketable Equity Securities:		
14	Beginning balance (January 1).....	-	-
15	.....	-	-
16	.....	-	-
17	Ending balance.....	-	-
18	Ending Partners' Or Proprietor's Equity.....	\$ 90,990	\$ 77,654

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

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
1	Net Cash Provided (Used) by Operating Activities	\$ 1,197	\$ 15,162
	Cash Flows from Investing Activities:		
2	Purchase of short-term investment securities.....	-	-
3	Proceeds from the sale of short-term invest. securities.	-	-
4	Cash outflows for property and equipment.....	(5,101)	(13,704)
5	Proceeds from disposition of property and equipment.....	68	26
6	Purchase of casino reinvestment obligations.....	11,854	(902)
7	Purchase of other investments and loans/advances made...	(7,324)	(2,202)
8	Proceeds from disposal of investments and collection of advances and long-term receivables.....	-	116
9	Cash outflows to acquire business entities.....	-	-
10	.....	-	-
11	.....	-	-
12	Net Cash Provided (Used) by Investing Activities.....	(503)	(16,666)
	Cash Flows from Financing Activities:		
13	Cash proceeds from issuance of short-term debt.....	-	-
14	Payments to settle short-term debt.....	(219)	(308)
15	Cash proceeds from issuance of long-term debt.....	-	1,550
16	Costs of issuing debt.....	-	-
17	Payments to settle long-term debt.....	(136)	(206)
18	Cash proceeds from issuing stock or capital contribution	-	-
19	Purchases of treasury stock.....	-	-
20	Payments of dividends or capital withdrawals.....	6,183	5,919
21	.....	-	-
22	.....	-	-
23	Net Cash Provided (Used) by Financing Activities.....	5,828	6,955
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	6,522	5,451
25	Cash and Cash Equivalents at Beginning of Period.....	11,627	16,766
26	Cash and Cash Equivalents at End of Period.....	<u>\$ 18,149</u>	<u>\$ 22,217</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

27	Cash Paid During Period For: Interest (net of amount capitalized).....	\$ 728	\$ 582
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.

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 1990 AND 1989

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	(c) 1990	(d) 1989
	Net Cash Flows from Operating Activities:		
29	Net income (loss).....	\$ (3,674)	\$ 4,440
	Noncash items included in income and cash items excluded from income:		
30	Depreciation and amortization of property & equipment.....	4,254	3,667
31	Amortization of other assets.....	252	238
32	Amortization of debt discount or premium.....	-	-
33	Deferred income taxes - current.....	-	-
34	Deferred income taxes - noncurrent.....	135	54
35	(Gain) loss on disposition of property and equipment..	(6)	63
36	(Gain) loss on casino reinvestment obligation.....	2,673	301
37	(Gain) loss from other investment activities.....	-	-
38	Net (increase) decrease in receivables and patrons' checks.....	1,224	581
39	Net (increase) decrease in inventories.....	242	(134)
40	Net (increase) decrease in other current assets.....	(3,240)	(1,355)
41	Net (increase) decrease in other assets.....	(989)	997
42	Net (increase) decrease in accounts payables.....	(499)	1,196
43	Net (increase) decrease in other current liabilities.. excluding debt.....	825	5,114
44	Net increase (decrease) in other noncurrent liabilities excluding debt.....	-	-
45	Deferred Loss on Disposition of Property & Equipment..	-	-
46		-	-
47	Net Cash Provided (Used) by Operating Activities.....	\$ 1,197	\$ 15,162

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES

	Acquisition of Property and Equipment:		
48	Additions to property and equipment.....	\$ (5,175)	\$ (13,704)
49	Less: Capital lease obligations incurred.....	74	-
50	Cash Outflows for Property and Equipment.....	\$ (5,101)	\$ (13,704)
	Acquisition of Business Entities:		
51	Property and equipment acquired.....	\$ -	\$ -
52	Goodwill acquired.....	-	-
53	Net assets acquired other than cash, goodwill, and property and equipment.....	-	-
54	Long-term debt assumed.....	-	-
55	Issuance of stock or capital invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	Stock Issued or Capital Contributions:		
57	Total issuances of stock or capital contributions.....	\$ -	\$ -
58	Less: Issuances to settle long-term debt.....	-	-
59	Consideration in acquisition of business entities	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.	\$ -	\$ -

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Property and equipment as of March 31 consisted of the following:

Trump Plaza Associates (formerly Harrah's Associates), (the Company), doing business as Trump Plaza Hotel and Casino, operates as a general partnership.

B. Disclosures Not Presented

Certain footnotes have not been presented in these Notes to Financial Statements since they would duplicate the disclosures contained in the Casino Control Commission Annual Report for the year ended December 31, 1989. The footnotes excluded are Summary of Significant Accounting Policies (except for Organization), and Employee Benefit Plans.

NOTE 2: PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Prepaid taxes	\$ 212,000	\$ 209,000
Prepaid insurance	322,000	413,000
Prepaid air transportation costs	395,000	576,000
Prepaid rent	173,000	184,000
Prepaid advertising costs	32,000	277,000
Prepaid special event costs	940,000	2,325,000
Prepaid service contracts	85,000	6,000
Prepaid CRDA expense	3,200,000	-
Other	117,000	78,000
	<u>\$5,476,000</u>	<u>\$4,068,000</u>

NOTE 3: INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, advances and receivables as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Advances due from -		
Seashore Four Associates	\$ 290,000	\$ 730,000
Trump Seashore Associates	1,468,000	1,448,000
The Trump Organization	13,000	-
Trump Taj Mahal Associates	1,171,000	1,268,000
Helicopter Air Services, Inc.	-	39,000
Trump Sports & Entertainment	47,000	-
Trump Penthouse Parcel	3,053,000	1,000
Other Affiliated Companies	8,000	6,000
Casino reinvestment bonds and escrow deposit, net of valuation adjustment - (1990) \$994,000; (1989) \$3,985,000	<u>1,995,000</u>	<u>7,979,000</u>
	<u>\$ 8,045,000</u>	<u>\$11,471,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 4: PROPERTY AND EQUIPMENT - NET

Property and equipment as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Land and land improvements	\$ 34,747,000	\$ 34,743,000
Buildings	284,953,000	273,539,000
Furniture, fixtures and equipment	60,539,000	50,279,000
Leasehold improvements	2,319,000	2,115,000
Construction in progress	<u>8,800,000</u>	<u>5,765,000</u>
	391,358,000	366,441,000
Less - Accumulated depreciation & amortization	<u>(69,108,000)</u>	<u>(53,362,000)</u>
Net property and equipment	<u>\$322,250,000</u>	<u>\$313,079,000</u>

NOTE 5: OTHER ASSETS

Other assets as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Land rights, net	\$ 31,444,000	\$ 31,813,000
Deferred preopening costs, net	47,000	237,000
Debt issuance costs, net	6,445,000	6,865,000
Deposits	46,000	470,000
Deferred expense - CRDA	938,000	-
Other deferred charges	<u>1,562,000</u>	<u>647,000</u>
	<u>\$ 40,482,000</u>	<u>\$ 40,032,000</u>

NOTE 6: OTHER ACCRUED EXPENSES

Other accrued expenses as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Accrued payroll	\$ 7,321,000	\$ 6,822,000
Accrued progressive jackpot liabilities	4,018,000	3,433,000
Accrued interest	9,563,000	9,572,000
Accrued gaming taxes payable	585,000	423,000
Accrued Casino Control Commission & Division of Gaming Enforcement fees	650,000	1,141,000
Accrued utilities	332,000	432,000
Accrued union benefits	282,000	189,000
Accrued health insurance benefits	775,000	242,000
Accrued sales, use & luxury tax	238,000	215,000
Accrued transportation costs	645,000	64,000
Accrued legal costs	285,000	378,000
Accrued special event costs	920,000	858,000
Other	<u>1,321,000</u>	<u>835,000</u>
	<u>\$ 26,935,000</u>	<u>\$ 24,604,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 7: OTHER CURRENT LIABILITIES

Other current liabilities as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
Unredeemed chip/token liability	\$ 824,000	\$ 1,206,000
Patron deposits	479,000	374,000
Casino reinvestment liability	117,000	899,000
Reserve for insurance claims	2,659,000	1,814,000
Due to partners	1,459,000	7,166,000
Advance room/theatre deposits	163,000	1,475,000
Advances due to Trump's Castle Associates	120,000	316,000
Advances due to Trump's Regency	140,000	-
Unclaimed wages	199,000	-
Other	466,000	105,000
	<u>\$ 6,626,000</u>	<u>\$ 13,355,000</u>

NOTE 8: LONG-TERM DEBT-DUE TO AFFILIATES

Long-term debt-due to affiliates as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
12 7/8% promissory note, interest payable semi-annually, sinking fund payments to retire \$25,000,000 principal amount annually commence June 15, 1991 are calculated to retire 70% of the promissory note prior to maturity in 1998.	<u>\$250,000,000</u>	<u>\$250,000,000</u>

NOTE 9: LONG-TERM DEBT - OTHER

Long-term debt - other as of March 31 consisted of the following:

	<u>1990</u>	<u>1989</u>
10% note payable to Harrah's Atlantic City, Inc., interest payable monthly, maturing in 1993 (A)	\$ 16,095,000	\$ 16,942,000
Mortgage notes payable in monthly installments, including interest, with interest rates ranging from 9.5% to 12.5%. The notes are due at various dates between 1990 and 1998 and are secured by certain real property.	10,791,000	11,470,000
Other notes with interest rates ranging from 11.02% to 12.5%, principal and interest payable monthly, secured by television and automobile equipment.	131,000	231,000
	<u>27,017,000</u>	<u>28,643,000</u>
Less current maturities	<u>3,742,000</u>	<u>1,757,000</u>
	<u>\$ 23,275,000</u>	<u>\$ 26,886,000</u>

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 9: LONG-TERM DEBT - OTHER, continued

(A) Interest on the note accrues at a rate of 10% per annum and is payable monthly. Payments of the original principal amounts are scheduled as follows:

- 10% due, May 16, 1990
- 15% due, May 16, 1991
- 20% due, May 16, 1992
- Balance due on maturity date - May 16, 1993

The aggregate maturities of long-term debt - other in each of the years subsequent to 1989 are:

		\$ 3,742,000
1991		8,691,000
1992		3,698,000
1993		8,812,000
1994		377,000
1995		<u>1,697,000</u>
Thereafter		<u>\$27,017,000</u>

NOTE 10: DEFERRED CREDITS

Deferred credits as of March 31, 1990 and 1989 consisted of deferred state income taxes.

NOTE 11: PROMOTIONAL ALLOWANCES AND EXPENSES

Promotional allowances and expenses for the three months ended March 31, 1990 consisted of the following:

	<u>Promotional Allowances</u>		<u>Promotional Expenses</u>	
	<u>Number of Recipients</u>	<u>Dollar Amount</u>	<u>Number of Recipients</u>	<u>Dollar Amount</u>
Rooms	22,481	\$ 3,232,000	3,505	\$ 368,000
Food	367,524	4,410,000	-	-
Beverage	838,630	2,516,000	-	-
Travel	-	-	19,974	2,996,000
Theatre	48,390	1,419,000	998	40,000
Coin Bonus	-	-	463,279	6,122,000
Tips	-	-	3,238	129,000
Other	3,150	79,000	10,792	908,000
TOTAL	<u>1,280,175</u>	<u>\$11,656,000</u>	<u>501,786</u>	<u>\$10,563,000</u>

that expense charged by the affiliates was \$212,000 and \$341,000 for the three and twelve months ended March 31, 1990 and 1989, respectively.

TRUMP PLAZA ASSOCIATES
NOTES TO FINANCIAL STATEMENTS, continued

NOTE 12: INTEREST (EXPENSE) - AFFILIATES

Interest (Expense) - Affiliates for the three months ended March 31, 1990 and 1989 consisted of the 12-7/8% promissory note due in the principal amount of \$250,000,000 to Trump Plaza Funding, Inc.

NOTE 13: NONOPERATING INCOME (EXPENSE) - NET

Nonoperating income (expense) - net for the three months ended March 31 consisted of the following:

	Three months ended	
	1990	1989
Interest income	\$379,000	\$561,000
Gain/(loss) on disposal of property and equipment	<u>(6,000)</u>	<u>(63,000)</u>
	<u>\$373,000</u>	<u>\$498,000</u>

NOTE 14: COMMITMENTS AND CONTINGENCIES

A. Leases

The Company leases property (primarily land), certain parking space, and various equipment under operating leases. The Company also leases certain automobiles which have been classified as capital leases in the financial statements. Rent expense was \$1,321,000 and \$986,000 for three months ended March 31, 1990 and 1989, respectively.

Future minimum lease payments under the noncancellable leases are as follows:

1991	\$ 3,156,000
1992	3,150,000
1993	3,100,000
1994	3,100,000
1995	3,175,000
Thereafter through 2078	<u>511,346,000</u>
	<u>\$527,027,000</u>

Included above are future minimum lease payments under noncancellable leases with Seashore Four Associates and Trump Seashore Associates, affiliates of the Company, which are as follows:

1991	\$ 2,031,000
1992	1,950,000
1993	1,900,000
1994	1,900,000
1995	1,975,000
Thereafter through 2078	<u>424,764,000</u>
	<u>\$434,520,000</u>

Rent expense charged by the affiliates was \$515,000 and \$344,000 for the three and twelve months ended March 31, 1990 and 1989, respectively.

TRUMP PLAZA ASSOCIATES
 NOTES TO FINANCIAL STATEMENTS, continued

NOTE 14: COMMITMENTS AND CONTINGENCIES (Cont.)

Certain of these leases contain options to purchase the leased properties at various prices and times throughout the lease terms. At March 31, 1990, the aggregate option prices for these leases were \$28,500,000.

B. Investment obligation:

The New Jersey Casino Control Act requires the Company to make qualified investments, as defined, in New Jersey, or pay an investment alternative tax.

Effective April 15, 1990, the Company has been granted approval from the Casino Reinvestment Development Authority (CRDA) to receive investment credits for qualified investments in Atlantic City from deposited funds previously designated for the purchase of below market interest rate bonds. For the three months ended March 31, 1990, the financial statements reflect a nonoperating charge included as Investment alternative tax and related income (expense)-net, of approximately \$1,875,000 to give effect to a write-down in deposits paid towards the purchase of below market rate bonds as of December 31, 1989. As of March 31, 1990, approximately \$3,200,000 and \$938,000 are included as prepaid expenses and other current assets and other assets, respectively in the accompanying financial statements. These amounts are net of a charge of approximately \$759,000 for the three months ended March 31, 1990, represent the remaining tax credits received from the CRDA and will be charged to operations in lieu of the Company's requirement to make quarterly deposits with the CRDA.

C. Casino License

In May, 1989, the New Jersey Casino Control Commission ("CCC") issued the Company a license to operate Trump Plaza. The license is not transferable, is issued for a term of two years and must be acted upon by the CCC no later than 30 days prior to the expiration of the license then in force. The continued operations of the Company is subject to its retaining its operating license.

NOTE 15: PROVISION (CREDIT) FOR INCOME TAXES

The provision (credit) for state income taxes for the three months ended March 31 consisted of the following:

	Three months ended	
	1990	1989
Current	\$ (488,000)	\$ 419,000
Deferred	134,000	54,000
Total	<u>\$ (354,000)</u>	<u>\$ 473,000</u>

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

MARCH 31, 1990

(UNAUDITED)
(\$ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCTS. REC. NET OF ALLOW. (e)
1	Patrons' Checks: Undeposited patrons' checks.....	\$ 6,896		
2	Returned patrons' checks.....	16,472		
3	Total patrons' checks.....	23,368	\$13,910	\$ 9,458
4	Hotel Receivables.....	1,517	207	1,310
5	Other Receivables Receivables due from officers & emps.	48		
6	Receivables due from affiliates.....	-		
7	Other accounts and notes receivables.....	447		
8	Total other receivables.....	495		495
9	Totals (Form 205).....	\$25,380	\$14,117	\$11,263

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 7,537
11	Counter checks issued (excluding counter checks issued through transactions relating to consolidations, partial redemptions, substitutions, and patrons' cash deposits).....	59,443
12	Checks redeemed prior to deposit (excluding the unredeemed portion of counter checks redeemed through partial redemptions, and excluding checks redeemed through transactions relating to consolidations, substitutions, and patrons' cash deposits).....	(42,729)
13	Checks collected through deposits.....	(14,859)
14	Checks transferred to returned checks.....	(2,496)
15	Other adjustments.....	-
16	Ending Balance.....	\$ 6,896
17	"Hold Checks included in Balance on Line 16.....	\$ -
18	Provision for Uncollectible Patrons' Checks.....	\$ 839
19	Provision as a Percent of Counter Checks Issued.....	1.4%

STATEMENT OF CONFORMITY AND ACCURACY

STATE OF NEW JERSEY :
:ss.
COUNTY OF ATLANTIC :

TIM MALAND, being duly sworn according to law upon my oath
Name

deposes and says:

1. I have examined this Quarterly Report.
2. All the information contained in this Report has been prepared in conformity with Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. The information contained in this Quarterly Report is accurate to the best of my knowledge and belief.

Tim Maland
Signature

SR. VP OF FINANCE & ADMIN.
Title

004804-11
License Number

Subscribed and sworn to
before me this 15th day
of MAY, 1990

On Behalf Of:

Jodi B Mucharsky
Signature

TRUMP PLAZA ASSOCIATES
Casino Licensee

JODI B. MUCHARSKY
A Notary Public of New Jersey
My Commission Expires Sept. 22, 1991

Basis of Authority
to Take Oaths

TRADING NAME OF LICENSEE TRUMP PLAZA HOTEL & CASINO

HOTEL STATISTICS

FOR THE 3 MONTHS ENDED March 31, 1990

PERIOD	NUMBER OF GUEST ROOMS IN PROPERTY	NUMBER OF AVAILABLE ROOMS	NUMBER OF OCCUPIED ROOMS	AVERAGE RATE PER OCCUPIED ROOM	OCCUPANCY RATE	NUMBER OF GUESTS ACCOMMODATED	AVERAGE RATE PER GUEST ACCOMMODATED
JANUARY	562	16,497	14,599	\$ 103.68	88.5 %	29,198	\$ 51.84
FEBRUARY	556	14,786	13,636	\$ 106.15	92.2 %	27,272	\$ 53.07
MARCH	556	16,434	14,854	\$ 121.32	90.4 %	29,708	\$ 60.66
1ST QUARTER TOTALS		47,717	43,089	\$ 110.54	90.3 %	86,178	\$ 55.27
APRIL				\$	%		\$
MAY				\$	%		\$
JUNE				\$	%		\$
2ND QUARTER TOTALS				\$	%		\$
JULY				\$	%		\$
AUGUST				\$	%		\$
SEPTEMBER				\$	%		\$
3RD QUARTER TOTALS				\$	%		\$
OCTOBER				\$	%		\$
NOVEMBER				\$	%		\$
DECEMBER				\$	%		\$
4TH QUARTER TOTALS				\$	%		\$
ANNUAL TOTALS				\$	%		\$